

Digital Payment: User Experience in Indonesia

Diesyana Ajeng Pramesti¹, Eko Kurniasih Pratiwi², Zulfikar Bagus Pambuko^{2*},
Fahmi Medias², Andi Triyanto², Nurodin Usman²

¹Department of Management, Universitas Muhammadiyah Magelang, Indonesia

²Department of Islamic Economics Law, Universitas Muhammadiyah Magelang, Indonesia

*Corresponding Author Email: zulfikar.bp@ummgl.ac.id

Article Info

Volume 83

Page Number: 22536 – 22541

Publication Issue:

May-June 2020

Article History

Article Received: 11 May 2020

Revised: 19 May 2020

Accepted: 29 May 2020

Publication: 12 June 2020

Abstract

This study aims to explore the experience of digital payment users, especially e-wallet and e-money. The data collection uses an online questionnaire. The descriptive analysis shows that the users of digital payment do not concentrate on the capital of the province. Furthermore, e-wallet is more popular than e-money, although the majority of users have both types of digital payment products that are used according to needs. E-wallets are also used more often than e-money. It is even more attractive to use where the users have more than one type of e-wallet products, especially for shopping and money transfer activities. The most popular e-wallet products in Indonesia are Gopay, Ovocash, and Dana, while the most popular e-money products are Mandiri e-money, BCA Flazz, BNI TapCash, and BRI Brizzi which are provided by banking sector.

Keywords: digital payment, user experience, e-wallet, e-money, financial technology

I. INTRODUCTION

In this decade, the existence of the internet has driven the advancement of the e-commerce business model. The internet was previously only known for obtaining information, which has been transformed into a medium for transactions and purchasing decisions. Especially with the presence of digital payment facilities that make e-commerce transactions easier [1], [2]. Digital payment is also considered capable of increasing convenience, efficiency, security, and ease of use [3], [4]. Notably, these benefits are increasingly evident, especially after smartphones have begun to develop and have many new functions [5].

Digital payment is part of financial technology which is expected to have an impact on monetary stability and the financial system. However, it also has potential risks which if not adequately

mitigated can disrupt the financial system. Therefore, Bank Indonesia, through PBI number 19/12/PBI/2017 regulates the implementation of financial technology that carries out payment system activities [6].

By the variety of facilities that make the transaction easier, the community began to switch from conventional non-cash payment methods, neither debit and credit cards to digital payment. Table 1 explains that in the last six years, from 2013 to 2018, the growth in the use of the debit card was 14.73%, the credit card was 7.33%, and digital payment was 87.22%. In the case of transaction volume of debit cards reached 6,408,118,393 transactions in 2018. It makes the debit cards are still a favourite for the Indonesian people in making payments, although the growth was relatively slow. Furthermore, digital payment has increasingly received public attention. The

transaction volume of digital payment reached 2,922,698,905 transactions which increased 209.83% from 2017. In addition to the transaction value, the circulation of digital payment in 2018

also experienced significant growth to IDR 47 trillion, which increased 281.39% compared to 2017 [7].

Table 1. Volume growth of non-cash payment system transactions in Indonesia

Volume Growth (%)	2013	2014	2015	2016	2017	2018	average
Debit card	24.29	16.17	12.18	13.60	9.56	12.56	14.73
Credit card	7.91	6.37	10.62	8.43	7.32	3.35	7.33
Digital payment	37.05	47.48	163.35	27.55	38.09	209.83	87.22

The growth in the volume of non-cash transactions is comparable to the increase in Indonesian peoples' consumption were in the last five years there has been an increase in average expenditure per capita of 8.39% [8]. Therefore, digital payment providers also see these opportunities where there has been an increase in the number of digital payment products in recent years. Figure 1 explains that digital payment in the form of e-wallet increases from 19 products in 2014 to 37 products in 2019. It is understandable because e-wallet can make online shopping easier. As for e-money products, there is not much increase. Figure 2 gives examples of digital payment products which are used in Indonesia[9].

