THE ROLE OF E-MONEY ON FOOD MSME IN MANADO CITY

PERAN UANG ELEKTRONIK TERHADAP UMKM MAKANAN DI KOTA MANADO

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Abstract: Electronic money or E-money is an electronic store of monetary value on a technical device that may be widely used for making payments to entities other than the e-money issuer. Electronic money was introduced to Indonesia in 2009 and had a lot of significant effects on the country's economy, especially on the micro, small, and medium enterprises (MSME). The goal of this study is to analyze the role that have been brought by electronic money. The research study's sample consists of 15 informants of food MSME owner. This study uses a descriptive-qualitative approach in order to give us a detailed explanation of this phenomenon using field data. This research might be excellent references for those interested in the same topic, as well as a body of knowledge and practical implications.

Keywords: E-money, MSME

Abstrak: *Uang elektronik atau E-money adalah penyimpan elektronik nilai moneter pada perangkat teknis yang dapat digunakan secara luas untuk melakukan pembayaran kepada entitas selain penerbit emoney. Uang elektronik diperkenalkan ke Indonesia pada tahun 2009 dan memiliki banyak pengaruh yang signifikan terhadap perekonomian negara, terutama pada usaha mikro, kecil, dan menengah yang dikenal di Indonesia sebagai UMKM. Tujuan dari penelitian ini adalah untuk menganalisis peran yang dibawa oleh uang elektronik. Sampel penelitian terdiri atas 15 informan pemilik UMKM makanan. Penelitian ini menggunakan pendekatan deskriptif-kualitatif untuk memberikan penjelasan rinci tentang fenomena ini dengan menggunakan data lapangan. Penelitian ini dapat menjadi referensi yang sangat baik bagi mereka yang tertarik pada topik yang sama, serta sebagai pengetahuan dan implikasi praktis.*

Kata Kunci: *Uang Elektronik, UMKM*

INTRODUCTION

Research Background

The development of technology in terms of payment has become one of the lifestyles of people in modern times. The payment system, which initially only used cash as a means of payment, has now developed into a non-cash payment. The payment system changes very rapidly following technological developments, this is an opportunity for banks to compete in terms of cashless payment systems.

The development of the non-cash payment system began with paper-based payment instruments such as cheques, bilyet giro, and other slips. Since banks have encouraged the use of electronic systems and the use of card-based payment instruments in all their forms, the growth in the use of paper-based payment instruments has gradually declined. Especially since electronic systems, such as transfers and clearing systems, have begun to be widely used. Further development of the instrument card-based payments are in line with technological developments. Currently, card-based payment instruments have developed with various variants. Starting from credit cards, ATM cards, debit cards, and various types of e-money.

In simple terms, e-money is defined as a means of payment in electronic form where the value of money is stored in certain electronic media. Users must first deposit their money to the publisher and store it in electronic media before using it for transaction purposes. When used, the value of e-money stored in electronic media will be reduced by the value of the transaction and after that it can be refilled (top-up). Electronic media to store the value of electronic money can be in the form of chips or servers. The use of e-money as an innovative and practical means of payment is expected to help smooth payments for mass, fast and micro economic activities, so that its development can help smooth transactions on toll roads, in the field of transportation such as trains or other public transportation or transactions in mini markets, food courts, or parking.

Electric money (e-money) is one of the non-cash payment instruments where the amount of money listed is in accordance with the amount of money that is deposited in advance by the holder. E-money card to the issuer. The value of the money is stored electronically in a medium such as a server or chip, and can be transferred for the purpose of payment transactions. The use of digital technology in Indonesia is so large that it will have an influence on several sectors, one of which is the business sector which then gives birth to e-commerce. With the development of e-commerce, the Indonesian financial industry is also experiencing development, namely the presence of Financial Technology. Actually, e-money has been widely used for public transportation payments and payments at minimarkets, until now electronic money based on cellular phones that are developing among the public are Telkomsel's T-cash, Gojek's Gopay, Lippo Group's OVO and so on.

