Analysis Of Factors Affecting Islamic Economic Communities Using Digital Payments

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Abstract

This study aims to analyze and provide empirical evidence about the effect of trust on the use of digital payment systems with risk perception, perceived benefits and convenience as intervening variables. The population in this study is the West Sumatera Islamic Society. The research sampling method of 100 people used quota sampling. Data processing with Smart PLS 3.0 results showed that trust has a positive and significant effect on perceived benefits, convenience and risk. The risk perception has a positive, but not significant effect on the use of Digital Payments. The perceptions about the benefits and perceived convenience have a significant positive effect on the use of Digital Payments. The results of the intervening test showed that the perception of benefits and perceived convenience play a part of mediation and the perception of risk has no mediating effect (no mediation).
Keywords*: Risk Perception; Benefit Perception; Ease Perception; Trust; and Digital Payments*

INTRODUCTION

The development of information technology has a real impact on all aspects of people's lives. One of them is the payment method. We have learned that the payment systems exist in a cash way, using money, and using non-cash payments (ATM Cards and Credit Cards). Along with technological developments in the industrial revolution era 4.0, more and more types and forms of non-cash payment instruments are developing. This developed in line with government policy through Bank of Indonesia by encouraging transactions with non-cash payments, or better known as digital payments/e-money.

So far, we know cash as an instrument of payment systems that we often use everyday. There are paper money and coins that we often use when shopping or buying any items. However, the presence of money has been increasingly displaced by the presence of non-cash payments. Now, there are various fintechs that offer non-cash payment systems with a variety of tantalizing features that lure customers. The emergence of an electronic transfer system and credit card is the beginning of the issuance of payment cards. In addition, this also marks the development of payment methods in Indonesia, where there are many people who use them. According to data from Bank of Indonesia, transactions for the use of ATM / Debit cards in 2016 were recorded at 5.623 trillion and credit cards reached 281 trillion rupiahs.

Payment cards eventually evolved into e-money or electronic money. This payment method is currently very popular and liked by many people. The mechanism of electronic money uses a medium in the form of a server or chip to store the value of money electronically. This has been regulated by a regulation issued by Bank of Indonesia based on BI regulation no. 11/12 / PBI / 2009.

The Islamic view of the development of the digital payment system is very appropriate to anticipate the occurrence of usury cases which are now considered taboo among the people. Where the payment system is done in a transparent manner in every transaction that is done so that there is no manipulation of costs used for personal gain (Rahmawaty, 2013). Digital Payment Systems will develop rapidly in Indonesia if the culture of society in the financial aspect changes. the culture and background of Indonesian society, which is still largely untouched by banking products, some even feel uncomfortable with payment technology that is full of security issues, and makes cash a prima done in every payment transaction activity (Iman, 2016).

In line with the rapid development of technology, the pattern and payment system in economic transactions continues to change. Technological advances in the payment system are shifting the role of cash (currency) as a means of payment in the form of digital payments that are more efficient and economical.

Mobile payments need to adapt to the ecosystem to increase the scale of the platform, and also depend on the choice of the scope of their geographical availability (Jocevski, Ghezzi, & Arvidsson, 2020). Adaptation between business models and platform-related business actors leads to an increase in

the diffusion of platform offerings, which is also needed to review the diffusion of innovation and technology adoption theory by recognizing the importance of business models in terms of technology supply. The digital market and Financial Technology (FinTech) are activated by adopting smartphones so that many business transactions are done via smartphones, including transactions in investments, payments or online purchases (Anshari, Almunawar, Masri, & Hamdan, 2019). Smartphones have become a front-end digital market device where customers, suppliers and investors carry out business transactions directly or indirectly and are also used as a tool to manage business remotely.

As technology develops, it also influences existing payment In its development, several countries have discovered and used electronic payment products known as an Electronic Money (e-money). The presence of non-cash payment instruments mentioned above, is not only caused by innovations in the banking sector, but also driven by the public's need for practical payment instruments that can provide convenience in conducting transactions (Ramadani, 2016). Currently there are many non-cash payment instruments popping up, ranging from applications owned by banks, online motorcycle taxi companies, and others. This non-cash payment instrument is basically permissible and greatly facilitates the public in conducting various transactions. But in reality, not all people who want to use this payment instrument. Both the community who plays the role of consumers and the community who acts as the business owner. This is what the researchers will find out in order to find factors that encourage people to use non-cash payment instruments, especially the Islamic economic community. By doing this research it is expected that the influencing factors will be clearly seen, and can be used as a reference for the people and companies involved in making decisions.

