

# The Use of E-Money to Implement Business Transactions of the Student of Madrasah Boarding School, West Bandung Regency

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**Abstract.** The purpose of this study is to find out how far the students of Madrasah Aliyah have used e-money in their daily lives, what transactions are carried out using e-money and (3) the experience felt when conducting e-money transactions. behavior towards business is a broad field to discuss, seeing how business segmentation is increasingly recognizing demographic boundaries. With the pandemic situation, the Indonesian people are required to be able to provide convenience in virtual transactions and not burden both consumers and business people. Seeing transactions that have switched to electronic transactions with various convenience features in paying for buying and selling activities, the issue of physical money will be replaced by electronic money. This is supported by the existence of products from financial institutions or banks that issue various forms of E-money or E-Wallet. to speed up the transfer of physical money into electronic money. Stores that provide payment facilities using E-money. For example Alfamart, Indomart, and other minimarkets that already provide cashless payment facilities. Obstacles that certainly exist in some areas of their children to be able to get the convenience of technology, one example is E-Money. Therefore, a qualitative analysis will be carried out on youth behavior policies that are constrained by the prohibition on the use of electronic facilities.

## 1. Introduction

The use of e-money itself has been widely used in the daily life of Indonesian people. Increasingly, the interest of the Indonesian people in the use of e-money is increasing day by day. As of January 2020, the number of transactions using e-money increased by 173%, take advantage of this cashless payment method in carrying out activities. various transactions carried out by means of cashless payments, the amount of money transactions spent in its use. By taking data from e-money users from school students. which has been widely practiced in society. There is also increasing interest in the use of cashless payments. As of January 2021 as many as 56% of the total number of students of 456 students. Through the increase in income, the community's ability to meet their needs will be better (Yasa, 2015).[1]

The progress of this digital world has invited to transform the lifestyle of most generations who are already familiar with advanced information technology. However, people are happy with smart phones

in their activities. in socializing with each other, they use smartphones to communicate and exchange information, both through digital channels.

Almost all daily activities can not be separated from digitalization, the convenience provided by the Internet affects all process flows, such as business process flows starting from small businesses to large businesses, doing business and conducting digital financial transactions which are strongly supported by the devices provided by smartphones or tablets. a type of non-cash payment device, namely e-money. This is also supported by the banking world which has taken advantage of digitalization in the implementation of transactions that occur either directly in banking or processes between consumers and other retail consumers. Transactions that rely on electronic payment instruments instead of cash are an indicator of a less cash society. When referring to the stages towards electronic payment, Indonesia is currently in a bulk transition, which is marked by the existence of various payment instruments and channels, but the users are still limited (Dewi, 2014).[2]

As reported by <https://www.kompasiana.com/andisuprpto1689>, from the point of view of Islamic economics, electronic money is closely related to property, because money is basically human property. This electronic money is in accordance with the Islamic maqasid in the Islamic economy because it is protected with good security such as a PIN that can prevent misuse if it is stolen or lost. Because, maintaining property is one of the important elements in maqasid sharia related to the benefit of wealth. In addition, electronic money does not cause excessive spending, and the halalness of electronic money has been fulfilled by avoiding electronic money from things that are prohibited by syara'. Therefore, transacting using electronic money is allowed in the Islamic economy.[3] With the existence of non-cash payment instruments such as e-money, which is part of the new policy in the payment system by Bank Indonesia, it will be able to optimize people's purchasing power [4].

The use of non-cash payment methods embodied in a payment card issued by banks in Indonesia creates a stigma that the need for physical money will decrease and affect the exchange rate of the currency used. money market because people will choose to use non-cash payment instruments accompanied by saving money in the bank concerned. Of course, the good impact of the existence of this cashless payment instrument is a faster economic turnover and encourages more significant growth. Because the conveniences provided by this cashless facility benefit various parties, it's just that the source of funds must be taken from a banked cash source and if applied by these teenagers, they will find obstacles, one of which is the source of funds originating from parents who is already familiar in conducting digital transaction activities through banking facilities. For some schools that have implemented an integrated ID with various student data, it can also be connected to a financial account and can be used as a cashless transaction tool. Behavior that supports this habit change must of course be facilitated with various information technology tools and their understanding. As in using e-money, the machine or hardware to receive e-money must also be well distributed in order to compensate for the use of this cashless card. With the aim of having non-cash payment instruments, payment transactions will be carried out more quickly.



**Figure 1.** E-Money Illustration

<https://mapidstorage.s3-ap-southeast-1>.

And also because of the nature of the qualitative approach which says that reality is multiple, complex, dynamic, and the truth of reality is dynamic. (Mulyana, 2013:147) [5]. However, in contrast to research Parastiti, et. al. (2015), although e-money has been integrated with student cards but usage is still low. This matter occurs due to lack of information regarding the e-money product used and the absence of an open attitude from college student. In addition, students prefer using cash as a tool payment because students are used to it which cash do you use? they are more practical than electronic money. This low usage of emoney also seems to be due to unavailability of supported merchants. with e-money facilities. Sulisty Seti Utami, Berliansih Kusumawati [6]. This is motivated by the socio-cultural conditions in the community who are comfortable using cash for transactions and the obstacles to access to financial products and services for the community. The third National Financial Literacy Survey conducted by the Financial Services Authority (OJK) in 2019 showed the financial literacy index reached 38.03%, this figure shows financial understanding in the community. While the financial inclusion index is 76.19%, this figure indicates access to financial products and services.[7]

## 2. Method

This study will discuss how the use of this non-cash payment instrument among school youths whose background is not from schools located in cities or non-schools who are accustomed to cashless facilities. Then how does the behavior and supervision of the school respond to the use of cashless and the use of information technology devices such as for digital transactions or the use of smartphones in the school environment. As well as the closest environment to these students who have provided non-cashless payment facilities such as minimarts. By making direct observations on Community Service activities in November 2021 and conducting interviews with students regarding knowledge and the use of cashless.

