



Digital Payment Phenomenon as a Community Transaction Solution

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Article Info

Article history:

Received 5 June, 2024

Revised 25 June, 2024

Accepted 9 July, 2024

Keywords:

Digital Payments;
Transaction Solutions;
Society

ABSTRACT

Digital payments are growing along with technological developments, trends for millennials, many conveniences and advantages are felt by business people and the government, but there is still rejection from various parties, especially the elderly, this is still new and they are not used to use technology, which they consider complicated, and still consider cash more effective, is a challenge for the government to actively carry out literacy about digital payments, so that their use is more evenly distributed, no doubt a transaction solution in this day and age. This digital payment is a social fact that occurs, based on Auguste Comte's social theory that there are three stages of social development. The purpose of this research is to find out the phenomenon of digital payments and find out the advantages and disadvantages in terms of Auguste Comte's theory. This research uses qualitative research methods with library research from primary data sources of journal articles, news, documentation and observation through related social media. This phenomenon is part of the social changes that occur in the development of society. Changes are natural and driven by various factors, such as technological developments, lifestyle changes and supporting digital financial inclusion.

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INTRODUCTION

Technological developments influence people's shopping trends, especially in transactions, many are switching from conventional transactions to online transactions (Aulia, 2020). In line with economic growth, several supporting factors include an increase in capital goods, labor, technology and people (Media, 2023b). One example of the use of technology is digital payments, quoted from kompas.com based on research on consumer payments via digital wallets, there are ninety-three percent of respondents using digital wallets or as Cashless users (Media, 2023a). Non-cash payments quoted from tempo.co are credit cards, debit cards, checks and e-money, Bilyet Giro, Prepaid Cards (Ira, 2023).

Reported by RRI.co.id, the market share in the digital economy in Indonesia has reached approximately 40 percent of ASEAN digital transactions and Indonesia will be the largest contributor to digital transactions in ASEAN (Hanna, 2023). However, according to Minister Rudiantara, quoted from Kominfo digital, even though digital transactions are growing rapidly, many people still choose to carry out transactions in cash, because digital financial literacy is not evenly distributed and there are still many people who have not used bank facilities for transactions, so this affects the interest of certain people to use digital payment systems. And some people do not use digital payments because of the issue of account misuse and this is also influenced by the community's background as well as the culture adopted by society, which rejects digitalization and still considers cash to be the primary tool in financial transactions (Wulandari, 2023).

Apart from that, according to the BI.go.id page, the COVID-19 pandemic has increased people's knowledge about technology. Previously all activities were carried out face to face, the pandemic has made people more accustomed to doing things online. Because the pandemic forces people to change habits from activities outside the home to activities at home online, as well as payment systems or online buying and selling transactions using digital payments. Digital payments are growing rapidly based on this. Based on research quoted (in Cakti, 2020), it explains that before Covid-19, users or use of e-wallets was approximately 10%, in 2020 the use of e-wallets increased to approximately 44%, and this will continue to grow along with technological developments (Wulandari, 2023).

Technological developments are the main supporting factor in the development of digital payments or sometimes called (Financial Technology/Fintech), one of the applications of which is payment transactions. Before digital payments developed rapidly, Market Place or e-commerce, developed much earlier than the development of the financial technology industry as it is today. With the existence of e-commerce, digital transaction services are needed to support digital payments that are more efficient, fast and safe, making it the main factor in the development of digital payments (Saputri, 2020).

Business people must use this moment to develop their business, by applying digital payments to compete and keep up with developments in digital payment technology, otherwise they will be left behind by their competitors. Digital financial transaction activities provide convenience to business actors and consumers. Changes in consumer behavior are divided into Go Virtual, Go Digiware, Go Contactless, Go Omni, Go Confidential (Aulia, 2020). The digital development of society for making payment transactions and not using cash for payments is called a cashless society (Saputri, 2020).