LITERATURE REVIEW

A. Perception of Benefits

Perceived usefulness is defined as the extent to which a person believes that the use of certain information systems will improve performance. From this definition. It is known that the perception of usefulness is a belief about the decision making process. If someone feels that the system is useful then he will use it. Conversely, if someone believes that the information system is less useful then he will not use it (Priambodo & Prabawani, 2016).

Revealed (Renny, Guritno, & Siringoringo, 2013) The three indicators are: 1. Faster transactions, 2. More effective, 3. Increase productivity

B. Ease of Perception

Perceived ease is defined as the extent to which a person believes that using a technology will be free of effort. This perception of ease will have an impact on behavior, namely the higher one's perception of the ease of using the system, the higher level of information technology utilization (Fitriyanti, Fauzi, & Armeliza, 2017) Indicators for measuring the ease of use variables include: a). Easy to understand, 2). easy to use, 3). does not require much effort, 4). easily do what the user wants (Andriyano & Rahmawati, 2016)

C. Risk Perception

Risk perception is a negative assumption from customers of the uncertainty and consequences that will be faced when someone makes an online transaction. Security risks in online transactions are a threat to customers and the certainty of goods that have been ordered is a threat to customers who make online purchases through bank transfers (Mauludiyah & Diana, 2018). There are 3 indicators regarding risk perception (perceived risk) in the questionnaire. These questions are sourced from research as revealed (Utami, 2016). The three indicators are: a. High risk, b. Transaction security, c. System security. The concept of perceived risk most often used by consumer researchers defines risk in terms of the consumer's perceptions of the uncertainty and adverse consequences of buying a product or service (Littler & Melanthiou, 2006).

D. Trust

Trust is the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other. (Kuriyan & Watkins, 2010). According to (Renny et al., 2013) Trust consists of three indicators including: 1) Maintain the confidentiality of user data, 2) Maintain user confidence, 3) Maintaining the security of the transaction process

E. Digital Payment

Digital payment is a payment model that makes it easy and offers convenience to its users in making payment transactions. Users only need to make transactions using the internet that is online, without having to meet or come all the way to meet the seller. Electronic payment is representative of all non-cash payments, which are also interpreted as electronic payment transactions between business buyers and sellers using a savings account through the internet network or electronic network (Liem, 2018). According to (Dharmesta, 2016) there are three indicators are: 1) Using certain services, 2) The intensity of using, 3) Using digital payments because of the needs not because of work.

Digital payments refer to all types of payments using digital instruments, which include cellular payments, cellular wallets, crypto currencies, and electronic payments. Digital banking refers to the use of technology to conduct banking transactions smoothly (Sardana & Singhania, 2018). Therefore, the terms commonly used are electronic banking, internet banking, and online banking (Alkhowaiter, 2020). (Ghezzi, Renga, Balocco, & Pescetto, 2010) said that mobile payments are "a process in which at least one phase of a transaction is carried out using a mobile device (such as a cellphone, smartphone or wireless enabled) device that is able to process financial transactions securely through cellular networks, or through various wireless technologies (NFC, Bluetooth, RFID, etc.). " (Dahlberg, Mallat, Ondrus, & Zmijewska, 2008) also said that mobile payments as "payment of goods, services, and bills with mobile devices such as cellphones, smart phones, or personal digital assistants by taking advantage of wireless and others. Cellular payments are receiving increasing attention globally, from consumers to merchants, as an alternative to using cash, checks or credit cards. The potential of this technology is huge (Oliveira, Thomas, Baptista, & Campos, 2016).

(Junadi & Sfenrianto, 2015) said that E-payments in the context of e-commerce refers to online transactions are conducted via the Internet, although there are many other forms of electronic payment. E-payments can also be defined as the process of payment made without the use of paper instruments. The e-payment systems consists of online credit card transaction, electronic wallet (e-wallet), electronic cash (e-cash), online stored value systems, digital accumulating balance systems, digital checking payment systems and wireless payment systems.

