Implementation Of E-Payment And The Influence On Service Levels And Internal Business Processes Of MSMEs In Bandar Lampung

D Pentiana[1,a], Nurmala[2], Depita Anggraini[3], Fitri Mareta [4], Eksa Ridwansyah[5]

[1]*Departement of Accounting, majoring in economics and business, Politeknik Negeri Lampung, Bandar Lampung, Lampung, Indonesia.*

[a]Corresponding author : destiapentiana@polinela.ac.id

Abstract. The objective of this research is to find out how e-payment is implemented in MSMEs in Bandar Lampung City, and how the application of e-payment affects MSME services in Bandar Lampung City, as well as how the effect of implementing e-payment on the internal business processes of MSMEs in Bandar City Lampung. The type of data used in this research is primary data, namely interviews with MSME owners in Bandar Lampung City, Lampung, which is the population in this research. The focus of this research is to find out how e-payment is implemented and its impact on the level of service and internal business processes of MSMEs. The analytical method used is simple regresion. The results of the study indicate that the application of e-payment has a positive effect on the level of service, but it does not affect the internal business processes of SMEs in Bandar Lampung City.

Keywords: e-payment, service, internal business.

INTRODUCTION

The use of technology is currently used in everyday life, not only in social activities, but also economic activities, as well as in the production process, technological developments are becoming something dominant, changing people's lifestyles. The use of technology has become increasingly intense as a result of the Covid-19 pandemic. One of the uses of technology applied in the business economic sector is the payment method using e-payment, a shift from conventional payment methods which originally used cash or checks to e-payment methods to help business actors. to expand the reach of the business being run, this can be seen from a survey conducted by Pricewaterhousecoopers (PwC) regarding Global Consumer Insights, 47% of respondents from Indonesia have used electronic payments for transactions in 2019. This figure is an increase from the previous year's data which only 38% and is predicted to continue to rise considering. This is influenced by the ease of payment that consumers can make anywhere and anytime when they shop.

Currently, buying and selling transactions are increasingly easy to carry out, whether for ordering food or purchasing goods, everything can be done easily through apps. Payments have also become more convenient by simply using mobile devices like smartphones. Convenience is the main reason why people are switching to e-payment. This has also been utilized by MSMEs (Micro, Small, and Medium Enterprises) to add payment systems and attract more customers. As per a survey conducted by Deloitte, the reason MSMEs should implement electronic payments is due to increasing consumer demand and the high usage of e-payments, which makes business owners realize the importance of adopting such systems. If they don't follow these demands, it's possible they will fall behind and face extinction. Additionally, business owners can attract more customers without needing to advertise, reduce operational costs, and have the potential to earn higher revenues [4].

The definition of e-payment according to Turban, E., and King, D. (2002) is that e-payment is a payment mechanism conducted via the internet for purchasing goods or services by customers. Nowadays, many start-ups facilitate sellers and buyers by providing guarantees for e-commerce transactions. To ensure the security of these transactions, the start-ups acting as intermediaries collaborate with various banking institutions to facilitate e-payment in a fast, safe, and convenient manner. According to data from the Ministry of Cooperatives and SMEs in 2022, out of 64.2 million MSMEs in Indonesia, their contribution to the country's GDP exceeds 60 percent. However, according to the Ministry, only about 8 million MSMEs have gone online, although this does show a significant increase compared to the previous year. The government targets 30 million MSMEs to go digital, or join digital platforms, by 2024. Of that number, according to idEA data, 9.9 million MSMEs have joined digital platforms since the National Movement for Proudly Made in Indonesia, from May 2020 to February 2022.

The implementation of e-payment usage in supporting business performance has shown relatively good results. According to previous research, it was explained that the use of e-payment can enhance business performance [2]. The performance referred to here is the ability of MSMEs to increase sales. Additionally, the use of e-payment also positively impacts customer satisfaction, due to the flexibility and convenience provided by e-payment systems [1].

In addition to the service aspect, customer satisfaction also depends on the internal business processes of the enterprise. The perspective of internal business processes is to measure the efficiency and effectiveness of the company in producing goods and services. There are three main business processes in the internal business processes: innovation, operational processes, and after-sales service. Research [3] titled "E-Commerce Usage and Indonesian MSMEs' Performance" found that the use of e-commerce has a significant positive impact on internal business processes in MSMEs. The use of e-commerce as a sales channel can streamline less effective and efficient business processes.

Based on the formulation of the problem, this study is conducted with the aim of understanding, the implementation of e-payment among MSMEs in Bandar Lampung City, the impact of e-payment implementation on the services of MSMEs in Bandar Lampung City, and the effect of e-payment implementation on the internal business processes of MSMEs in Bandar Lampung City.