Millennials are still discussing the presence of the cashless society movement in Indonesia. The Cashless Society movement is the best solution to the problem of manual transactions or conventional payments. However, it is considered that the cashless society movement still has many shortcomings that cannot be implemented. This does not guarantee that manual payments will completely change and be a good solution, because many people still think that the manual cash payment method is still effective for payments. Considering that digital payments must be technology savvy, various devices are needed that support the system, such as an Automated Teller Machine or what is called (ATM), an Electronic Data Capture machine which is often called (EDC), or a smartphone. For some groups such as baby boomers and the elderly, many of whom in Indonesia are still unfamiliar with technology and the internet, so this will reject digital payment systems. This change will immediately be rejected by these groups (Rif'ah, 2019).

People who use digital payments must follow technological developments and need a long time to become fully literate. Therefore, the role of the government and financial institutions is to carry out financial literacy regarding digital payments (Rif'ah, 2019). So this article examines the thought process of Indonesian society in terms of the phenomenon of changing traditional payments to digital payments using Auguste Comte's approach to the three-stage theory of analysis, people think.

METHOD

This study uses a qualitative research method using library research from primary data sources, journal articles, news, documentation and observations via related social media. related to the research objective, namely to determine changes in the digital payment phenomenon. After that the data was analyzed using Comte's theory, namely the three stages of societal development.

RESULT AND DISCUSSION

Digital payment is the use of electronic money or other digital payment instruments to carry out payment transactions. The digital payment phenomenon has grown rapidly in recent years due to increasing internet and smartphone access in society. Especially in Indonesia, it is still a matter of debate, there are several groups of people who are experiencing culture shock, due to several factors inhibiting its application, including internet access that is not yet comprehensive in Indonesia, lack of literacy among generation X and above, distrust in digital payment technology, especially in its security, difficulty using applications, and not yet comprehensive use of digital payments. Even though there are several factors that hinder it, digital payments are increasingly developing, supported by several advantages and benefits, including, the government supports the implementation of digital payments, by issuing a policy in 2014 regarding the National Non-Cash Movement or abbreviated (GNNT). The government issued Bank Indonesia regulation no. 22/14/PBI/2019 concerning Implementation of Payment Transaction Processing, the Government launched QRIS (Quick Response Code Indonesian Standard) in 2019, Convenience and efficiency during transactions, access range can be anytime, anywhere.

The past Covid-19 pandemic taught people to be more intense with technology, which before the pandemic, activities were carried out physically, with the pandemic there was a transition period for society from offline to online or online, one of which was digital payments during the Covid-19 pandemic which was growing rapidly which was supported by by government policy, issuing regulations regarding the implementation of transaction processing including digital payments, to avoid transmission of the corona

virus.

Digital Payment Phenomenon

Industrial Technology 4.0 is a revolution that has an impact on rapid technological change, starting from advances in computer technology, smart robots, smart cars and phones, and other technology industries that prioritize the function of the human brain. Innovative disruption or rapid change changes the world with social interactions and personal or individual relationships. Existing industries (Seattle) are changing or being eliminated (creative destruction) with the presence of new industries, new players, new business models and new value propositions. Digitalization is developing so quickly, beating other sectors (Subagiyo, 2019).

Today's human behavior and habits in searching for and accessing information are all based on technology and digitalization. Supported by the presence of smartphones in collaboration with social media and platforms that pamper humans in meeting their information needs. One of the sectors that is moving quickly influenced by digital technology is the economic sector, its development is very rapid, efficient and sophisticated compared to other sectors. The ratio between humans who have mobile phones and humans who have access to electricity or clean water services is still greater than humans who have mobile phones. The financial sector has a long history of collaboration with financial technology or more popularly called FinTech (Financial technology). For the financial industry, financial services have been around for a long time. One example of the rapid development of fintech is the emergence of smartphones; this marks the emergence of financial business technology that has the ability to change the way companies act towards society when conducting transactions. Human habits for accessing electronic data and services have changed during the digital era. The economic sector becomes more efficient and productive (Subagiyo, 2019).

