

# Use of E-Wallet for Micro Small and Medium Enterprises (UMKM) Users

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## Abstract

What factors influence the interest of E-wallet users so that E-wallet service provider companies can determine what users value more when deciding to use the service, as well as develop and improve the quality of this payment system. This research is qualitative, namely, data that is described by category to produce a conclusion. This study shows that Micro, Small, and Medium Enterprises, apart from using cash transactions, also make transactions through E-wallets due to the large number of E-wallet users from consumers. In addition, E-wallets provide several conveniences for their users, including promos. Saving money is very safe, more accessible, and more practical.

**Keywords:** Usage; E-Wallets; Micro Small and Medium Enterprises

## PRELIMINARY

An E-wallet is a financial transaction application that can be used on mobile devices with the internet as an intermediary (1). This digital wallet is an electronic means that provides transaction services for electronic or internet-based storage, payment, installment, and remittance (2). Based on data compiled by Bank Indonesia, e-wallet users in Indonesia continue to increase. Even in 2017, electronic money transactions reached Rp. 1.14 trillion. This high number indicates that people are now interested in making transactions using this digital payment system (3).

E-wallet or digital wallet as a transaction tool that is popular in Indonesia is used in various businesses, including Micro, Small, and Medium Enterprises (UMKM) (4) The use of E-wallets that are in great demand by UMKM (Micro Small and Medium Enterprises) include DANA, OVO, and Go-Pay. So, the focus of this research lies on the problem of why individuals want to accept and do not accept the use of the E-wallet system, as well as what users of the E-wallet system can obtain advantages and disadvantages. The reason for this study was taken because there are phenomena that indicate weaknesses in the E-wallet payment system.

What factors influence the interest of E-wallet users so that E-wallet service provider companies can determine what users value more when deciding to use the service, as well as develop and improve the quality of this payment system.

## LITERATURE REVIEW

### E-Wallets

Regarding E-wallet or electronic wallet is a mobile application that is useful for electronic money storage used to make payment transactions (5). This e-wallet comes with a directly connected system to the internet, so consumers can easily use the information system. Thus, a payment transaction made by its users will become more accessible, more effective, and more efficient because when making a payment

transaction, it is no longer necessary to go through an ATM or mobile banking. The types of E-wallets are as follows:

### **DANA**

DANA is a payment system application and service in the form of electronic money, e-wallet, fund transfer, and other supporting services that can be introduced on Android and iOS -based mobile phones (6).

### **OVO**

OVO is an intelligent application that informs online installment and exchange administration. OVO Cash generally works for various portions collaborating with OVO (7).

### **Go-Pay**

Go-Pay is electronic cash used to make installments and funds through Gojek. Go-Pay can function as installments for all administration at Gojek, at shops or food stalls, at inline shops, and other exchanges, for example, transferring Go-Pay between application clients or withdrawing money through an account (8).

## **Micro small and Medium Enterprises**

According to Tambunan (2021), Micro Small and Medium Enterprises (UMKM) are productive business units that stand alone and are carried out by individuals or business entities in all economic sectors (9). In principle, the distinction between Micro Enterprises (UMi), Small Enterprises (UK), and Medium Enterprises (UM) is generally based on the initial asset value (excluding land and buildings), the average turnover per year, or the number of permanent employees. In Indonesia, the definition of MSMEs is regulated based on the Law of the Republic of Indonesia Number 20 of 2008 concerning Micro, Small, and Medium Enterprises. Report according to Law no. 20 of 2008 includes the following:

### **Micro business**

Small business is a productive economic business that stands alone, which is carried out by individuals or business entities that are not subsidiaries or not branches of companies that are owned, controlled, or become part either directly or indirectly of medium or large businesses that meet the criteria of a small business. Small as referred to in the Act. A micro business is a unit with assets of at most Rp. 50,000,000 excluding land and buildings, with a maximum annual sales of Rp. 300,000,000 (10).

### **Small business**

Small businesses with an asset value of more than 50,000,000 up to a maximum of Rp. 500,000,000, excluding land and buildings where the business has annual sales proceeds of Rp. 300,000,000 up to a maximum of Rp. 2,500,000,000.