In addition, qualitative research is a process of research and understanding based on a methodology that investigates a social phenomenon and human problem. In this approach, the researcher creates a complex picture, examines words, reports detailed views of the respondents, and conducts studies in natural situations (Creswell, 1998:15)[8]. Qualitative research is the collection of data in a natural setting, using natural methods, and carried out by scientifically interested people or researchers David Williams (1995) [9].

The definition of a case study as a research strategy is that a case study is an empirical inquiry that: (Yin, 2002) [10]

1. Investigate a phenomenon in a real-life context, when:
2. The boundaries between phenomenon and context are not clearly visible; and where:
3. Multi-source books are used

Interviews were conducted with student about How to use E-Money in transactions for children boarding school young What are the obstacles faced by Islamic boarding school children with the use of E-mail Money How can the benefits of using E-Money reach children boarding school

1. Students in providing the benefits of e-money in non-cash payments. Asking about cashless card ownership,
2. the purpose of cashless card ownership,
3. how often you use this cashless card, as well as the source of funds to refill the e-money card.
4. Then the convenience that is obtained after making payment transactions with e-money.
5. The surrounding environment that provides or does not provide, asks for knowledge about e-money information they understand, cashless card ownership, the purpose of cashless card ownership, how often to use this cashless card,
6. the availability of shops or mercent in the surrounding environment in facilitating this non-cash payment method.

7. As well as feedback on how effective and efficient it is when there is a non-cash or e-money payment card.

### **3. Results and Discussion**

When sharing discussions in class with students who chose the theme of using e-Money in business, it was seen that there was some information that they just got and they just understood that what they have is a cashless card as a payment tool that can be used when they transact at a shopping place that is either around the school environment or in the environment they live in. As well as the interest in the discussion when the interview began with students who already had this e-money non-cash payment card as for interviews conducted also for students who did not have e-money because they did not know the facilities or did not want and were not interested in ownership of e-money. money that is rarely used by them. With the questions asked using What is e-money, Who uses it, When do you use it, Why is it not used, Where if it is used, and How the impact of using e-money can be analyzed.

From the results of interviews conducted by students, it can be seen that the knowledge about the use of e-money already exists, as well as a lot of ownership. However, it has not been used to its full potential. Students at school have not been maximized in using this cashless payment instrument because of several obstacles obtained from inadequate facilities, for example, to be able to refill this e-money, students have to wait for their parents to transfer or refill their cards, and facilities such as ATMs. the distance is far from their school or residence, so there are still many mobile banking features that have not been used and the cards they have are occasionally used for travel purposes.

According to students, as for the card they have as a complementary card, why not use it because they are not used to it and don't find it interesting if they have to make payments with e-money. And especially from environmental habits that do not use information technology equipment as a means of payment for transactions during activities within the school. Likewise, what is concluded from the parents or teacher does not prohibit the use of e-money as long as it does not cause harm and is carried out with the right buying and selling laws and the allocation for purchasing goods that do not contain conditions. Being a cashless user has challenges, namely, the non-cash transaction system depends on facilities and technology. To transact using money, communication systems, internet, electricity, and devices such as EDC machines, ATMs, card readers, and smartphones are needed. to the point that if there is an access problem to one of these facilities and technology, then the transaction process has the potential to cause obstacles. Furthermore, in increasing public trust in its use, there must be consumer protection. The potential for personal data and hacker attacks must be overcome by means of a security system.

Meanwhile, from an interview with one of the cashiers at the minimart, that usage for the purpose of business transactions has not occurred significantly because there are not many shops or shopping facilities that serve this non-cash payment method. It can be seen from the rarity of shops or canteens that install EDC machines for use by this cashless card. And the readiness of the HR has not been equipped with knowledge of the procedures for using or operating this non-cash machine. As well as seeing consumers feel uncomfortable when they have to pay not in cash, most of those who bring this non-cash payment instrument are only to refill it for the purposes of the next trip transaction, perhaps for toll fees or for paying parking tickets at certain places.

### **4. Conclusion**

Non-cash payments or e-money are still less attractive to teenagers who still use cash and manual payments which have an impact on ineffectiveness in payments. already exists but is not optimal due to various obstacles such as the source of funds for refilling e-money and habits that assume that using cash is more convenient for making business transactions or purchases, Bandung district. , and there are not many shops that provide this cashless payment service, which is only available at the nearest mini market. As well as the need for socialization for the development of knowledge of the use of this non-cash payment instrument to the entire community or related human resources in using and understanding other benefits of this non-cash payment method. A briefing is needed so that students are more

accustomed to using this e-money non-cash payment tools. The suggestion that arises from this conclusion is that there must be socialization that reaches the community from several demographic, economic, and wider geographic segments to remote sub-districts and even villages that do not yet have an understanding that is as expected, this can be done by various parties, for example by the parties. banking, or educational institutions that do community service. For users, it is also hoped that they will realize that the implementation of the standard of personal security protection is by not giving PIN or OTP to other people or storing it in any place and is expected to change the PIN number periodically.

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