METHODS

This study was conducted on the MSMEs (Micro, Small, and Medium Enterprises) in Bandar Lampung City. The type of data used in this study is primary data, primary data is research data obtained directly from the original source (not through intermediate media). In this study the primary data obtained directly from the source by direct observation and conduct interviews to owners of MSMEs. The population in this study is MSMEs in the city of Bandar Lampung. The sample of this study is using incidental sampling, The sample for this study consists of 121 MSMEs in Bandar Lampung City

Data collection was conducted using two methods, first Interviews, Interviews are a data collection method that involves asking questions to relevant parties to obtain information regarding the use of e-payment among MSMEs in the culinary sector, and second documentation, documentation is a data collection method that involves copying existing records and data within the company, such as sales data related to e-payment among MSMEs in Bandar Lampung City.

DEPENDENT VARIABLE (Y)

The dependent variable in this study is e-payment. Electronic payment represents all non-cash payments, defined as electronic payment transactions between buyers and sellers using bank accounts via the internet or electronic networks (Ming-Yen Teoh et al., 2013). The criteria for measuring e-payment consist of:
a. Ease and security of transactions
b. Time efficiency
c. Promotion
d. Costs

INDEPENDENT VARIABLES (X)

Independent Variable (X1): Customer Service

Customer service refers to various activities across business areas aimed at combining processes from ordering and processing to delivering services through communication to strengthen cooperation with consumers (Lupiyoadi and Hamdani, 2006). The criteria for measuring customer service (X1) are:

    a. Tangibility
    b. Reliability
    c. Responsiveness
    d. Assurance
    e. Empathy

Independent Variable (X2): Internal Business Processes

According to Kaplan and Norton (2000), the measurement of internal business processes pertains to processes that drive the achievement of goals set for customers and stakeholders. In the Balanced Scorecard, the objectives and measurements of the internal business process perspective are derived from explicit strategies aimed at meeting the expectations of stakeholders and target customers. The criteria for measuring internal business processes are:

    a. Innovation
    b. Operations
    c. After-sales service

RESULTS AND DISCUSSION

Data collection was conducted through a questionnaire. The questionnaire was created manually and distributed directly to the respondents. This was because the previous distribution of the questionnaire using Google Forms received little response from the respondents. Therefore, it was necessary to conduct the data collection manually. The researcher has determined the number of respondents to be 121. The data obtained will be processed using SPSS 25 software.

ANALYSIS OF RESPONDENT CHARACTERISTICS

The characteristics of respondents provide a description that explains their traits. The respondents involved in this study are small and medium-sized enterprise (SME) owners in Bandar Lampung City who use e-payment methods.

GENDER

Based on the results obtained from the questionnaire distribution, the following table presents the characteristics of respondents based on gender.

TABLE 1. Table of Respondent Gender Percentage

Gender	Frequency	Persentase
Male	38	31%
Female	83	69%

Based on the table 1, it can be observed that 31% of the total respondents are male and 69% are female.

TABLE 2. Duration of Business

Description	1-5 years	6-10 years	10-15 years	16-20 years	>20 years
Duration of business	91 MSMEs	19 MSMEs	6 MSMEs	4 MSMEs	1 MSMEs

Based on the table 2, it can be seen that there are 91 SMEs that have been operating for 1-5 years, 19 SMEs that have been operating for 6-10 years, 6 SMEs that have been operating for 10-15 years, and 4 SMEs that have been operating for 16-20 years, as well as 1 SME that has been operating for more than 20 years.

VALIDITY TEST

In this study, the feasibility of a question will be tested by comparing its significance value. If the significance value is less than 0.05 (< 0.05), it can be concluded that there is a correlation between the variables. If the significance value is greater than 0.05 (> 0.05), it can be concluded that there is no correlation between the variables.

TABLE 3. Results of the Validity Test for the E-Payment Variable

No Item	Sig		Criteria
X1.1	0,00	0.05	VALID
X1.2	0,00	0,05	VALID
X1.3	0,00	0,05	VALID
X1.4	0,00	0,05	VALID

The table 3 shows the feasibility of questions regarding the e-payment variable. The table indicates that each item of the questions related to the e-payment variable has a significance value of less than 0.05. Therefore, it can be concluded that the items of the questions regarding the e-payment variable are valid or acceptable.

TABLE 4. Results of the Validity Test for Service Level

No Item	Sig		Criteria
Y1	0,00	0.05	VALID
Y2	0,00	0,05	VALID
Y3	0,00	0,05	VALID
Y4	0,00	0,05	VALID

The table 4 shows the feasibility of questions regarding the service level variable. The table indicates that each item of the questions related to the service level has a significance value of less than 0.05. Therefore, it can be concluded that the items of the questions regarding the service level variable are valid or acceptable.

TABLE 5. Results of the Validity Test for the Internal Business Process Variable

No Item	Sig		Criteria
Y2.1	0,00	0.05	VALID
Y2.2	0,00	0,05	VALID
Y2.3	0,00	0,05	VALID
Y2.4	0,00	0,05	VALID

The table 5 shows the feasibility of questions regarding the internal business process variable. The table indicates that each item of the questions related to the internal business process has a significance value of less than 0.05. Therefore, it can be concluded that the items of the questions regarding the internal business process variable are valid or acceptable.

