

# E-Money As A Payment System Tool In Flazz Bca Card Users In Surabaya -

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**Submission date:** 28-Jun-2021 11:15AM (UTC+0700)

**Submission ID:** 1613108740

**File name:** em\_Tool\_In\_Flazz\_Bca\_Card\_Users\_In\_Surabaya\_-\_Sri\_Utami\_Ady.docx (106.12K)

**Word count:** 8823

**Character count:** 46489

## E-Money As A Payment System Tool In Flazz Bca Card Users In Surabaya

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(Diterima: 06 April 2019, direvisi: 16 April 2019, dipublikasikan: 30 April 2019)

### <sup>1</sup> **Abstrak**

Penelitian ini bertujuan untuk mengetahui kebijakan *e-money* di Indonesia sebagai alat sistem pembayaran yang baru pada pengguna kartu flazz BCA. Penelitian ini menggunakan teknik *Purposive Sampling* yaitu teknik penentuan sampel dengan pertimbangan tertentu. Pertimbangan dalam penentuan sampel pada penelitian ini adalah *Customer Service Bank BCA* dan pengguna yang menggunakan Kartu Flazz BCA. Proses pengumpulan data dalam penelitian ini, dilakukan dengan wawancara. Penulis melakukan pemilihan data yang diperoleh pada saat penelitian mengenai Kebijakan *E-Money* sebagai alat sistem pembayaran yang baru, kemudian data tersebut dikategorikan sesuai dengan rincian masalahnya. Data tersebut dihubungkan antara satu dengan yang lainnya sehingga mudah ditarik simpulan sebagai jawaban terhadap fokus penelitian yang ada. Metode observasi penelitian ini dilakukan dengan cara mencatat pada saat peristiwa terjadi atau gejala tertentu sesuai dengan pembahasan yang diteliti. Kegiatan observasi peneliti lakukan untuk memberikan dan menyampaikan gambaran penyajian data yang realistik. Hasil penelitian ini menunjukkan bahwa mengenai pengelolaan produk Flazz BCA penanganannya langsung dilakukan oleh *Customer Service*. Kartu FLAZZ BCA sangat menguntungkan karena praktis dan efisien, Tetapi penggunaan FLAZZ BCA sendiri masih belum dapat mencakup seluruh negeri, ada beberapa daerah dan beberapa pedagang yang masih menggunakan transaksi penjualan secara konvensional. Sebaiknya perlu diadakan kegiatan sosialisasi terhadap pengguna *E-money* penjelasan fitur-fitur yang memudahkan pengguna dalam menggunakan fasilitas *E-money*, dan perlu di atur kembali tentang syarat- syarat dan peraturan yang harus dipatuhi oleh pemilik *e-money* sehingga penerbit *E-money* lebih berhati- hatian selektif dalam memberikan izin penggunaan fasilitas kepada pemilik *E-money*.

**Kata Kunci :** *E-Money*, Alat sistem pembayaran baru, Flazz BCA

### <sup>1</sup> **Surabaya**

#### <sup>1</sup> **Abstract**

*The purpose of this research is to understand and analyze to find out the e-money wisdom in Indonesia as a new payment system tool for users of BCA Flazz cards. This research uses Purposive Sampling techniques, namely the method of determining the sample with specific considerations ". Considerations in determining the example in this study are BCA Customer Service Bank and users who use the BCA Flazz Card. The process of collecting data in this study carried out by interview. The author selects the data obtained during the survey of E-Money Policy as a new payment system tool; then the data is categorized according to the details of the problem. The information is connected so that conclusions drawn quickly in response to the focus of the existing research. The research observation method is carried out by recording when the event occurred or specific symptoms according to the discussion under study. Observation activities of researchers do provide and convey a realistic picture of data presentation. The results of this study indicate that regarding the management of the handling of Flazz BCA products, it immediately ignored by Customer Service. The FLAZZ BCA card is very profitable because it is practical and efficient, but the use of FLAZZ BCA itself still cannot cover the entire country, there are several regions and some traders who still use conventional sales transactions. It is better to have socialization activities for E-money users an explanation of features that make it easier for users to use E-money facilities, and need to be rearranged about terms and regulations that e-money owners must comply with so that E-money*

*publishers are more careful - careful and selective in giving permission to use facilities to E-money users.*

**Keyword:** *E-Money, New payment system, Flazz BCA*

## INTRODUCTION

The development of information and communication technology offers convenience for humans. In line with rapid technological developments, people's lifestyle and payment systems in economic transactions continue to change. Technological advances in the paymentsystem shift the role of cash as a means of payment to more efficient and economical formsof non-cash payments.

The implementation of the policy from Bank Indonesia in the form of **Bank Indonesia Regulation Number 11/12 / PBI / 2009**, many issuers **who helped develop E-Money products to support the agenda of Bank Indonesia to create a less cash society in the Republic of Indonesia**. The development of E-Money can **create a less cash society trend, which is a behavior of people who use non-cash transactions by utilizing the facilities offered by the transaction tools** (Waspada, 2012).

Although relatively still in the initial development stage, E-Money has the possible chance to shift the role of cash for retail payments because of retail transactions more easily and cheaply for both consumers and merchants. The development of E-Money in various countries has given rise to multiple issues implicating the development of E-Money which currently occurs specifically about the function of monitoring the payment system and the effectiveness of monetary policy (Candrawati, 2013).

