

Chapter I

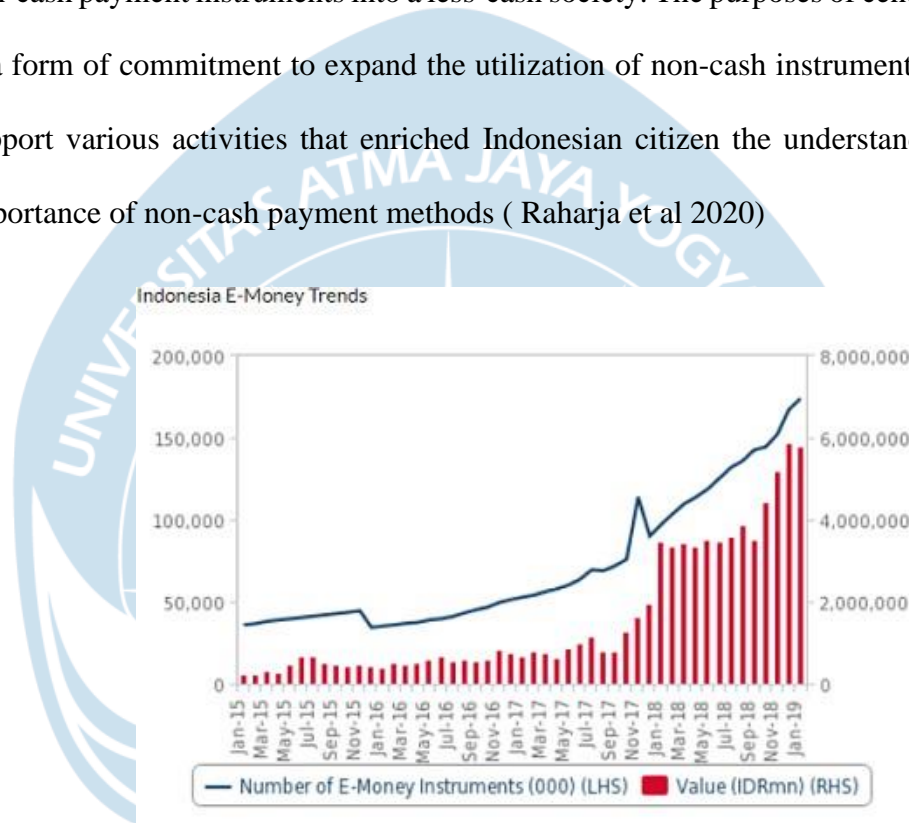
Introduction

1.1 Background

The Asian social and economic landscape is growing rapidly by the mobile technology and the digitization of financial services or E-payment, which is building and enhancing the digital connections. These connections drive the e-commerce and social commerce across the region, which are also partly enabled by digital payments. The digitization in Asia, coupled with a relatively young population and rising income levels, present a unique growth opportunity for the sector (APAC, 2018)

Technological development encouraged the upgrade of operating systems and user Interfaces, it enabled the transformation of payment services into electronic payment or E-payment. Indonesian digital payment systems exist, Such as, Go-Pay, OVO, Tcash, Mandiri Ecash (Raharja *et al* 2020). The development of the digital era is quickly developing in the direction of advance technology that continue to develop, especially the online transaction (Jung et al., 2014). Development Technology has an impact on human daily life (Foster et al., 2019). Current technological developments make a positive impact on economy aspects, including many business activities (Pinem, 2019)

On 14 August 2014, the governor of Bank Indonesia encouraged Indonesian citizens to reduce cash dependencies through the National Non-Cash Movement. The National Non-Cash Movement purposes to educate the public importance of non-cash payment instruments into a less-cash society. The purposes of central bank is a form of commitment to expand the utilization of non-cash instruments and to support various activities that enriched Indonesian citizen the understanding and importance of non-cash payment methods (Raharja et al 2020)

