

CHAPTER I

INTRODUCTION

1.1. Background of the Study

Since the year of 2018, the E-money sector is one of the fastest growing sectors in Indonesia. There has been an increase of over 500% in transaction value in the form of E-money. This data goes together with a study discovering that E-money is the preferred method of payment nowadays in Indonesia. E-money is short for Electronic Money. It is monetary value stored in an electronic system known as E-wallets (Electronic Wallets). Nowadays, there are many companies that are built around the technology of E-wallets such as OVO, DANA, and Linkaja. E-commerce companies nowadays also have integrated E-wallets on their platforms, some of them are Shopee (Shopee Pay), Gojek (Gopay), and Lazada (Lazada Wallet).

With more consumers using E-wallets as their preferred method of payment, more transactions are made with E-money, and the more profit E-wallet companies can potentially generate. This is why it is important for E-wallet companies to study what influences the actual usage of E-wallets by consumers. Based on two studies on the usage of E-wallets, they found that the greater the consumers' intent to use E-wallet applications, the greater the actual usage (Pertiwi et al., 2021), (Phan et al., 2020). Included with the two previous studies mentioned, an additional two studies also discovered a strong influence of intention to use towards the actual usage of E-wallets

(Karim et al., 2020), (Yang et al., 2021). By understanding what variables impact the intention to use of consumers, E-wallet companies can make better choices on what they should focus their resources on to increase the number of users, thus increasing their potential revenue.

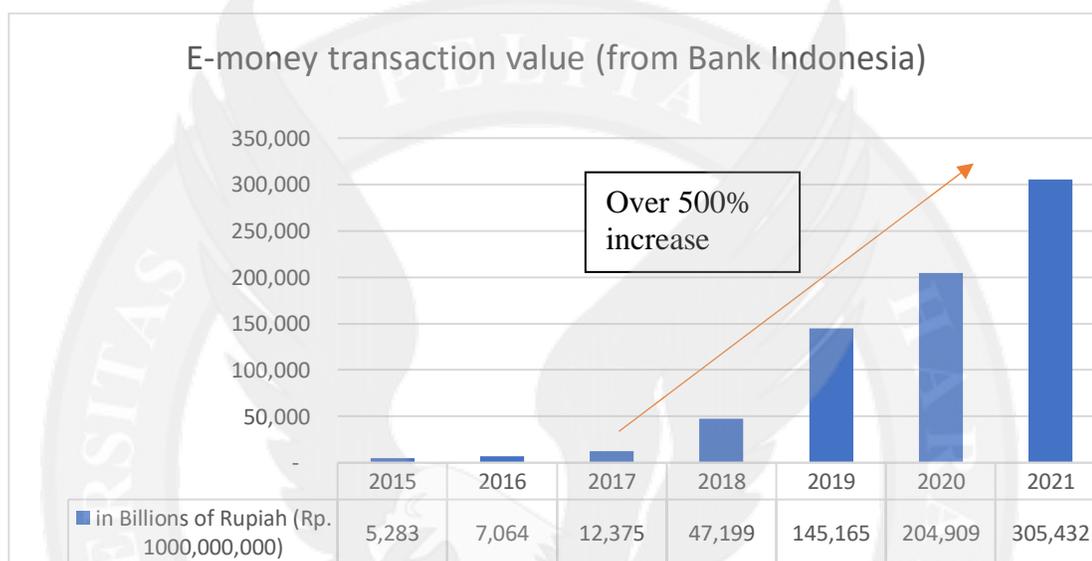


Figure 1. 1 E-money Transaction Value
Source: Bank Indonesia (2022)



Figure 1. 2 Preferred Payment Method
Source: Katadata.co.id (2022)

For the sake of understanding better about the intention of using E-wallets, the author has decided to choose DANA as the subject of this study. DANA is an E-wallet service provider through their own smartphone application. It is a product designed by PT. Espay Debit Indonesia Koe which is registered to Bank Indonesia. Despite being one of the top companies in the E-wallet sector in Indonesia, the company has always been underperforming in acquired users compared to its competitors.

