

The Analysis of Millenials' Intention to Use the OVO E-Payment

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ABSTRACT

Technologies have developed rapidly since the internet invention. Collaboration to collect information is now easier. Thousands of applications have emerged and helped business activities become more efficient and effective. The financial industry also explores this development. The government is utilizing the development by launching a GNNT (National Non-Cash Movement) program through Bank Indonesia to promote the awareness of e-money by the public, business people, and government institutions. Although e-money is increasingly being used, money is still a dominant transaction instrument in Indonesia. This study aims to analyze millennials' intention to use OVO e-payment. The research type is qualitative with a descriptive approach. The data collection technique is a literature study. Based on the data, the number of level 1 and 2 millennials is 117. The authors randomly took 50 subjects. The results showed that the Technology Acceptance Model (TAM), consisting of perceived usefulness and ease of use, can encourage millennials to use the OVO. The OVO startup must keep exploring information from big data to increase the interest in using this fintech.

Keywords: *technology acceptance model, e-payment, intention to use.*

1. INTRODUCTION

Rapidly developed information and communication technologies in various parts of the world have changed many different sectors of our lives [1].

The financial industry is one of the industries that take advantage of these technological advances. Financial industry players apply these advances in many aspects, such as security, scalability, availability, and other aspects. This application is carried out to provide the best service for their customers. Financial technology development, such as electronic services, digital, and fintech, has increased service productivity that continuously challenges and serves consumers who receive new technology products to gain market opportunities [1].

GNNT is a national movement to use non-cash payment instruments launched by Bank Indonesia on August 14, 2014. It aims to promote awareness while

increasing non-cash usage among the public, business people, and government institutions. Thus, a less-cash society is expected to be gradually formed in this country, from Sabang to Merauke. The Central Bank targets this movement to reach at least 25% of Indonesia's population in 2024, or 10 years after the launching. To facilitate the movement, Bank Indonesia, the payment system authority in Indonesia, established the Financial Electronification and Inclusion Program, which the Director of Payment System Policy and Supervision Department of the Bank Indonesia leads directly. Bank Indonesia, together with OJK, also initiated Digital Financial Services and Open Office Financial Services (Laku Pandai) to reach remote areas from banking services. This initiative is needed because the number of bank account holders in the country is still small. As of the end of 2016, at least 1.2 million people used non-cash in daily retail transactions in 24 cities, ranging from credit cards to debit cards to electronic money.

Meanwhile, the number of LKD and Laku Pandai agents has reached 14,702 spread across 489 regencies and cities [3]. Although the non-cash instrument of e-money is increasingly being used, cash is still a dominant transaction instrument in Indonesia. This dominance is caused by the large number of people who do not understand the function and method of using non-cash instruments and many people in villages that have not been reached by non-cash payment system services [4].

Some developing fintech services in Indonesia are e-wallet or e-payment, peer-to-peer lending, insurance, investment, etc. The fintech startup companies that provide e-payment services in Indonesia with the largest number of customers include OVO, gopay, funds, linkaja, and genius [5]. The emergence of various startup companies with fintech business processes helped the wheels of the economy go even better. This is one of the basic patterns of fluctuations in human life in the current millennium era. Those who survive can maintain the current of globalization and the direction of current technological advancements. One of the most critical aspects of the economic wheel is payment transactions [6].

Millennials are born from 1980 to 2000 [7] and currently the largest consumer segment in Indonesia, amounting to 105 million [8]. The millennial generation is the largest number of consumers in history [9].

This study aims to analyze millennials' intention to use the OVO e-payment in terms of perceived usefulness and perceived ease of use and trust.

Financial technology, also known as fintech, is a financial industry composed of companies that use technology to make financial services more efficient [10]. It is derived from the term financial technology [6]. It is a part of financial technology to efficiently improve service quality and management involving a new generation of information technology [11]. It may enhance efficiency and broaden the scope of financial services through the application of banking technology. Along with the continuously developing fintech, there are many technological breakthroughs in this area, such as big data [12], cloud computing [11], Internet of Things [13], and technical data analytics [14].

In TAM, perceived usefulness is a factor that is widely used in adopting information systems and is defined as the degree to which the use of this new technology by consumers will increase the work efficiency of these consumers [15]. Perceived usefulness refers to the fact that users choose to adopt services if they consider the fintech application a positive effect [16].

Perceived ease of use is TAM's another vital thing defined as an effort to use this new technology [15]. Perceived ease of use refers to the fact that consumers

feel relaxed and make an effort to try to learn to use fintech services. Fintech services provide better customer service and experience, which can compensate the bank's business's weaknesses in meeting more personalized customer needs.

Trust is an interdisciplinary concept studied by researchers in sociology, management, organizational behavior, and other areas [17-19]. Trust points to the overall utility of objects that users perceive [20].

