Transactions on the smartphone as a driving factor to Indonesian Cashless Transaction

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Abstract

Less Cash Society - is societies which in financial transactions no longer rely on cash. All transactions particularly retail which is done by electronic. The success of cashless society, in addition to requiring the technology readiness also requires the mental readiness of the society, which is expected to protect them from crime mode, especially cybercrime. Currently, a transaction in Indonesia is still dominated by cash. Bank Indonesia hope that in the future every Domestic Transactions must be electronics. The Government encourages the public to use a prepaid card or electronic money to reduce the use of cash transactions, particularly in socializing "Gerakan Nasional Non Tunai" which in turn is expected to impact positively to the Indonesian economy, to the era of Less Cash Society. In line with this, it should also be noted the level of satisfaction of the users of electronic money in Indonesia, namely to the comfort and safety of products existing eMoney.

Keyword: Less cash society, electronic Money, ServQual,

1. Introduction

The rapid advancement of technology in the mobile device is already changing people’s behavior and lifestyle including financial transactions. For example in the banking sector, the public has been introduced with ease via e-Money transactions simply by using a mobile phone.

Although in Banking sector at first a bit of difficulty when to start implementing and receiving of smart phones-based e-Money, because transactions using the electronic is considered may trigger criminal action, but the collaborate and synergize with Telco Provider finally a non-cash transactions can be enjoyed in Indonesia.

Bank Indonesia (BI) has officially launched the National Movement of Non Cash (GNNT). Pencanangan movement aims BI Governor Agus DW Martowardojo in Mangga Dua Mall, Jakarta. He said “Sebagai bentuk komitmen atas perluasan instrumen non tunai, kami akan menjadikkan GNNT sebagai gerakan tahunan yang di dukung dengan berbagai kegiatan untuk mendorong meningkatkan pemahaman masyarakat akan penggunaan instrumen non tunai dalam melakukan transaksi pembayaran,” in Mal Mangga Dua, Kamis (14/8/2014).

In the near future people, who initially prefer to use cash, will automatically switch to the transaction of Electronic Money, because transactions using e-Money will facilitate routine transactions of their daily, saving time, safer, and more practical because it does not need to carry cash. Using our mobile phone, all transaction can be done

2. Literatur Review

2.1 Electronic Money

Electronic money (digital cash) is the currency used in Internet transactions by electronic means. In general features of e-money has same characteristics as follows:

- Electronic money has a stored value or prepaid where the amount of the value of money stored in an electronic medium that is owned by someone.
- The Value of money listed has been recorded in the instrument of e-money, or often called stored value, will be immediately reduced when consumers use it to conduct payment transactions.
- Funds recorded in e-money completely in the possession of consumers.
- At the time of the transaction, electronic transfer of funds in the form of e-money
- Value of its customers to the merchant terminal can be done offline. In this
2.2 Service Quality.

Service Quality is a comparison of expectation (hope) with Performance, Citing Lewis and Booms, 1983, they stated: Service quality is a measure of how well a service encounter compatibility with customer expectations. The implementation of quality of service means making compromises with the customer expectations consistently.
When we compare between expectation and performance then this will create a “gap” related to service quality issues, in general, we know there are 5 gaps are

- Gap 1: The gap between customer expectations and perceptions (performance) management, where such expectations will have an impact on customer service quality assessment.
- Gap 2: Gap between management perception about customer expectations and service quality specifications, this will impact on the quality of service from the customer's perspective.
- Gap 3: The gap between service quality specifications and actual service delivery, this will impact on the quality of service from the customer's perspective.
- Gap 4: Gap between actual service delivery and external communications about the service, which will have an impact on the quality of service from the customer's perspective.
- Gap 5: The gap between the quality of service that customers expect (Expected Service) and services Received (Perceived Service).

3. Methodology & Discussion:

To get an idea of how the level of satisfaction of users of electronic money apps that circulated in Indonesia, we took samples from a survey of electronic services from three large banks such as Bank Mandiri, Bank Central Asia, Bank Niaga, and 2 Telco providers Telkomsel and Indosat which have been available in the Market from the Play Store of Android devices.
This analysis is limited to only using android device user data; because it is based on the table below shows Android dominated the market with an 87.6% share in 2016Q2.

![Worldwide Smartphone OS Market Share](image)

Figure 2 : Smartphone OS Market Share, 2016 Q2
Analysis of Quality of Service or Service Quality (acronym: SERVQUAL) is a descriptive method to describe the level of customer satisfaction. This method was developed in 1985 by A. Parasuraman, Valarie A. Zeithaml, and Leonard L. Berry through their article in the Journal of Marketing. The method in the journal and then revised by them through the article “SERVQUAL: A Multiple-Item Scale for Measuring Consumer Perceptions of Service Quality.”