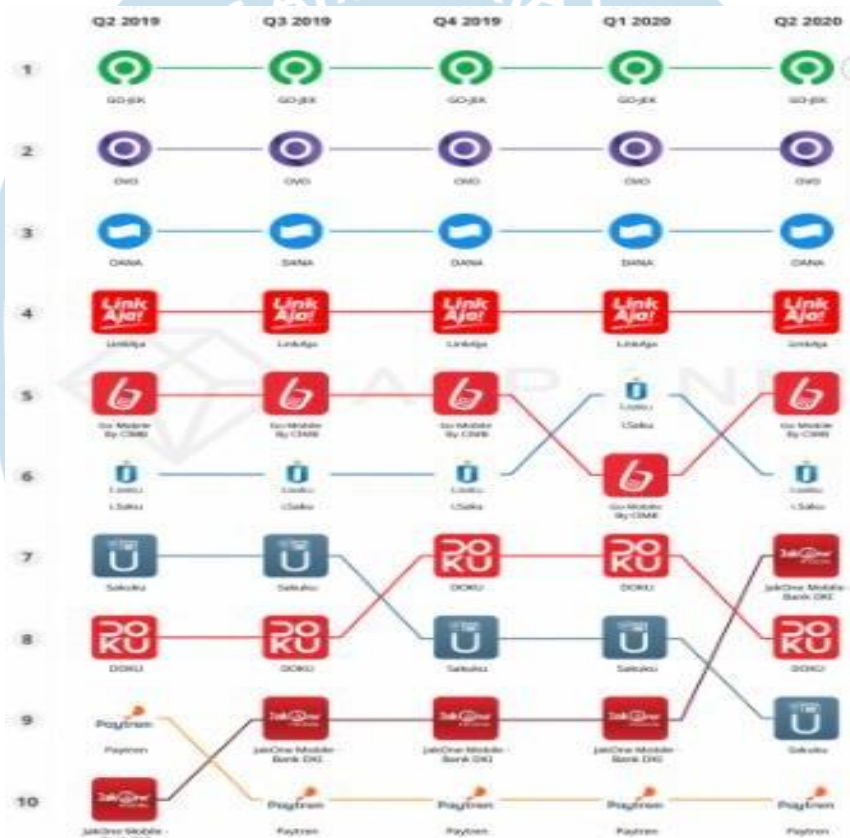


Source: Bank Indonesia, Fitch Solutions

Figure 1.1 Indonesia E-money Trends

Digital payment often defined as E-wallet or electronic wallet as the purposes of Payment (Saputra et al 2019) Payment as its most basic level is transfer of money or wealth or value from one person or entity to another (Fonté, 2013). E-payment can be simply defined as a payment system using the internet facilities as the intermediary tools when using the E-payment (BUMN Indonesia) ,

The Mobile payment was done through a mobile device without using any bank account (Bank Indonesia). Gopay is the example of E-payment that uses the Media of Mobile payment to make a transaction. In Indonesia the electronic payment company generally having some cooperation with many merchants usually small shop or even big shop and some banks who gives various online Transaction (Ni Luh et al 2020)



E-wallet	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2
Rank. 1	Gojek	Gojek	Gojek	Gojek	Gojek
Rank. 2	OVO	OVO	OVO	OVO	OVO
Rank. 3	DANA	DANA	DANA	DANA	DANA

Rank. 4	Link Aja	Link Aja	Link Aja	Link Aja	Link Aja
Rank. 5	Go Mobile	Go Mobile	Go Mobile	I-Saku	Go Mobile

Table 1.1 List of monthly most used E-wallet in Indonesia
Source from : iPrice 2020

The data from table 1.1 shows strong evidence that E-wallet in Indonesia, especially Gopay hold the position of most used E-wallet, E-wallet will continue to grow eventually, some new competitors will emerge soon and because of increasing public demand for an E-wallet, The E-payment that will be discussed in this research is Gopay.

