

## CHAPTER I

### INTRODUCTION

#### A. Background

Technology according to Carroll (2017) is something created through ordering exhibiting the organization whose functions with a purpose that can provide some benefits or something that is organized benefit. With technology, various kinds of needs can be met easily and practically. This is what drives many companies to build, develop, and adapt their products or services to current technological developments. Polites & Karahanna (2012) found that the rapid development of technology has supported the application of technology in various fields of life. The close relationship between technology and the context of utilization in related fields makes the point of view of the use of technology not only seen as an independent technological object but also the relationship between the technology and the behavior and lifestyle of the people who use it. One of the services that emerged due to the influence of technological developments was the emergence of electronic payment instruments namely e-wallet.

Phophalia et al. (2018), stated that e-wallet is a contemporary payment system that refers to using any electronic device or online service that counts people to sort electronic transactions. This can include purchasing items online with a processor or using a smartphone to purchase somewhat. A consumer bank account can also be linked to the e-wallet. The use of e-wallet is done through electronic devices, namely mobile phones. E-wallet refers to a broad spectrum of financial services that can be accessed through a mobile phone. E-wallet service has the ability to enable and catalyze the development of mobile commerce particularly in the developing world (Nyarku et al., 2018). E-wallets offer many advantages including secure transactions, adapted for micropayments, easy to use, universal, and have multiple uses (Sahut, J., 2008). E-wallet is now a

common thing used by the public. E-wallet application is an electronic payment tool that makes it easy for users to make payments without having to hold and have money in physical form. The use of digital wallets is considered efficient and transactions are easier to do anytime, anywhere.

E-wallets are fast and secure electronic commercial transactions that function like physical wallets. E-wallets are always on the user's side and are compatible because they are stored in the software in the mobile application. This software provides information and encryption for personal information and for transactions (Taghiloo et al., 2010).

At this time the use of smartphones is increasing as is the number of digital money users. So that e-wallet providers introduced business models for the mass market, high volume, and low margins. Most e-wallet services provide services in the form of airtime purchases, bill payments, and money transfers (Shrier et al., 2016). Increasing efficiency, lowering transaction costs, increasing security, creating new job opportunities, and creating new business platforms can increase e-wallet productivity. Another positive thing about the emergence of e-wallets is the emergence of bill payment services to overcome long queues and also as a conditional cash transfer medium that is easy and efficient (World Bank, 2012).

There are potential advantages of e-wallet include benefits arising from the inherent characteristics of the services, benefits arising organically from widespread usage and network effects, and benefits arising from purposeful and innovative applications, either made by developers or created by people's uses of e-wallet services. The inherent benefits of e-wallet include that e-wallet often works because it is much cheaper than alternatives to cash; properly controlled e-wallet can be safer than alternatives, including cash; speed and liquidity of e-wallet are also major benefits; e-wallet can be an easily accessible and convenient medium for providing financial services and is more reliable than traditional and informal methods. The benefits of scale include that e-wallet also proves to

be commercially significant for service providers when it reaches scale, and although the transaction fees charged by individual e-wallet providers are quite small, in total, they can represent an important source of revenue. The benefits of innovation include that some organizations are deliberately using e-wallet to enhance their traditional offerings; insurance, credit, and savings services are now being developed on top of the mature e-wallet system; the impact of e-wallet is also likely to extend to the public sector through increased efficiency and outreach (World Bank, 2012).

In Indonesia, with the rapid development of technology, many e-wallet applications have emerged among the public. At present, the use of e-wallets is becoming a habit among Indonesian people because it is considered practical for making payments and storing temporary funds. The e-wallet application has payment features including telecommunications, bills, transportation, finance, entertainment, taxes and levies, and sharing or zakat services. With more variety and convenience, more and more e-wallet applications have sprung up. This e-wallet application makes it easy for users to make payments online through merchants that are already widespread in Indonesia. Funding for the e-wallet application can be done through merchants that have collaborated with the e-wallet application or can be topped up through an ATM or mobile banking user. There are 4 e-wallets in Indonesia with the highest number of monthly active users during the Q2 2019 - Q2 2020 period, namely GOPAY, OVO, Dana, and LinkAja. These 4 applications are also the applications with the most total downloads (Devita, 2020).