RELIABILITY TEST

TABLE 6. Reliability Statistics

Cronbach's Alpha	N of Items
.723	12

An instrument can be considered reliable (trustworthy) if the Cronbach's alpha value is above 0.05.

REGRESSION TEST

Regression Test of E-Payment on Service Level

TABLE 7. Results of the Regression Test of E-Payment on Service Level

Variable	Koef.regresi	t value	Sig
Service level	0,467	5,144	0,000

TABLE 8. Calculated F Value and Adjusted R Square in the Regression Test

F value	26, 456
Adj R Square	0,174

Based on the table 7, it can be seen that the hypothesis (h1) is accepted because the significance value is <0.05, indicating a significant positive effect of e-payment (x1) on service level (y).

From the results of this hypothesis, it can be inferred that the higher the use of e-payment among MSMEs, the higher the level of service provided by MSMEs to customers. The presence of e-payment facilitates smes, allowing them to maximize the service offered to customers. The research results show that e-payment has a positive effect on the level of service, which is in line with the research by [2], stating that the implementation of e-payment supports business performance, where business performance can be measured through customer satisfaction, flexibility, and the convenience obtained from using e-payment.

TABLE 9. Regression Test of E-Payment on Internal Business Process
Table of Results of the Regression Test of E-Payment on Internal Business Process

Variable	Koef.regresi	t value	Sig
Internal Business Process	0,018	0,138	0,890

TABLE 10. Calculated F Value and Adjusted R Square in the Regression Test

F Value	0,019
Adj R Square	0,008

Based on the table 9, it can be seen that the hypothesis (H2) is rejected because the significance value is > 0.05, indicating that there is no significant effect of e-payment (X1) on the internal business process (Y).

From these results, it can be concluded that the use of e-payment does not affect the internal business processes. Many MSMEs have established business processes that are difficult to change. If internal business processes have been running for a long time using traditional methods, the implementation of new technologies such as e-payment may not be readily accepted or integrated. They tend to stick to proven ways of working, even when there are newer, more efficient technologies available. If MSMEs cannot integrate e-payment into their existing workflows, then the use of e-payment will not change the way they operate. Many MSME owners may not fully understand the benefits of e-payment. This lack of understanding leads them to not see the urgency or necessity to change their internal business processes. As a result, the use of e-payment is only considered an addition, rather than an integrated part of the business.

CONCLUSIONS

Based on the discussion above, it can be inferred that the higher the use of e-payment among MSMEs, the higher the level of service provided by MSMEs to customers. The presence of e-payment facilitates smes, allowing them to maximize the service offered to customers. The research results show that e-payment has a positive effect on the level of service, which is in line with the research by [2], stating that the implementation of e-payment supports business performance, where business performance can be measured through customer satisfaction, flexibility, and the convenience obtained from using e-payment. From these results, it can be concluded that the use of e-payment does not affect the internal business processes. Many MSMEs have established business processes that are difficult

to change. If internal business processes have been running for a long time using traditional methods, the implementation of new technologies such as e-payment may not be readily accepted or integrated. They tend to stick to proven ways of working, even when there are newer, more efficient technologies available. If MSMEs cannot integrate e-payment into their existing workflows, then the use of e-payment will not change the way they operate. Many MSME owners may not fully understand the benefits of e-payment. This lack of understanding leads them to not see the urgency or necessity to change their internal business processes. As a result, the use of e-payment is only considered an addition, rather than an integrated part of the business.

REFERENCES

[1] Christa, U.R. & Giantari, I.G.A.K. "Pelatihan Menggunakan E-payment Di Era Digitalisasi 5.0 Dan Masa Pandemic Covid 19 Pada Usaha Kecil Masyarakat Di Denpasar Dan Palangka Raya". Media Bina Ilmiah, vol. 15, no.8, pp. 5011–5018, 2021.

[2] Kritinae, V. "Pelatihan Menggunakan E-payment Dan Value Innovation Untuk Meningkatkan Kinerja Bisnis Usaha Kecil Masyarakat Di Palangka Raya" Media Bina Ilmiah, vol.16, no.2, pp. 6627–6634. 2021.

[3] Memarista, G., Gunawan, E. T., & Kristina, N. "E-Commerce Usage And Indonesian MSME'S Performance. Jurnal Ilmiah Manajemen Bisnis Dan Inovasi Universitas Sam Ratulangi (Jambi Unsrat)", pp 846-860. 2023.

[4] Wardani, A. P. Y. K. and Darmawan, N. A. S. "Peran Financial Technology pada UMKM: Peningkatan Literasi Keuangan Berbasis Payment Gateway" Jurnal Ilmiah Akuntansi Dan Humanika, vol. 10, no. 2, pp. 170, 2020.