

# CHAPTER I

## INTRODUCTION

### 1.1 Background

The use of money began in a place where now is known as western Turkey back in sixth century. For almost all of the time, the common monetary system has been commodity money which is considered to be the first stage of money revolutions. In this revolution, it has created the first system of open and free markets. The second revolution of money began from the beginning of Renaissance through the industrial revolution and resulted in the creation of the modern world capitalist system. Now in the 21<sup>st</sup> century, the world is entering the third stage of its monetary history which is the era of electronic money and the virtual economy. The new technology especially in communication has changed the way we earn and use money.

As the era progressed, mobile technology has developed very rapid. The information and communication technologies have made the daily activities a lot easier and that also affecting the changes of social and economy because the business sector. In this era of technology, new innovations are required to keep up with the advancement of society as it solves social problems and society's capacity to act and to generate more convenient and efficient activities. We are entering the era Business Industrial Revolution 4.0. Two of the activities that has affected by the era of technology is electronic commerce and electronic payment that makes hard to be separated from society's life.

1. The rise of technology and communication gives benefits for customers specifically mobile payment (m-payment) system to facilitate payment for merchandises and services conveniently. Despite early concern risk of using mobile payment, it has gradually become more favorable method in contemporary setting.

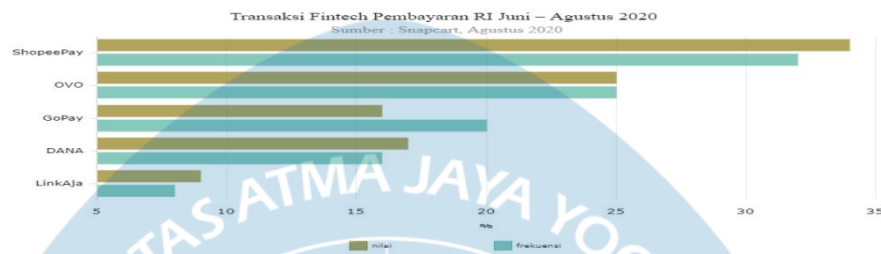
Indonesians seem to have embraced cashless transaction solutions wholeheartedly, with a wide range of businesses and services across the city offering them as a payment alternative (the Jakarta post As of April 2020, there are about 48 e-wallet license issuers that currently issued by Bank Indonesia. Based on data released by Bank Indonesia, total value of e-wallet transactions value has increased from US\$3.2 billion in 2018 to US\$10.45 billion in 2019. According to the e-Conomy SEA 2019 report by Google, Temasek, and Bain, Indonesia's internet economy is estimated to be worth US\$40 billion in 2019 and is expected to grow more than threefold by 2025 (mhijanto,2020).

The first mobile payment that ever launched in Indonesia was issued by communication company which is Telkomsel in 2007 (www.telkomsel.com). This innovation went under the name of Tcash. The first form was using the USSD \*800# short code, but then relaunched it last October, now armed with Near Field Communications (NFC) technology and an app.

After Tcash, other mobile payment system services then followed, such as Gopay by PT. Dompot Anak Bangsa (GOJEK), OVO by PT Visionet Internasional, DANA by PT Espay Debit Indonesia Koe, etc. In a survey released by Sharing Vision published in December 2020, Dimitri Mahayana as the chief of Telematics research institute stated from a survey 'eChannel Fintech eCommerce dan eLifestyle' that Gopay ranked first place as most chosen and used mobile payment winning by 81% of the respondents. Second place was occupied by OVO chosen by 71% of the respondents. Furthermore, the third place was taken with 44% and followed by Dana in fourth position with 41%, Mandiri e-money 21%, Flazz 18%, Link Aja 16%, and Brizzi 5% (Keuangan.kontan.co.id).

Considering the fact that the pandemic nowadays has gotten worst, the use of mobile payment has increased significantly. The prolonged Covid- 19 pandemic has made digital transaction even bigger than before (Keuangan.kontan.co.id). This situation resulted in growth of digital financial services that made a number of companies engage in this market. During the prolonged pandemic, Astrid Williandry as Director of Snapchart Indonesia stated

that ShopeePay with the support of its incessant strategy and integration in reaching and acquiring new consumers, one of which can be seen through the completeness of features and increasing merchant reach throughout Indonesia, has brought rapid growth from early 2020 to current year (wartaekonomi.co.id).



