

Conference Paper

The Usage of E-Money – A Phenomenological Study of E-Money Usage by Users in Bandung City

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Abstract

Usage of e-money for online purchases is becoming a trend among Indonesians, especially in Bandung, which points to changes in consumer behavior. But does the usage of e-money enhance the security and efficiency of the online payment system? This paper takes a phenomenological approach to answer the question. Nine informants were selected by snowball sampling for observations and in-depth interviews. Triangulation was used to validate the data. The results indicated that based on the knowledge, feelings and experience of the users, the motives of the users in using e-money in their transactions were practicality, security and benefits such as discounts or bonuses. E-money left users feeling happy, satisfied and sophisticated since it simplified the transaction processes, but the user sometimes felt annoyed when they encountered technical and network problems.

Keywords: e-money, meaning, motive, usage and experience

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Received: 09 April 2017

Accepted: 17 May 2017

Published: 12 June 2017

**Publishing services provided
by Knowledge E**

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Selection and Peer-review under the responsibility of the ICoSaPS Conference Committee.

1. Background

Bank Indonesia launched a public policy about a new non-cash payment method, namely electronic money (e-money), in September 2014. It aims to help people making daily transactions, especially in micro-payment transactions, and also to enhance the security and efficiency of online payment. The number of e-money transactions is increasing each year. The last updated information from Bank Indonesia website states that in June 2016, the amount of e-money used in Indonesia was 39,5 million rupiahs (how much in USD??). This e-money trend indicates the behavioral changes in purchasing goods or services from cash payment to non-cash payment. At first, the usage of e-money seems to be compulsive. Handhow Tubagus, assistant manager of Function Analysis of Financial Inclusion and Consumer Protection of Bank Indonesia West Java said that:

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“At first, many citizens rejected e-money because Indonesian people still have the habit of making transaction in cash because that was the way they feel comfortable with despite some cons against this kind of payment in its process. Having felt being forced to use the new system, a vast number of citizens finally realized the simplicity of non-cash transaction and begin using non-cash payment system, especially with e-money.” (Interview result with Tubagus Handhow (Manager Assistant of Function Analysis of Financial Inclusion and Consumer Protection of Bank Indonesia West Java), April 4th 2016).

Amdocs and Analysis Mason conducted the latest survey with 4,000 respondents from Indonesia, Brazil, England, and USA finding that the biggest trigger for Indonesian people to use the new payment method is its practicality (stated by 31% of respondents), the enhancement of security aspects (23%) and incentives of service providers (12%). Meanwhile, from social economic level, ages and education, the highest awareness about e-money is found among users in the middle socioeconomic status (SES), aged 25-34 years and having higher level of education, such as undergraduate and bachelor degrees (Quoted from <https://id.techinasia.com/emoney-di-indonesia-punya-masa-depan-cerah/>).

There are varying reasons why people choose e-money either because it is more practical for some people, or because it is the only payment method required for certain transactions. As one of the users said, their motive to use e-money was because there were many merchants or services that only accept e-money for the payment method or give some special treatments and privileges for the customers who use e-money in their transaction process, so that the usage of e-money is increased. Not only e-money is more practical, but it also has certain platform so that people can actually control their spending unlike credit cards” (Pre-research interview with Ravigo Patra (e-money users in Bandung), January 15, 2016).

Varying information regarding e-money received by each individual was the result of different communication process for different person. Therefore, the meaning of e-money for people was certainly different in accordance with the information they obtained regarding the e-money. Some knew the differences between chip and card-based e-money, others knew that *e-money* was different from debit or credit card; and still some others couldn't differentiate between e-money, debit card, or credit card. Considering these conditions, the authors were interested in conducting a research to determine the phenomenon of the trending of e-money in Bandung.

