

CHAPTER I

INTRODUCTION

1.1 Background Of The Research

Digital money or often known as E-Money is now widely used by the public at large, especially in big cities to make payment transactions more practically. David Chaum is a figure behind electronic money. He invented the term digital money or DigiCash in 1983. But unfortunately, at that time, the use of payment methods under the name DigiCash was still not well socialized to the public so that the use is not as popular as it is today. In addition, technology at that time was not yet fully developed, even though computers and the internet had only just begun to develop and were discovered in those years. Then, along with developments in 1994, electronic payments began (<https://www.finansialku.com>).

Since 1994, the world has begun to know the method of payment with electronic money, but in Indonesia itself, the use of electronic money has only entered the popular stage in 2007 after this new method was implemented by one of the private banks in Indonesia. Payments with electronic money have now been carried out by the people of Indonesia through permission from bank Indonesia in the regulations written in Number 11/12 / PBI / 2009. (<https://www.finansialku.com>).

E-Money is a means of payment in the form of a media server or chip which has a nominal value of money stored electronically (source : <https://www.finansialku.com>). E-Money in its function is commonly used to make various payments, including paying toll roads, public transportation tickets, parking fees, and also paying shopping bills at supermarkets or mini markets. When consumers pay with E-Money, the nominal money in it will decrease automatically along with the payments made. The history of E-Money was first introduced in Indonesia since 2007 and the banks have the right to issue E-Money that has been granted permission and approval from Bank Indonesia. E-Money itself is regulated in legislation, namely in the Bank Indonesia Regulation number 11/12 / PBI / 2009 concerning Electronic Money.(<https://www.finansialku.com>)

GO-PAY as one of the GO-JEK mobile money platform in Indonesia (previously called Go Wallet) is a virtual wallet which keep the consumer credit that can be used on transactions related to services in the GO-JEK application. To be able to use GO-PAY, consumers need to ensure that the balance is sufficient to make payments. If the consumer balance is insufficient, GO-JEK provides a partial payment service, where consumers can pay with GO-PAY balance, then the rest can be paid with cash money. Currently, GO-PAY has been integrated with major banks in Indonesia for consumers convenience to fill balance into GO-PAY. Some of the major banks that are GO-JEK partners in GO-PAY services are BCA, Bank Mandiri, Bank BRI,BNI, Permata Bank, CIMB Niaga, and filling in Via ATM Bersama and PRIMA Balance.

Through GOPAY services, consumers can also make payments easily for all services available from GO-JEK applications such as transportation or shuttle payments (GO-RIDE, GO-CAR, and GO-BLUEBIRD), payment of messaging services between foods (GO- FOOD), payment of goods delivery or transportation services (GO-SEND and GO-BOX), payment of booking services and purchase of cinema tickets (GO-TIX), payment of cleaning services (GO-CLEAN), payment of credit purchase services (GO-PULSA), payment for shopping services (GO-MART and GO-SHOP), payment of electricity bills, BPJS, Google Play, Multifinance, and Internet and Cable TV (GO-BILLS) Vouchers, Balance transfers to fellow users (GO-PAY Transfer) (only for Verified Accounts), Balance withdrawals (GO-PAY Withdrawal) (only for Verified Account). Figure 1.1 shows the display of the Gojek (service) application.

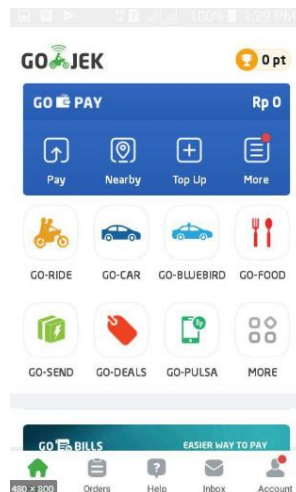


Figure 1.1 GOJEK Application

Source : <https://www.gojek.com> (Last Acces on September 2,2019)

GOPAY also provides divisions into 2 account categories, namely Unverified Accounts and Verified Accounts on GO-PAY Services. Differences in Unverified Accounts and Verified Accounts on GO-PAY Services is the balance limit for ordinary accounts (Unverified Account) only reaches Rp1,000,000. while for verified accounts it reaches Rp. 10,000,000. A normal account cannot transfer GO-PAY balances between fellow GO-PAY users while a verified account can do that. Regular accounts cannot withdraw funds (withdrawal) while verified GO-PAY accounts can. and How to Become a Verified Account on GO-PAY / GO-PAY Account Upgrade to become a verified user and be able to enjoy all the features of GO-PAY services, consumers can take the following steps, Take and upload photos of ID cards into the GO-JEK application, Take a selfie while holding the KTP and upload it into GO-JEK application, Wait for the verification process from GO-JEK for 1x24 hours and the consumer GO-PAY Account will be automatically verified.