**Figure 1.1 Fintech Payment Transaction in Indonesia**

(Source: Snapcart, accessed on 22 July 2021)

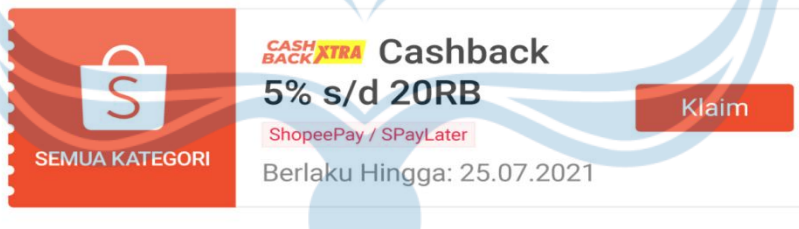
Based on the figure above, the frequency in which ShopeePay's transaction occur is the highest, at 32% of the total digital wallets ( e-wallet ) in Indonesia. Followed by OVO 25%, GoPay 20%, DANA 16%, and LinkAja 8%. In term of value, the transaction value on the ShopeePay platform is also the highest, which is 34% of the total e-wallet . Then 25% OVO, 17% DANA, 16% GoPay, and 9% LinkAja. Snapcart noted, ShopeePay attracted hundred of thousands merchant partners throughout Indonesia. These partners come from various categories such as food, beverages, fashion, retail, logistics to social activities such as donations. ShopeePay's monthly transaction frequency also reaches 9.1 times per month. This amount is far above the two main competitors, namely OVO 8.6 times and GoPay 6.9 times per month. The research was conducted in June, July, and August. Respondents surveyed cover all of Indonesia (katadata.co.id)

Shopee is the leading e-commerce platform in Southeast Asia and Taiwan. Launched in 2015, it is a platform tailored for the region, providing customers with an easy, secure and fast online shopping experience through strong payment

and fulfillment support (shopee.co.id). Shopee provide its own payment platform which is called as ShopeePay. It is an electronic money service feature that can be used as an online payment method in the Shopee application, offline at ShopeePay Merchant, and saves a refund that can be used to pay for your next order (shopeepay.co.id).

There is no escaping the fact that Shopee's marketing strategy also helps the growth of Shopee to become one of the biggest players in Indonesia. Shopee is known to often offers Promotion such as cashbacks, free deliveries, discount especially during the prolonged Covid-19 pandemic. There are several benefits that users can get from using ShopeePay, from cashback vouchers up to 30%, daily cashback in form of Shopee coins after shopping on user's favorite shop, fast and easy transfer the ShopeePay balance to fellow users anytime and anywhere, and also free shipping using ShopeePay.

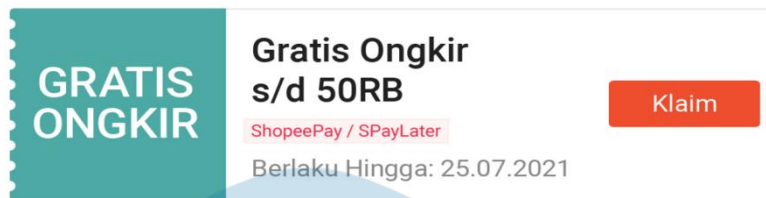
#### VOUCHER CASHBACK SPESIAL



**Figure 1.2 Cashback Voucher for Shopeepay**

(Source: Shopee.co.id, Accessed on 23July 2021)

### VOUCHER GRATIS ONGKIR SEMUA TOKO



**Figure 1.3 Free Shipping Voucher**

(source: Shopee.co.id, Accessed on 23 July 2021)



**Figure 1.4 Shopee Coins Cashback**

(Source: Twitter.com, accessed on 23 July 23, 2021)

Shopee provides some features in order to help users and perfecting its ShopeePay platform. The features include QR code which could be used to complete payment by scanning the QR code available at shop, website, or Merchants app. The next feature is making transfer to and from fellow users or bank account which also can be used to make a top up with one condition that the Shopee Pay account should be verified. The security payment is equipped while

using ShopeePay by requiring PIN in order to complete any transactions such as top up, make a pay, as well as transfer to other ShopeePay account or bank account.