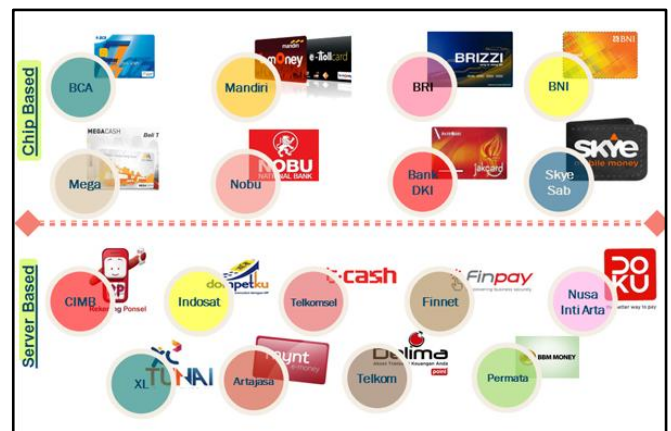


Fig. 2. The samples of digital payment in Indonesia

Based on the explanation above, the study is aimed to explore the experience of digital payment users in Indonesia. Through this study, stakeholders can find out the users' characteristics and behaviour in utilizing digital payments to meet their needs. Therefore, a fundamental evaluation can be carried out so that the objectives of the stability of the monetary and financial system can be well guarded.

II. METHOD

To achieve the research objectives, the authors use a descriptive analysis. The research conducted by distributing the online questionnaire using the google form. The questionnaire survey was conducted over five weeks, from July to August 2019. The sample of this study is 125 digital payment users. The users divided into three parts; they are the users of e-money, e-wallet, and both of it. The collected data were converted into a data matrix using SPSS 23.0.

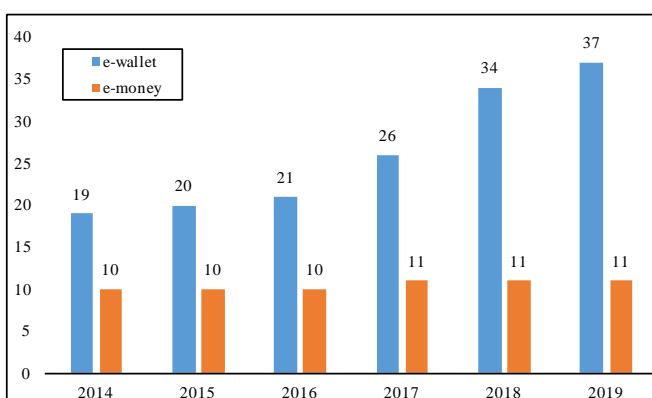


Fig. 1. Digital payment products in Indonesia

III. RESULT AND DISCUSSION

In this section, the authors describe the users' experience of digital payment usage, both of their characteristics and behaviours.

This study relates to the characteristics of digital payment users in Indonesia. It involved 125 respondents who have used digital payment in the form of e-wallet and e-money. Table 2 shows that

the majority of respondents use both types of digital payments simultaneously by 91 users (72.80%), followed by 28 users (22.40%) only use e-wallets and the remaining six users (4.80%) only use e-money. Thus, digital payment in various forms is genuinely an alternative payment method that is starting to be favoured by Indonesian people.

Table 2. Descriptive statistics of respondents

Description	e-wallet		e-money		e-wallet - e-money		
	Frequency	%	Frequency	%	Frequency	%	
Gender	Male	13	10.40	5	4.00	40	32.00
	Female	15	12.00	1	0.80	51	40.80
Age	17-23 year	6	4.80	1	0.80	21	16.80
	24-30 year	9	7.20	0	0.00	35	28.00
	31-36 year	7	5.60	4	3.20	23	18.40
	37-43 year	4	3.20	1	0.80	6	4.80
	>43 year	2	1.60	0	0.00	6	4.80
Household monthly income	<2 million	10	8.00	1	0.80	25	20.00
	2-5 million	16	12.80	3	2.40	39	31.20
	6-9 million	1	0.80	1	0.80	14	11.20
	>9 million	1	0.80	1	0.80	13	10.40
Occupation	employed	3	2.40	2	1.60	18	14.40
	self-employed	0	0.00	0	0.00	4	3.20
	teacher/lecturer	11	8.80	4	3.20	32	25.60
	student	12	9.60	0	0.00	23	18.40
	civil servant	1	0.80	0	0.00	6	4.80
	other	1	0.80	0	0.00	8	6.40
Residence	The capital city of Province	10	8.00	2	1.60	47	37.60
	other	18	14.40	4	3.20	44	35.20
Total		28	22.40	6	4.80	91	72.80