1.2 Problem Statement

In the present era, the development of information technology is very fast. As time goes by the development of technology becomes important because it makes it easier for people to carry out various daily activities. One of the technologies that become a trend is the use of the internet. with the internet, we can get information from anywhere. Internet besides being used as a communication media can also be utilized to support certain business activities of a company.

The rapid development of technology makes the business environment also grow rapidly. People's lifestyles are also changing because of the influence of these technological developments, one of which is the use of gadgets to make it easier for someone to carry out daily activities. With the tendency to engage in cyberspace, one can easily shop and pay with an online system. Now online shopping and paying online is one of the trends, where buyers don't have to come directly to the store to buy the items they

want and pay at the store cashier. With an internet connection, the buyers can access the online store and can pay through the media transfer online using a gadget.

In Indonesia, digital payment services are increasing in popularity. The payment system through E-WALLET has become the choice of the people now. With this service, various transactions without cash can be made. Armed with the balance that is in the E-WALLET account, all purchases both offline and online can be resolved. In general, a digital wallet is said to be a chip and server-based electronic money service product. Chip digital wallets are usually in the form of cards, while general server-based is usually in an application.

As one of the developing countries, Indonesia has experienced rapid development in digital payment systems. Users of this system can benefit many parties, both consumers and sellers. Currently, the digital-based payment system in Indonesia is starting to look promising, various companies engaged in the digital industry are starting to emerge, ranging from Per-Bank to start-up digital that participates in advancing the movement of the Indonesian economy. One of the digital payment businesses is the application-based server which is E-WALLET and E-MONEY. E-WALLET services based on applications and servers with E-MONEY are generally used by people in the productive age of 15-64 years with a high level of activity such as in big cities Jakarta, Depok, Bogor, Bekasi, Tangerang, Surabaya, Semarang, Malang, Medan, Palembang, Yogyakarta, Denpasar and Bandung. One of the E-WALLET-based business applications and servers with E-MONEY is Telkomsel with Linkaja, Go-JEK with GO-PAY, and Grab with OVO are some of the many E-MONEY-based businesses that are currently enlivening the business world in Indonesia. One of the E-MONEY businesses that are currently very well known in Indonesia, namely GOPAY from GO-JEK.

According to katadata.co.id in 2019, it can be seen in the Figure 1.2 that the most use of E-MONEY in Indonesia and the most use of E-MONEY in the first position is GOPAY. In terms of frequency of use, GOPAY becomes E-MONEY with the highest frequency of use compared to other E-MONEY circulating in Indonesia. The YuGov Indonesia Research shows that GO-PAY is the most used E-MONEY in Indonesia. This server-based electronic payment system is expected to play an important role in the financial inclusion target of 75 percent by 2019. The increasing public interest in the use

of electronic money in transactions has also triggered the growth of various non-cash payment products. Some of the server-based electronic money products currently known include Go-Pay, OVO, Doku Wallet, and T-Cash. From a number of these brands, Go-Pay is considered the most widely used electronic money. This is based on the YouGov Indonesia report released in January 2019. Through a survey of 1,531 respondents conducted on November 1-8, 2018, 80 percent chose Go-Pay as a non-cash payment instrument. Then followed by OVO, Paypal, and T-Cash in a row. One of the main features of Go-Pay is the QR (Quick Response) Code technology. Users can make payments only by scanning optical data sets or barcodes provided by the destination merchant. Evidently, since the appearance of these features, Go-Pay transactions during 2018 skyrocketed to 400 percent.