<table>
<thead>
<tr>
<th>Period</th>
<th>Android</th>
<th>iOS</th>
<th>Windows Phone</th>
<th>Others</th>
</tr>
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<tr>
<td>2015Q3</td>
<td>84.3%</td>
<td>13.4%</td>
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<td>0.5%</td>
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<tr>
<td>2015Q4</td>
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<td>18.6%</td>
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<tr>
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<td>15.4%</td>
<td>0.8%</td>
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<td>2016Q2</td>
<td>87.6%</td>
<td>11.7%</td>
<td>0.4%</td>
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**PRODUCTS ELECTRONIC MONEY**

**Mandiri e-Cash**
Digital Financial Services-based server that allows mobile phone owners to have an e-wallet. Can be accessed through a native app on Android, iOS, Windows Phone and Blackberry. As well as the featured phone access through USSD * 141 * 6 #

**BCA Sakuku**
Digital Financial Services-based server that allows mobile phone owners to have an e-wallet. Only accessible via the native app on Android and iOS

**CIMB Niaga Rekening Hape**
Mobile accounts enable users to refill, payment and withdrawal of money from ATMs using any type of mobile phone. For a native app using mobile banking applications Go Mobile.

**SURVEY RESULTS ANDROID DEVICE**

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58% said very satisfied, 18.3% of fasting, 8.9% fairly satisfied, 4.6% dissatisfied and only 6.7% said very dissatisfied; thus concluded that the majority (76.3%) of “e-cash” users were satisfied (satisfaction level of 4.1 out of 5).

63% said very satisfied, 11% satisfied, fairly satisfied 7.4%, 4% were not satisfied and only 14.3% said very dissatisfied; thus concluded that the vast majority (74%) of the “Sakuku” are satisfied (satisfaction level of 4.0 out of 5).

50.5% said very satisfied, 18% satisfied, 11.1% fairly satisfied, 7% dissatisfied and only 13.3% said very dissatisfied; thus concluded that the majority (68.5%) of the users “Rekening Hape” satisfied (satisfaction level of 3.9 out of 5).
TCASH is electronic money service from Telkomsel. In contrast to the pulse, the funds loaded in TCASH can be used to pay merchants, online shopping, send money, pay bills, fill pulse, and others.

Indosat Dompetku

Indosat digital wallet is a financial service of Indosat. E-wallet now has more than 800,000 registered users and can be used to pay bills, cable TV, and gaming vouchers.

The survey makes a range of satisfaction levels ranging from 1 to 5, with the following caption:
- 1: very dissatisfied
- 2: unsatisfied
- 3: fairly satisfied
- 4: Satisfied
- 5: Very Satisfied

From the results of calculations performed by the provider of electronic money applications in Android devices, the conclusion: that the users of electronic money expressed as satisfied, if they choose a minimum level of customer satisfaction above (*3), we assume as 3, 5 and above.

4. Formulas Customer Satisfaction

Based on the proposition of the 8th and research they do for Framework ServQual; Parasuraman, Zeithaml, and Berry compose Customer Satisfaction formula as follows:

\[ Q = P - E \]

Where: \( Q \) = Quality Customer Service
\( E \) = Expectations Customers on Quality of Service (Expected Service)
\( P \) = the actual service received (Perceived Service)

If \( Q > 0 \) then the EP; customers are less satisfied with the services received;
If \( Q = 0 \) then \( E = P \); the customer is satisfied with the services received;
If \( Q < 0 \) then \( E < P \); customers are more than satisfied with the service received or have ideal conditions.

Based on the assumption of the formula above, given that the expectation level of customer satisfaction is above 3 is assumed to be 3.5 (more than enough) in order to obtain results:

\[ Q1 (eCash) : E(3.5) - P(4.1) = -0.6 \]
\[ Q2 (Sakuku) : E(3.5) - P(4.0) = -0.5 \]
\[ Q3 (Rekening Hape) : E(3.5) - P(3.9) = -0.4 \]
\[ Q4 (TCash) : E(3.5) - P(3.3) = 0.2 \]
\[ Q5 (Dompetku) : E(3.5) - P(4.0) = -0.5 \]

From the calculation using the formula above were obtained the following results:
- Product Mandiri eCash
- BCA Sakuku
- CIMB Niaga
- And, Dompetku have demonstrated ideal condition, a condition in which the customer is satisfied exceeds the ideal conditions.
Here there is only one product of a Telco provider that the application of its electronic money felt less satisfying its customers (the service is below expectations), TCash.

Based on the theory Framework ServQual, we know that there has been a condition of Gap 5, ie the gap between the quality of service that customers expect (Expected Service) and services Received (Perceived Service), which need to be improved on the Application TCash, so the level of customer satisfaction that is a minimum score of 3.5 or more can be achieved.

Attract users, especially among the age range between 20-45 years as a productive circles with a high level of consumerism in which there are young people who are very concerned with lifestyle trends, gadgets, convenience, practicality, reliability and accuracy; to satisfy and meets the expectations of the majority of this age group will make electronic money products more easily accepted.

Data Pengguna Smartphone Usia 9-13 tahun 2015

![Data Pengguna Smartphone Usia 9-13 tahun 2015](image)

Figure 3 : smartphone user data in the age 13-19

5. Conclusion:

- IDC survey results in August 2016 concluded that the majority of Indonesian people prefer to use Android Device.
- SevQual of the analysis of the 3 Bank and 2 Telco company, it can be concluded that the majority of Indonesian people are satisfied conduct transactions using electronic Money. Expected future, the Indonesians people will sooner or later be able to leave the cash and start doing transactions using electronic money, it supports the program less cash society.
- user data from individual survey and social media in their teens menuunjukkna type android 49%

The authors concluded that the trend of technology in the future is Android-based Smartphone and Cash Less Transactions will develop in mobile banking applications

References