

# Analysis of the Impact of E-Payment on Culinary Business Development in Kupang City

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## ABSTRACT

Kupang City's culinary companies will be examined in this study to see how e-payment affects their growth. Use of the QRIS as a non-cash transaction tool will be the subject of this qualitative descriptive research. Observation, interviews, and documentation were used to gather data for this study. There are three steps in the data analysis process: data reduction, presenting of data, and making conclusions. According to the findings, the usage of QRIS in interactions between business owners and customers helps culinary businesses grow and have a beneficial influence. Businesses can save time and money by simply requiring one barcode to be scanned by customers. Additionally, QRIS helps business owners keep track of their daily income and identify products that are swiftly selling out of inventory.

**Keywords:** Culinary business, E-payment, QRIS.

## 1. INTRODUCTION

Currently, the industry in Indonesia, especially in big cities, continues to progress. One of the factors driving industrial progress in Indonesia is technological progress. Technology is a tool to make it easier for people to utilize the resources they need. Until now technology continues to spread to the community, one technology that is increasingly being enjoyed by the community is the use of the internet [1].

The increasingly rapid development of the internet has given birth to various innovations, including the emergence of various financial service industries that seem to be a new trend in society. Slowly, the financial sector is becoming one of the sectors that has an impact on the development of technology and information in the current digital era. In line with rapid technological developments, payment patterns and systems in economic transactions continue to change. Technological advances in the payment system have shifted the role of cash (currency) as a means of payment into a more efficient and economical form of digital payment [2].

The payment system, which is one of the pillars supporting the stability of the financial system, has developed, which initially only used cash, has now penetrated into the digital payment system. It is marked

by the existence of an Automatic Teller Machine (ATM) card or better known as an Automated Teller Machine which is a computerized machine connected to a bank communication network, which allows customers to carry out financial transactions independently without assistance from tellers or other bank officers.

The current digital economy era shows the increasing technology that affects various payment methods such as Mobile banking, SMS banking, Internet banking, and electronic money called Financial Technology. According to The National Digital Research Center (NDRC), in Dublin, Ireland, defines Fintech as "innovation in financial services" or "innovation in Fintech financial services" which is an innovation in the financial sector that gets a touch of modern technology.

Research from Tarantang et al [2] shows that Technological advancements in the digital economy era, especially in the development of digital payment systems, are increasingly rapid. The presence of a digital payment system can make it easier for humans live their lives more effectively and efficiently and minimize the occurrence of usury and ghoror practices with a transparent system, and can also minimize the occurrence of inflation in this country due to the large amount of money circulating in the community.

Study Rahma [1] stated that Fintech is the latest model of financial innovation in Indonesia and has made it easier for the public to process financial transactions. In addition, people are motivated to use Fintech because of its effective and efficient use. With the existence of Fintech, the community is greatly helped in carrying out economic activities, so that One of them is in transaction activities.

Research conducted Sugiarti et al [3] show the impact after using Fintech which makes it easier to make transactions with consumers. The use of Fintech is also used to manage finances and manage stock of goods. The effect of using Fintech is that it makes it easier for consumers to make payments, because it makes time more efficient.

More than 42% of Fintech users rely on Payment Gateway, according to the Financial Services Authority (FSA) [4], and the payment system Quick Response Code Indonesian Standard (QRIS) is presently being used by businesses to expedite payment transactions. To put it simply, QRIS is the integration of numerous QR codes from various Payment System Service Providers (PJSP) into one QR Code. QRIS was developed by the payment system industry and Bank Indonesia in order to make the transaction process utilizing the QR Code more convenient, faster, and secure. QR Code Payments need the implementation of QRIS by all PJSPs (Payment System Service Providers). Merchant Presented Mode (MPM) and Customer Presented Mode (CPM) are two QR Code payment formats (CPM). In practice, however, it relates to the national QRIS standard defined by Bank Indonesia. Even though the QRIS provider at merchants is different from the application provider used by the public, all payment apps from any provider, including banks and non-banks, can be used in all stores, merchants, stalls, parking lots, tourist tickets, and donations (merchants) with the QRIS logo.

The development of the use of digital payments in Kupang City has been socialized. This can be seen in various sectors that have used digital payments as a transactional tool, one of which is the UMKM sector, especially the culinary business.

Culinary business is a business of all time, because everyone needs food and drink, so it can be ascertained that the food business is always needed by everyone. Culinary business can grow and develop despite the global crisis. By using digital payments, culinary business actors can make transactions easier. Merchant that works with Gopay, OVO, DANA, LinkAja, and other digital payment applications, it is enough to use an integrated QR Code so that transactions can occur even if consumers use various digital wallets. This is done for the development of culinary businesses as well as improving more effective and efficient services for

consumers and for the culinary business actors themselves.

