

CHAPTER I

INTRODUCTION

1.1 Background

The world has changed significantly, in terms of efficiency and effectiveness in doing a job. The development of science and technology helps facilitate all activities, including making payments. One of these innovations can be seen in the emergence of electronic payment instruments that use current technological developments. Bank Indonesia as the central bank of Indonesia issued a payment system policy through electronic payment instruments known as electronic money (E-Money) in 2009.

Rapid technological development at this time have different goals, one of the goals is to make it easier for humans to carry out their activities by increasing efficiency and effectiveness in everyday life. One of the current technological developments to facilitate public activities in terms of micro and retail transactions is e-money.

Electronic money or e-money is money that is used in internet transactions by electronic means. This transaction uses the use of the internet network such as a digital price storage system. Meanwhile, the definition of e-money according to Serfianto, et al. (2012) is a payment instrument that meets the following elements, namely issued on the basis of the value of money previously owned by the issuer, the value of money is stored electronically in a medium such as a server or chip, is used as a means of payment to merchants who are not the issuers of electronic money, and finally the value of electronic money deposited by the holder and managed by the issuer is not a deposit referred to in the law governing banking.

Electronic money is still classified as a new innovation. Its use in Indonesia is not very popular. Banking records that there are around 60 million accounts in Indonesia, but the number of uses of electronic money is not more than 10 million. Likewise in the telecommunications industry, there are around

220 million users of cellular phone numbers, but the number of users of mobile phone-based electronic money is only 16 million users (Kompas, 2012).

The rapid development of its use in recent years indicates that the use of electronic money will continue to expand. Bank Indonesia data recorded a very rapid increase in the amount of electronic money in the last four years. In 2007, electronic money was only 165,193 instruments. This figure then became 14.3 million instruments at the end of 2011. Meanwhile, the volume and value of transactions also continued to increase. Transaction volume grew by 256.2 percent per year. Meanwhile, the transaction value increased by 500 percent from Rp. 5.3 billion in 2007 to Rp. 981.3 billion at the end of 2011 (Kompas, 2012).

To see the things that encourage the Bengkalis community to switch or use e-money as a transaction tool in their daily life, it is necessary to do research. So that it can generate new ideas about e-money, especially in Bengkalis District.

Consumer behavior can be defined as the activity of individuals who are directly involved in obtaining and using goods and services, including the decision-making process in the preparation and determination of these activities. Purchase interest is consumer behavior that shows the extent of commitment to make a purchase. The needs and desires of consumers for goods and services develop from time to time and influence their behavior in purchasing products.

Consumer behavior is the behavior shown by consumers in finding, buying, using, evaluating, and spending products and services that they hope will satisfy their needs. Product knowledge can be interpreted as an intellectual indicator used by consumers to consider when the product is evaluated before purchasing, product knowledge is also interpreted as a collection of information on the product which includes awareness of product categories and brands, product terminology, product characteristics or attributes and trust in the product. So knowledge of a product is the first consideration by consumers before deciding to use a product.

Even though E-Money is very efficient, there are still many who have not used this service, this can be proven that there are still many cash users to pay for goods or services that you want to own and also the decline in the amount of

electronic money that has decreased in 2014. The public also thinks that electronic money is the same as other types of cards such as debit or credit cards, even though this is clearly different, electronic money can be used without using a PIN or other personal identification. The public in general prefers to transact manually because they think it will reduce the risk. Therefore, the banking sector also needs to further examine what factors are used to attract someone to use the E-Money service. Based on the background of these problems, researchers are interested in conducting research related to e-money with the title **"The Effect of Convenience Benefits, Consumer Knowledge, and Promotion on Interest in Using E-Money (Case Study in Bengkalis City Community)"**

1.2 Formulation of the Problem

Based on the background describe above,the problems formulation of the problem to be carried out are :

1. What are the perceptions about the benefits, consumer knowledge, and interest promotion using e-money in Kota Bengkalis?
2. Which one has the biggest influence on the interest in using e-money?

1.3 Purpose of the Study

Based on the background describe above,the problems formulation of the problem to be carried out are :

1. To find out as partially the influence of Convenience Benefits on Interest in Using E-Money
2. To find out as partially the influence of Consumer Knowledge on Interest in Using E-Money
3. To find out as partially the influence of Promotion on Interest in Using E-Money
4. To find out as simultaneously the influence of Convenience Benefits, Consumer Knowledge and promotion on Interest in Using E-Money

1.4 Significance of the Study

This research is expected to provide benefits and information that can be used by those in need, including :

1. Scientific / theoretical benefits
 - a. This research is expected to broaden the writer's knowledge and add to the knowledge that has been gained in college.
 - b. As a reference and literature study for other researchers in the future
2. Practical Benefits
Adding insight into knowledge in the field of consumer behavior, especially on the problem under study. As a medium for testing writing skills in implementing the knowledge that has been obtained.

1.5 Scope and Limitation of the Problem

Based on the formulation of the existing problem, the researcher limits the scope of the research. The research is focused on business administration students who include:

1. The object of this research is focused on the Bengkalis City area as an e-money user
2. The research subjects are the people of Bengkalis City who have used e-money

1.6 Writing Systematics

To facilitate the discussion and detailed description in this thesis report, the report is prepared in a systematic writing.

BAB 1: INTRODUCTION

This chapter describes the background of the research, the formulation of the problem, the objectives of the research, the benefits of the research and the systematic writing of research reports.

BAB 2: LITERATURE REVIEW

In this chapter, the writing describes previous research taken from previous journals, as well as theories that are in accordance with the subject matter of this study.

BAB 3: RESEARCH METHODOLOGY AND PROCESS

In this chapter the authors explain various research methodologies consisting of the location and time of research, the object of research, the types and sources of data, population and samples, sampling techniques, data collection techniques, scale measurement, data measurement techniques, data analysis techniques, types of research. , hypothesis, concept definition, and operational definition.

BAB 4: RESULTS AND DISCUSSION

This chapter the writer will explain the results of the research that has been conducted based on the data obtained from filling out the questionnaire.

BAB 5: CONCLUSION AND SUGGESTION

In this chapter, the author will describe the conclusions obtained from discussing the fiber of suggestions that will be submitted by the author.

REFERENCES

APPENDICES

WRITER BIOGRAPHY