PT Aplikasi Karya Anak Bangsa or Gojek is a Southeast Asian on-demand multi-service platform and digital payment technology group. Gojek's journey began in 2010 as a motorcycle ride-hailing call center in Indonesia. The homegrown app was first launched in 2015 with only three kind of services: GoRide, GoSend, and GoMart, Since then, the app evolved into a multi-services platform with more than total of 20 services today including Gopay, Gojek is now a leading technology group of platform serving millions of users in Southeast Asia.. (Gojek) .

Go-Pay is the current market leader in the digital wallet payment sector. Gopay processes three quarters of all mobile payments in Indonesia. Gopay transactions reached US\$6.3 billion in 2018. Moreover, Electronic money (E-money) has become the most popular digital payment platform in Indonesia, with more than 240,000 online and offline merchants (Gojek).

It is a common thing the consumers to have the instant access to most things, Invention and advancement make increasingly powerful and high technology

smartphones. This innovation has created a shift in mindsets and raised the bar of expectations, and consumers have less patience for long queues and faulty ATMs. Increasing digital access has presented considerable opportunities for innovation in digital payment across Asia. (APAC 2018)

Gopay use the pricing strategy, according from (Bonnici & Channon) there are 5 of pricing strategy, but Gopay only use 2 out of 5 from pricing strategy. The pricing strategy that Gopay use are *competition-based pricing* and *penetration pricing*.

Mitchell Grant (2019) stated Gopay is one of example from Digital money in Indonesia, since Gopay is in the electronic form, most of digital payment owned by banking institution. In addition, online payment providers like Gopay for example can be considered as digital money. Digital money can also represent fiat currencies, for Gopay the currency is Rupiah since the payment comes from Indonesia who use Rupiah as its currency, it converts the rupiah from banking institutions to Digital money and used for Digital payment or electronic payment.

Before the user use Gopay as their E-payment or E-wallet, the user of Gopay needs to access the debit or credit card in order to transfer the money from Bank to E-payment account.

Year	Credit Card	Debit Card	Atm card & Debit Card
2015	16,863,842	7,330,388	112,948,818
2016	17,406,327	8,361,351	127,786,999
2017	17,244,127	8,815,007	155,663,442
2018	17,275,128	8,847,011	152,482,094
2019	17,487,057	8,979,878	174,445,472

Table 1.2 Total of ATM, Credit and Debit Cardholder In Indonesia
Source :Bank Indonesia

The data in Table 1.2 is the data for user of ATM card in Indonesia , Credit card and Debit card . For the past 5 years from 2013-2019 (Table 1.2) it shows the increasing number of user for the past 5 years, this data function is to support this research, because the increasing of APMK (*Alat Pembayaran dengan Menggunakan Kartu*) or Payment tools by using cards. The fast advancement of communications, mobile technologies, and the proliferation of mobile devices has increased the importance of M-payment (Mobile Payment) for the users (Baptista and Oliveira, 2015).

Every business organization`s success depends on the satisfaction of the customers. Whenever a business is about to start, customers always come “first” or can be said as “Customer is a king” and then second is the profit. Companies that are succeeding to satisfy the customers will fully remain in the top position in a market. Nowadays business company has known for the customer satisfaction is

the main key component to the success of the business and the same time it plays a vital role to expand the market value. In general, customers are those people who buy goods and services from the market or business that meet their needs and wants. Customers purchase products to meet their expectations in terms of money.

Therefore, companies should determine their pricing with the quality of the product that attracts the customer and maintains the long-term affiliation. (Fornell 1992) stated that Customer satisfaction defined as an overall evaluation based on the total purchase and consumption experience with the goods or services over time

(Fornell, Johnson, Anderson, Cha & Bryant 1996) Customer satisfaction is a barometer to predicts the future of consumer behavior (Hill, Roche & Allen 2007.)