Based on the results of previous research, it is said that the use of Financial Technology for UMKM payment transactions has not been optimal because there are still difficulties experienced by UMKM actors such as the difficulty of explaining to consumers that there has been a payment using Fintech, then the money received when making a transaction is not received right away by business actors. But on the other hand, the use of Fintech also brings convenience to UMKM actors where Fintech helps make payment transactions such as not needing to carry cash for transactions. For this reason, in this study, researchers analyzed the impact of using e-payment on the development of culinary businesses, whether it had a positive or negative impact.

Based on the above phenomenon, researchers are interested in conducting research on "Analysis of the Impact of E-Payment on the Development of Culinary Business in Kupang City".

## 2. LITERATURE REVIEW

### 2.1. Keynesian Theory

According to Keynes' Theory in the book Principles Of Money, Banking, & Financial Markets (2013) there are three motivations for people hold money, namely for transactions, precaution, and profit. 1) transaction motive, Keynes in this case argues that money is a means of exchange and money demand is influenced by the level of people's income. Because, he believes that transactions at the individual level and also at the community level are related to the level of people's income. 2) precautionary motive, Keynes argued that society would hold onto the money for unanticipated needs (just in case). Money in this case still functions neutrally as a medium of exchange and is influenced by the level of people's income. 3) profit motive, motive for speculation (Liquidity Preference). Keynes emphasized the Cambridge theory, that uncertainty in the future will affects people to ask for money. Money is a store of wealth, and people will sometimes use the money for speculative purposes.

### 2.2. Digital Finance (Electronic Money)

The definition of Electronic Money according to Bank Indonesia Regulation No. 16/8/PBI/2014 is the value of money stored electronically on a media server or chip that can be moved for the purposes of payment transactions and/or fund transfers.

### 2.3. Financial Technology

Fintech defined as innovation steps towards financial services according to the National Digital

Research Center (NDRC). In terms of financial services, Fintech is an innovation in the financial sector combined with a touch of modern technologies. For example, Fintech service transactions include various kinds of transactions such as payments, investments, online credit, transfers and financial plans.

Technology-based financial services, or Fintech, are currently a worldwide trend, both in terms of equipment and business model [5]. According to Douglas W. Arner, a professor of finance at the University of Hong Kong, there are four eras of Fintech. Between 1866 and 1967, a global financial network was built through infrastructural expansion and computerization. Between 1967 and 2008, the period of internet use and banking sector digitization, Fintech 2.0 was in effect. Fintech 3.0 and 3.5 have been taking place since 2008. Fintech 3.0 is an age in which smartphones and mobile devices are being used in the financial industry. Process technology innovation, products and business strategies, as well as a shift in consumer behavior are all contributing to the growth of Fintech 3.5.

FinTech falls into four areas, as outlined by the Bank Indonesia Regulation:

- 1) Crowd-Funding And Peer To Peer (P2P) Lending; the platform serves as a meeting place for capital seekers and investors in the loan industry. Internet-based lending and loan services are available through this platform. Only funding is provided, and the borrower completes the lending process on a website provided by the lender. Loan and borrowing services based on information technology are included in this category, which is overseen by the Financial Services Authority (OJK). In 2016, OJK issued POJK No. 77/POJK.01/2016 about Information Technology-Based Lending and Borrowing Services in order to assure the safety of crowdfunding and P2P lending services in Indonesia.
- 2) Market Aggregator; this category gathers and presents financial data from a variety of sources for users. User comparison and selection of the best financial products can be made easier with this financial data.
- 3) Risk And Investment Management; it serves as digital financial planners, so that users can plan and find out the financial conditions at any time and in any situation.
- 4) Payment, Settlement, And Clearing; it includes services that make it easier for people to pay for goods and services online. The Bank of Indonesia is in charge of this financial technology. Regulation Number 18/40/PBI/2016, issued by the Bank Indonesia in 2016, governs the implementation of payment transaction processing in Indonesia. Regulators in the United States are

working to ensure that a safe and secure payment system is in place by prioritizing prudential principles and risk management, as well as expanding access, national interests, and consumer protection, including international standards and best practices

Regulation Number 19/12/PBI/2017 was issued by the Bank Indonesia to govern the use of financial technology in Indonesia. To ensure monetary stability, financial system stability, and an efficient, smooth, safe, and reliable payment system, this regulation controls the deployment of Financial Technology by applying the principles of consumer protection and risk and prudent management

## 2.4. Technology Acceptance Model (TAM)

One of the most often used models in the field of computer technology is known as the Technology Acceptance Model (TAM). Technology Acceptance Model and Theory of Reasoned Action (TRA) are a few examples that have been documented in academic publications and research outcomes in the field of information technology (TAM).

