

The Effectiveness and Civilian Perceptions of E-Money

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Abstract : The purpose of aims to provide the effectiveness of electronic money (e-money) through the distribution of Brizzi in order to support government programs. Second, this paper intends to understand society role in the use of e-money in each payment that they made in various trade sectors. This study applied a qualitative method using an in-depth interview. The informant of this research was the Funding Officer (FO) at the Branch Office BRI Banyuwangi and Brizzi user in Banyuwangi. The findings showed that the effectiveness of the Brizzi distribution was quite well. The usage of electronic money was enough to achieve the program. Moreover, the society's satisfaction level had also been good because the electronic money Brizzi had already met the needs of society even though they used e-money only for some transactions.

1 INTRODUCTION

The development of technology has more sophisticated and transformed the individual way. The consumer benefits of banking services can be enhanced by using information technology. Moreover, it influences the business environment and dynamically occurs every company. The technological changes also affect the development of all industries immediately (Hartini, 2012). In this time, society has spoiled by the presence of a medium of exchange that is not in a physical form but by means of an electronic exchange. One banking product that uses internet network system and technology is e-money. The new products are the key to the company's sales growth both in products and services. The extensive growth program utilizes neither internal resources nor external often required organizations with many branches to handle the needs of a new product. All policies that have prepared by the government purposing for the common good and in this case, Bank Indonesia has tried to create a new payment system innovation using the new tools as the embodiment of its duties as an institution governing the regularities of the payment system (Abidin, 2015).

Bank Indonesia Regulation No. 11/12/PBI/2009 pointed elements which are owned by e-money such as published as based on the value paid by the customer, currency value is stored in the media

electronically, it becomes the payment's facility that is not the publisher specifically electronic money to the merchant, and the electronic currency value is managed and paid by the holder of the issuer. The government continues to encourage the use of non-cash transactions and leave the cash transactions. In addition, non-cash transactions can reduce the use and circulation of banknotes by encouraging that the users of non-cash transactions can save costs compared to cash transactions. Constructing the perception of benefits, ease of use, and risk significantly affects the interest in using electronic money (Widijoko and Shafi'i, 2016). The noticeable effects that have occurred are the intention to use e-money cards, perceived ease, the availability and trust (Wibowo, Rosmauli and Suhud, 2015). The interest in using e-money is affected by attitudes, and the attitude variables are affected by compatibility, meanwhile, the convenience perceptions are affected by comfort perceptions (Novitasari, 2016).

In order to encourage the movement from cash payment to electronic money, the government should focus on all regions particularly in areas that have high activity so that it will raise a social and technological for society knowledge about electronic money evenly. As stated by Suratno and Kurniawan (2013) who explained that the advantages of e-ticketing are not only for the user but can also be perceived by the transportation industry such as Perum Damri as an operational Batik Solo Trans in Indonesia. If the socialization of electronic money is

only conducted in a big city, it is difficult for this country to achieve progress like any other countries. Every area that has great potential to support the existence of electronic money such as Banyuwangi. Banyuwangi is a district that has an increasing potential in the agricultural sector, an industrial sector especially the tourism sector which currently shows an increasing growth. In addition, Banyuwangi is an area that has very good agricultural land, and besides that, Banyuwangi also has characteristics of its tourism which is not inferior to other famous areas to foreign countries. Therefore, Banyuwangi District has developed rapidly.

The advancement of a region should be supported by the increment of social knowledge. It is necessary to improve the quality of both natural resources and human resources in order to be balanced. Baddeley (2004) remarked that the development of innovative electronic financial instruments has the potential to transform economic activity by promoting the development of the Internet to facilitate low-cost exchange. Even though the natural resources are good but insufficient in information and technology that can be an inhibitor in improving the quality of the population. With the existence of electronic money, it needs to be studied more deeply in the regions evenly particularly areas that have shown a good improvement like Banyuwangi. This is understandable why Banyuwangi district becomes an object to be studied because there are many tourist attractions which provides a great opportunity to channel electronic money as a facility of payment at the recreation and the center of souvenirs, where Banyuwangi district has reached the area that has been visited by many visitors of the region itself and even abroad. This can be used by banks in branding their products such as electronic money at tourist attractions, souvenir centers, villas, cafes, and malls.

Several companies are competing in issuing any kind of electronic money and one of them is Brizzi. The electronic money is often found among the students. Brizzi distribution is conducted by providing Brizzi merchant in the supermarket or cafeteria in the school or college. Some of school provides Brizzi in the form of students card. Brizzi is electronic money type that issued by Bank Rakyat Indonesia, as society known that Bank Rakyat Indonesia is a company that has a unit office in the great number and can be found in the village area. Brizzi can be a reason as an object of the research because the number of BRI unit office is way bigger than the other banks, and so Brizzi has the biggest opportunity to be distributed than any other

electronic money that is issued by another company. In addition to being accustomed, the students also prefer using cash payments since they find it more comfortable. For students, the use of cash is easier than BRIZZI's electronic money (Prastiti and Haryono, 2015).