### **Medium Business**

Medium business is a productive economic business that stands alone, carried out by individuals or business entities that are not subsidiaries or companies that are owned, controlled, or become a part, either directly or indirectly, with small businesses or large businesses with total net worth or proceeds. Annual sales as stipulated in the Act. Medium enterprises are companies with a net worth of Rp. 500,000,000 up to a

maximum of Rp. One hundred million annual sales results above Rp. 2.5,000,000,000 up to a maximum of Rp. 50,000,000,000 (10).

### **Micro Small and Medium Enterprises (UMKM)**

Micro, small and medium enterprises are businesses that produce goods and services using the primary raw materials based on utilizing natural resources, talents, and traditional works of art from the local area.

### **METHOD**

The research method used is qualitative research, namely data that is described by category to produce a conclusion. The qualitative descriptive analysis method makes a systematic and accurate description or description of the facts, characteristics, and relationships between the phenomena being investigated. This research will describe the use of E-wallets in micro, small and medium enterprises. Data collection techniques are a way for researchers to obtain valuable data to analyze the advantages and disadvantages of transactions using this payment system. The data collection techniques used in this method are as follows:

#### **Interview**

The interview technique used in qualitative research is in-depth interviews. In-depth interviews (in-depth interviews) are the process of obtaining information for research purposes using question and answer while face to face with informants or interviewees, with or without using interview guides, where interviewers and informants are involved in relatively social life. Old (11) The informants in this study were as many as five people. The interview schedule is as follows:

On December 13, 2022, 20.00 - 20.45, interview with an MSME actor, " Kamsia Boba," in South Palu on behalf of Ariana.

On December 14, 2022, at 16.00 - I finished an interview with an MSME actor, " Empas Apparel ( Totebag / Clothing)," in East Palu on behalf of Ahmad Afandi.

On December 15, 2022, at 12.15 – 13.00, interview with an MSME actor, "Lapak Kece," in East Palu on behalf of Zakiya Nur Ramadhan.

On December 18, 2022, 15.00 – 15.45 interview with an MSME actor "Garuda Olshop " on behalf of Andini.

On December 18, 2022, 13.00-13.30 interview with an MSME actor, "Kacamata Sasha," on behalf of Akbar Jufri.

#### **Observation**

Observation, also known as observation, includes focusing on an object using sensory channels. So, observing can be done through sight, touch and taste.

#### **Documentation**

Documentation is a method of collecting qualitative data by viewing or analyzing documents that are useful for analysis (12). In addition to interviews and observations, informants can also be obtained through stored facts in the form of letters, diaries, photo archives, meeting minutes, activity journals, etc.

## **RESULTS AND DISCUSSION**

Based on research conducted on several Micro Small and Medium Enterprises (UMKM) in Palu City regarding the use of E-wallets by business actors. The location of the study was carried out by researchers in Palu City, precisely in West Palu, East Palu, and South Palu.

The coverage of various areas in Palu City occurred due to the presence of different researchers or not in the exact location, so the research was conducted based on the site of the researchers who were still within the scope of Palu City.

The research aims to determine whether this E-wallet is in great demand by the public and the advantages or disadvantages of e-wallets for business actors. This research was conducted in December 2022.

The research results obtained through interviews with the business actors interviewed by the researchers show that there are various types of E-wallets owned by business actors, including OVO, DANA, Q-Ris, and Go-Pay.

They think that transactions through e-wallets are more practical and accessible than cash payments. In addition, the initial registration process is straightforward, and various promos and cashback attract customers' attention.

It's just that the obstacles commonly experienced by business actors who use E-wallets are when there are network problems, there will be a chance for an error in the transaction process so that the transaction fails, or there is a transfer process that occurs more than once. There are admin fees when the business actor wants to withdraw the balance.

## **CONCLUSION**

This study concludes that Micro Small and Medium Enterprises, apart from using cash transactions, also make transactions through E-wallets due to the large number of E-wallet users from consumers. In addition, E-wallets provide several conveniences for their users, including promos. Saving money is very safe, more accessible, and more practical.

While the drawback of using this E-wallet is that there is no equal distribution of internet infrastructure in Indonesia, especially in villages, so E-wallets cannot be reached in these places, causing the transaction process to experience disruption due to network problems. Then, there are admin fees for this system. However, business actors can work around this by raising the price of the goods or services offered from the average price. In addition, to reduce losses due to admin fees during transfers, perpetrators must consider the presentation of sales results or the balance to be withdrawn with these admin fees.

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