

# The Influence of The Development of Cashless Payment on The Effectiveness of Payments Among IPIEF Students Batch 2020

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## ABSTRACT

Cashless payment methods are not new in our country. there are many media and organizational structures or agencies that use cashless transactions. Cashless payment is a payment without the use of cash in the transaction. Knowing that today many have used these transactions, both from the user and operator side, the author is interested in discussing these transactions in everyday life related to the convenience that causes users and organizers to use this transaction. This study discusses the use of cashless payments among students, especially IPIEF 2020 students. The author uses a qualitative method by conducting interviews with all IPIEF 2020 students regarding the use of cashless payments and also the intensity of their use. The author conducted interviews using whatsapp voice call. In this way, the author finds several reasons why there are so many and high intensity of cashless payment usage among IPIEF 2020 students. The majority of interview participants have known and used cashless payments with high intensity, this is in line with the author's analysis, namely because it is convenience that causes this.

**Keywords:** cashless, student, convenience

## INTRODUCTION

In today's digital era, digital payment methods are very popular among Indonesians. With this payment method, people no longer need to carry too much cash when traveling. Not only that, but this payment method has also been supported by the Indonesian government. For example, the Government has implemented e-money transactions to pay for toll road access throughout Indonesia since October 2017. This is one of the starting points for Indonesian people to switch to cashless or cashless transactions. (Xena P. Rahadi A, Raden, 2018).

The transition from cash or cash payments to non-cash payments or cashless was initially initiated by Bank Indonesia Regulation (PBI No. 11/12/PBI/2009) concerning electronic money in 2009. Then the idea of non-cash transactions was again strengthened by the launch of the National Non-Cash Movement. (GNNT) by Bank Indonesia in 2014. Furthermore, slowly in the Indonesian economy there has been a proliferation of non-cash payment services and facilities since then (Ramadhan 2016).

In the current pandemic, cashless payment users are increasing considering that cashless payments avoid direct contact from the exchange of money between sellers and buyers. This also raises my curiosity about how often and how easy it is to make transactions using cashless. My

interest in this is confined to a small scope, only to a few of my friends at college (Pambudi, 2021).

It was recorded that until the end of June 2018, the volume of electronic money transactions reached 206.9 million transactions and in September 2018 the number of electronic moneys in circulation was 142,477,296 instruments, based on statistical data from Bank Indonesia. This shows an increase of 298.6% in the volume of electronic money transactions compared to last June 2017. The implementation of e-money for toll road access transactions in Indonesia starting in October 2017 also stimulated an increase in the amount of electronic money by 198% or almost doubled compared to last September 2017, which was 71,783,618 electronic money instruments in Indonesia. Not only e-money, now there are also many other payment methods, namely e-wallet or digital wallet. In Indonesia, there are many e-wallet circulating in Indonesia such as T-Cash, OVO Payment, Go-Pay, DANA, and many more.

With the search and collection of journals that I have done, I have found some limitations as well as things that do not cover what I want to cover in my research. In this research, I raise the issue of cashless payments, in which the existing facilities and infrastructure should be sufficient, but it has not spread to all the circuits and paths of our daily lives. so that it raises my curiosity regarding how much IPIEF students understand about this cashless payment and

how their daily life is about the convenience provided by the transaction.

These conveniences raise questions, whether with these various facilities there are still some students who still do not use non-cash payments, or even there are effects consisting of these non-cash payments on student life, especially IPIEF 2020 students.

Research objectives:

1. Find out how many cashless payment users are among IPIEF batch 2020 students.
2. Knowing the effects of using cashless payments in daily life.

## LITERATURE REVIEW

In recent years, the development of cashless transactions in Indonesia has been seen. This is because more and more centers of economic activity provide non-cash payment facilities. Non-cash payments in Indonesia are still limited. However, what have developed include credit cards, debit cards, ATMs which are generally well known to the wider community. The purpose of using electronic money is to make it easier for humans to carry out various transactions on a micro scale, especially. In the middle of a pandemic like this, electronic money issuers are not only banks but also LSBs (Institutions Other than Banks). Electronic money currently circulating include OVO issued by Grab, Go-Pay is a product of Gojek, Brizzi is a product of BRI, Flaz BCA is a product of BCA, etc.

Students today are synonymous with up-to-date lifestyles, so it can be said that they are consumers who do a lot of buying and selling activities in the market. Technological developments, especially in Fintech (financial technology) make students begin to switch to these products in making shopping transactions.