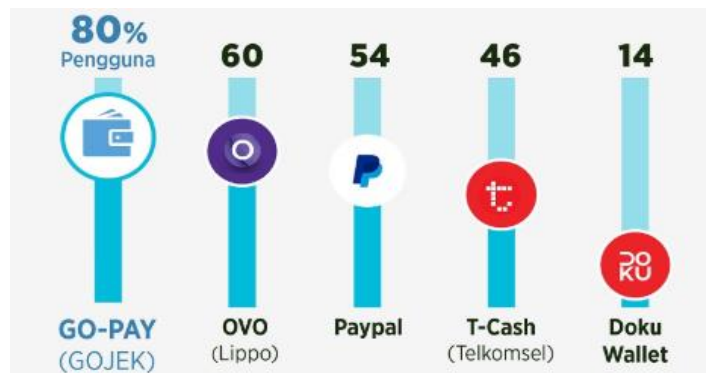


Figure 1.2 Infographic E-MONEY

Source: <https://katadata.co.id/infografik/2019/03/01/go-pay-jawara-uang-elektronik> (last access on July 13, 2019)

The year 2018 is a very developing year for the E-MONEY industry in Indonesia. CNBC Indonesia revealed that GOPAY as one of the nation's E-Wallet works quite intensively to stimulate GO-JEK users to use Discounts and Cashback. In the first round of the Series F funding round (funding to strengthen the company, maintain its status as a private company), Go-Jek announced several financial data. In a company release dated February 1, 2019, throughout 2018, the gross transaction value (GTV) or user transactions at Go-Jek reached US \$ 9 billion, equivalent to Rp 125 trillion. This is a transaction in all markets where Go-Jek operates. The GoPay usage transactions reached US \$ 6.3 billion, equivalent to Rp 87 trillion. This figure is equivalent to 69.6% of the

overall Go-Jek transaction. Go-Jek claims that throughout 2018, they already have 2 million driver-partners, 400,000 merchants, 1.5 million agents, and 600,000 service providers.

System usage (actual system usage) is a real condition of the use of a technological system that can be measured based on the intensity of use and duration of use (Davis, 1989). So that if users use the Go-Pay service intensively, it can be said that users know the Go-Pay payment system well. The level of acceptance of Go-Pay by its users can be seen from several factors. According to Sadurawan, Samarasinghe & Kuruppu (2018), the factors that influence the use of the GOPAY system are user awareness, user knowledge, perceive trust, and perceived risk.

Brand awareness is the ability of a customer to remember a particular brand or certain advertisement spontaneously or after being stimulated with keywords. Rangkuti (2004: p.243). Furthermore, GOPAY also has an increase in Brand Awareness. Whereas of July 2019, GOPAY Brand Awareness reached 100. Digital wallet services (e-wallets) belong to GoJek Indonesia, Go-Pay is most popular with the Indonesian millennial generation. This refers to the results of research from the Alvara Research Center, which shows Go-Pay as the top brand awareness for the digital payment application category. In the research of Indonesian Millennial Consumer Behavior and Preference towards E-Commerce 2019 'Applications by Alvara Go-Pay outperformed OVO associated with Grab (96.2 percent), Dana (50.3 percent), PayTren (47 percent), LinkAja (35 percent).



Figure 1.3 Brand Awareness Achievement GOPAY

Source: <https://www.medcom.id/ekonomi/mikro/zNAV74wb-brand-awareness-go-pay-capai-100-persen> (last acces on 14 July 2019)

Product knowledge has an important role in determining user behavior according to Lin and Chen (2006) and Kim, Mirusmonov and Lee (2010). Then, GOPAY is also benefited with consumer knowledge towards GOJEK. Where consumers are who familiar with GOJEK, is easily exposed to GOPAY. According to Go-pay CEO Aldi Haryoprato said that significant growth made Go-pay as the most widely used electronic money service in Indonesia, the success of Go-pay won the hearts of the Indonesian people because GOPAY was present offering comprehensive services in people's daily lives. Not only for users, but also for driver partners and business partners.



Figure 1.4 Product Knowledge about GOPAY

Source : <https://www.tribunnews.com/bisnis/2019/04/12/transaksi-go-pay-di-luar-layanan-gojek-diklaim-tumbuh-25-kali-lipat> (Last Acces on July 19,2019)

Although GOPAY's brand image is good, there are still many consumers who experience problems using the GOPAY system. At figure 1.5 show that problem about GOJEK, this mode starts when the consumer receives a phone call from an unknown number. After being appointed the perpetrator introduces himself as one of the staff of PT. Gojek. fraudsters say that consumers get a prize money of Rp 3 million. The fraudster tried to convince consumers by sending an SMS on behalf of PT. Gojek. The perpetrators then contact the consumer again and ask for the customer account number of the gojek. Consumers are hooked to give it. Simultaneously the consumer gets a notification via SMS, and when checking the balance on Gopay, it seems that it's gone, things like This can lead to a decrease in trust in the use of GOPAY.