With the E-Money policy conducted by Bank Indonesia, many companies are also interested in creating E-Money; for example, provider and e-commerce companies are indeed a challenge for banks in Indonesia. Because if more and more companies are implementing the same policies, of course, competition will be even tighter. On the other hand, the development of e-money has caused a shift in the role of credit cards that are still known to the public as a more practical means of payment, without cash, resulting in reduced job vacancies as credit card marketers, decreased banking income from using credit cards.

BCA Bank is one of the electronic money issuers who has contributed to the development of electronic money. In supporting the Bank Indonesia agenda to create a less cash society by using BCA Flazz E-Money cards, which a variety of non-cash payments done with the merchants who have collaborated with BCA Bank. Flazz BCA is an e-money provider that has the largest users in Indonesia, so how the effectiveness, efficiency and various facilities promised to change and improve people's lives are important things to study further. The thing that should be observed closely from Bank Indonesia's policy regarding e- money is whether the system in its implementation can be effective and efficient, that is, it can provide convenience for consumers so that their purchasing power is optimal and safe. This policy is a strategy from the government and Bank Indonesia to control inflation and regulate the amount of money circulation and deal with the redenomination policy that lacksa good response from the public.

Based on the background of the **problems described above, the issue to be discussed in this study is how the implementation of E-Money policy in Indonesia as a new payment system tool for BCA Flazz card users**. By **paying attention to the formulation of the problem stated above, the purpose of this research is to find out the implementation of E-Money policy in Indonesia as a new payment system tool for BCA Flazz card users**.

## THEORETICAL FRAMEWORK

### (E-Money)

Electronic money is a relatively new non-cash payment instrument. E-Money has several advantages over other electronic payment instruments, namely speed, convenience and efficiency in making transactions. The development of e-money can create a less cash society trend, which is a behavior of people who use non-cash transactions by utilizing the facilities offered by the tools of the trade (Waspada, 2012). Rivai dan Veithal (2001) explained that electronic money is an electronic payment instrument obtained by first depositing a sum of money to the issuer. Either directly or through issuing agents or by debiting bank accounts, and the value of the funds included in the amount of money in electronic money media, which expressed in Rupiah units, which are used to make payment transactions by reducing the value of dough directly on the electronic media.

E-money payment process can be done quickly and there is no common problem such as queues. E-money is transferred from the payer to the recipient within seconds. E-money have significant advantages compared with cash, but it has also drawbacks. Central banks in many countries are concerned about the development of e-money, especially on the issuance (emission) e-money that are not controlled and the risk of infringement appearing (Hespeler, 2008)

### The Payment System

In Law No. 23 of 1999 concerning Bank Indonesia, in article 1 point 6 it is explained that the Payment System is a system that includes a set of rules, institutions, and mechanisms used to carry out the transfer of funds to fulfill an obligation arising from economic activity. The payment system in the community must be able to ensure the implementation of money administration efficiently and safely so that people feel comfortable in carrying out every transaction in economic activities. Menururt (Candrawati, 2013) explained that what is meant by electronic payments is payments that utilize information and communication technologies such as Integrated Circuit (IC), cryptography and communication networks. Cryptographic applications are applications that are most often used to secure information, secure information can be in the form of video, audio, image and text files. For data security, cryptography is required with the encryption method (Ratnadewi, Sudrajat, Sari, Ady, & Rianita, 2018).

### Benefits Of Electronic Money

Rahmatsyah (2011) in his research defines the perception of usefulness as the subjective probability of potential users who use a particular application to facilitate performance on their work. This simplified performance can produce more benefits both physically and non-physically, as the results obtained will be faster and with more satisfying results than not using products with the new technology.

Based on these definitions, conclusions can be drawn if a consumer or prospective customer will use a new product that has the latest technology can be influenced by a person's level of trust in the product concerned. Consumers believe that the technology can help them get the job done more productively, quickly, and produce good work (Candraditya, 2013). (Davis, 1989) reveals a conceptual description of the benefits of the system for people who use it related to productivity, task performance or effectiveness (job performance or effectiveness), the importance of activities to be done (important to job), and the benefits obtained overall (overall usefulness). So that a product that is influenced by technological progress can be said to be useful if it can facilitate work, increase productivity that can be done, and can improve the effectiveness of work. This benefit can be seen from the trust of



users to use IT to get positive results. Based on the benefits, e-money has several benefits as follows:

1. Use of payments is straightforward, attach cards or mobile transactions to make transactions without the hassle of change. 2. Can minimize the use of banknotes to reduce physical damage to money in circulation, reduce the flow of counterfeit money, and reduce the risk of theft. 3. Very good for mass payments of small value but high frequency such as toll road payments, parking, transportation, etc.

#### **The Form Of Electronic Money**

1. Electronic Money that recorded Electronic Money Value on electronic media managed by the Issuer filed on electronic media controlled by the Holder. Electronic press led by the Holder can be in the form of a chip stored on a card, sticker or hard drive on the Holder's personal computer. With this recording system, payment transactions using Electronic Money can be done off-line by directly reducing the Value of Money. Electronic Money whose Electronic Money Value recorded on electronic media managed by the Issuer; In this case, the Holder is given access rights by the Issuer to the use of the Value of Electronic Money. With a recording system like this, then payment transactions using Electronic Money can only be made on-line where Electronic Money Value recorded on electronic media managed by the Publisher will decrease directly.