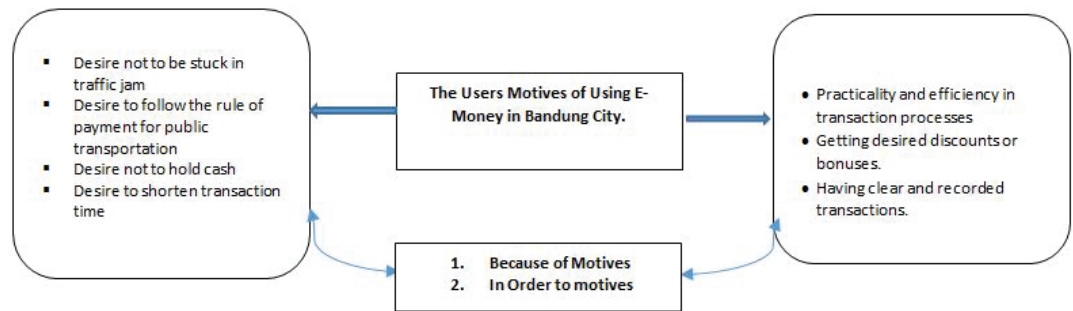


Figure 1: Chart of the users motive in using e-money as transaction instrument in Bandung city.

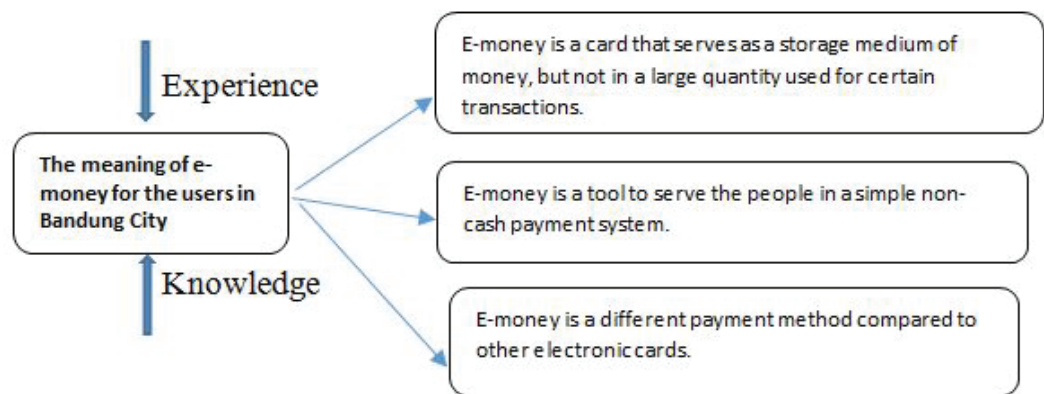


Figure 2: Chart of the meaning of e-money for the users in Bandung city.

2. Method

This research aimed to determine the motives, to know the users’ comprehension and experience of the users in Bandung using e-money in payment process. Nine informants were selected using snowball sampling. Data collected were based on observations, in-depth interviews, and online retrieval. The authors used triangulation to validate the data.

3. Findings and Discussion

The result show that at the beginning there were 4 (four) motives of e-money usage as a payment method: desire not to be stuck in traffic jam, desire to follow the rule of payment for public transportation, desire not to hold cash, and desire to shorten transaction time. Then, from the experience and the knowledge, the purpose and interest of the users in using e-money in transaction processes resulted in three additional motives: practicality and efficiency in transaction processes, offers of discounts or bonuses, and having clear and recorded transactions.

