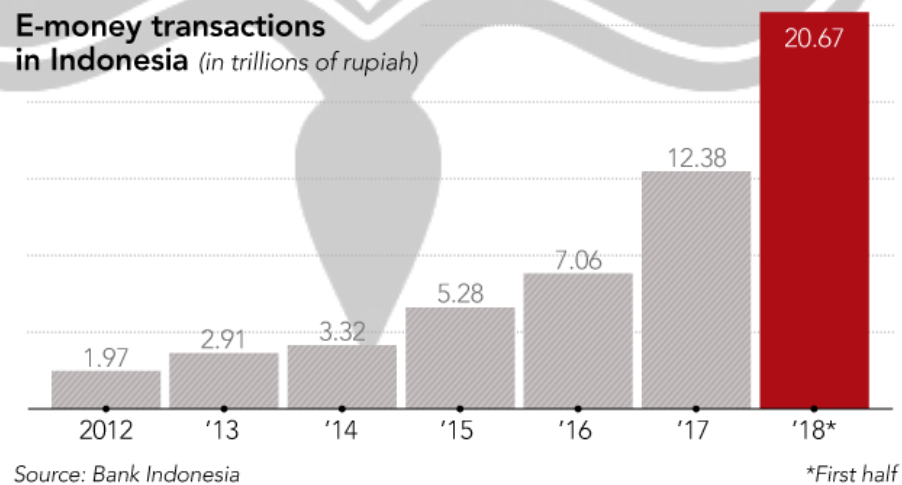


## CHAPTER I

### INTRODUCTION

#### 1.1 Backgrounds

In the past decade, mobile communication technologies have developed very rapidly in the developing countries. To improve the masses of connectivity, telecommunications companies have made significant investment by providing access to superior sorts of communications networks. Mobile phones have transformed the lives of millions of people and have evolved into a necessity (Madan & Yadav, 2016). The growing complexity of consumers' needs of mobile phones have made some changes to the social and economic condition development of nations. Therefore, the business involving mobile phones have also expanded into making the idea of mobile wallets to make the buying and selling transactions become easier.



Source: asia.nikkei.com

**Figure 1.1** The Growth of Mobile Wallets Usage in Indonesia

As mobile communication services keep growing, the functions of mobile phones have also developed to fulfill customers' needs and to make people's life become easier. Companies related to the sectors of communication and payment have innovated their offers and services from time to time, as a result, such access to information, entertainment and transaction permissions, and mobile payment services have existed. All those services are aimed at the purchase, payment, or transfer of values through mobile devices without the need for cash or the involvement of banking institutions (Abraham et al., 2016).

Mobile payment is the next step of the futuristic era, it allows users to pay for various things with their smart phones. The first mobile payment service in Indonesia is T-cash by Telkomsel, which was launched in 2007. Within the span of ten years, the mobile payment services have grown rapidly and have become well known all across the country. In 2017 T-cash and Gopay have the most online users that reach the number of 10 million active users approximately, followed by PayPro and OVO which have 7 million of them (Eka, 2017).

One of the most famous mobile payment services in Indonesia is Gopay. It was only an electronic wallet for the Gojek application. However, it has innovated its services into allowing its users to pay for certain offline stores and give cashback to those who purchase using Gopay. The existence of Gopay mobile payment can become the marketing strategy of several stores to increase their sales. It is because most people, especially students tend to like getting promo, discount, and cashback to minimize their spending money. Moreover, in most of developing countries,

economic status influences users' choice of a mobile network, therefore, it also influences the use of any application related to technology.

In the end of 2017, Gojek launched an official article which stated that Gopay holds 30% of cashless/digital transaction in Indonesia. The National Bank of Indonesia stated that the total transaction of e-money such as Gopay and Mandiri E-Cash in October 2017 have exceed 1,2 million transactions, the nominal of those transactions have reach over Rp. 104,4 trillion (Pratama, 2017).

According to Gojek, the users prefer using Gopay because of three main reasons such as easy to use; pay efficiently; as well as lots of promo, discounts, and reduced fare. The promotions that we usually see in offline stores as well as in the Gojek application itself are:



Source: go-jek.com

**Figure 1.2** Example of Gopay Promotion in Indonesia



Source: sopsip.com

**Figure 1.3** Example of Gopay Promotion in Indonesia



Source: go-jek.com

**Figure 1.4** Example of Gopay Promotion in Indonesia

Overall, the total transactions of Gojek rises up to 25% per month, while the nominal of the top up increases up to 15%. Gojek also highlighted the growing number of users who are utilizing fund transfer services, in the past November 2017, there were transfers of more than Rp. 570 million from users in Jakarta to the other users outside of Jakarta (Pratama, 2017).