GOPAY is one of the services available on the Gojek application and has been ranked first as the e-wallet with the highest number of monthly active users. GOPAY is also mentioned as the e-wallet that will be selected for the first time if a new user will use the e-wallet for transactions. GOPAY, which originally functioned as a digital payment used within the scope of

Gojek services, is now expanding its function to be used in payments outside of Gojek services (Devita, 2020).

In this e-wallet application, the most important thing is how the service provided by the provider can affect customer satisfaction. To increase customer satisfaction, one of the influential factors is how the service is provided to the customer in good quality (Sundaram et al., 2017). Nathan (2014) found that it is really important for e-wallet providers to learn more about their customers' perceptions of the e-wallet service quality and the attributes the customers find essential for quality financial service delivery on the internet. Customers have some expectations and criteria when they judge whether the provided e-wallet service is satisfactory. This is the only way for the e-wallet industry to improve its online services and gain competitive advantages in the marketplace.

Many researchers have considered various factors affecting customer satisfaction. Some of these studies are, the effect of mobile service quality dimensions on customer satisfaction (Özer et al., 2013); impact of mobile banking services on customer satisfaction (Kahandawa & Wijayanayake, 2014); the impact of mobile banking on customer satisfaction (Gomachab & Maseke, 2018); exploring the impact of service quality factors on customer satisfaction towards online shopping (Momotaz & Hasan, 2018); and e-service quality dimensions and their effects on e-customer satisfaction in internet banking services (Zavareh et al., 2012).

With this background, so in this research, the authors are interested in taking the title: **"ANALYSIS OF FACTORS AFFECTING CUSTOMER SATISFACTION: STUDY ON E-WALLET SERVICES."**

## **B. Research Problems**

In general, the research question of this research is, does the service quality have positive impact on satisfaction. Specifically, the research questions are:

1. Does availability positively influence customer satisfaction?
2. Does perceived risk positively influence customer satisfaction?
3. Does ease of use positively influence customer satisfaction?

## **C. Purposes of Research**

The study aims are:

1. To analyze the impact of availability on customer satisfaction.
2. To analyze the impact of perceived risk on customer satisfaction.
3. To analyze the impact of ease of use on customer satisfaction.

## **D. Contribution of Research**

The contribution of this study consists of theoretical benefits and practical benefits, which are as follows:

1. Theoretical benefits

The results of this study are expected to be a new scientific insight and are expected to contribute to research in the field of consumer behavior and marketing that is obtained by researchers while in college. The results of this study are expected to be used as a reference for further research.

2. Practical benefits

The results of this study are expected to be a benchmark for e-wallet application provider to improve their services to obtain better customer satisfaction thereby increasing their competitiveness and business. This research can provide references to further researchers in the same field of research.

## **E. Content of Research**

Writing this thesis is divided into 5 chapters. Systematic writing organized as follows:

### **CHAPTER I INTRODUCTION**

This chapter discusses the background of the problem, the formulation of the problem, the purpose of the study, the benefits of research, and systematic research.

### **CHAPTER II LITERATURE REVIEW**

This chapter discusses the theoretical background, previous study, hypothesis, and theoretical framework.

### **CHAPTER III RESEARCH METHODOLOGY**

This chapter discusses the research type, research variables, population, sample, sample technique, sources of data, data collection technique, operational definition, analytical tool, and assumption classic test.

### **CHAPTER IV RESULT ANALYSIS AND DISCUSSION**

This chapter discusses the characteristic of respondent, research instrument test, assumption classic test, hypothesis, and discussion.

### **CHAPTER V CONCLUSION**

This chapter discusses the conclusion, implication of the study, research limitation, and suggestion.