Many previous researchers have made studies about the intention of mobile payment usage with Technology Acceptance Model but only few using the method of Theory Planned Behavior. It is necessary to see from psychological behavior why a person is using a mobile payment and why is not, and what are the things that actually influencing their intention or a will to use mobile payment. In other studies, many have conducted research using Gopay as an object. Considering the fact that Shopee payment/ ShopeePay is now the most used E-wallet In Indonesia especially during the prolonged pandemic and that Shopee payment is growing and has potential to keep growing by the years , therefore in this research, the researcher would like to use Theory of Planned Behavior as research model and ShopeePay as an object in order to find which factor is influencing the intention of ShopeePay as their main payment system.

Based on the background explained above by the researcher, the purpose of this study is to determine the relationship between Theory of Planned Behavior with set variables of Attitude, subjective norm, perceived behavioral control along with the antecedents of behavioral belief, normative belief and control belief towards users' intention to use ShopeePay as their payment system. Thus, the title of this study would be **“THE INTENTIONS OF USING SHOPEE PAY AS MOBILE PAYMENT SYSTEM WITH THEORY OF PLANNED BEHAVIOR”**.

## 1.2 Research Problem

Based on the Introduction written above, the problems are formulated as follow:

1. Does behavioral belief (perceived usefulness, perceived ease of use, trust and perceived safety) influence the attitude towards the use of ShopeePay?

2. Does normative belief influence the subjective norm towards the use of ShopeePay?
3. Does control belief influence perceived behavioral control towards the use of ShopeePay?
4. Does attitude influence intention towards the use of ShopeePay?
5. Does subjective norm influence the intention towards the use of ShopeePay?
6. Does perceived behavioral control influence the intention towards the use of ShopeePay?

### 1.3 Research Objective

1. To examine the influence of behavioral belief towards the attitude to use ShopeePay.
2. To examine the influence of normative belief towards subjective norm to adopt ShopeePay.
3. To examine the influence of control belief towards perceived behavioral control to adopt ShopeePay.
4. To examine the influence of attitude towards intention to adopt ShopeePay.
5. To examine the influence of subjective norm towards the intention to adopt ShopeePay.
6. To examine the influence of perceived behavioral control towards the intention to adopt ShopeePay.

### 1.4 Research Contribution

#### **a. Theoretical advantage**

This research might contribute in further theoretical research linked to several factors which influence the behavioral intention to use mobile payment system.

#### **b. Practical Advantage**

For company, this research is expected to contribute by giving references as additional information to the company studied in the retrieval of decisions and in the performance of its services. For the users or potential users, this research might give references for the users to understand better the benefits to use Shopee payment system and might also encourage the potential users to put ShopeePay into a consideration.

#### **1.5 Research Limitation**

In order to avoid some misunderstandings and to prevent unsuitable things in this research, several limitations are formed as follows:

- a. The respondents of this research are smartphone holders and Shopee application along with Shopee payment users for online and or offline store transactions. The respondents are from both gender male and female born in 1989-1999 (Y-Generation).
- b. The object of this research is ShopeePay.
- c. The questionnaire is distributed online.
- d. The variable of this research is divided into 3 variables and categorized into independent variable, antecedents, and dependent variable. The independent variables are attitude, subjective norm, perceived behavioral control. The antecedents are behavioral belief which consist of perceived usefulness, perceived ease of use, trust, perceived safety, normative belief which consist of interpersonal influence and external influence. Lastly, control belief is made up by two factors, and they are self-efficacy and



facilitating condition. The dependent variable of this research is behavioral intention to adopt ShopeePay.

## 1.7 Writing Structure

This thesis is divided into five chapters:

### **CHAPTER I: INTRODUCTION**

This chapter describes basic information such as: background, problem identifications, research objectives, research contributions, 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.