#### **Based On The Validity Of Electronic Money Media.**

Based on the media validity period, electronic money divided into two forms: 1. Reloadable, electronic money that can be refilled, in other words, if the validity period has expired and the value of electronic money has been used up, then the electronic money media can be used back to recharge. 2. Disposable, electronic money with a disposable form is electronic money that cannot refill if the validity period has expired and the value of electronic payment over, then the electronic money media cannot be used again refill.

#### **Based On The Use Range**

Based on the range of its use, electronic money divided into 1. Single Purpose is electronic money used to make payments for obligations arising from one type of economic transaction, for example, electronic money used for toll payments or public transportation payments, etc. 2. Multi-Purpose is electronic money that is used to carry out various amounts for the cardholder's obligation to different things he does. An example is electronic money used in several types of transactions such as the use of electronic funds for toll payments; it can also be used to pay for telephones, methods of transportation, minimarket payments, etc., merely using one card

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#### **Based On The Recording Of Holder Identity Data**

Electronic money divided into 2 (two) types, namely: 1. Electronic Money whose identity data registered with the Registered Publisher; and 2. Electronic money whose identity data does not register with the (unregistered) Issuer.

### **METHOD**

#### **Types of research**

1 This type of analysis is qualitative research which is intended to obtain information about E-Money policy in Indonesia as a new payment system tool for users of BCA Flazz cards in depth. Qualitative research aims to gain understanding from informants as resource persons who experience directly in the field with all their perceptions and perspectives. The

importance of using qualitative methods, in this case, is because as a new policy, it is essential to know, understand and feel the effects of implementing the new system, of evaluating, improve, and perfecting the new strategy.

### Focus of Research

This research focused on <sup>1</sup> E-Money policy in Indonesia as a new payment tool. While the subjects in this study were users of the BCA Flazz card.

### Research Design

The design of this study is a case study that used as a guideline in conducting the research process. The research design will be useful for all parties involved in the research process because the steps in doing research refer to the research design. The use of case study design is because users of the BCA Flazz card are the biggest among other e-money cards users.

### Research Location

The location<sup>2</sup> taken by researchers in this study is in the city of Surabaya. Surabaya as a large city and public awareness of the growing non-cash payment system is the reason for choosing the site

### Types and Data Sources

This type of data is the primary data. Data sources obtained through interviews with users of the BCA Flazz card in Surabaya and the BCA Surabaya Branch Office Customer Service as informants or research subjects. The selection criteria for informants in this study are (Ady, 2015):

1. the informant must experience the situation or event directly related to the focus of the research. The goal is to get a description from the perspective of the first person. The informant can re-describe the phenomenon that has been experienced, especially in its nature and meaning.
3. willing to be involved in research activities that might take a long time
4. willing to be interviewed and recorded events during the interview or the research.
5. approved to publish research results. He/She has been/engaged in the use of electronic money as a new payment system tool at least 1 (one) year.

### Data Collection Techniques

<sup>1</sup> Data collection techniques in this study used purposive sampling techniques. Considerations in determining the sample in this study are BCA Customer Service Bank and users who use the BCA Flazz Card. The process of collecting data in this study carried out by in-depth interviews by asking questions about the E-Money policy to informants namely IN, JBKS, and EYS to obtain more detailed information.

### The Validity Test of Data

Testing the validity of the data used is a test of credibility because it involves determining the results of qualitative research that can be trusted. In this study conducted for testing the validity of the data include (1) display time of research; (2) member checking; and (3) auditing.

Confirmability testing means testing the results of research, associated with the process carried out. If the results of the study are a function of the research process carried out, then the investigation has met the confirmation standard. This confirmation test used so that the

process does not exist, but the results do not live, which will give birth to a lie/falsification of data in the study.

Triangulation is combining some various types of data obtained from in-depth interviews, observation, and documentation. There are several kinds of triangulation carried out in this study, namely: Data triangulation, theory triangulation, and triangulation of data retrieval techniques. Triangulation of data in this study was carried out by matching or combining various types of data obtained between times during the field. Triangulation theory used by comparing the results obtained in the area with existing methods. And triangulation of the technique is done by comparing the results obtained from data collection techniques by in-interview, with observation and documentation (Ady & Mulyaningtyas, 2017).

### **Analysis Techniques**

In this study, the authors used the Miles and Huberman data analysis method. The interactive model according to (Miles, M.B, Huberman, A.M, dan Saldana, 2014) given the interactive model, there are three types of analysis activities (data collection, data condensation of data presentation, and conclusion) and data collection is a cycle and interactive process.

## **RESULTS AND DISCUSSION**

### **1) Perception about FLAZZ BCA products**

#### **E-Money Management**

Each Bank certainly has its policy regarding the management of E-Money. Bank BCA also has its policy regarding E-money, at BCA, E-Money is directly channeled by the customer service, as the key informants said when asked about who arranged the Flazz card:

"For the flazz card, you can submit it to customer service directly."

Other staff also said that handling e-money was immediately carried out by the customer service.