RESEARCH METHODOLOGY

The method used is an explanatory survey. The descriptive data collection was conducted on 100 people of West Sumatera, the sampling technique using proportional random sampling (Skinner 2016). Data analysis was carried out by several sources, both secondary data and primary data, such as data uniting the answers for each question in the questionnaire, which revealed questions about Risk Perception, Benefit Perception, Perception of Ease, Trust and Digital Payments. Structural analysis tools using Smart PLS 3.0. The reason for choosing this method is because of its ability to measure constructs indirectly through indicators and simultaneously analyze indicator variables and latent variables, and the relationship between indicators of latent variables, as well as the relationship between variables and other variables, together with the involvement of measurement errors. The results of this study are expected to provide an overview of the clarity of the relationship and the magnitude of the influence of variables that are very useful to explore in detail the various factors that can improve society using digital payments as a means of payment so as to provide a comprehensive understanding.

RESULTS AND DISCUSSION

Structural Model Testing (Inner Model)
Following are the R-Square values in the construct:
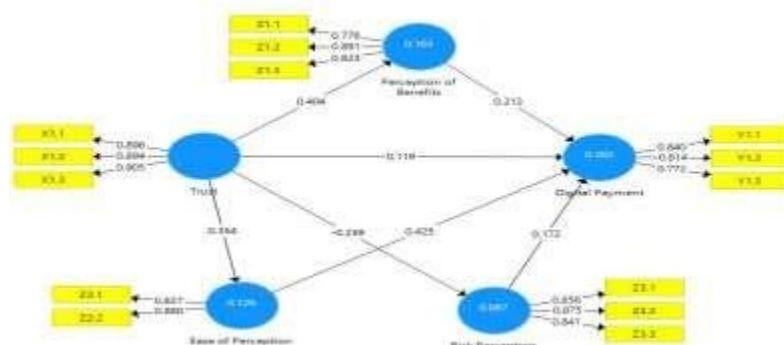
Figure. 1
R-Square

Figure 1 gives a value of 38.2% for constructing digital payments which means that benefit perception is able to explain the digital payments variance of 16.3%. The R value is also found in digital payments which is influenced by ease perception which is 12.6% and digital payment which is affected by risk perception which is 6.7%. Hypothesis testing is as follows:
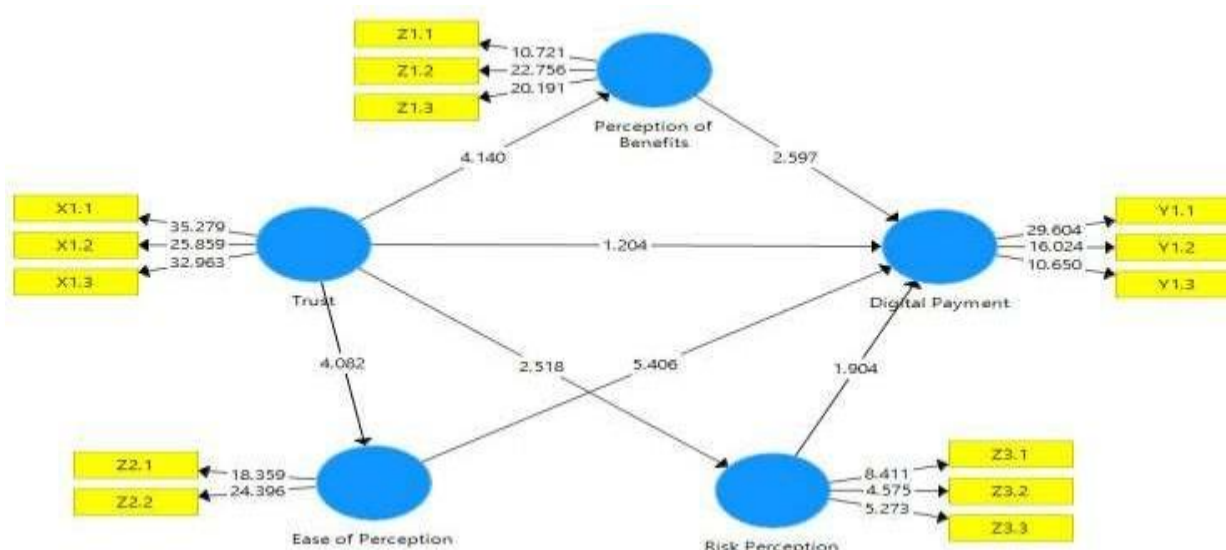
Figure. 2
Hypothesis Testing