More specifically, first, the majority of respondents were female by 67 users (53.60%) who used digital payment whom 51 users of them used e-wallet and e-money simultaneously. Second, in terms of age, the majority are workers in productive age or called Y generation where the internet facilitates all their needs. It can be seen from the majority of users aged 24-30 years (35.20%) and 31-36 years (27.20%). Third, in terms of Household monthly income, the majority have an income of 2-5 million

per month by 58 users (46.40%). Fourth, in terms of occupation, the majority were 47 teachers/lecturers (37.60%), 35 students (28.00%), and 23 private employees (18.40%). Fifth, in terms of residence, the majority did not live in the capital of the province by 66 users (52.80%). It shows that digital payment usage has spread widely throughout Indonesia and is not concentrated in the capital of the province. Furthermore, the behaviour of digital payment users is presented in table 3.

Table 3. The behaviour of digital payment users

	Description	e-wallet		e-money	
		Frequency	%	Frequency	%
Frequency usage	everyday	22	18.49	11	11.34
	several times a week	58	48.74	31	31.96
	several times a month	26	21.85	37	38.14
	several times a year	13	10.92	18	18.56
number of products	One product	45	37.82	66	68.04
	Two products	29	24.37	20	20.62
	Three products	24	20.17	8	8.25
	Four products	13	10.92	1	1.03
	Five products	6	5.04	1	1.03
	Six products	1	0.84	1	1.03
	Seven products	0	-	0	0.00
	Eight products	1	0.84	0	0.00
Utilization	shopping	111	72.08	62	37.13
	parking	0	-	20	11.98
	ticketing	1	0.65	1	0.60
	public transport	6	3.90	11	6.59
	toll	1	0.65	72	43.11
	general payment	1	0.65	1	0.60
	money transfer	33	21.43	0	0.00
	bitcoin	1	0.65	0	0.00
e-money product	BCA Flazz			30	22.22
	BNI TapCash			25	18.52
	BRI Brizzi			23	17.04
	Jenius			1	0.74
	Mandiri e-money			51	37.78
	Telkom iVas Card			1	0.74
	JakCard			3	2.22
	Mega Cash			1	0.74
e-wallet product	AdalahPay	1	0.37		
	BCA Sakuku	3	1.12		
	BNI UnikQu	6	2.24		
	Coin Base	1	0.37		
	LinkAja	26	9.70		
	iSaku	1	0.37		
	DokuPay	3	1.12		
	Paytren	4	1.49		
	PayPro	1	0.37		
	Mandiri e-Cash	5	1.87		
	BRI T Bank	2	0.75		
	Mega Virtual	1	0.37		
	Telkomsel Cash	1	0.37		
	ShopeePay	28	10.45		
	Ovocash	65	24.25		

Description	e-wallet		e-money	
	Frequency	%	Frequency	%
Gopay	87	32.46		
Dana	33	12.31		

Table 3 explains the behaviour of digital payment users in Indonesia, neither e-wallets and e-money. Utilization of e-wallet is generally used several times a week (48.74%). Respondents more often use this product than e-money. Users also have more than 1 product to use (62.18%). The most popular products used were Gopay (32.46%), Ovocash (24.25%), Dana (12.31%), ShopeePay (10.45%), and LinkAja (9.70%). Furthermore, e-wallet is more often used for shopping to meet the needs and lifestyle (72.08%) and followed for money transfers (21.43%). This condition is not different from the behaviour of e-wallet users in Kenya [10].

E-money is used by respondents on average several times a month (38.14%). Users generally only have one e-money product (68.04%). Mandiri e-money (37.78%) become the most owned product. It is then followed by BCA Flazz (22.22%), BNI TapCash (18.52%), and BRI Brizzi (17.04%). It indicates that e-money products issued by banks are a favourite for users. These products are more often used by users to pay for toll facilities (43.11%), shopping (37.13%), parking (11.98%), and public transportation (6.59%). It is supporting the finding of Pambuko et. al.[11] which stated that the use of digital payment is affected by the hedonic motivation and lifestyle compatibility.