All policies that have been prepared by the government has a purpose for the common good and in this case, Bank Indonesia has tried creating a new payment system innovation using the new tools as a manifestation in which the duty is to make the payment system way easier (Abidin, 2015). Therefore, it should be reviewed, whether or not all the banking company has distributed their electronic money product effectively. Branch Office of BRI Banyuwangi is one of the companies that play role in distributing Brizzi because this branch office is the center of the unit offices in Banyuwangi District. The task and responsibility of the branch office are providing products service as well as bank services, and one of the BRI products is electronic money, Brizzi. Regarding that, the researcher determined the Branch Office of BRI Banyuwangi as the sites of research because all task, responsibility and the process of the data are conducted in Branch Office of BRI Banyuwangi. It has been explained that the barriers that have been experienced by the customers in using e-money are merchant limitations, limitations of transaction methods, expensive transaction costs, the number of similar products, as well as sociocultural factors that use payment methods other than e-money (Widyastuti, Handayani, and Wilarso, 2017).

Based on that explanation, the researcher is interested in studying Banyuwangi District as sites of research in order to understand the effectiveness of Brizzi distribution in the Branch Office of BRI Banyuwangi. This should be studied in order to improve the level of knowledge about the newest technology and prevent the gaps between the knowledge of native and even the foreigners at the developing city.

2 METHOD

This study applied a case study and would examine a particular object deeply. Therefore, the researcher tried to find all the important variables associated with what would be studied. Qualitative research method was applied to emphasize on the deep understanding of the employees of Branch Office of BRI Banyuwangi who served as a Funding Officer (FO), which has worked to distribute electronic

money Brizzi and merchants as a means of payment of electronic money, as well as seeking information from users regarding the satisfaction levels of society towards the electronic money Brizzi. The case studies used in this study is prioritizing data collection techniques through observation and involvement of the role, while the study focused on a particular organization. The purpose aims to find all the information related the data and the development of an organization or company. The case studies intrinsic were used to emphasize deep understanding of the single case since the case was interesting.

The data collection techniques used were observation, interview techniques, and technical documentation. Documentation techniques were data collection techniques that were not directly addressed to the subject of research. For analyzing the data, it uses data processing and interpretation, a series of study activities, grouping, systematization, interpretation, and verification of data so that a phenomenon has a social, academic, and scientific value. The steps of qualitative analysis are data reduction, data presentation, and conclusion. The validity of the data was determined by using the triangulation method.

3 RESULTS AND DISCUSSION

Brizzi is one of e-money product owned by Bank Rakyat Indonesia that was used as non-cash payment. The development of technology has improved including electronic money as a payment tool. In recent days, electronic money is a type of medium of exchange that has been known widely. The use of electronic money utilized internet technology and digital system. The role of distributing Brizzi was necessary for encouraging government program of cashless. The program aims to decrease the cost of production, to prevent corruption, to avoid criminal, and to create transaction practically. The program should be implemented optimally so that the bank as the company that has the product of electronic money compete to achieve both their business and support government goal. BRI with Brizzi is one of product which would be contributed to achieving the government's program. In order to implement the role of electronic money optimally, government utilized bank resource that issued electronic money. The results regarding Branch Office of BRI Banyuwangi that had a necessary role in Brizzi

distribution at Banyuwangi District, there were several efforts to realize the program.

Table 1: The distribution of e-money in Banyuwangi.

No.	Places/Sectors	The Number of Merchants
1.	Retail/trading/store	135 merchants
2.	Gas station	21 merchants
3.	Café	10 merchants
4.	Hotel and restaurant	18 merchants
5.	Ports	7 merchants
6.	Salon, hospital and cooperative	9 merchants
7.	Villa, business entities law	4 merchants

Table 1 provides information about the distribution of e-money in Banyuwangi. Overall, the largest usage of e-money was conducted by retail/trading/store, while the lowest contributor was applied by villa and business entities law. In more specifically, there were 204 points of the merchant that were already distributed, the merchant was channeled into several sectors and agencies in Banyuwangi. For about 135 merchants were scattered in stores at Banyuwangi like a supermarket or retail trade, which were the place where many people perform payment transactions, therefore the banks took advantage of the site so that people could take advantage of the merchant as well. In addition, 21 merchants were contained in gas stations because it also did a lot of payment transaction. The next one was 10 merchants were found in the cafe, 9 merchants in the hotels and restaurants, 7 merchants at the port, 3 merchants in the salons, hospitals, and cooperative. Last but not least, 2 merchants were found in the villa, and business entities law (PT or CV).

The distribution merchant was still ineffective enough. Based on the interview was conducted by researcher people did not use the e-money as a payment instrument, and they only made use of it for certain payment such as paying for tolls. There were some similarities with the previous study conducted as stated by Sawitri (2016) which explained that the marketing function had been effective, but less effective in the marketing system. The merchant was still often used for credit and debit cards also the society did not understand how the e-money worked. Therefore, the use of e-money Brizzi at the point of

the merchant as payment of e-money was still ineffective because people were still unfamiliar with the cash payments and credit or debit card and have not fully used electronic money as a payment instrument daily. On the other hand, related their perception and satisfaction level in using e-money, people who had their e-money had its own satisfaction which was more practical in the transaction because they did not need to confuse the change. In addition, Ramadhani (2016) explained that there was a positive and significant influence between the use of electronic money on the consumption expenditure. This reasonable because of the ease and speed offered in electronic money so that the use of electronic money was increasing among students.