In one study in 2021, it was found that DANA had 13.5 million monthly active users whereas OVO had 20.8 million monthly active users (Figure 1.3). And in another study, 3 surveys found that DANA has been running short to Gopay, ShopeePAY, and OVO in user penetration (Figure 1.4). Another more recent research nearing the end of 2022 found that in the past 5 years, the top 3 E-wallets that are most consistently used are Gopay (71% of the study's participants), OVO (70%), and DANA (61%). In addition to these results, they also found that in the last 3 months, 58% of the participants used Gopay recently, 53% of them used OVO, and 45% used DANA (Figure 1.5).

From these studies, we can confirm that DANA has always been running short in user penetration and active users in comparison to its biggest competitors, which indicates a gap in the intention to use by consumers to use DANA in comparison to Gopay and OVO. And based on a survey done by DSInnovate (Figure 1.6), they found that the top 3 considerations of using a Fintech application are its safety & reliability (safe and reliable product), usefulness (necessity/needs), and ease of use (easy UI UX).

Monthly active users (million)*

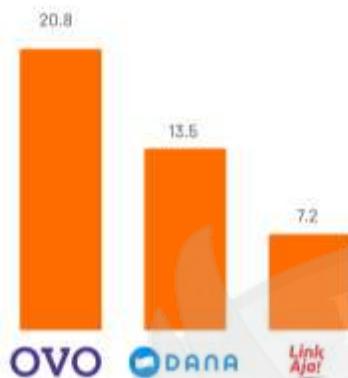


Figure 1. 3 Monthly Active Users of OVO, DANA, and Linkaja
Source: Momentum Works (2021)

	Oct 2020 (n=1000)	Nov 2020 - Jan 2021	March 2021
	Mkt research I.	Mkt research N.	Mkt research S.
Shopee Pay	34%	68%	76%
gopay	17%	53%	57%
OVO	28%	62%	54%
DANA	14%	54%	49%
Link Aja!	7%	23%	21%

Figure 1. 4 User Penetration on Surveys by Research Firms
Source: Momentum Works (2021)



Figure 1. 5 Percentage of Respondent that Used an E-wallet in the Past 5 Years and the last 3 Months
Source: Katadata.co.id (2022)

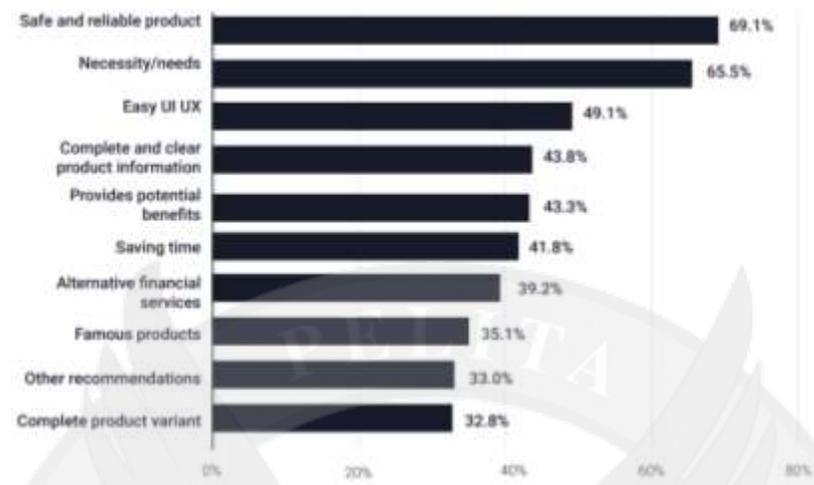


Figure 1. 6 Considerations of Using a Fintech Product

Source: DSInnovate (2021)

According to a study on online study plan cards, it was found that perceived usefulness has a positive and significant impact on the attitude of using the study plan cards (Rahmat, 2019). In another research conducted on E-wallet adoption in Indonesia, it was also found that perceived usefulness has a significant effect of on the adoption of E-wallets (Putri Ramadhanti et al., n.d.). And in one more research on the intention to use mobile payment ShopeePay, perceived usefulness showed a positive effect on intention to use (Muhammad Adventure & Engriani, 2022).

In the study on E-wallet adoption in Indonesia, perceived ease of use showed a significant effect on E-wallet adoption. In the study on online study plan cards, perceived ease of use also showed a positive and significant effect on the attitude of using the system (Rahmat, 2019). And in another study on E-wallet adoption, it was also found that perceived ease of use has a positive and significant effect on the

intention to use E-wallets(Ariningsih et al., 2022). Based on a study on the intention to use digital payments in India, perceived security had a significant relationship with the intention to use digital payments (Gupta & Hakhu, 2021). And in the research on E-wallet adoption, perceived security had a significant and positive effect on the intention to use E-wallets (Muhammad Adventure & Engriani, 2022).