Ease can be interpreted as the extent to which a person feels ease in using it. Ease is the extent to which a person can continue to use electronic money freely (Pratiwi& Dewi, 2018). If the system is relatively easy to use, users will voluntarily understand the functions of the electronic money system and will continue to use it. If the technology is easy to use and understand, consumers will use the technology, but if the technology is more complicated, it will reduce consumer confidence to use it (Rohmah, 2021). The conclusion is that people will voluntarily move from one thing to another because of the ease both in terms of access and in terms of understanding new things.

With regard to mobile payment, this paper takes as its basis empirical work pointing out the importance of certain payment instrument attributes, including convenience, ease of use, speed, record keeping, and security, when choosing a payment method (e.g., Arango et al. 2015a; Ching and Hayashi 2010; Schuh and Stavins 2010; Cadar 2008). Overall, these attributes are found to be more important than demographic variables. Mobile payment is viewed as being more convenient, cheaper, and capable of providing better records (Mallat 2007).

It's good to know what the advantages of cashless payments are. As reported by the following BI GNNT socialization.

- a. More practical and secure

Cash has a tendency to occupy more and more storage space, while electronic money, which is generally now in the form of chip-based cards or other forms that are server-based, takes up little space or even already exists on their respective smart phones. So that the form of money is more practical as well as safer in transactions.

- b. Lowering the cost of managing physical money the management of physical

money, starting from printing physical/cash money and destroying physical money that is no longer feasible, takes up a lot of the state budget, which is around Rp. 3.5 trillion in a year.

- c. More accurate economic planning

By transacting using electronic money, economic planning will be more accurate because each cashless transaction is recorded properly and accurately. Meanwhile, physical money transactions are still vulnerable to hidden economic practices, which are generally not properly or accurately recorded.

- d. Increasing money circulation money

Electronic or cashless transactions that are more practical and secure will stimulate an increase in money circulation in the country's economy.

## RESEARCH METHOD

To answer my research this time, I used a qualitative method to elaborate on some problems and the results of the discussion later. I took the object directly from my friends, IPIEF 2020 students in solving this problem through personal interviews. There are no specific criteria in the series of interviews, it's just that they can be cooperative

and answer questions as honestly as possible. The interviewees are active students and are in the age range of 18-21 years.

In my research, I only use interview instruments, without questionnaires. I did not take the questions in the interview from any source, and only to answer my questions related to this research. Later the interviewees are expected to answer questions according to the reality in their respective real lives.

The procedure for conducting interviews will partly be limited to internet media such as via whatsapp or zoom, and some will be carried out face-to-face. This is because some interviewees have not been able to come to the place where the interview will be held, which is around the Yogyakarta Muhammadiyah University campus.

Interviews will be conducted in one session of 15 minutes. First, I will ask about their education and knowledge regarding cashless payments. After that I will hold a question-and-answer session about the ease of payment and how they use cashless payments in their daily life. Then finally I will ask and give them time to talk about their hopes and expectations for the future of cashless payments in Indonesia. To analyze the data from the interview answers that I got later, I will elaborate on these answers. I will affirm the opinions and opinions or discussions of the interviewees that are repeatedly found in the same answer. Also, I will use analysis by assessing the emotions of the interviewees when answering and explaining answers and telling stories during the interview later.

## **FINDINGS**

Cashless payments have become familiar to all of us. There are many users of this type of transaction in our society, especially students. Students as the spearhead of change in the world, especially Indonesia, should always prioritize the progress of the times and follow it. But this also does not rule out the possibility that there are still people who do not know what a cashless payment transaction is, so I have summarized it with some answers below. In addition, it turns out that there are still some shortcomings, both in terms of infrastructure and technical and non-technical, from using cashless payments, which I have summarized below.

From interviews that I have conducted with several IPIEF 2020 friends, I have found several answers that match the title of the research I have raised. Furthermore, what I arranged in the findings as follows.

There are already many agencies or marketplaces and also payment places that already provide cashless payments.

And cashless payment has also been widely introduced and we also have to be forced to know because of the modernization of shopping places which of course keep up with the times. But this is not enough to cover the fact that there are still people who do not know anything about cashless payments.

One of participant remarked: I don't know what cashless payment is because I've never used it at all.

But that way, someone already knows what cashless payment is and even often uses it in everyday life.

One of participant remarked: Payments that do not use cash in their payment system, so they use electronic money in their payment system. In my daily shopping, I often use electronic money because it's easy.