## 2.5. Digital Payments (E-Payments)

Electronic payment transactions or commonly referred to as e-payments are mushrooming in Indonesia. The e-payment system can be defined as an infrastructure in the network (online) and a payment method as a means to exchange value in monetary terms through internet services [6].

## 2.6. Bank Indonesia Policy on Digital Payment System

The payment gateway service allows people to choose a variety of digital-based payment methods managed by a number of start-ups. In the payment gateway service, the system used is the Quick Response Code Indonesian Standard (QRIS) where QRIS is a standard QR Code payment Indonesian payment systems developed by Bank Indonesia and the Indonesian Payment System Association (ASPI).

Providers' interconnection specifications support QR Code Merchant Presented Mode, which is a part of QRIS. It is possible for retailers to show a QR Code, which is subsequently read by consumers using their smart phones. Static and dynamic display media are used in this strategy. the QR Code is displayed through stickers or other printing; b) it is used for payment transactions; c) the QR Code does not contain the nominal sum to be paid, thus it must be inputted as a separate transaction. QR Codes can be generated dynamically, which means they can be shown on the EDC machine's receipt or on the monitor screen; b) a

separate QR Code is generated for each payment transaction; and c) the QR Code already contains the nominal amount to be paid.

## 2.7. Culinary Business

Culinary business is a business of all time, because everyone needs food and drink, so it can be ascertained that the food business is always needed by everyone. Culinary business can grow and develop despite the global crisis. According to the Association of Indonesian Food and Beverage Entrepreneurs, the total turnover of the culinary business in 2011 reached Rp. 650 trillion, grew 8.34% compared to 2010. In 2012 it is estimated that it will increase by 2% compared to 2011.

## 2.8. Empirical Study

- 1) Hardiky, M. I, Nova, D. K, Rahmadewi, A, Kustiningsih, N [7] with the title Optimizing Digital Payments as Payment Solutions for MSME Roti Mattresses. The research method used is qualitative. The results of the study show that the digital payment system is a fairly effective payment option. The increase was carried out by MSME owners who provided a new application, namely QRIS in the form of a barcode. This application can facilitate digital payments with a 0% admin burden on buyers so that buyers do not have to worry about admin burdens. The payment system through QRIS can be made direct or online purchases.
- 2) Sihalo, J. E, Ramadani, A, Rahmayanti, S [8] with the title Implementation of the Indonesia Standard Quick Response Payment System (QRIS) for the Development of MSMEs in Medan. The research method used is a qualitative method. The results showed that with the Quick Response Indonesia Standard, it can help MSME traders to experience development by supporting the merchant transaction process and maintaining income security. The role of QRIS is to help MSME traders not to be deceived by the circulation of counterfeit money, reduce the risk of money theft and support the government as well as to be able to develop the digital economy in certain areas.
- 3) Tarantang, J, Awwaliyah, A, Astuti, M, Munawaroh, M [2] with the title Development of Digital Payment Systems in the Industrial Revolution Era 4.0 in Indonesia. The research method used is qualitative method. The development of payments has revolutionized today and there has been a digital payment system in the form of paper-based (Cheque /Giro), card-based (Credit Card, Debit Card) and electronic-based. With the existence of this digital payment system,

it can minimize the occurrence of inflation in this country due to the large amount of money circulating in the community, as well as to minimize the practice of usury and ghoror with a transparent system.

- 4) Sugiarti, E. N, Diana, N, Mawardi M. C [3] with the title The Role of Fintech in Improving Financial Literacy in Micro, Small and Medium Enterprises in Malang. The research method used is qualitative method. The role of fintech in improving MSME financial literacy in Malang has been applied to several MSMEs, namely facilitating transactions with consumers. In addition, the use of fintech is also used to regulate the course of finance and manage stock of goods. The effect of using Fintech is that it makes it easier for consumers to make payments, because it makes time more efficient.
- 5) Rahma, T I F [1] with the title Medan City Community Perception of the Use of Financial Technology (Fintech). The method used is a qualitative method. Fintech has made the latest model of financial innovation in Indonesia, especially in the city of Medan, which has made it easier for the public to process financial transactions. Society has been motivated to use Fintech because of its effective and efficient use.