Micro, small and medium enterprises (MSME) have a big role as an effort to increase economic development in Indonesia. The rapid development in the world of information technology requires business owners to be able to learn and use it in business activities as an effort to increase competitiveness (Rasyid, 2017). The increasing number of fintech users in Indonesia is an opportunity for MSME actors. Application utilization Fintech by MSME actors is an advantage in increasing sales. MSME are the biggest driving force behind economic development. Fintech is expected to be a driving force for financial access. With this innovation, it can make it easier for MSME to get capital, make payments, and expand their business to various regions. Fintech can help MSME in marketing member products through e-commerce, this will increase sales even more quickly without any advertising costs. MSME engaged in trade can also use Fintech to market their products. This will be able to increase sales very rapidly, and will improve the welfare of MSME members.

In Manado City, according to the Head of the Cooperatives and MSME Service, Soni Sondakh, the number of MSME actors continues to grow from year to year. In 2021, there are 23,375 MSME actors divided into a number of different business activities such as food, services, goods and others. The application of e-money to MSME is expected to be able to be a solution to the current phenomenon where problems that occur in the MSME sector such as product sales still do not meet the target and people want things to be fast, young and practical. This hope can be achieved considering that e-money was created to facilitate the transaction process so that the use of MSME can help in increasing sales. Therefore, the researcher was then interested in conducting a research entitled "The Role of E-Money on Food MSME in Manado City".

Research Objective

The purpose of this study is to find evidence regarding to find out the role of using e-money on the development of MSME in the food sector in Manado City

THEORETICAL FRAMEWORK

E-Money (Electronic Money)

E-money is defined by the Bank for International Settlements as "stored-value products" or "prepaid cards" that have a specific amount of money stored electronically in a device. For electronic grades to be obtained, a certain amount of cash must be deposited or a bank account must be debited. The grades are then stored in the owner's electronic equipment.

E-Money Development

Since the utilization of social media is increasingly widespread in Indonesia, electronic money could be a currency that has experienced significant development. The number of online and offline businesses shooting up in Indonesia, allows them to hold out many financial transactions. With the presence of electronic money, financial transactions became more practical and versatile, not just for online shopping, but also for paying for various public facilities, like toll payments, parking and so on.

MSME

MSME is a term which refers to a type of business founded by a private and has a net worth of at most Rp. 200,000,000.00 (not including land and buildings). MSME are productive business units that stand alone. Carried out by individuals or business entities in all economic sector. In principle, the difference between Micro Enterprises, Small Enterprises, Medium Enterprises, and Large Enterprises is generally based on the initial asset value (not including land and buildings),average turn over per year, or number of permanent workers. However, the definition of MSME is based on three tools this measure differs by country. Because of that, it's really difficult comparing the importance or role of MSMEs between countries.

Previous Research

Banding et al. (2020) intended to decide how to use crowdfunding-based financial technology by SME's at Tarakan City. The study is a qualitative descriptive analysis. The experiment subject is a randomized participant of 15 participants based on a predetermined category faced with stakeholders SME's at Tarakan City. The data consisted of primary data non-metric or qualitative data. Participants were interviewed and examined to learn about the use of crowdfunding-based financial technology by small and medium-sized companies in Tarakan City, followed by triangulation with three models, i.e. data triangulation, investigator triangulation, and methods triangulation. Then analyzed with an interactive model through data reduction, data display, and conclusion drawing procedures. The result of the research shows that from the 15 informants in this study, there were only two informants who knew about financial technology, and only a small proportion of SMEs at Tarakan City able to utilize financial technology based on crowdfunding for their funding needs and use crowdfunding for working capital.