The author is intrigued in researching about the PT. Espay Debit Indonesia Koe, with the intent of looking into the intention to use their E-wallet application, DANA. The author will also investigate perceived usefulness, perceived ease of use, and perceived security to identify the relationship between each of these variables and the intention to use. Another thing to note is that the author will particularly be studying the perceptions of users and past users of DANA towards their intention to use the app in Medan. With the previous description in mind, the author will execute this research with the title **“The Influence of Perceived Usefulness, Perceived Ease of Use, and Perceived Security Towards the Intention to Use DANA”**.

1.2. Problem Limitation

The limitations of the problem in this paper are Perceived Usefulness, Perceived Ease of Use and Perceived Security and its influence on Intention to Use of DANA users and past users in Medan. This study will use a questionnaire filled with statements based on the selected indicators for each variable. This questionnaire is aimed at

obtaining data from respondents which are limited to consumers that are using or have used the DANA application in Medan.

To measure intention to use, the indicators used as a reference for measurement are (1) continuous usage, (2) intent to increase usage, (3) desire to recommend to others, and (4) likelihood of regular usage (T. G. Sharma et al., 2022). To measure perceived usefulness, the indicators used as a reference for measurement are (1) useful, (2) complete work more quickly, (3) perform better in job, (4) increase overall productivity, and (5) make job easier (Karim et al., 2020). To measure perceived ease of use, the indicators used as a reference for measurement are (1) clear and easy to understand, (2) do not have a hard time, (3) does not require a lot of mental effort, (4) easy to use, and (5) easy to learn how to use (Nangin et al., 2020). To measure perceived security, the indicators used as a reference for measurement are (1) information security, (2) guaranteed transaction, (3) privacy security, and (4) banking environment safety (Chawla & Joshi, 2019).

1.3. Problem Formulation

The formulation of the problem of this paper is as follows:

- a) What is the perceived usefulness of users and past users of DANA in Medan?
- b) What is the perceived ease of use of users and past users of DANA in Medan?
- c) What is the perceived security of users and past users of DANA in Medan?
- d) How does perceived usefulness influence the intention to use DANA in Medan?

- e) How does perceived ease of use influence the intention to use DANA in Medan?
- f) How does perceived security influence the intention to use DANA in Medan?
- g) How do perceived usefulness, perceived ease of use, and perceived security simultaneously influence the intention to use DANA in Medan?

1.4. Objective of the Research

The objective of the research of this paper is as follows:

- a) To identify the perceived usefulness of users and past users of DANA in Medan.
- b) To identify the perceived ease of use of users and past users of DANA in Medan.
- c) To identify the perceived security of people of users and past users of DANA in Medan.
- d) To identify how perceived usefulness influences the intention to use DANA in Medan.
- e) To identify how perceived ease of use influences the intention to use DANA in Medan.
- f) To identify how perceived security influences the intention to use DANA in Medan.
- g) To identify how perceived usefulness, perceived ease of use, and perceived security simultaneously influences the intention to use DANA in Medan.

1.5. Benefits of the Research

The following are some of the benefits of this study:

1.5.1 Theoretical Benefits

- a) To gain knowledge on perceived usefulness and how it influences and its significance on intention to use E-wallets among consumers.
- b) To gain knowledge on perceived ease of use and how it influences and its significance on intention to use E-wallets among consumers.
- c) To gain knowledge on perceived security and how it influences and its significance on intention to use E-wallets among consumers.

1.5.2 Practical Benefits

- a) For the author, this research provides a deeper knowledge and understanding on perceived usefulness, perceived ease of use, perceived security, and their influences intention to use a new technology.
- b) For University of Pelita Harapan, the result of this paper can be expected to be beneficial for the library, learning materials, and future study in the field of marketing, particularly when marketing new technology.
- c) For PT. Espay Debit Indonesia Koe, the results of this paper can be expected to provide a better understanding of the perceptions the consumers have and create possible solutions on how they can improve the perceived usefulness, perceived ease of use, and perceived security of the consumers.