CHAPTER I
INTRODUCTION

1.1   Background

The development of technology is currently happening very rapidly because many innovations are developing starting from hardware, software, and other devices. These technological advancements have increased the value of innovation in almost all fields that can aid in the facilitation of daily human activities, particularly in finance. One of these innovations is the appearance of electronic money payment tools that make use of technological advances. The advancement of non-cash payment systems enables electronic money payment system users and service providers to continue to improve payment systems for consumer convenience.

Electronic money is simply defined as a form of electronic payment, where the value of the currency is stored in some electronic media. Users must first deposit their money with the issuer and store it in electronic media before it can be used to make transactions. When electronic money is used the value of the money stored in the electronic media will be reduced by the transaction value, then can be recharged. Electronic media that stores the value of electronic money can be a chip or server.

According to HSBC Business Go (2023) In Indonesia, the type of electronic payment that is commonly accepted is digital payment. Digital payment are nothing new for the majority of technology-savvy Indonesians. There are many digital payment services available in Indonesia, the five largest include ShopeePay, OVO, Dana, GoPay and QRIS. Digital payment have become part of the daily lives of Indonesian people, especially among Millennials. Millennials are one of the most users in using digital or electronic payment because this applications has many benefits in the payment process, easy and practical is also one of the reasons. Millennials believe that using digital wallets can help increase economic growth in Indonesia.

According to Mayanti (2020) QRIS (Quick Response Code Indonesian Standard) is the normalization of the Quick Reaction Code (QR Code) as an installment strategy innovation established by Bank Indonesia since January 2020. This standard was created to provide a simpler and more productive non-cash installment strategy. This exploration plans to dissect public recognition of the use of the Quick Response Indonesian Standard as an innovation to utilize the non-cash installment strategy using the Unified Theory of Acceptance and Use Technology 2 method.

Based on Bank Indonesia Regulation No.21/18/2019 on the implementation of international standard international QRIS standard as a payment, starting January 1, 2020 Bank Indonesia requires all non-cash payment service providers to switch to the QRIS (Quick Response Code Indonesian Standard) system. Response Code Indonesian Standard system. The function of the system is to read for all electronic money applications in Indonesia. So that this can make it easier to transact using electronic money.

Taiwan, one of the developed countries that has the best technological development in Asia, makes this country a destination for many students to study, including students from Indonesia. According to Rapyd, Taiwan has the highest Facebook penetration rate globally, and as a result, ecommerce businesses like Rakuten Taiwan have shifted to social commerce in the country. Then in terms of online payments, Taiwanese people tend to prefer credit cards or Pay-on-pickup. However, digital payments have become an increasingly popular payment option for consumers in Taiwan, providing a safe and convenient way to make purchases both online and offline.

According to Lian and Li (2021) In Taiwan, various digital payment applications have been launched by financial institutions (17 organizations), payment companies (8 organizations), retailing companies (38 organizations), communications companies (6 organizations), and Internet service providers (7 organizations). Among financial services, the development of digital payment has attracted considerable attention from researchers, businesses, and government. The Taiwanese government set a target to increase the penetration rate of mobile

payments to 90% by 2025 and focus on three main policies: development of infrastructure, expansion of digital payment application fields, and enhancement of the experience marketing of digital payment services. Some digital payments used by Taiwan are LinePay, JKoPay, WeChat Pay, Alipay, Android Pay, Apple Pay, Rakuten Pay, and Samsung Pay.
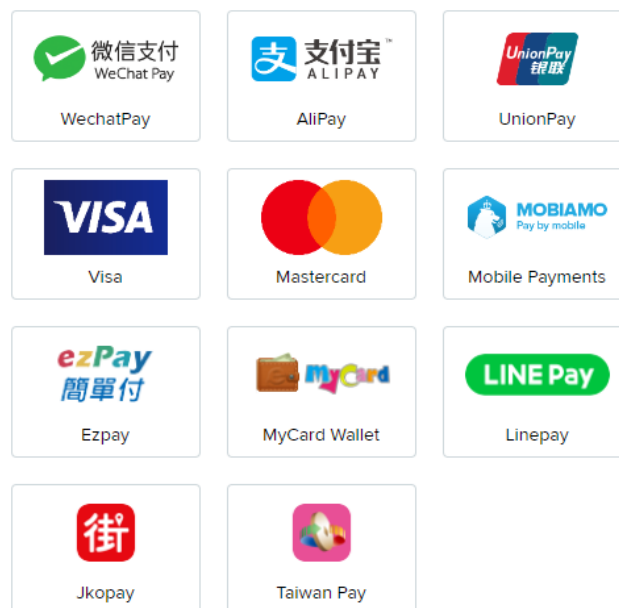
Payment Methods in Taiwan