Artini (2019) determined the effect of variables of capital and labor on MSME income in Tabanan Regency. This study uses 95 respondents spread across 10 Districts of Tabanan Regency, then the data are analyzed using multiple linear regression. The results of the analysis simultaneously show that the variables of capital and labor have a significant effect on MSME income in Tabanan Regency. While the results of the partial analysis of the variables of capital and labor have a real influence on the income of MSMEs in Tabanan Regency. Capital is the dominant variable that affects income, the higher the capital will increase the amount of additional production so as to increase income. Likewise with labor, the more labor, the production will also increase

Hadi and Idrizon (2020) analyzed factors supporting the implementation of non-cash transactions in retail SMEs. The method used in this research is by Analytical Hierarchy Process (AHP) approach. The results of the study found that non-cash transactions implementation can be improved by maximizing potential carrying capacity: (1) Speed, (2) Security, (3) Efficiency / Practice, (4) Value of money, and (5) Government program. The main supporting factor that gets the highest priority is efficiency or practicality of 23%.

RESEARCH METHOD

Research Approach

The approach used in this research is a qualitative research methods. Qualitative research is an attempt by researchers to collect data based on a natural setting. Of course, because it is done naturally or naturally, the results of the research are also scientific and can be accounted for.

Populations, Sample Size and Sampling Technique

The population in this study are MSMEs in Manado who uses e-money for payment. Sample is the part of the population, within research sample is divided within the current population in order to find the right entity for the research. The sample size is 15 respondents. The sampling technique in this study is purposive sampling that is each element in the population does not have equal chance of being selected into the sample.

Type of Data and Data Source

Sources of data used in this study are primary and secondary data. Primary data is data obtained directly by researchers through the process of giving questionnaires while secondary data are books or articles about endogenous and exogenous variables as well as previous research according to the variables contained in this study. The main data source in qualitative research is words and the rest is additional data such as documents and so on (Moleong, 2014).

A. B. Tesalonika., S. L. H. V. J. Lapian., R. T. Saerang

Data Collection Method

Data collection technique is a form of data collection that aims to describe and display existing data. The source of data in this study is primary data. Primary data is the raw data taken by the researcher himself from the main source for the benefit of the research. The type of data in this study is qualitative data. Qualitative data describes qualities or characteristics. It is collected using questionnaires, interviews, or observation, and frequently appears in narrative form. Data collection instruments in this study is questionnaire.

Operational Definition of Research Variable

Table 1. Operational Definition of Research Variable

Variable	Definition	Indicators
E-money	Electronic money (e-money) is broadly defined as an electronic store of monetary value on a technical device that may be widely used for making payments to entities other than the e-money issuer. The device acts as a prepaid bearer instrument which does not necessarily involve bank accounts in transactions.	- Non-cash payment - Efficient - Easy to access

Validity Test and Reliability Test

In qualitative research, reliability refers to the consistency of replies to different coders of data sets. It can be improved by taking thorough field notes with recording devices and transcribing the digital data. However, the terminology used to describe validity in qualitative research may differ from those used in quantitative research. In establishing trustworthiness, Lincoln and Guba (1985) created stringent criteria in qualitative research, known as credibility, dependability, confirmability and transferability. This is referred in this article as "the Four-Dimensions Criteria" (FDC).

1. Credibility. To establish confidence that the result (From the Perspective of the Participants or respondent) are true, credible and believable.
2. Dependability. To ensure the findings of this Qualitative inquire are repeatable if the inquiry occurred within the same cohort of Participants, coders and context
3. Confirmability. To extend the confidence that the result would be confirmed or corroborated by other researchers.
4. Transferability. To extend the degree to which the result can be generalized or transferred to other context or setting.

Data Analysis Technique

Data analysis technique is the process of collecting data systematically to facilitate researchers in obtaining conclusions. Conclusions will be easily obtained when the data analysis technique is correct. Analysis consists of three activities that occur simultaneously: data reduction, data display, conclusions drawing/ verification. According to Miles and Huberman (1994:10), analysis consists of three activities that occur simultaneously: data reduction, data display, conclusions drawing/ verification. Regarding the three lines will be discussed further as follows:

1. Data Collection. Data. Collection is the process for gathering the information or the datathrough the Primary data and Secondary data.
2. Data Reduction. Data reduction refer to theprocess selecting, focusing, simplifying, abstracting, and transforming the data that appear in written-up field notes or transcriptions. As data collection proceeds, further episodes of data reduction occur (writing summaries, coding, teasing out themes, making cluster, making partitions, writing memos). Data reduction is part of the analysis. With data reduction researchers can get rid of unnecessary parts and organize data to get the final conclusions that can be drawn and verified.
3. Data Display. A display is an organized, compressed assembly of information that permits conclusion drawing and action. (Miles & Huberman, 1994, p: 11). They believe that better data display are the primary means for valid qualitative analysis, which consist of: various types of matrices, graphics, networks and charts. All of it is designed to combine information that is arranged in a coherent and easily accessible form. Thus an analyst can see what is happening, and determine whether to draw the correct conclusions or continue to carry out the analysis according to the suggestions told by the presentation as something that might be useful.
4. Conclusion Drawing/ Verification. According to Miles & Huberman (1994, p: 11), conclusion is only half of a Gemini configuration. Conclusion are also verified as the analyst proceed. When in the midst of data collection, researchers had a brief conclusion. To draw conclusions, of course, cannot be done haphazardly,

it must go back to see the data to be verified. The final conclusions do not only occur at the time of the data collection process, but need to be verified so that they are truly accountable.

RESULT AND DISCUSSION

Result
Description of Research Respondents
In this study, there were 15 informants with different business background. The respondents are sellers that selling foods in Manado City especially who accept e-money as payment method.

Table 2. Informant Data

No	Gender	Business	Length Of Business Operation
1	Female	Careen's Kitchen	2 years
2	Female	Balish	2 years
3	Female	RM. Sederhana Minahasa	2 years
4	Female	FivEleven	3 years
5	Female	Le Delish	2 years
6	Male	Gerobax	1 year
7	Female	Bosque	4 years
8	Female	Tycaff Coffee	2 years
9	Female	Dapur Piyo	2 years
10	Female	Kios Tanta Usi	6 years
11	Male	Tuna Fresh	4 years
12	Female	Milkado	2 years
13	Female	Takadalang Kafe	1 year
14	Female	RM. Sabrina	5 years
15	Female	Browniesbythithi	3 years

Description of Research Result
Table 3. Coding Categorization

Informants	E-money	Benefits	Percentage
Informants 1	Been using e-money since a year ago.	It help the seller in doing transaction so she can handle all the work without needing others help.	80%
Informants 2	Using e-money in the second year of her business.	Since she decided to use e-money, transaction become more effective.	90%
Informants 3	Start using e-money 2 years ago.	An effective way to do the payment for the customer who rarely carry cash.	75%
Informants 4	Has been using e-money since the business started.	Make the transaction easier.	80%
Informants 5	Just recently started to use e-money.	The merchant provides discount for customers and bonus for sellers.	95%
Informants 6	Using e-money since last year.	The merchant help to promoting the business so that it can be known by people.	100%
Informants 7	She has been using e-money since 4 years ago.	By using e-money, she feels that her business can compete with competitors.	90%
Informants 8	Just started to use e-money a year ago.	It help the business grow.	80%
Informants 9	Has been using e-money couple years ago.	Really good at services and also at giving information.	85%
Informants 10	Start using e-money since 2 years ago.	Help the transaction to get easier.	75%
Informants 11	He has been using e-money	Works really well in paying the salary.	100%

	since 2 years ago.		
Informants 12	Using e-money from the very first time she running her business.	Spare time in making transaction.	75%
Informants 13	Has been using e-money from the first time she running her business.	Helpful in making transaction.	80%
Informants 14	Using e-money since 3 years ago.	Effective and save times.	90%
Informants 15	Just started using e-money earlier this year.	Help the owner in making reports for the income and transaction.	100%

Discussion

E-money is means of payment in which the mechanism uses technology to facilitate buying and selling activities to be faster, precise, and efficient. People only need to buy an electronic card then do a top-up (top-up) balance and e-money can be used. E-money is not only in the form of cards, but can be used on online transactions that can be found in e-commerce companies which provides e-money services for transactions. Using e-money will provide advantages compared to using cash and other non-cash payment. For example, it is faster and more convenient than using cash especially for small value transactions, because customers don't need to pay the exact amount or receive change. In addition, by using e-money there are no refund calculation errors when making a transaction.