"Yes, all customer needs are usually the customer service that handles it. Then the customer service is the closest to the customer. Every bank has its system, has its policies related to e-money that it issued. But if here the one who gave e-money to the community was the customer service, so in my opinion, it was right; it was efficient. "

"Yes, right now the name e-money is more popular. My neighbors also use e-money all; he said it more practically. Because I saved it at the BCA bank, I used the ATM too. Finally, I tried to make a FLAZZ BCA card, before I made it, I was worried that the process would be complicated because I was also busy, there were a lot of needs so if it was complicated it was somewhat reluctant to take care of it. But said my friend who had made a FLAZZ BCA card, he said it was not complicated, so I tried it, and it was easy to make it. Just tell the customer service, you don't need a long, long and complicated process, the customer service quickly made me that card. Plus, friendliness, I asked anything about FLAZZ BCA, immediately answered swiftly, and clearly.

It is also the same as expressed by other informants that the customer service handlers in the process of making FLAZZ BCA are very fast and the manufacturing process is natural. When I asked how to make a Flazz card.

"I just finished taking care, bro, it's straightforward. I got this card from the customer service, the customer service that gave it to me. Initially, my needs at the bank took care of the others, but suddenly there was a desire to make FLAZZ BCA because I saw a lot of friends who used FLAZZ BCA. He said making it easy then there are also many benefits if you use FLAZZ BCA, he said if you use FLAZZ BCA pays for anything that is not complicated. Finally, I asked the customer service as well, about the procedure to make it. Eh, don't use it for a long time, then it's handled by the customer service. "

The information from the informants and staff above was in line with the exposure of the critical informant who said that the management of FLAZZ BCA submitted immediately by the customer service. Furthermore, the customer also mentioned this and felt that handling FLAZZ BCA carried out by the customer service had the effect of making it easy for them to take care of all matters related to FLAZZ BCA. Because the Bank is a service provider, excellent service is a must to realize. With FLAZZ BCA, which is handled directly by the customer service, customers feel well served — coupled with the existence of a swift and transparent customer service when explaining everything related to the use and creation of BCA Flaz. So, customers feel the effectiveness because FLAZZ BCA is immediately handed over to the customer service.

The importance of ease and speed in customer service is by (Kolang, 2017). If other banks launch e-money products that are still limited to their use, BCA has a multi-functional Flaz card. With one ticket, BCA's Flaz card makes it easy for its customers to make micropayments at various merchants which causes Flaz BCA to have advantages over others.

#### **Advantages and Weaknesses of FLAZZ BCA Products**

Similar to other E-Money, FLAZZ BCA also has several advantages and disadvantages.

As for the weaknesses and strengths presented by informant 2 when I ask what the advantages and disadvantages of Flaz are:

"For me, if I use Flaz, I feel it is more beneficial because it is more practical, easy and fast, besides that there are lots of promos when dealing with certain merchants. The disadvantage is that not all merchants work together to read Flaz, so I don't want to have to cash out. "

The opinion of the resource person was supported by other views from one of the bank staff as well.

"I have been using FLAZZ BCA for a long time because it has many discounts. There are often promos; sometimes there are also promos that go down in price to a lot so that it is profitable for me. After all, by using FLAZZ BCA, I am easier and faster when making any transactions, so it is even better. I do not need to bother calculating change; I am also easier to manage money because it is not complicated. But the drawback is Ms., this card can't be used by all traders, if online transactions can use this card on average, but if it's offline, it's still rare. We also don't have a hundred percent online transaction during our lives; there are times when we have to buy in small shops that are still not available for electronic payment systems. After all, mas, Indonesia is not a developed country either, so there is still a large majority of the population who are only small traders who don't know about electronic payments like that. "

Also, one of the customers also had a similar opinion regarding FLAZZ BCA's weaknesses and strengths.



"I made a FLAZZ BCA card on the advice of my friend, my friend suggested making a card because he said there were a lot of promos, and often made promos, almost every month there were promos, starting from promos that were only a little discount until there was a huge discount. Finally, I try mas. And it turns out that my friend's words are true, so I feel very benefited by the number of promos, besides that, it is convenient if I use FLAZZ BCA if you used this wallet before you use it if you don't have it bother again. Only one card can be used to buy anything. Now you don't need to save the change anymore. You don't need to count the change again, so it's faster and more practical. But Miss, I was born in the village, even though I now live in the city, but my parents are in the village. Once I forgot to bring cash, and that was another position in the village, just like that, I had a hard time so that I couldn't buy anything. Finally, I went to town looking for an ATM to get cash from there first. "

The presentation of some of the above informants was by the first speaker who said that using the FLAZZ BCA card was very profitable because it was practical and efficient, besides that there were also many promos provided by BCA so that it greatly benefited the customers. As one of the banks that has many customers, Bank BCA always strives to improve customer service, so that the Bank BCA always tries its best to hold special offers that attract customers to start using FLAZZ BCA. Customers also feel benefited by the variety of promos provided by BCA, routine promos that make many customers interested in FLAZZ BCA. But the use of FLAZZ BCA itself still cannot cover the entire country, there are several regions and some traders who still use conventional sales transactions so that it is quite tricky for FLAZZ BCA users. That is because Indonesia even cannot fully enter the digital world; there are still many areas in the country that are not technologically touched. Also, the growth of entrepreneurs also continued to increase so that new merchants continued to emerge and this resulted in FLAZZ BCA not being able to reach all Merchants.

This finding is in line with the theory put forward by (Jogiyanto, 2007) which shows that the perceptions of respondents regarding e-money products are beneficial to them, so the respondents use them.