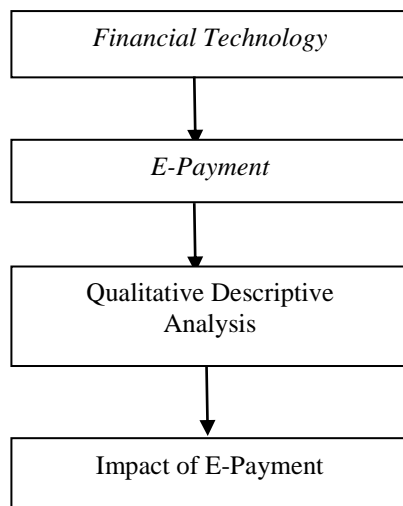
## 2.9. Framework of Thinking

Based on this framework, it can be said that e-payment in this case QRIS can help culinary business transactions where the existence of e-payments can reduce the money supply, reduce the number of queues when paying, and help financial records more practically and efficiently.

To find out the impact of e-payments on culinary business development, it is necessary to analyse the extent to which e-payments have a positive or negative impact on culinary businesses, using qualitative descriptive techniques, namely a way of analysing, describing, and summarizing various conditions, situations from various data collected in the form of interviews or observations about the problems studied that occur in the field.

## 3. METHOD

The type of research used is a case study. According to Setia et al, (2014) Case study is an intensive, detailed and in-depth approach to certain phenomena. The research focuses on one particular object who studies it as a case. This study uses a qualitative descriptive approach to focus research on existing problems or phenomena and is able to describe well the facts in the field. The research framework as shown in Figure 1.



**Figure 1** Research framework

### 3.1. Research Focus

According to Moleong [9], the focus of research is the core that is obtained from the experience of researchers or through knowledge obtained from scientific literature studies. This study focused on the use of QRIS as a non-cash transaction tool.

### 3.2. Data Types and Sources

In this study, researchers used qualitative data. Qualitative data is data obtained in the form of information from agencies and other parties related to the problem to be discussed. Qualitative data in this study is information from resource persons on how the impact of e-payment on culinary business development in Kupang City.

The sources of data used in this study are 1) Primary Data Sources in this study, obtained directly from the sources or key informants. In this study, the primary data source was obtained by researchers from culinary entrepreneurs using QRIS. 2) Secondary Data Source used by researchers in the form of data obtained from the literature such as journals and related articles.

### 3.3. Data Collection and Analysis Technique

Methods of data collecting included the observation method, the interview method, and the documentation method. The Miles and Huberman method of analysis is employed in this work [10]. Analysis activities are broken down into three activity lines, as shown in the interactive model:

- 1) Data reduction; Reducing data implies summarizing, focusing on the most important aspects, and looking for patterns or themes in the information. To make it easier to do additional

research, researchers will be able to use the data that has been reduced to get a clearer understanding of the situation [11].

- 2) Data Presentation; Qualitative data can be presented in the form of concise descriptions, charts, correlations between categories or flowcharts, etc. Narrative text is the most commonly utilized data presentation method in qualitative research. Displaying data in this way helps people comprehend what happened and plan future work based on what they've learned [11].
- 3) Conclusion; Conclusions are provisional at this time and may be revised if additional evidence is discovered to support the findings of the next round of research. When the researcher returns to collect data, he or she can be assured that the conclusions he or she made at the outset are supported by solid and consistent evidence [11]. While it's possible to answer the problem formulation from the beginning, it's also possible that the findings of qualitative research may or may not be able to do so because, as stated, the problem and problem formulations in qualitative research are still transitory.

## 4. RESULTS & DISCUSSION

### 4.1. Research result

Based on observations in the field, it appears that e-payment has a positive impact on business actors and consumers, although there are still some obstacles but they can be overcome properly. This study focuses on the impact of e-payment on the development of culinary businesses in Kupang City, where e-payment has the benefit of facilitating payment transactions between business owners and consumers. This can be proven by a statement from one of the culinary business owners who said that QRIS has been used since 2020 and is very useful. QRIS is issued by Bank Indonesia with one barcode, making it easier to serve consumers who use various digital wallets such as OVO, DANA, Link Aja, and others. With QRIS, it helps business owners not to need to provide change for consumers. In addition, transactions through QRIS are safer and faster even though there is a 0.7% discount for business owners. Constraints experienced by business owners in terms of outstanding transfers that cause new balances to enter 24 hours after the transaction to the owner's account so that the payment verification process after 24 hours and cash turnover becomes slower. In addition, using e-payment also supports the government in preventing the transmission of COVID-19 because it is safer than using cash that changes hands.