HATI-HATI! Marak, Penipuan Online Berkedok Gopay, Ini Modusnya

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Ilustrasi (ISTIMEWA)

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Figure 1.5 GOJEK problem about GOPAY

Source : <https://baliexpress.jawapos.com/read/2018/10/23/99956/hati-hati-marak-penipuan-online-berkedok-gopay-ini-modusnya> (Last Acces on September 2 ,2019)

Risk perception is a user's concern about uncertainty or possible losses that may arise when using online transactions so that the perception of Go-Pay risk is a user's concern about the uncertainty that might occur as a result of using GoPay. Many people think that this technology also has risks, mainly due to payments. Although it contains risks according to some people, there are also many users who still believe it and still use it (Priyono, 2017). Therefore there is a need for an effort from PT. Go-Jek Indonesia to minimize the occurrence of risks so that the presence of Go-Pay is expected to be trusted. The lower the risk that might arise from the use of Go-Pay, is expected to increase its use.



Figure 1.6 GOJEK problem about GOPAY

Source: <https://lifestyle.kontan.co.id/news/saldo-gopay-maia-estianty-dikuras-begini-modus-yang-dilakukan-sang-penipu?page=all> (last acces on 9 january 2020)

There are various researchers, who connect intention to use mobile money with various factors such as, User Awareness, User Knowledge, Perceived Trust, and Perceived Risk. One of them is Sadurawan, Samarasinghe, Kuruppu (2018). Where the results of the research show that User Awareness, User Knowledge, Perceived Trust, and Perceived Risk are recognized as the main contributions to the user intention of using mobile money. Based on literature survey it was expected that all the factors are positively influencing the user intention except for the risk which is having a negative influence.

Based on the above phenomenon, the purpose of the research is to examine "The Effect of User Awareness, User Knowledge, Perceived Trust and Perceived Risk on Intention to use GOPAY"

1.3 Research Question

Based on the background described earlier, the question in this research are:

1. How is the User Awareness of GOPAY ?
2. How is the User Knowledge of GOPAY ?
3. How is the Perceived Trust of GOPAY ?
4. How is the Perceived Risk of GOPAY ?
5. How is the Intention to use GOPAY ?
6. Does User Awareness, User Knowledge, Percieved Trust, Percieved Risk Influence Intention to use GOPAY Partially ?
7. Does User Awareness, User Knowledge, Percieved Trust, Percieved Risk Influence Intention to use GOPAY simultaneously ?

1.4 Research Objective

The Objectives of this research are:

1. Knowing the User Awareness of GOPAY.
2. Knowing the User Knowledge of GOPAY.
3. Knowing the Percieved Trust of GOPAY.
4. Knowing the Percieved Risk of GOPAY.
5. Knowing the Intention to use GOPAY.
6. Knowing User Awareness, User Knowledge, Percieved Trust, Percieved Risk Influence Intention to use GOPAY Partially.
7. Knowing User Awareness, User Knowledge, Percieved Trust, Percieved Risk Influence Intention to use GOPAY simultaneously.

1.5 Significant of The Study

1.5.1 Theorictically

The results of this study are expected to be able to add knowledge in the field of digital marketing, especially those related to the Effect of User Awareness, User Knowledge, Perceived Trust and Perceived Risk on Intention to use GOPAY.

1.5.2 Practically

This research is expected to be used to understand consumer preferences for application-based electronic money technology that can be useful for companies.

1.6 Research Writing Systematic

To facilitate the direction and description of the material contained in this research writing, the author compile the system as follows:

CHAPTER I. INTRODUCTION

In this chapter describes the general description of research objects, background, research questions, research objectives, significant of the study, research writing.

CHAPTER II. LITERATURE REVIEW

In this chapter describes the literature review of research, previous research, conceptual framework, research hypothesis, and scope of research.

CHAPTER III. RESEARCH METHOD

This chapter describes the type of research and source of data, data collection and analysis methods.

CHAPTER IV. RESEARCH RESULTS AND DISCUSSION

In this chapter, it explains the results of data processing. Where the results will be analyzed by researchers to find conclusions from this study.

CHAPTER V. CONCLUSION AND SUGGESTION

In this chapter explain the overall conclusions of the chapter and suggestions from research that has been carried out.