Non-cash payment instruments such as e-money in the payment system will be able to optimize people's purchasing power which will also have an impact on increasing the country's economy (Abidin, 2015). But on the other hand, this will affect the lack of public interest in the use of credit cards as a non-cash payment tool that had previously widely used. The ease of use of e-money compared to credit cards is the reason for the reduction in credit card users. Using a credit card requires a PIN or signature authorization because it is related to the customer's account at the bank. Whereas if e-money is not authorization needed because there is no need for a customer account in the bank so that the transaction accelerated. Although in the development stage, the use of e-money provides benefits and advantages compared to other cash and non-cash payment instruments. Therefore e-money has the potential to shift the role of credit cards as one of the existing non-cash payment instruments. Many used because small-value payments can be made quickly and cheaply for consumers and traders (Mintarsih, 2013), (Pranoto & Salsabila, 2018).

## 2) E-money Development in Indonesia

Bank Indonesia first issued e-money permits in 2009 through Bank Indonesia Regulation Number 11/12 / PBI / 2009 concerning e-money. Data from Bank Indonesia notes that the amount of electronic money circulating in 2016 was 51,204,580 cards and in September 2017 there were 71,783,618 cards. While the transaction volume through emoney until September

2017 reached 547,021,304 transactions with a nominal value of Rp 7.5 Trillion (Pranoto & Salsabila, 2018).

Transactions and volume, e-money continues to increase from year to year. This growth is far compared to the growth of credit cards and ATMs which tend to be stagnant. According to Bank Indonesia data, e-money is one of the potential non-cash payment instruments to improve the Indonesian economy. According to Punky Purnomo Wibowo, Director of the Bank Indonesia Financial Electronification and Inclusion Program quoted from Kontan.co.id; he stated that the increase in e-money transactions driven by two things, namely toll road electronification and social assistance. The Indonesian banks that have issued the most e-money are Bank Central Asia (BCA) with the BCA Flazz label as many as 13.5 million cards as of September 2017. Furthermore, Bank Mandiri, which has circulated e-money as of September 2017, has 11 million tickets. The majority of e-money usage is on toll roads with a portion of 70% of total transactions (Pranoto & Salsabila, 2018).

#### **a. FLAZZ BCA circulation**

FLAZZ BCA products have been circulating very widely since its inception in 2007; this also conveyed by key informants. He said that:

"FLAZZ BCA products are pervasive because the use of Flazz itself can already be in many places." "Broadly speaking, it is increasing, from the sale of Flazz cards at BCA branches."

Users of this product facilitated by the existence of TOP-UP services that can be done anywhere as the vital informant has said, that:

"At all BCA ATMs, BCA branch offices and shopping places that have Merchant Flazz."

Bank Indonesia (BI) noted that as of February 2018, electronic money transactions had increased quite rapidly. It is in line with the implementation of toll road electronification as of September 2017. Based on BI data, as of February 2018, electronic money transactions rose by 222% annually or year on year (yoy) to 187 million sales. In terms of nominal, it rose even faster at 404% yoy to Rp 3,361 trillion. The statement strongly indicates that the use of this card is the perfect solution for loyal users of FLAZZ BCA. It doesn't deny that the public wants the ease of living their daily lives such as fulfilling basic needs, traveling, and so on.

Informants also feel comfortable about e-money policy in Indonesia as a new payment system tool; he stated that:

"So far I am comfortable using electronic money, because of its ease, that's more efficient."

#### **b. Strategies Used to Promote FLAZZ BCA**

Promotion is an activity to communicate the various advantages that a product has to influence the community to use the product. Advertisements are always used by everyone to sell their products. Many ways and strategies used by BCA parties in maintaining FLAZZ BCA loyal users, one of which revealed by the following key informants

"Offering a variety of promos at shopping venues or eating places using the Flazz card."

FLAZZ BCA's marketing strategy is also carried out by providing convenience and affordable costs for customers in top-up. Interviews were conducted with customer service

resource persons when asked about whether there were other costs for a top-up. The key informant answered

"If at the BCA ATM or BCA branches, there is no charge, if, at the shopping place, the fee depends on the shop."

The truth of the news spread on the internet regarding other costs in the top-up is subject to an administration fee of Rp 1,500.00, BCA customer service Bank explains that

"It is for merchants, if top-up does at the BCA or ATM branch, there will be no charge."

The statement provides answers and choices that can be chosen by customers. Does the customer does not want to bother with coming to the branch office, but must spend money as an administrative fee when doing top-up on purchases. On the market, there are lots of electronic money in circulation. According to Bank Indonesia data, there are 19 (nineteen) issuers of electronic money cards currently registered. If we pay attention to some advertisements on television, e-money is not only in the form of vouchers. But there are also those who use cell phones as their media. Consumers are expected to be more careful about which type of e-money is best suited to their needs. If you feel that the demand for e-money is easier to use with a cellphone account, it might be more suited to financial management profiles and habits. Choose e-money issued by mobile operator that you trust.

This finding is not in line with previous research conducted by (Chamila Fahmi, 2016) which states that people often make transactions with small nominal values so that the use of non-cash transactions is not too useful.