Those who already know about cashless payments are also classified as frequent transactions using the electronic money. even some of them also use it every day. This illustrates that cashless payments have been considered a part of everyday life, apart from its convenience, as well as the fact that some shopping places require the use of electronic money.

The convenience provided by this cashless payment activity varies greatly from the answers from my interview participants. Simple and uncomplicated are conveniences that are very much mentioned by interview participants. The ease of access and the very wide range of connectivity are also the reasons for the convenience of this cashless transaction in the community, especially among IPIEF students who have used this.

One of participant remarked: We only use cellphones when we go out, it's simpler because everything from cellphones uses a Qr code, we also avoid theft because of the many items we carry, other than that it's simpler.

One participant also said: from this cashless transaction, we will not get a change of coins which is practically inconvenient to carry, also speed up payments, get lots of discounts or promos, we also always keep up with the times.

These conveniences are obtained because of the frequent use of this type of transaction in everyday life. However, with the frequent use of this transaction, it causes ups and downs among its users. This is inseparable from my interview participants who also felt this way. many of them acknowledge this as I summarize below.

One participant said: The joy of using cashless is that it always makes transactions easier, we don't need to carry our wallet anywhere. And it's sad that when we are in trouble

and confused about how to pay, we must have an adequate and stable internet network.

One participant also said: the sadness is when for example we forget the nominal or the balance in the ATM and when we use it, it turns out that the money in our ATM balance runs out and we don't bring cash.

One participant also said: but sometimes not all places have cashless, so we have to keep providing cash, even though we don't want to use cash, but apparently not all of them have the right media for this.

It turns out from the results of the interview that there are still many shortcomings of using cashless in everyday life. But this does not cover the fact that there are already many cashless users in our society.

## **DISCUSSION**

My findings based on the results of the interview above show that as many as 80% of IPIEF students already know and have used cashless payments with high intensity. And the rest have never heard of and have never used cashless payment. The elements shown by interview participants who did not know and had never used cashless payments were as much as 100% because they did not support the facilities and infrastructure where they lived. And for those who have used cashless payments in their daily lives, the facilities and infrastructure that are already adequate are enough to make them satisfied with the convenience they get.

as I quoted, If the system is relatively easy to use, users will voluntarily understand the functions of the electronic money system and will continue to use it. If the technology is easy to use and understand, consumers will use the technology, but if the technology is more complicated, it will reduce consumer confidence to use it (Yasinta&Nila, 2021). The quote is appropriate and in line with what I found in the results of my interview. In which 80% of them have used cashless with high intensity because of the convenience provided, both from users and organizers.

## **CONCLUSION**

In this study, the ease of cashless payment transactions in the daily lives of IPIEF 2020 students is a variable that I want to explore. With the high intensity of using cashless in society, of course, students must first know and use it as a form of implementation from students as agents of change. I found the results were also in line with my expectations. Many people already know and use cashless payment transactions with very high intensity, so my first expectations and assumptions as a researcher have been fulfilled. But there are also many who have not used this

transaction and do not even know what cashless payment is. This is undeniable, when viewed from the domicile of the interview participants, some of them still live in areas where most of them still do not use cashless transactions, so that their statement becomes a natural thing.

Based on the interviews that I have conducted, as many as 80% of interview participants already know and have used cashless payments intensely every day. As for the remaining 20%, they still don't know and don't even use it at all. The 80% figure of those who have used cashless payments are at high intensity. They admit that they often use cashless payments every day because of the convenience it offers. while the remaining 20% admitted that they did not know and had never used it, due to their ignorance and also because there were no supporting facilities for cashless transactions.

Overall, there are still many shortcomings from the research that I have done. Although the question that I made as the initial goal of the research has been answered in its entirety, there are still many shortcomings in the implementation, such as in the massive literature search and research methods which I think there are still many shortcomings because the scope is too narrow. But with the title and theme that I raised, I think it is sufficient to process the data using qualitative techniques because my targets and variables are only a group of people who are not too broad.

By looking at the variables of my research and also the results that I get, I think, and I suggest for future researchers to calculate the variables or research objects more broadly and include more people. Because I think this problem is a problem in our daily life, especially in this era of massive technological development like now. There are still many advantages and disadvantages, positive and negative, good and bad things caused by this cashless transaction. We should have studied this problem more and more considering that this is not a new thing in society, it is time for us to open our eyes and be literate to the progress of this very rapid era. In addition, future researchers may also be able to examine things that are more fundamental and or more populist in order to achieve research targets in accordance with what researchers want in the future.

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