

# Effect of Internet Banking on E-Commerce

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**Abstract—** Currently, e-commerce is a new trend in the world of buying and selling that unites sellers and buyers who are very far away but can still trade safely and quickly also certainly easier with internet banking. The purpose of this study is to analyze how internet banking can significantly influence the development of e-commerce, which can actually reduce or not change the development of e-commerce in Indonesia. Internet banking is one of the tools that can increase e-commerce for consumers or vice versa, internet banking can reduce or does not significantly increase the amount of consumers in e-commerce. The method used in this research was the Case Study research method that aims to explain what is being investigated in this case and examine how this case can occur and develop in today's society. The results of this study found that internet banking can increase sales and expansion of research because with internet banking all customers experience difficulties such as far from nearby ATMs or banks and therefore can only be overcome with smartphones and a stable internet connection. Therefore, internet banking greatly facilitates payments in e-commerce transactions. This research is used to show how internet banking can have a real influence on e-commerce development.

**Keywords—** Internet banking, E-Commerce, Consumers

## I. INTRODUCTION

The rapid development of internet technology has offered various kinds of conveniences in various jobs, one of which is business transactions. Many companies in the world have wished to become a global business power plant through a variety of large investments in e-commerce and global information technology businesses. Internet development has a significant influence in various aspects, one of which is in the banking world. The main objective is to increase the number of customers, both in quality and quantity. In quality, the customers obtained are productive customers who are able to provide profits for the bank, while the quantity of customers increases significantly from time to time. Various ways are done to achieve these goals, one of which is to provide customer or customer satisfaction [1].

The influence of internet banking on e-commerce is in the use of internet banking as a payment method that is faster, easier, safer and the minimum cost can be supported by e-commerce [2]. Because with these things can help consumers more and make consumers faster in

making transactions. The use of internet banking that allows consumers to buy without having to worry about returning payments [3]. This allows you to do business easily. Internet banking provides three stages of services that are owned, namely first: information services where the bank only provides financial services information on its website; second: communication, where on the website allows customers to communicate well; third: transactions, which have enabled customers to conduct virtual financial transactions such as checking balances, transferring funds, or various types of payments [4-5]. Technology Acceptance Model (TAM) is a popular and widely used model in various studies regarding the process of adopting information technology including internet banking. The ability to explain (explanatory power) and the simplicity (parsimony) of causal relationships is the main reason for using the TAM model. The main purpose of TAM is to provide a basic framework for tracking the influence of external factors on user goals, beliefs, and attitudes [4]. Internet (online) banking is a form of electronic banking offered through the internet where customers can conduct and transact in an artificial environment. Because a bank that has a website but cannot transact does not include internet banking. The attitude of the customers towards the acceptance or adoption of new information systems has serious implications for the success of the system. Bitcoin provides confidential, trustworthy assistance for calculations that can be used with peer-to-peer networks with a decentralized ledger [5]. In practice, it may be solved, transactions carried out with various identities, such as payment for oneself can be considered in a number of circumstances [6].

In this study, it is more focused on e-commerce technology, while in other studies referred to in this study, it explains the use of e-money to facilitate transactions in e-commerce. The study was conducted to determine the effect of e-commerce with the size of internet users. The method in this study uses the Case Study method directly to the field that serves to explain the events that are happening and developing in the surrounding environment and examine how this can occur.

II. METHOD

The method used was the Case Study research method. The Case Study will be carried out and understand what is being examined . So that it can analyze how much influence internet banking has on e-commerce.

III. RESULT AND DISCUSSION

Technology Acceptance Model (TAM) was first introduced by Davis in 1986. TAM was made specifically for modeling the adoption of information system users. The main objective of TAM is to provide a basis for tracking the influence of external factors on trust, user goals and attitudes. TAM considers that two individual beliefs, namely perceived usefulness and perceived ease of use, are the main behavioral variables in adopting information systems. Linkages in various variables on the model can be seen in the figure 1 below.

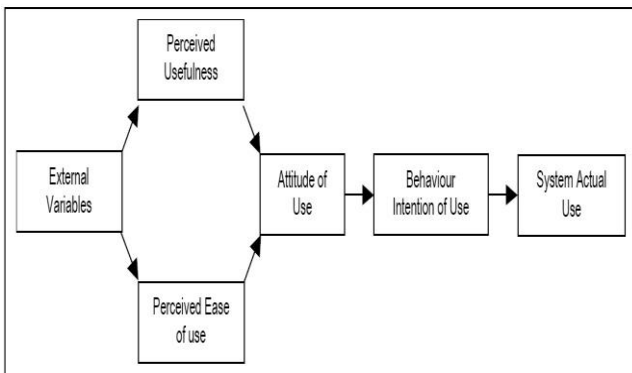


Fig. 1. Modeling of Technology Acceptance Model by Davis (1986)

Usefulness is defined as a level where a person believes that the use of a particular technology will improve the work performance of that person [7]. The measurement of benefits is based on the frequency of users and the diversity of applications that are run. Benefit can be useful with an estimation of one factor such as: job easier (makes job easier), increasing productivity (increase productivity), useful (useful), encouraging effectiveness (enhance effectiveness), and improving work performance (improve job performance) [8]. Thus, it can be interpreted that the benefits of using internet banking can improve performance, and the performance of the people who use it.