There are several advantages of e-money, for example, the ease of making transactions without the need to use cash, security in transactions because it is accompanied by clear evidence, can reach a broad customer base anywhere, transaction become more fast and efficient. People will use a product if the product can be developed as well can provide benefits and practical in everyday life. Therefore e- money is increasingly accepted by the general public because it has given enormous benefits and conveniences. Transactions using electronic money do not specify a minimum amount of transaction. In addition, because there is no security verification process (either with a PIN or signature), e-money transactions are easy to access. The increasing trend of electronic money and digital payments at present, it makes MSME inevitably have to adapt to technological advances such as increasing transactions, more regular financial records, and improve financial literacy by opening access to services banking and digital finance. E-money also faces several challenges. These challenges include infrastructure problems where e-money requires a stable internet connection so the services can be use optimally.

This study aims to determine the role of e-money on micro, small and medium enterprises (MSME) in Manado City, by testing the data analysis using the interview method. Based on the interview results, it can be seen that e-money plays a good role in MSME. This can explain that the use of e-money uses the one tap payment service without a transaction pin and password make payment easier with various types of transactions. It turns out that many MSME already know about the existence of e- money as a means of payment but there are still many of them who are not interested in using it for various reasons such as lack of information, feel more comfortable doing transactions with cash, and others. This study support previous research of Lestari, Santoso, and Indarto (2021) that MSME which understand more about the benefits of the electronic payment system in the GNNT policy will apply it to their productive economic business activities. Moreover, MSME that agree and comfortable using a non-cash/online payment system, and generating possibilities true in increasing business income (Widyayanti, (2020).

E-money services provide various benefits for users in conducting financial transactions. With the e-money service, it will certainly speed up activities and work related to transaction activities. E-money presents various features and services that are easy to understand. Another convenience is that the owner can confirm directly regarding transactions that occur via e-mail or by using the default application so if something goes wrong, it can be done very easily. In addition, the owner does not bear damage to consumer transaction tools. With this ease of use, one can increase transactions using e-money services. In this study, several MSME already have a dependence on e-money service delivery, considering that people's purchasing power also follows current digital developments. It means more easier e-money is to operate, the more often e- money services are needed.

Utilization of the e-money system makes it easier to make reports related to transactions made and income every day. The perception of convenience can be highlighted from the reduced time in making payments, which usually applies a conventional system that will slow down returns regarding money, and a

stock of money that must always be available. Owners feel that e-money is a technology, even though it is in the form of a card or an application, which can bring more convenience to customers. Using e-money is felt to be more flexible in the context of purchasing or ordering goods. This is what owners feel that this system makes customers very interested in taking advantage of the convenience of e-money to access their daily needs. This ease of use makes the thought that it will be easier to make transactions via e-money. In a simplified way, it can be stated that perceived ease of use relates to the effectiveness of purchasing goods and the ease of using e-money as a medium.

CONCLUSION AND RECOMMENDATION

Conclusion
This study aims to determine the role of e-money on food MSMES in Manado City. From the formulation of the problem proposed, based on the data analysis that has been carried out and the discussion that has been discussed put forward, the authors can conclude as follows:
1. Regarding the role of e-money on food MSME in Manado city, it has a significant role where from the interview results it can be concluded that using e-money is very helpful in transaction process of a business because transactions become more effective since it doesn't take a long time to finish it.
2. E-money is also preferred because it is a type of digital payment that is easy to use. One tap payment system on e-money which only requires to use the card without entering a pin and opening the application is the reason why e-money can shorten transaction time. Topping up funds in e-money is also easy because it is available on various platforms and places.

Recommendations
The recommendations below are given to several parties.
1. To add insight in order to get maximum results and a reference for studying more sources in conducting research for future researchers
2. Business owners to update e-money service facilities so that consumers can easily benefit from these services directly. Business owners must also be able to improve system security in order to be able to minimize the risk of crime, for example by ensuring the use of a secure internet connection and cryptographic keys are not leaked.

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