CHAPTER I

INTRODUCTION

1.1   Background

A cashless society is an advanced movement where cash is replaced with its digital version (Fabris, 2019). In Indonesia itself, in its realization of forming a cashless society, the National Cashless Movement (GNNT) was designed by Bank Indonesia (BI) in 2014. GNNT, according to the Governor of Bank Indonesia at that time, was aimed at increasing Indonesian people's awareness of the use of non-cash instruments so that in the future, a society would be formed that prefers to use non-cash instruments, especially in carrying out economic activity transactions.

The emergence of the health crisis and policies during the COVID-19 pandemic made several changes in society, such as an impact on payment behavior in the community where people prefer to use mobile payments rather than cash transactions (Jonker et al, 2022). This form of prevention to control the pandemic is likely to have an effect on the increasing use of digital money among the public. This is also evidenced by some of the author's experiences where some shops, especially in shopping centers, no longer accept cash payments and only accept cashless payments in the form of mobile payments or cards. And some of the author's observations also show that consumers, especially young people, prefer to use mobile payment as a payment method and rarely carry cash.

Mobile payment is a process aimed at purchases, payments, or transfers of value made via mobile devices without the need for cash or the

participation of banking institutions (de Sena Abrahão, Moriguchi and Andrade, 2016). Any payment that uses a mobile device to initiate, activate, and confirm the payment can be considered a mobile payment (Karnouskos, 2004). One of the newest trends in mobile payment is payment with a contactless payment feature, namely via a QR code. QR code mobile payment is a mobile payment system using Near Field Communication (NFC) technology developed by Denso Wave (Türker, Altay and Okumuş, 2022). In Indonesia, the use of QR code mobile payment systems is realized in the form of the Quick Response Code Indonesian Standard (QRIS), implemented nationally by Bank Indonesia in 2020.

Digital-based payments via QRIS have shown a significant increase in both transaction volume and nominal. According to ASPI's annual report 2022, the volume of payment transactions using QRIS increased by 167.7%, while the nominal transactions using QRIS grew by 261.8% compared to the previous year. The increasing use of digital-based payment systems and how this increase occurred during the pandemic shows that people's behavior is adapting to the situation. This is also similar to observations made by researchers where, in this observation, the majority of the younger generation tend to make payments via QRIS rather than cash, and even a small percentage of the younger generation no longer carry cash as long as they carry a smartphone. This may cause them to choose not to shop at places that do not provide QRIS or other non-cash payment methods. For this reason, this research will use the Unified Theory of Acceptance and Use

of Technology (UTAUT) to understand the behavior of QRIS users in adopting and using this payment method.

This research focuses on undergraduate program students (S1) at the Faculty of Business and Economics (FBE) Atma Jaya University Yogyakarta with considerations related to technological developments and internet use. The phenomenon of naming the Internet Generation or Generation Z, who were generally born in the 2000s, becomes relevant in this context. According to H. Wibawanto (2016), Generation Z is known for their fluency in adopting technology. FBE undergraduate students at Atma Jaya University Yogyakarta were chosen because their age range is largely similar to Generation Z, so they are considered a representative sample to explore QRIS acceptance related to technological advances and internet use. Thus, the use of FBE students as a sample and the focus on Generation Z in this research support each other and strengthen the relevance of the expected findings.

1.2   Research Problem

Even though the GNNT established by the Indonesian government to increase public awareness and interest in non-cash payment instruments has been going on since 2014, the use of digital payment methods among the public appears to have increased during the COVID-19 pandemic. The change in payment pattern is also one of the factors causing the increase in the use of mobile payments as a payment method (Liao and Yang, 2020). In Indonesia, QRIS is one of the technologies often used in mobile payments.

According to ASPI's annual report for 2022, transactions using QRIS increased compared to the previous year, which shows that QRIS is becoming popular in Indonesia. As merchants, on average, micro, small, and medium enterprises (MSMEs) also use QRIS as their payment method. Some MSMEs even use QRIS and other non-cash instruments as their primary payment method.

The QRIS payment system provides a convenient way to carry out transactions. The QRIS payment system is one of the payment methods that is often used based on personal experience and observations made by the author. In the author's observation, many young people prefer using QRIS compared to other payment methods. Based on this phenomenon, this research aims to provide insight into the growing payment preferences among young people, so as to guide the development of a more personalized and user-friendly payment system so that it can be used more widely across all age groups.

1.3   Research Questions

How is the influence of performance expectancy, effort expectancy, social influence, and facilitating conditions factors on user behaviour and behaviour intentions in measuring the level of acceptance of users to the use of the QRIS transaction system?

1.4   Research Purposes

This research is hopefully able to provide insights for QRIS developers and service providers to improve the functionality and design of the service and develop the marketing of the QRIS service later. The existence of factors such as performance expectancy, effort expectancy, social influence, facilitating conditions on behaviour intention, and use behaviour that affect the adoption of QRIS in a student environment may help QRIS service providers in optimising strategies in terms of market expansion and user satisfaction.

1.5   Benefits of Research

This research hopes to benefit QRIS developers and service providers by providing insight into the factors that influence QRIS adoption in the student environment, which will enable them to improve the functionality as well as the design and marketing strategy of QRIS services in the future. Thus, they can optimise their services, increase user satisfaction, and contribute to the development of a more advanced and integrated digital payment ecosystem in Indonesia.

1.6   Writing Systematics

- **Chapter I: Introduction**

    In this chapter, the researcher will explain the background of the problem that underlies this research, problem formulation, research

question, research objectives, benefits of research, and writing systematics.

- **Chapter II: Analysis of the Acceptance of the Quick Response Code Indonesian Standard (QRIS) Payment System Using the Unified Theory of Acceptance and Use of Technology (UTAUT) Model**

  In this chapter the researcher will present the theories that form the basis of the research. This theory includes the meaning of the National Cashless Movement (GNNT), mobile payment, QRIS, UTAUT. Then the researcher will also describe previous research related to the researcher's research and develop research hypotheses.

- **Chapter III: Research Methodology**

  In this chapter the researcher will state the type of research, research object, research population, research variables, operationalization and measurement of research variables, research model, type of data and data collection techniques, and data analysis.

- **Chapter IV: Data Analysis**

  In this chapter the researcher will describe the data that has been collected from respondents which will then be analyzed by the researcher. Analysis was carried out quantitatively using Structural Equation Modeling-Partial Least Square with SmartPLS 3.2.9 software.

- **Chapter V: Conclusion**

This chapter is the last main part, here the researcher will state the conclusions from the results of data analysis and outline the contents of this research. And the researcher will also state suggestions containing research limitations and things that are expected to be useful regarding the acceptance of QRIS payment system for Students at the Faculty of Business and Economics, Atma Jaya University, Yogyakarta.