Times are always changing, as are payment systems changing with the times. In the past, we knew the term bartering which was used to fulfill each other's needs. Until currency is issued as the basis of the goods exchange system. Now, payments have experienced a revolution with the emergence of paper-based digital payment systems such as cheques, Bilyet Giro, Credit Cards, Debit Cards and electronic based ones. The digital payment revolution was triggered by the diverse needs of society along with the demands of the times. The aim of this revolution is to make human life more efficient and effective and minimize the practice of usury and gharar through a transparent system (Tarantang et al., 2019)

With advances in technology, digital or cashless payment systems are changing rapidly. Several things are affected by this change in digital payments, firstly, lifestyle in society, this change is in line with technological developments, which greatly influence people's lifestyles, especially millennials, who are now all electronically replacing the position of cash. In April 2007, Bank Indonesia released and inaugurated electronic money (e-money), with various benefits for the community, especially the government and Bank Indonesia. The advantages and advantages offered are, namely easy and efficient transactions, safe and fast, also for industrial industries that make transactions with large amounts, it will be more efficient, there are also advantages for the government and Bank Indonesia, namely reducing the cost of printing banknotes (Haryati, 2021).

Industrial revolution 4.0 is an era of technology that is developing very rapidly, and has become society's main need. Especially in the development of the economic sector, one of the things that stands out is digital payments which are growing rapidly. In its application and use, there are advantages and disadvantages. But in general, the advantages outweigh the disadvantages. This digital payment has not completely eliminated or replaced the existence of cash payments. Digital payments to some extent reduce inflation, because they reduce the circulation of money in society. Supervision must always be carried out so that the digital payment system does not contain elements of gharar, maisir and usury. With this, the goal of sharia economics for the benefit of the people/society through a digital development system in the era of industrial revolution 4.0, can be achieved and developed more quickly (Haryati, 2021).

The non-cash/cashless payment system or digital payment is a relatively new consumption activity, not only a utility function but also an identity function (pleasure) which includes satisfaction and leisure. Another advantage is that signs or symbols participate in developments over time and other conveniences that an individual can experience. The symbol or identity obtained from digital payments creates an exclusive impression in the eyes of consumers. In people's consumption behavior, digital payment technology is the stimulus. Thus, consumption patterns are influenced by the use of electronic money or digital payments (Auliya et al., 2022).

The phenomenon that is currently being widely discussed among millennials is the cashless society movement in Indonesia. This movement is considered dangerous and hasty, but this phenomenon can be a solution to the problem of cash transactions or conventional payments. This solution is not yet completely good at replacing cash transactions as a payment method, because some people still think cash is an effective transaction/payment method for certain types or purchase transactions (Rif'ah, 2019)

Digital payment technology using electronics is a cashless method for payment transactions, therefore users must be proficient in this technology. This system requires users to be able to interact using electronic media such as cellphones/smartphones, Electronic Data Capture (EDC) machines and Automated Teller

Machines (ATM). People who are not familiar with technology consider this an obstacle and shortcoming of the payment system, especially the elderly and baby boomers who are still large in number in Indonesia. Therefore, cashless transactions or digital payment systems are still rare in villages, and are still focused on the capital city (Rif'ah, 2019).

The transaction behavior patterns of the elderly or baby boomers who are not yet technologically savvy make it difficult for them to respond to these changes and find it difficult to accept them. With the existence of user groups such as the elderly who still find it difficult and cannot accept this, this means that this digital payment system has not been fully implemented evenly, and it will take time to educate these groups. Therefore, the government and financial institutions that have implemented digital systems must do more and extra to provide literacy to educate levels of society. Apart from cashless buying and selling transactions, it is also used as a medium for investing. With Cashless, we should be able to focus more on management and planning and avoid being wasteful (Rif'ah, 2019)

Cashless provides a lot of convenience, practicality and efficiency, especially for the millennial generation who are the main players in the digital payment system in the modern era like now. Various features and services are provided in the digital payment system, which are easily accessible via smartphone. Life is pampered with the features provided which are integrated with digital payments, electronic money and many other features which are increasingly developing following technological developments, making more and more adherents to the cashless society (Katon & Yuniati, 2020).