IV. CONCLUSION

This study found that digital payment users are female, aged 24-30 years with monthly household income about 2-5 million, occupied as teachers/lecturers, and do not live in the capital of the province. The majority of users have both types of digital payment products that are used according to needs. E-wallet is a product that is more widely used by respondents. It can be seen from the

frequency usage where e-wallet is used several times a week, while e-money is used several times a month. E-wallet is also more attractive to use where the majority of respondents have more than one type of e-wallet products, especially for shopping and money transfer activities. The most popular e-wallet products are Gopay, Ovocash, and Dana, while the most popular e-money products are Mandiri e-money, BCA Flazz, BNI TapCash, and BRI Brizzi.

V. ACKNOWLEDGEMENT

The authors would like to thank Universitas Muhammadiyah Magelang for its research grant and opportunity that enabled the authors to conduct this research. The authors also thank the reviewers for valuable comments.

REFERENCES

- [1] G.-S. Liu and P. T. Tai, 'A Study of Factors Affecting the Intention to Use Mobile Payment Services in Vietnam', *Econ. World*, vol. 4, no. 6, pp. 249–273, 2016.
- [2] Junadi and Sfenrianto, 'A Model of Factors Influencing Consumer's Intention to Use E-payment System in Indonesia', in *Procedia Computer Science*, 2015, vol. 59, no. Iccsci, pp. 214–220.
- [3] A. Upadhayaya, 'Electronic Commerce and E-Wallet', *Int. J. Recent Res. Rev.*, vol. 1, no. March, pp. 37–41, 2012.
- [4] S. Megadewandanu, Suyoto, and Pranowo, 'Exploring mobile wallet adoption in Indonesia using UTAUT2: An approach from consumer perspective', in *Proceedings - 2nd International Conference on Science and Technology-Computer, ICST*, 2016, pp. 11–16.

- [5] T. Oliveira, M. Thomas, G. Baptista, and F. Campos, 'Mobile payment: Understanding the determinants of customer adoption and intention to recommend the technology', *Comput. Human Behav.*, vol. 61, pp. 404–414, 2016.
- [6] Bank Indonesia, 'Teknologi Finansial'. [Online]. Available: <https://www.bi.go.id/id/sistem-pembayaran/fintech/Contents/default.aspx>. [Accessed: 25-Oct-2019].
- [7] Bank Indonesia, 'Payment System Statistics', 2019. [Online]. Available: <https://www.bi.go.id/en/statistik/sistem-pembayaran/uang-elektronik/contents/transaksi.aspx>. [Accessed: 25-Oct-2019].
- [8] BPS, 'Average Monthly Expenditure per Capita in Urban Areas by Province and Commodity Groups (rupiahs), 2007-2018', 2019. [Online]. Available: <https://www.bps.go.id/statictable/2014/09/08/940/rata-rata-pengeluaran-per-kapita-sebulan-di-daerah-perkotaan-menurut-provinsi-dan-kelompok-barang-rupiah-2007-2018.html>. [Accessed: 25-Oct-2019].
- [9] Bank Indonesia, 'Instrumen Pembayaran Nontunai'. [Online]. Available: <https://www.bi.go.id/id/sistem-pembayaran/instrumen-nontunai/unik/Contents/Default.aspx>. [Accessed: 25-Oct-2019].
- [10] C. N. Gichuki and M. Mulu-Mutuku, 'Determinants of awareness and adoption of mobile money technologies: Evidence from women micro entrepreneurs in Kenya', *Womens. Stud. Int. Forum*, vol. 67, pp. 18–22, 2018.
- [11] Z. B. Pambuko, V. S. Dewi, F. Medias, S. Maulida, N. Kholidah, M. M. Addury, A. S. Jamil, N. Ichsan, and S. Hanafi, 'Electronic money adoption in Indonesia', *Technol. Rep. Kansai Univ.*, vol. 62, no. 03, pp. 777–783, 2020.