Figure 2 shows that the relationship between trust and benefit perception is significant with a T-statistic of 4.140 (> 1.96). Thus the H1 hypothesis of this study, which states that 'Trust influences Perceptions of Benefits' is accepted. Then, the relationship between trust and ease perception is significant with a T-statistic of 4.082 (> 1.96). Thus, the H2 hypothesis of this study, which states that 'Trust influences Ease Perception' is accepted. Thus, the relationship between trust and risk perception is significant with a T-statistic of 2.518 (> 1.96). Thus the H3 hypothesis of this study, which states that 'Trust influences Risk Perception' is accepted. Then, the relationship between benefit perception and digital payment is significant with a T-statistic of 2.597 (> 1.96). Thus, the H4 hypothesis of this study, which states that 'Benefit Perception influences Digital Payments' is accepted. And the relationship between ease perception and digital payment is significant with a T-statistic of 5.406 (> 1.96). Thus the H5 hypothesis of this study, which states that 'Perception of Ease affects Digital Payments' is accepted.
And that the relationship between risk perception and digital payment is positive but not significant with a T-statistic of 1,904 (<1.96). Thus the H6 hypothesis of this study, which states that 'Risk Perception influences digital payments' is rejected. Finally, it shows that the relationship between Trust and digital payments is positive but not significant with a T-statistic of 1.204 (<1.96). Thus the H7 hypothesis in this study which states that 'Trust influences Digital Payments' are rejected.

Factors (Trust, Perception of Benefits, Ease of Perception, and Risk Perception) have a positive attitude towards community decision making in using digital payments. The higher factors that influence it will increase people's decision making to use digital payments in making transactions to meet their daily needs. Furthermore, trust in (perceived benefits, perceived ease and perceived risk), the higher the trust will increase (perceived benefits, perceived ease and perceived risk) because people who believe they will use digital payments and directly they will also feel the benefits, convenience and know the minimum risk that arises using this digital payment. As well as trust increases positively, but not significantly, the higher the trust will increase community Decision Making using digital payments. The indirect effect is greater than the direct effect, so it can be explained as a variety of perceived usefulness, perceived ease and perceived risk as an intervening variable between the variable of trust and the variable using digital payments to make transactions to meet daily needs. Henceforth the author can examine other variables about digital payments against other variables to expand this research and the results of this study can be used by the public in making decisions about payment instruments that can be used in addition to using cash as a means of payment.

CONCLUSION

Trust has a positive effect on perceived usefulness. The higher the user's trust in Digital Payments, the better their perception of the benefits of using Digital Payments will be. Trust has a positive effect on perceived ease. The higher the user's trust in Digital Payments, it will increase the user's perception of

the ease of using Digital Payments. Trust has a positive effect on risk perception. The higher the user's trust in Digital Payments, it will increase the user's perception of the risk of using Digital Payments. Perceived benefits have a positive effect on the use of Digital Payments. The higher the user's perception of the benefits of using Digital Payments, the higher the use of Digital Payments. Perception of convenience has a positive effect on the use of Digital Payments. The higher the user's perception of convenience, the higher the use of Digital Payments. Risk perception positive affects the use of Digital Payments. The high perception of users of the risks of using Digital Payments, it will increase the use of Digital Payments. Trust has a positive effect on the use of Digital Payments. High confidence in the trust in the use of Digital Payments, it will increase the use of Digital Payments. The indirect effect is greater than the direct effect, so it can be said that the variable of perceived usefulness, perceived usefulness and perceived ease as an intervening variable between the variable Trust with the Digital Payment variable.

In the future, the development of non-cash payments is predicted to use cryptocurrency. A cryptocurrency is a virtual coin so it does not have a physical form. The only proof of ownership of cryptocurrency is a recorded transaction on the blockchain. The blockchain is a public record (or electronic led-ger). People who own cryptocurrency, for example, want to buy goods from sellers willing to accept cryptocurrency as payment. There are several types of cryptocurrency that has emerged in the country such as Bitcoins, Etherium, and Ripple. Bitcoins are known as one of the most popular crypto currencies. In addition, there are some people who are interested in playing in Bitcoin as a form of future investment. It is estimated, cryptocurrency will grow more rapidly in Indonesia and become one of the currencies used by many people. However, cryptocurreny is still hit by a complex block chain system. The high transparency between servers is predicted to be the reason why crypto currency will later be glimpsed by many people so it is considered a safe digital currency.

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