The same problem was experienced by other business owners in the case of outstanding transfers

which caused a new balance to enter 24 hours after the transaction to the owner's account, thus making the payment verification process after 24 hours and cash turnover slower. In addition, there are no serious obstacles experienced by business owners. The statement from the business owners was strengthened by a statement from one of the consumers who explained that payment using QRIS is very easy because you only need to scan the barcode that is available without the need to provide cash. Payments through QRIS have no discount, so that it benefits consumers. Then statements from other consumers explained that payments using QRIS are more practical in modern times like this because people often use cell phones so that transactions are also easier because sometimes someone forgets to bring cash, with a digital wallet we can overcome the problem of forgetting to bring cash so that we can make payment via QRIS.

#### **4.2. Discussion**

E-payment can be interpreted as a payment system by relying on internet facilities that are used as a means of intermediary transfers that aim to make transactions safe, practical and fast. From e-payment services, it allows people to choose various digital-based payment methods managed by a number of start-ups. In digital payment services, the system used is the Quick Response Code Indonesian Standard (QRIS) where QRIS is a standard QR Code payment Indonesian payment systems developed by Bank Indonesia and the Indonesian Payment System Association (ASPI) (Bank Indonesia, 2019).

In an e-payment there are several positive impacts that can be found by users, such as the convenience for consumers by not having to carry cash. This was explained by one of the consumers "Payment using QRIS no need to use cash sometimes there is no change" but using a barcode scanner that has been provided by the merchant, besides that, it is also more practical and saves time as stated by one of the consumers "Digital payments through QRIS save time and are more practical, so it is recommended to be used for people who have a high level of activity because it shortens time". While for business owners, there is no need to provide many QR Codes, it is enough to only provide one QRIS barcode to accept all transactions from various server-based payment applications as explained by one of the business owners "In my opinion, QRIS greatly simplifies transactions using one barcode, making it easier for us without the need to provide each barcode for a digital wallet". In addition, there is no need to accept cash and provide change for consumers because the money that has been paid by the consumer goes directly into the account of the business owner as stated by one of the business owners "Money paid by consumers through QRIS goes directly into our

account so more practical". Payments through QRIS also help to record daily income and see products sold quickly. The role of QRIS is to help business owners not to be deceived by the spread of counterfeit money, reduce the risk of money theft and support the government in developing the digital economy.

In addition, there are also obstacles in the use of digital payments, namely: there is an outstanding transfer, which causes a new balance to enter 24 hours after the transaction to the owner's account so that the payment verification process after 24 hours and cash turnover becomes slower. This was explained by one of the business owners, "We do not receive the money directly through QRIS, but it is processed for 1x24 hours"

The results of this study are in line with Keynes's theory in the precautionary motive where people save money for needs that cannot be expected before in this case person save money in digital wallets just in case they don't bring cash to make transactions using QRIS. The results of this study are also in line with the theory of digital finance (electronic money) where a certain amount of money is stored in one electronic medium that is owned by a person. Based on Bank Indonesia Regulation No. 16/8/PBI/2014 which explains that the value of money stored electronically on a media server or chip that can be moved for the purpose of payment transactions and/or transfer of funds in this case QRIS as a digital payment instrument.

#### **5. CONCLUSION**

Based on the results of the research conducted, it can be concluded that the E-payment with QRIS helps culinary businesses to develop and have a positive impact because using QRIS is very helpful in transactions between business owners and consumers such as business owners do not need to provide change to consumers, business owners only need to provide one barcode to be scanned by consumers, and help consumers to make transactions easier using QRIS because consumers only need to scan the available barcodes to make transactions, it is more practical and saves time and provides benefits for consumers because not subject to deductions. In addition to facilitating QRIS transactions, it also helps business owners record daily income. On the other hand, payments through QRIS also have negative impacts such as eliminating the existence of cash, but in general, the positive impact of QRIS outweighs the negative impact.

Based on the conclusions above, the researchers provide input to relevant parties. For the object of research, continue to use e-payment in running a business so as to facilitate consumers in transactions and can reduce the spread of the virus through cash circulating during the current pandemic. Next, for

Payment System Service Providers (PJSP) who work together with business owners can overcome the obstacles experienced business owners in terms of there is an outstanding transfer that causes a new balance to enter 24 hours after the transaction to the owner's account, making the payment verification process after 24 hours and cash turnover slower. Also, for further research, the results of this study can be used as a further reference and it is hoped that it can be developed again with a large number of informants who use QRIS as a transactional tool. In addition, researchers can also add other research variables such as payment cards, e-wallet, smart cards and other forms of e-payments. Further research can also develop research using other methods of obtaining data, for example through distributing questionnaires to respondents so that the information obtained can be more varied.

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