Previous study, Phonthanukitithaworn, et al., (2016) has explored the mobile wallet transaction in Thailand. Therefore, this study will focus on the factors which have influence to the usage of mobile payment in Indonesia. In other studies,

perceived costs mostly has an insignificant influence towards behavioral intention to try something new which is assumed as high-cost. However, in this study, Gopay mobile payment helps its customers to do more transactions as it gives cashbacks to each purchase transactions as well as lower the price of certain goods or services of several offline stores which collaborate with Gopay.

This study aimed at exploring the factors influencing the behavioral intention to use Gopay mobile payment methods. This objective is attained by investigating the literature and summing the major factors that are conceptually expected to influence behavioral intentions.

## **1.2 Identification of the Problems**

Based on the background that has been written above, there are seven main problems in this study, such as:

1. Does perceived usefulness influence behavioral intention to adopt Gopay mobile payment?
2. Does perceived ease of use influence perceived usefulness?
3. Does perceived ease of use influence behavioral intention to adopt mobile payment?
4. Does compatibility influence behavioral intention to adopt Gopay mobile payment?
5. Does subjective norm influence behavioral intention to adopt Gopay mobile payment?

6. Does perceived risk influence behavioral intention to adopt Gopay mobile payment?
7. Does perceived trust influence behavioral intention to adopt Gopay mobile payment?
8. Does perceived cost influence behavioral intention to adopt Gopay mobile payment?

### **1.3 Research Objectives**

Based on the identification of the problems that have been written above, thus, the objectives from this study are:

1. To investigate the influence of perceived usefulness towards the behavioral intention to adopt Gopay mobile payment.
2. To investigate the influence of perceived ease of use towards perceived usefulness.
3. To investigate the influence of perceived ease of use towards the behavioral intention to adopt Gopay mobile payment.
4. To investigate the influence of compatibility towards the behavioral intention to adopt Gopay mobile payment.
5. To investigate the influence of subjective norm towards the behavioral intention to adopt Gopay mobile payment.
6. To investigate the influence of perceived risk towards the behavioral intention to adopt Gopay mobile payment.
7. To investigate the influence of perceived trust towards the behavioral intention to adopt Gopay mobile payment.

8. To investigate the influence of perceived cost towards the behavioral intention to adopt Gopay mobile payment.

#### **1.4 Research Limitation**

The author would like to avoid some things that are not suitable for the research, therefore, the author has limited several purposes that will only matter for this research:

1. The respondents use GOPAY mobile payment for their offline store purchase transactions.
2. The questionnaire is distributed through online started for the whole May, 2019.
3. The independent variables of this study are perceived usefulness, perceived ease of use, compatibility, subjective norm, perceived risk, perceived trust, and perceived cost. The dependent variable of this research is behavioral intention to adopt mobile payment.

#### **1.5 Research Benefit**

Benefits that can be gained from this research are as follows:

1. Theoretical advantage:

This research might be beneficial for further theoretical research according to mobile payment services linked to several factors that influence the behavioral intention of using the technology of mobile payment.

## 2. Practical advantage:

The result of this research is expected to help mobile payment parties to improve their performance. Furthermore, this research is also expected to help people who have doubts in using mobile payment and have not used the service to put it into some considerations.

### **1.6 Writing Structure**

This thesis is divided into five chapters:

#### **CHAPTER I: INTRODUCTION**

This chapter describes basic information such as: background, identification of the problems, research objectives, benefits of the research, and the writing structure of the study.

#### **CHAPTER II: LITERATURE REVIEW**

This chapter describes the theories which are related to the research topic, previous studies, hypothesis of the research, as well as the research framework.

#### **CHAPTER III: RESEARCH METHODOLOGY**

This chapter describes the research methodology which will be used for the research which consists of the scope of the research, sampling, data collection, instrumental testing, as well as the data analyzing methods.

#### **CHAPTER IV: DATA ANALYSIS**

This chapter will discuss about the result of the study.



## **CHAPTER V: CONCLUSION**

This chapter describes the conclusion of the study which hold the answers of the research objectives. The research limitation will also be explained in this chapter, as well as the suggestion for future study.