Some previous studies about fintech are: Usefulness is an essential factor that influences Bitcoin acceptance [21]. User acceptance of P2P mobile loan applications is significantly influenced by perceived ease of use, perceived usefulness, and user satisfaction. In turn, it affects their attitude towards the use of P2P mobile loan applications and intention to use [22]. Trust of users in fintech services has a significant effect on their attitudes toward adoption. Perceived ease of use and risk does not affect users' attitudes toward adopting fintech services [20]. Perceived ease of use customers in using online stores are positively related to their intention to shop online. Perceived usefulness has a slightly more significant effect on consumer purchase intention than the perceived ease of use [23].

2. METHODS

The research type is qualitative with a descriptive approach. The data collection technique is a literature study. Based on the data, the number of level 1 and 2 millennials is 117. The authors randomly took 50 subjects.

3. RESULTS AND DISCUSSION

The fintech service is considered to make it easy to transact both online and offline in only one platform, the e-wallet application. Internet-based e-wallet applications increased by 50% from Q4 2017 to Q2 2019. The increase in e-wallet products is a boost from the Financial Services Authority (OJK) to improve Indonesia's economic development. The potential development of e-wallet applications is also predicted to be even more brilliant given Indonesia's demographic bonus in 2030, where the population of productive age will be more significant. Based on the research results of Jakpat in collaboration with DailySocial 74.6%, the e-wallet application users are in the productive age of 20-35 years [24].

The e-money vision in the OVO application strives to be a financial application that works continuously, one of which is also offered is the e-money system. The electronic money model is currently on the rise among users of Indonesian mobile devices. Various forms of e-money systems are offered. In the OVO application, there is OVO cash which can be used for various

financial transactions. The OVO cash can now be used to make payments at Lippo merchants, refill and check balances, and make transfers between OVO accounts.

OVO wants to reach its services as a simple payment system and smart financial services. Currently, for its use as a transaction media, OVO only has a Lippo network with a limited area. In the application itself, several popular outlets have been provided to redeem reward points, such as for food purchases or cinema tickets. Under the auspices of PT Visionet International, the OVO application will provide integrated mobile financial solutions, focusing on the business network owned by the Lippo group of companies [25].

The OVO application has been down-loaded more than 115 million times. This payment fintech company has also hooked around 500 thousand sales partners in 354 Indonesian cities. OVO also has a unicorn status. Dailysocial surveyed 787 respondents related to fintech. Most respondents know that digital wallet is one of the fintech compared to other services [26]. The results of the interview are by Table 1.

Table 1. Result Of Interview

Perceived usefulness, perceived ease of use, and trust	Respondents' opinion
Perceived usefulness	It has many promos; points are earned each time a transaction; it has a cashback feature; it has a practical application for taking/saving money; The application is practical, so you do not need to bring much money; in addition to being a means of payment, it can also be a means of transfer.
Perceived ease of use	The top-up is easy to do and can be done through the driver; use the telephone, you can trade; some partners have already used QR codes to make payments easier; for easy payments, no change is needed;
Trust	The merchants are easy to find; it has many partners; it collaborates with Grab and Tokopedia; this is under the supervision and has been registered with OJK; need a password to log in; people have widely used it; read the terms and agreement for more safety; until now, customer deposits have never been lost;

The perceived usefulness, such as ease of top-up and many promos, becomes the customer's intention to use OVO e-payment. The perceived ease of use, such as easy apply and easy payment, becomes a reason for customers' intention to use the OVO e-payment. Many empirical studies on information technology adoption in the past decade showed that perceived usefulness has a positive effect on user intention [27-30].

Ease of use in fintech is a determining element for user's adoption [31,32]. Many researchers have shown a

significant correlation between the perceived ease of use and the attitude of adopting new technologies [33,34]. If a user thinks that one fintech service is appropriate, responsive, and easy to run, the user is more likely to adopt it [35].

The more users trust one service provider, the higher their interest in using its service, and the easier it is to promote behavior [36,37]. Reference [38] observed some finding of a subsidiary effect of trust and adoption in fintech services.

OVO must continue to position itself as a smart application that provides convenience in OVO cash transactions (ovo.id). Implement-ing perceived usefulness, perceived ease of use, and trust, OVO can better find out what things encourage customers' intention to use the OVO e-payment fintech. OVO must also continue to educate and increase trust so that more customers will use e-payment as a means of payment. In the end, this becomes a form of support for the government program, GNNT (Non-Cash National Movement).

4. CONCLUSION

Perceived usefulness, perceived ease of use, and trust can encourage millennial intentions to use the OVO e-payment fintech.

The OVO startup must keep exploring information from big data to increase the customer intention to use this fintech.

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