Development of Flazz BCA as the first multifunctional electronic money in Indonesia can be used as a means of payment but also for other purposes. The advantages of BCA Flazz are also used to increase brand awareness of products related to co-branding or the act of using well-known brand names from two different companies on the same product. One of the co-branding activities of BCA Flazz products is carried out with several universities in Indonesia. Co-branding carried out by PT. BCA Tbk with educational institutions, namely by using BCA Flazz cards as multifunctional cards, not only as electronic money as a means of payment but also as student and employee identity cards in an educational environment. One of the co-brandings that were carried out was in the Diponegoro University environment which recently used within the Faculty of Economics and Business which inaugurated on May 22, 2012, with a total of 5,908 cards used by students (Candraditya, 2013)

### 3) E-Money Policy

E-money is a convenience in the field of payment. The emergence of innovation raises the pros and cons of the change. Some people expressed support for this innovation; others objected to feeling disadvantaged. Customers and individuals have their own opinions about using e-money.

The purpose of making payment system regulations is one of them is to provide security and comfort for the community to conduct trading transactions so that no one feels disadvantaged. Bank Indonesia has established rules regarding the payment system as the Central Bank which has authority in this matter. In this case, the aim of implementing a non-cash payment system, especially with e-money as an innovation in micropayments, is to optimize purchasing power and increase public consumption rates. The high number of payment transactions in the community has made Bank Indonesia see this as an opportunity for developments in economic innovation in Indonesia (Abidin, 2015).



2 With the existence of non-cash payment instruments such as e-money, the payment system by Bank Indonesia, it will be able to optimize the purchasing value of the community which will also have an impact on increasing the country's economy (Abidin, 2015). But this will affect the lack of public interest in the use of credit cards as a non-cash payment tool that previously widely used. This is because when using a credit card an PIN or signature authorization is required because it is related to the customer's account at the bank. Whereas if e-money is not authorization needed because there is no need for a customer account at the bank so that the transaction accelerated. Although in the development stage, the use of e-money provides benefits and advantages compared to other cash and non-cash payment instruments. Therefore e-money has the potential to shift the role of credit cards as one of the pre-existing non-cash payment instruments.

#### a. For Banking (BCA)

The issuer is the party that creates and provides money cards; e-money publishers consist of the banking and non-banking sectors. The publishers have been legal and legal to make e-money because they have obtained permission from Bank Indonesia. The issuer that has been approved by Bank Indonesia can provide e-money cards to the public.

For the community, APMK (Payment Card Using Card) itself is a facility that can facilitate the transaction process such as cash withdrawals, transfers, and bill payments. APMK benefits efficiency in the form of decreasing transaction costs for consumers and producers as well as increasing community satisfaction due to the fulfillment of the need for comfortable and practical payment instruments. With the existence and use of APMK such as e-money, it can reduce the costs incurred by the community when having money both for transactions and just in case (Abidin, 2015).

Competition between banks in seeking e-money users is rigorous. Each bank submits the latest features and ease of payment that attracts buyers to use e-money at the bank. The number of publishers who publish e-money makes each bank compete in attracting customers. By key informants of e-money policy in Indonesia, there will be more e-money products outside of banks for reduced interest and users of Flazz. However, with many convenience features that excel from publishers from other banks, so that the sales of e-money BCA Flazz products increase every year. By the critical informant that based on sales, the benefits of Flazz BCA are growing.

The impact of the emergence of the e-money policy led to a reduction in interest and users of Flazz, but when calculated to date the bank recorded as still in the category of profit BCA Flazz is still increasing. Supported by key informants, that in the meantime, sales are growing, so it can be concluded that benefits will increase.

He supported by news, [keuangan.kontan.co. Id](http://keuangan.kontan.co.id) "Bank Central Asia (BCA) listed as the bank with the most issuance of electronic money. BCA Corporate Secretary Jan Hendra said, he had issued electronic money with the BCA Flazz label as many as 13.5 million cards as of September 2017. The value of electronic money transactions had reached Rp 600 billion with a frequency of 90 million transactions," Jan said, to Kontan, Tuesday (17/10) "So that the conclusion of the e-money policy especially for e-money FLazz users at BCA banks did not experience significant changes, seen from e-money users who registered at the BCA bank.

The use of non-cash payments with e-money in addition to increasing people's income through decreasing transaction costs and saving time also increases people's income through interest income derived from cash funds that should be brought in every time they are traded but placed in a bank in the form of savings. In terms of banks or issuing institutions for non-cash payment instruments, the increase in the use of non-cash



payments is a source of fee-based income because customers who use non-cash payments will be charged an administrative fee each month. Also, income derived from costs also derived from fees charged for certain types of transactions, for example for transfers or bill payments (Hidayati, Nuryanti, Firmansyah, Fadly, & Darmasari, 2006).

The additional income obtained by consumers from the use of e-money will encourage consumption and public demand for goods and services, which in turn has the potential to promote real sector activities. In this era, people are reluctant to bring large sums of money in their pockets because besides being considered unsafe; they also regarded as impractical — the size of the funds carried out making payment transactions considered as an obstacle to efficiency in payments. The presence of non-cash payment instruments such as e-money in the form of cards removes these constraints and has the potential to encourage an increase in consumption levels. The convenience of shopping provided for bank customers who have non-payment instruments such as ATMs, debit cards and credit cards can encourage increased consumption of these customers. It can promote increased money circulation.

The effect of e-money on economic growth is shown by the results of research (Soseco, 2017) which shows a significant influence between the use of e-money in a country and the country's economic growth, and the use of check has become obsolete, especially for small countries, but less role for developed countries. For middle-income countries such as Brazil, China, and South Africa, E-money plays a significant role in its economic growth. This result was also shown by Fung (Fung, Molico, & Stuber, 2014) who explained that money was successful in increasing economic growth, especially in East Asia, Africa, and Europe.