When we asked about the use of e-money, the customers utilize e-money in narrow purpose such as toll payments. Therefore, Brizzi card use was not effective because people had not yet fully familiarized with the e-money transactions and they were still accustomed to using cash payments. For the distribution of electronic money Brizzi, the bank had been selling 5000 Brizzi cards out of 8000 cards. It was insufficient due to the number was not proportional to the population which said to reach 1.668.438. Therefore, it could be proven that the distribution of electronic money in Banyuwangi already had a good level of satisfaction but not effective yet.

Suratno and Kurniawan (2016) concluded that the high level of user satisfaction and the level of effectiveness in the presence of e-money based on the e-ticketing. The barrier in the distribution of electronic money Brizzi was caused by people understanding. The result of the research revealed that people were not familiar with e-money functions. This finding also happened in the area in Indonesia. Parastiti and Haryono (2015) also concluded that the use of electronic money was still low due to the low interest of the students. Therefore, people were still unfamiliar with the electronic money. The phenomenon stated by Febriana (2015) showed that marketing communication strategy undertaken by Bank Rakyat Indonesia had not been able to achieve the expected goals. This was due to various obstacles, such as the difficulty of changing the mindset of people who still tend to use cash, tight competition with another e-money products, lack of support from merchants, and there was still network disruption.

In their distribution of e-money, it faced several obstacles that cannot be avoided. The first reason related to the number of acceptance of the product. Based on the interviewed, the pattern of thought had

not been developed like any other city so it was very difficult to accept e-money. It became a challenge for the banks especially Branch Office of BRI Banyuwangi because they should be more active in disseminating the product to the public. As stated by Widyastuti, Handayani, and Wilarso (2017) explained that the barriers faced by customers of electronic money included limitations of merchants, limitations of access methods, limitations channel transaction, transaction costs, competitors, as well as social and cultural factors that had a habit of using electronic payment methods other than cash.

In addition to wide dissemination, the banks should provide the merchant to the whole point of a transaction such as tourism places, school or college, because many students still do a small amount of the transaction. With this strategy, the society began to recognize the benefits of Brizzi. Based on the explanation, as stated by Wulandari, Soseco and Narmaditya (2016) which were there should be a lot of intensive socialization by adding merchants in order for e-money to be accepted because e-money could solve the problem of the minimum transaction that allowed was by credit card or debit card, so it was suitable for students who were accustomed to transact with small amount.

However, the distribution of e-money Banyuwangi had a great potential to be developed. Branch Office of BRI Banyuwangi had already prepared their internal socialization in advance as to the employees of Branch Office BRI Banyuwangi itself. By socializing, the perceived benefits would be shared to the public outside of the other. Socialization of the cooperative is also closer to the society, socialization to the unit, the office of the treasury, as well as the office of the Ministry of Religious Banyuwangi. It was a necessity since Brizzi and the merchant cards were available in various sectors and could be utilized by many.

The other opportunities in developing e-money could be seen from the tourism sector in Banyuwangi. Banyuwangi tourism could be put as the area for Brizzi distribution because the merchants were not found in tourism places. It was a great opportunity for the banks in the Brizzi distribution. Bankers could also take advantage of opportunities for branding Brizzi by wearing name tags/identity of employees. All employees of State-Owned Enterprises in Banyuwangi also had been branded by Brizzi. In addition, BRI Banyuwangi also provided a branding product Brizzi card by issuing a special edition Banyuwangi tourism and culture such as the Red Island tourism's image, Gandrung dance's image. It was proven that the distribution of Brizzi in Banyuwangi had entered the

creative stage, although the banks had not been branding among schools or colleges through student card. According to sources of the information obtained, branding with a school or college must go through the complicated requirements. However, it would be a great chance for the brand of student card. With these programs, it was proved that Banyuwangi had increasingly developed on part with their rapidly developing cities. Baddeley (2004) which was concluded that the innovative electronic financial instrument could potentially transform the economic activity. Therefore, banks should play a major role in promoting the increase in effectiveness.

4 CONCLUSION

The distribution of e-money in Banyuwangi was not effective even though the sales were already exceeded the target yet still less than the total population. For the satisfaction level of Brizzi user, it was included on a good level. The use of Brizzi that was still not maximal since the users still tend to use debit or credit card and most of them were still using cash. The barriers of e-money due to not all of the people understand about the benefits and the functions of e-money. The obstacle would make the banking sector difficulties in channeling Brizzi. It needed the socialization and widespread socialization would be the next challenge for the banks to distribute the e-money, Brizzi. Brizzi distribution opportunities in Banyuwangi had good potential particularly in the tourism and education sectors since Banyuwangi was famous for the tourism places. Furthermore, the chance in education such as channeling Brizzi among students was very profitable since most of the students were still dealing with small quantities.

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