Customer loyalty and customer satisfaction is a vital for nowadays modern business for two main reasons. First, customers is far easier to obtain from an old customer rather than from a new one. Second, customer loyalty and customer satisfaction has a positive effect on the profitability company revenues (Rosenberg & Czepiel 2017.)

One of marketing strategy that is very relevant and effective in attracting the customers is in the form of Cashback, both in form of cash or virtual money (Ballestar et al., 2016; Vana et al., 2018) . Gopay offered many amount of cashback for purchase a specific product from their merchant partners , many Merchant partner of Gopay provide Gopay as one of their payment methods , and sometimes Gopay offered cashback to their customer if they use Gopay for their Payment , Astari, (2019) stated that it has a possible result result in positive experience and

results in hedonic benefits and from this kind of consumer purchasing behaviour, it may increase customer intention to use Go-Pay with all hedonic benefits that they can receive. The cashback promo that has lasted for about three months is indeed capable of increasing sales figures” (Syafina, 2019). This is an example of financial behavioral aspects that influence people to have an intention to use their money and to buy something using Gopay as their E-payment .

Based on the background formulation above from Table 1.1 and 1.2 ,this Research wants to examine the effect of discount , consumer loyalty, and consumer satisfaction on financial behavior , the behavioral intention to use Gopay as their E-payment for purchasing a product .

1.2 Problem Statement

Based on the background ,the problem that the writer want to solve in this research are :

1. Does the customer satisfaction have a positive impact for consumer intention for using Gopay?
2. Does the Customer loyalty have a positive impact for consumer intention for using Gopay?
3. Does the Cashback have a positive impact for consumer intention for using Gopay?

1.3 Benefits Of The Study

For the Company and the Manager of Gojek

Hopefully, The result of this research can help the company issues, help the company to learn their mistakes to continue grow and help the company to analyze the Customer satisfaction and customer loyalty towards the consumer choices for using Gopay as their E-payment

For the reader

Hopefully, the result of this research can be known as a knowledge and to educate the ready regarding the effect of cashback Customer satisfaction and Customer loyalty toward the consumer intention for using Gopay .

1.4 Objective Study

The aim of this research is to investigate the effect of cashback ,customer satisfaction and customer loyalty on consumer intention for using Go- pay ,Design/methodology/approach – this research utilized a quantitative approach focusing on cause and effect relationship among variables. The research will involve 188 Go-pay user in Universitas Atma Jaya Yogyakarta as the samples and to make this research valid ,Based on the background of this journal the main objective of this research are :

1. To examine the effect of *customer loyalty* towards *consumer Intention* for using Gopay
2. To examine the effect of *consumer satisfaction* towards *consumer intention* for using Gopay
3. To examine the effect of *cashback* towards *consumer intention* for using Gopay

1.5 Scope Of The Study

In order to limit the research range, this research has the limitation for the research in order to make the research more specific.

1. This research will use Gopay as the one of most used E-payment and E-wallet in Indonesia.
2. This research Respondent are only the students of Universitas Atma Jaya Yogyakarta who use Gopay as their e-payment or e-wallet.

1.6 Writing Structure

The research will be divided into 5 Chapters.

Chapter I : Introduction

This chapter consist of background of this research, problem statement, benefits of the study, objective of the study, scope of the study and writing structure of this research.

Chapter II : Theoretical background

This chapter consist of the concepts and theory that is relevant from the problem statement of this research. This chapter divided into three (3) parts , the first one is the literature review, the second is the previous study that have been done by other researchers or other related study with the topic that become some references for this research.

Chapter III : Research methodology

This chapter consist of the data collection method , research variable and data analysis methods that going to be use in this research.

Chapter IV : Data analysis

This chapter consist of the analysis of the collected data from the respondent and the interpretation of the result from data analysis.

Chapter V : Conclusion

This chapter consist of the conclusion from this research, managerial implication, limitation of the research and the suggestions for the future research