Transaction Solutions

Payment systems have changed, abandoning cash and moving to digital payment systems, which is crucial for the stability of the financial system. Technological developments followed by digital developments replace the function of using cash, digital payments which provide convenience and efficiency in financial transactions, and the application no longer uses physical money, but electronically money is transferred through certain accounts including bank accounts, digital wallets. Many of which have emerged recently include OVO, DANA, and others (Tarantang et al., 2019).

The risk of being infected with the corona virus during direct financial transactions is a concern for the public in every purchasing activity. So people choose to use contactless financial transactions by making payments via digital wallet applications. The use of digital wallet applications during the Covid-19 pandemic and the stay at home policy is leading to a cashless society. Cashless society is a term that refers to people who no longer use physical money when making transactions, but transfer financial information digitally. In daily transactions, people do not use real money, but digital money. Contactless and remote financial transactions during the pandemic seem to be the preferred way to get things done.

The advantage of digital or cashless payments is that the transactions are safe. Because the account or user uses a user code and verification, if the smartphone is lost it cannot immediately be accessed by someone else. The next advantage of cashless transactions is that they avoid counterfeit money in circulation. In the long term, non-cash also has the potential to reduce cases of corruption; and cashless transactions are practical and efficient. People are not worried about carrying large amounts of money for transactions; The advantage for Bank Indonesia is that cashless transactions can reduce the costs of printing money, therefore these costs can be used for other things. On the other hand, for the government, with cashless transactions, the government can easily monitor the flow and trends of public consumption (Rif'ah, 2019).

Analysis of Auguste Comte's Three Stage Theory Auguste Comte's Thoughts About Sociology

The theory put forward by Auguste Comte, in the three-stage theory, states that there are three stages of development that society experiences, namely the theological stage, metaphysical stage and positive stage (Ismail, 2022). The theological stage is the initial or first stage in human development, where in this stage humans believe in supernatural powers and myths in the occurrence of natural phenomena and social development. Digital payments were initially considered something new and unusual. This is due to people's trust in traditional payment methods, such as cash and checks. The second stage of metaphysics is the stage where in explaining the facts of social development and natural phenomena, humans use abstract concepts. Digital payments are starting to be accepted by society, but there are still doubts and concerns. This is caused by people who are still looking for the truth about digital payments. The final stage is positive in the development of society. This stage explains that, in explaining natural phenomena and social developments, humans adopt a scientific and empirical approach. With positive community theory, social development will be significant because it is based on facts, empirical and social interactions in decision making and forgets previous understandings that believed in mystical things. Digital payments have become a common payment method and are accepted by society. This is caused by people who understand and accept digital payments (Arisandi, 2015).

CONCLUSION

The digital payment phenomenon is part of the social changes that occur in the development of society. This change occurs naturally and is driven by various factors, such as technological developments, increased financial literacy, and changes in lifestyle. Digital payments are one of the social phenomena that have emerged in the modern era. Digital payments are payment methods that use digital technology, such as credit cards, debit cards, digital wallets and mobile payments. Digital payments are very developed so far. Several factors influence its development, such as technological developments, technological developments have made digital payments easier and more affordable. Increased financial literacy, increased financial literacy has made people better understand and accept digital payments. Changes in lifestyle, changes in people's lifestyles have made people prefer convenience and speed in making payments.

Based on Comte's theory, the phenomenon of digital payments can be analyzed as follows, theological stage, digital payments were initially considered as something new and unusual. This is due to people's trust in traditional payment methods, such as cash and checks. Metaphysical stage: Digital payments are starting to be accepted by society, but there are still doubts and concerns. This is caused by people who are still looking for the truth about digital payments. Positive stage: Digital payments have become a common payment method and are accepted by society. This is because people understand and accept digital payments and data security.

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