On ease perception is defined as a level where one believes that a computer can be easily understood. On the basis of these definitions the ease of use of internet banking means that it is easy to understand when transacting through internet banking media. The intensity of use and interaction between users and the system can also show ease of use. A system that is often used shows that the system is easier to operate, better known and easier to use by users [9]. These facilities will reduce the effort (both energy and time for customers in learning the ins and outs of transactions via internet banking).

Personalization is defined as a level where customers operate (customize) the internet according to their wishes such as choosing information presented, offering personal

goods and services and sending private messages. The internet is considered the right platform for both marketing purposes and maintaining relationships with consumers [10]. In the context of internet banking, web-based technology encourages various banks to provide information that can educate and conduct cross-linking while strengthening long-term relationships between banks and their customers.

The familiarity of tasks (task familiarity) describes a level of non-variability and certainty of activities needed by users to complete tasks and activities when using technology. Internet banking is considered as a delivery channel that is in accordance with the conventional banking system. Customers make banking transactions according to practices before using internet banking [11]. Thus, the more familiar with the tasks performed, the higher the likelihood that customers will use the system, because there is less or perhaps no learning effort is needed.

Accessibility may affect the ease of use. The easier an information system is accessed, the less effort is needed to use the system [12]. In internet banking, the ability to access is not only related to the ability to use the system but also the ability to physically access internet connections, the payment cycle is carried out by transfer payment method or through a third party as in the picture below (See Figure 2).

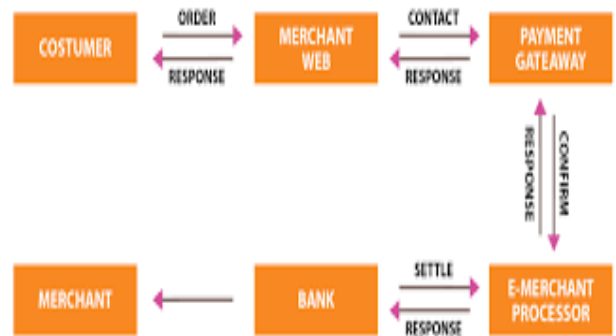


Figure 2. Transfer Payment

In picture 2 the picture explains about, the method of payment in the financial cycle with payments through electronic banking or through third parties. From the pictures we can know that in order to make a product order transaction, the buyer must go through a fairly long process and sometimes constrained by the bank.

This means that there are still many inefficiencies and inefficiencies in the current financial system, which means that the financial system in Indonesia is still lacking in support of the e-commerce web system at its speed. Bank payment systems still require time for validation and payment steps

others to be validated back to the e-commerce web. So this is very time-consuming, and the seller also needs more time to do the packaging and shipping which will require more time to reach the buyer. This can reduce buyer confidence by increasing the possibility of canceling

purchases. With this risk because this is quite risky for the seller where the buyer can cancel the purchase after the product or product is shipped. In fact this is what makes consumers think twice about making online shopping transactions.

With this decentralization, users can register independently. Users also do not need to fill in their personal identities or specific names to fill in the identity column, simply fill in the destination section and the address of the residence and postcode. [14]. But if the buyer wants to complete his identity, the buyer can do it whenever they want [15]. And like the previous explanation, if the buyer still wants an anonymous identity, they can still make transactions. Create a new identity, use it only temporarily, if it's finished, then don't use it again. According to the results of Sevgi Özkan, Gayani Bindusara Ray Hackney, in their journal, they said that customers tend to trust the new payment method that is available online and this is because they believe that they face the risk of fraud / theft, hacking, password theft [14].

Although the account transfer method is still the favorite payment system in Indonesia, this system still requires a lot of improvements, especially in the security of buying and selling and payment transactions. Consumers have to confirm again and will increase the percentage of human error. Moreover, the seller must check payments manually and sometimes can only be confirmed only during business hours. In addition there are still several more processes if transferring between banks, and can spend more time. This can hamper business processes with the internet banking method and can extend existing processes.

#### IV. CONCLUSIONS

The internet banking is a method of payment using the internet network. Where internet banking is also a transaction that can be used safely. Users don't need to worry about cheating in the payment process. The use of the internet banking payment method also makes it easy for transactions with different locations and banks. The method of payment using internet banking is indeed quite familiar. This also allows users or customers to be very interested in using this payment method. Many users have adopted this new method of payment because it looks safer and also feels faster. Because the seller and buyer can easily cancel because of the long process and validation of payments manually. Buy because they feel the payment process takes too long so the goods ordered or excellent come longer. This payment method allows e-commerce players to expand the reach of their business. So, it can be concluded that internet banking has enough influence in the world of renewable business and this e-commerce sector can be affected in terms of business expansion.

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