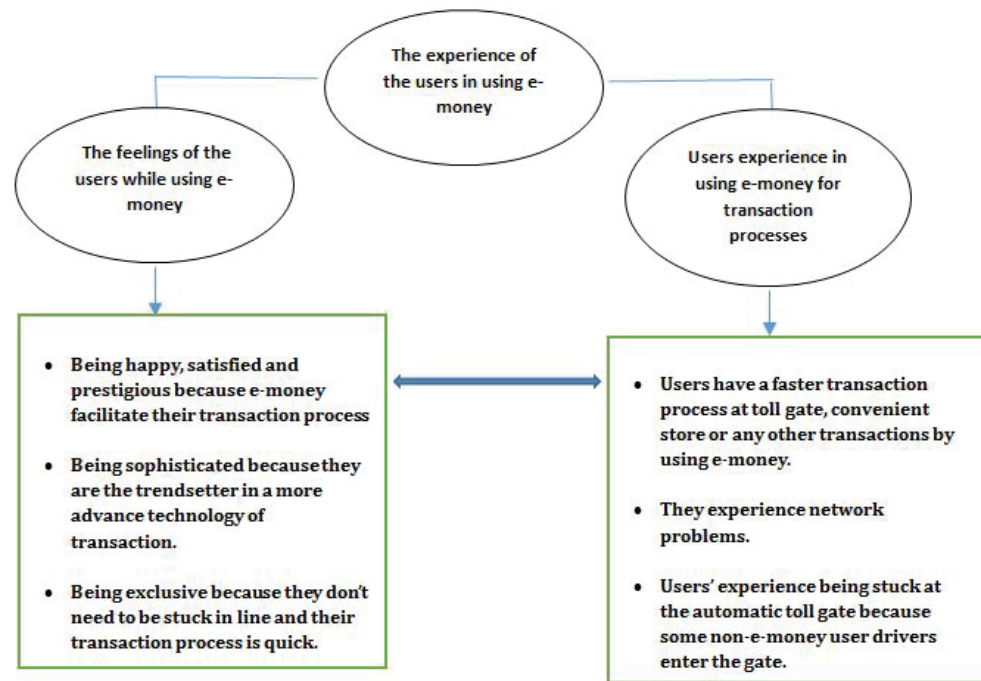


Figure 3: Chart of the experience of the users in using e-money.

For those motives, the aspects were classified into two phases from Schultz’s phenomenology motives: *because- of motive* and *in- order- to motive* (Kuswarno, Phenomenology ([12]: 111)). *Because- of motive* is a past-oriented motive. *Because- of motive* can be determined by experiences and knowledge about what had happened in the past. Then, *in- order- to motive* phase is a future-oriented actions with determined expectations.

There are four kinds of sources inspiring the users to use e-money: influence from *significant others* (family, friends), knowing e-money through Automatic Toll Gate (GTO), knowing e-money from convenient store clerks, and knowing e-money through social media or online retrieval. The result of the users’ knowledge leads to three meanings of e-money: Firstly, e-money is a card serving as a money storing medium, but not in a large quantity used for certain transactions. Secondly, e-money is a tool to serve the people in a simple non-cash payment system. Thirdly, e-money is a different payment method compared with other electronic cards. These data fit Schultz’s explanation about inter-subjective meaning. It means that the subjective meaning is formed by the actors in social world as a “similarity” among them, where the people understand others’ awareness while they live in their own awareness.

Phenomenology follows users’ direct experience as a way to understand the world. The next point is the users’ experience in using e-money as a transaction method. People perceive an experience from certain event by testing it consciously through their feelings and perceptions. The users’ experience when using e-money can be

divided into two parts: user's feeling while using e-money and user's experience in transaction process. Users feel happy and satisfied when using e-money since it simplifies transaction processes where the process is short and does not make them wait in line for too long. They also feel proud, sophisticated, and prestigious for being trend setters in a more advance technology. Furthermore, there are three different experiences the users find when using e -money: quick and easy transaction, network trouble, and being stuck in traffic when entering automatic toll gate because a non-e-money user tried to go through the gate.

4. Conclusion

Users' motive in using e-money in Bandung is classified into two phases of motives: *because - of motive* and *in - order - to motive*. *Because - of motive* of the users consists of four types of motives: desire not to be stuck in traffic jam, desire to follow the rule payment method in public transportation, desire not to hold cash, and desire to shorten time in transaction process. Meanwhile, *in - order - to motive* of the users consists of three types of motive: practicality and efficiency in transaction process, to get desired discount, and to have transaction records.

The meaning of e-money for the users is firstly a card serving as a money story medium, but not in a large quantity used only for certain transactions. Secondly, e-money is a tool to serve as an easier method of a non-cash transaction process. Thirdly, e-money is a different payment method from other electronic cards.

The experience of the users in using e-money as transaction method is classified into two: the feelings of the users while using e-money and the experience of the users while using e-money. The feeling of users while using e-money is as follows: firstly, being happy, satisfied and prestigious because e-money facilitates their transaction process. Secondly, they are being sophisticated because they are the trendsetter in a more advance technology of transaction. Thirdly, being exclusive because they don't need to be stuck in line and their transaction process is quick. Users' experiences in using e-money for transaction processes are as follows: Firstly, users have a faster transaction process at toll gate, convenient store or any other transactions by using e-money. Secondly, they experience network problems, and thirdly, they experience being stuck at the automatic toll gate because some non-e-money user drivers enter the gate.

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