The increase in consumption and economic growth that occurs from the use of e-money, in turn, has the potential to push back public demand for non-cash money to facilitate and accelerate the process of transactions carried out. For banks or non-cash payment issuing institutions, this has the potential for revenue and profits. It referred to as a dual effect or multiple impacts from the use of non-cash payment instruments. The numerous implications of using non-cash payments to consumers and entrepreneurs can, in turn, encourage economic growth (Hidayati et al., 2006).

## **b. For User**

E-money customers play an essential role in the number of e-money transactions executed. Especially in big cities, the use of e-money is quite high. It can be understood because the rate of money turnover in cities is much faster than in (rural) areas. Based on interviews with BCA Flazz card users about what electronic money users are affected by the e-money policy.

The advantage of e-money feature has been felt by users to make users or customers feel comfortable in using e-money. An easy system not only in payments but also for easy top ups. But for ordinary people tend to be afraid and still hesitant to use e-money. As informed by informant1.

"I am not interested, maybe because there is no socialization or promotion of electronic money products other than banking, because I do not know the products that I know only have Indomaret I, SAKU is also not in the form of an application card and complicated too."

The lack of promotion carried out by the bank makes the customer's lack of understanding of e-money. Also, there are also other problems. The second weakness of this E-Money payment system is its interoperability issue. A simple example is an E-Money card issued by Bank BRI that cannot transact with BCA's Flazz reader. Problems

like this occur due to the lack of standardization on-chip microprocessor, reader, application, and radio frequency which is used to transmit financial data from E-Money cards to Network Operators on every E-Money product in Indonesia today. Customer complaints regarding the difficulty of the process of replenishing electronic money balances, which is one of the largest banks issuing electronic money with the E-money trademark. But after the customer can manage well from the use of e-money, the customer will be interested and try the facilities provided by e-money. By the informant 1

"The impact is more beneficial for me to avoid pickpocketing too if I bring cash, it's easy, and it's not complicated so I just like to use electronic money and can increase the circulation of money in a comfortable, safe, controlled manner from inflation."

So that it concluded that from customers using e-money that they experience more convenience than difficulties in using e-money, seen from several surveys that said they were able to feel satisfaction in efficiency, security, and comfort. Other customers only lack information from e-money issuing banks in the promotion field, so they do not know the advantages of e-money.

For entrepreneurs or merchants, in this e-money system are entrepreneurs or traders who provide the use of e-money payment service facilities in their payment transactions. Employers, in this case, offer money facilities to increase the effectiveness and efficiency of their business. In terms of entrepreneurs, increased consumption followed by transaction cost efficiency will increase profits for entrepreneurs, which then has the potential to encourage business activity and business expansion. The more efficient transaction costs obtained from the use of non-cash payment instruments the higher the potential for increased output. It, in turn, encourages increased production in the real sector which can promote economic growth (Abidin, 2015).

Technically operational, by using e-money services, entrepreneurs can minimize errors that occur in each transaction and can save the time needed in a single deal. The advantage that entrepreneurs get from each sale is security in transactions because these funds can directly enter the account of the entrepreneur (Hidayati et al., 2006). Employers expect that with the presence of e-money, business effectiveness and efficiency can occur. Expected effectiveness is the time for payment transactions can be faster or shorter because with the use of e-money cards entrepreneurs do not need to provide change and do not need to count the money again. The entrepreneurs in their business do not need to give cash to service small or micropayments. While the effect that occurs from the use of e-money for entrepreneurs is security in each transaction, where employers do not need to worry about the existence of counterfeit money and when the purchase is complete the money from the payment will enter the entrepreneur's account connected with the transaction (Abidin, 2015).

Based on the results of interviews with several previous informants, an E-money (BCA Flazz as a Payment system tool model as follow:

Implementation of the development of e-money as a technological advancement, BCA through BCA Flazz strives to answer the challenges of the times that promise a variety of convenience for its customers. The various facilities include: Faster transactions between buyers and merchant, Safer for consumers because they do not need to carry cash, thereby reducing the possibility of robbery crimes and so on. More reasonable because the system is easy and fast, reducing banking administration costs, especially if accompanied by promotions and discounts.

For the banking sector, the benefits include profit increasing because transactions that can be carried out faster encourage more operations to be carried out by the customer,

reduce costs because they do not require marketing personnel as well as on credit or debit cards. Reducing paper use, so prices decreased

These various facilities affect the speed of economic growth. Because the faster and more efficient all kinds of financial transactions, causing the velocity of money to be faster and reduce the crime of using counterfeit money that encourages economic growth