Figure 1.1 Payment Methods in Taiwan

Source: Google, 2023

According to Lian and Li (2021) LinePay is one of the most popular digital payment service providers in Taiwan. Consumers can add value, transfer, gift money, pay online and in physical stores, and pay by credit card using their mobile devices. Stores can provide QR codes to scan customers' QR codes (LinePay mini), pay on the website or app, or integrate with POS systems. These services are tightly integrated as one service. Therefore, most Indonesian students studying in Taiwan use these services when adopting digital payments.

The main cause of the non-cash payment system that is currently favored by Millennials, especially students, because the main factor is the benefits obtained by digital wallet users such as are the benefits obtained by digital wallet users such as a more efficient payment process that is more efficient so that users

use non-cash payment technology in daily transactions to make it faster when making transactions, discount promos that are often offered by digital wallet users. transactions, discount promos that are often offered at the beginning of the month, the middle to the end of the month also attracts many users to use promos when transacting. to use promos when making transactions. This also applies to students who are studying abroad, especially in economically developed countries such as Taiwan, they are required to be able to use digital payment tools in order to survive and adapt to the advanced technology in the country.

And based on the definition mentioned above, digital payment systems such as QRIS and LINE Pay are interesting things to discuss in terms of perceived usefulness and perceived ease of use for Indonesian students. In preparing this thesis as one of the requirements in this final assignment, the author decided to take the research title "**Comparative Analysis of the Use of Digital Payment Tools Between Indonesia and Taiwan**"

1.2 Formulation of the Problem

Based on the background of this problem, this study aims to analyze the comparison of use in Digital Payment Between Indonesia and Taiwan, especially for Indonesian Student in Taiwan.

1.3 Purpose of the Study

The Purpose of the Study is to Understand and Comparing User Perceptions in Indonesia and Taiwan. This study aims to compare how factors such as perceived usefulness and ease of use affect users' behavioral intentions in both countries.

1.4 Significance of the Study

The benefits to be achieved in conducting this research are as follows :

1. For writers

   This research is expected to add insight, develop ways of thinking, and apply the knowledge that has been obtained in college to actual business, especially in the field of digital marketing.

2. For the community

This research is expected to help people in Indonesia and Taiwan to better understand how the use of digital payments can ease their lives, while helping them identify the benefits.

3. For other parties

This research is expected to be used as reference material for researchers who want to conduct further research related to the research title.

1.5 Scope and Limitation of the Problem

Based on the problem identification above, this research will only be conducted on students who use the QRIS application in Indonesia who also use the LinePay application in Taiwan. This research will take primary data from users / students and secondary data from previous studies.

1.6 Writing System

The systematic writing of the research conducted to analyze the Comparative Use of Digital Payments Between Indonesia and Taiwan is as follows:

CHAPTER I : INTRODUCTION

Is an introductory chapter that describes the background, problem boundaries, problem formulation, research objectives, research benefits, and research systematics.

CHAPTER II : LITERATURE REVIEW

Discloses the theoretical basis and theoretical basis that will be used in the completion of research both in general and specific theories consisting of previous research and theoretical foundations.

CHAPTER III : METHODS AND ACCOMPLISHMENT PROCESS

In this chapter, they are Methods and Accomplishment Process which is included Location and Object of the Study, Types and Sources of the Data, Populations and Sample, Sampling Technique, Data Collection Technique, Data Processing

Technique, Measurement Scale, Test of Validity and Realibility, Data Analysis Method, Research Hypothesis, Research Model, Types of the Study, Concept Definition and Operational Variabel, Schedule and Budget of the Study.

CHAPTER IV : RESULTS AND DISCUSSION

This chapter explains about the results and discussion after the authors conducted research based on data obtained through questionnaires, interviews, and observations.

CHAPTER V : CONCLUSION AND SUGGESTION

This chapter explains the summary of the results of the writing in the previous chapters which is done in a conclusion and suggestions as recommendations for improvement in the author's place.