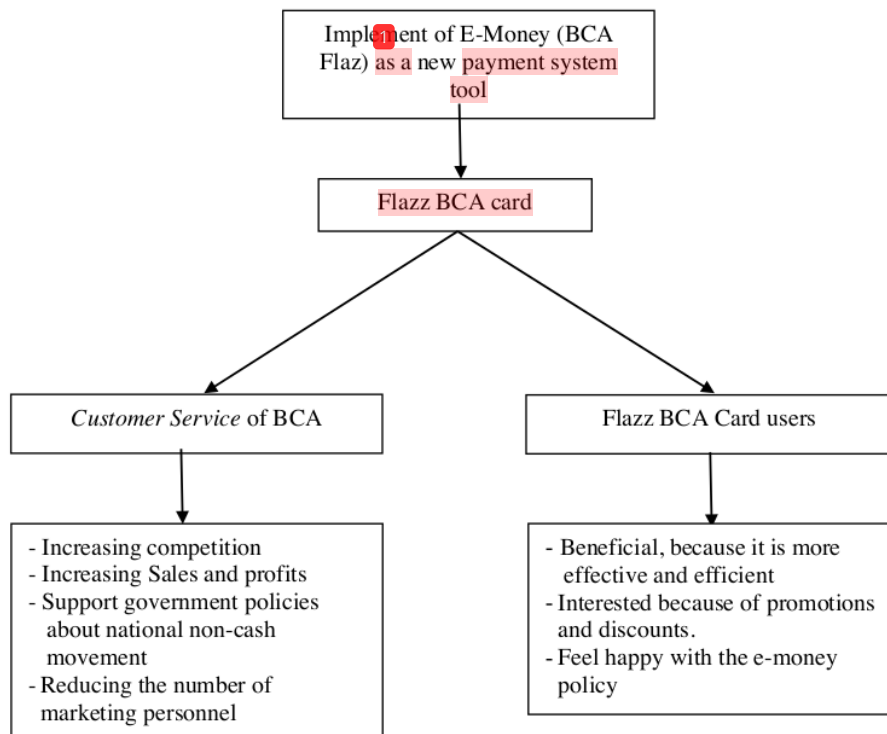


Figure 1. E-Money (BCA Flazz) as a Payment system Tool Model

## CONCLUSION, SUGGESTIONS, AND LIMITATIONS OF RESEARCH

### Conclusion

Based on the results of the analysis and previous research, it concluded that E-money is a payment instrument that can be used instead of cash. E-money is not only a substitute for physical capital in the form of coins and banknotes with same electronic money but also as a system that allows one to pay for goods or services by sending numbers from one computer to another.

The customer service immediately submits the management of FLAZZ BCA. Because the Bank is a service provider, excellent service is a mandatory thing to realize. With FLAZZ BCA, which is handled directly by the customer service, customers feel well served. The FLAZZ BCA card is very profitable because it is practical and efficient, besides, there are also many promos provided by BCA, but the use of FLAZZ BCA itself still cannot cover the entire country, there are several regions and some traders who still use conventional sales transactions so that quite difficult for FLAZZ BCA users. That is because Indonesia even cannot fully enter the digital world.

The development for transactions in Indonesia is still reasonably fast / still waiting for events abroad which will then be slowly carried out by the people in Indonesia. It also reinforced by information from Bank Indonesia which states that users of electronic money in Indonesia for retail transactions are still around 0.6% and for transactions using cash reaches 99.4%. The strategy used is still not the right target method Efforts to develop BCA Flazz from the first using the Scrum method. The Scrum method is beneficial in fostering a spirit of collaboration, as well as continuous promotion.

The E-money policy specifically for BCA bank e-money Flazz users did not undergo significant changes, as seen from E-money users registered at BCA banks in large numbers. The impact on customer customers from using E-money that they experience more convenience than the difficulties in using E-money. Several surveys show that mention the many benefits obtained by customers with the use of e-money, including being able to feel convenience in transactions, more efficient because they do not need to carry cash, security and convenience, frequent promotions and price cuts. Other customers only lack information from e-money issuing banks in the promotion field, so they do not know the advantages of E-money.

From the banking sector, in this case, BCA, the emergence of Flazz BCA made BCA more able to compete with other banks in capturing customers' hearts and more attractive to customers. The presence of BCA Flazz facilitates transactions, so that customer transactions are more and faster, thus adding to the benefits for BCA. In Macro, BCA also supports government programs with a non-cash national movement, and more importantly, BCA can reduce marketing personnel to reduce bank operational costs.

For the economy as a whole, the use of e-money (BCA Flazz) can encourage economic growth because the ease of the people to transact, increase sales and profits of the company, can reduce the use of counterfeit money and increase the velocity of money.

### Research Recommendations and Limitations

Based on the result of the research, researchers have limitations as follows: This research focuses on E-Money policy in Indonesia as a new payment system tool. While the subjects in this study were users of the BCA Flazz card. The suggestions that researchers can convey based on the results of research with the limitations that exist are as follows:

#### a. For the Bank BCA

E-money should re-arrange the terms and regulations that must be accompanied by e-money owners so that E-money issuers are more careful and selective in permitting to use E-money owners. The need for socialization of E-money users is an explanation of features that make it easier for users to use E-money facilities. The introduction and promotion of money facilities, their use, and all ease, practicality may need to be applied in the form of videos or holograms to provide a more comprehensive picture of the product to the public (Listyorini et al., 2018).

#### b. For Customers

Enforcement for customers that E-money is a non-cash payment product that is classified as new so that the socialization conducted by Bank Indonesia in collaboration with the issuer of E-money is essential to introduce and develop the potential of E-money which serves as a substitute for currency for small transactions. The need for decisions that logically benefit customers, needs to be realized by the customer, because in general the customers in making decisions are often influenced by psychology (Ady, 2018), perhaps out of fear of high-tech products, suspicion of fraud from others, fear of difficulties use and so before trying, so it takes courage to try new things.



c. For further researchers

It is expected to be able to conduct more in-depth and broader research on **E-Money policies as a new payment system tool** using different research methods.

d. For the development of science

It is hoped that the readers would better understand correctly about the **E-Money policy as a new payment system tool** in various journals, articles, and supporting books.

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