

CHAPTER I

INTRODUCTION

1.1 Research Object Overview

1.1.1 Company Profile

Telkomcel is a brand of mobile telecommunication service (cellular) owned by PT. Telekomunikasi Indonesia International S.A which. Telekomunikasi Indonesia International S.A is the subsidiary company of PT. Telekomunikasi Indonesia International (TELIN) based in Jakarta, Indonesia. 100 % of Telkomcel shares held by TELIN. TELIN itself together with PT. Telkomsel are members of Telkom Indonesia Group. With great support from Telkom Indonesia and Telkomsel which having so much experiences as the greatest telecommunication, information, media, edutainment, and services (TIMES) company in Indonesia, Telkomcel was give the best quality services to all customers.

Telkomcel was operated in Timor-Leste on January 17, 2013, and located in 3rd-4thFloor, Timor Plaza, Dili, Timor-Leste. Telkomcel has committed to provide mobile telecommunication service and internet connection among all district in Timor-Leste. Based on many years of experience as a leading telecommunications operator in Indonesia and application of the latest technology and the construction of Base Transceiver Station (BTS) that span the entire district in East Timor, the management of Telkomcel telecommunication is committed to provide cellular services and broadband internet services with the best quality in East Timor with competitive rates. In addition, Telkomcel also provide specialized services and business solutions to customers in the corporate segment Timor-Leste, both Voice and Data Service. (Access <https://www.telkomcel.tl/p/company-profile> on 7 June 2022)

Telkomcel is one of three telecommunications operators in Timor-Leste. Between 1.3 million population of Timor-Leste, around 300,000 population are Telkomcel customers. Currently, Telkomcel has provide cellular coverage to 95% of

Timor-Leste's population and attracted more than 60,000 cellular subscribers. The increasing number of users proves that more people are interested in internet the more people will know about the coming features offered by Telkomcel. Telkomcel continues to innovate to digitize the Timor-Leste market, from the electronic wallet T-Pay to the ride-hailing platform MyTimor. Recently, Telkomcel launched MyLoja. (Access <http://www.cellular-news.com/story/60944.php> on 7 June 2022)

T-PAY was developed by Telkomcel and officially launched on December 2019, in early 2020 was presented in Timor-Leste. T-PAY was an innovative digital payment system in form of financial platform which modernizes the payment system in public services within the community and MSMEs as the main partner. The name T-PAY is taken from the word “Telkomcel PAYment” which can be defined as electronical payment. T-Pay was one of Telkomcel’s effort to help economic development in Timor-Leste by collaborating with Bank Central of Timor-Leste and has fulfills the legal requirements and procedures in relation to the payment system. This platform began to be known among the local societies after collaborating with the MANDIRI bank, BNCTL bank, BRI Bank and all stores and restaurants that accept digital payments. The use of T-PAY digital payments provides benefits for users in the form of money transactions via credit (pulsa) and can be done through QR Code. T-Pay was the support new economy stream within the E-commerce payment, Person to Person (P2P) Payment, Merchant & Business Payment, Government Payment, Bill Payment, Cash Deposits & Cash Withdrawal as way of transactions.

(Access <http://www.tatoli.tl/2019/12/05/telkomcel-lansa-produtu-t-pay-hodi-fasilita-tranzasaun-eletronika/> on 07 June 2022)

1.1.2 Company Logo



Figure 1 Company Logo

(Source: <http://www.telkomcel.tl/> access on April 4, 2022)



Figure 2 T-Pay Logo

(Source: www.tpay.tl/, access on April 4, 2022)

1.1.3 Vision and Mission

Become an e-wallet that can contribute on the financial development in Timor-Leste.

1.1.4 Products and services

The services provided by T-PAY are variety, such as:

- 1- Digital payment transaction: Provide a convenient and safely transaction through apps

- 2- Transfer money: Transferring money between users quickly by using apps or through the agent.
- 3- Cash withdrawal: Provide cash withdrawal at T-PAY agents in and outside the city.
- 4- Deposit money: Link T-PAY users account with ATM P24 for easiest way to deposit money in Bank account.

To use the features provided by T-PAY, users are required to download the application from Apps Store or Play Store, register using an ID card or passport, fill in personal data and confirm the pin code and follow all the instruction in apps.

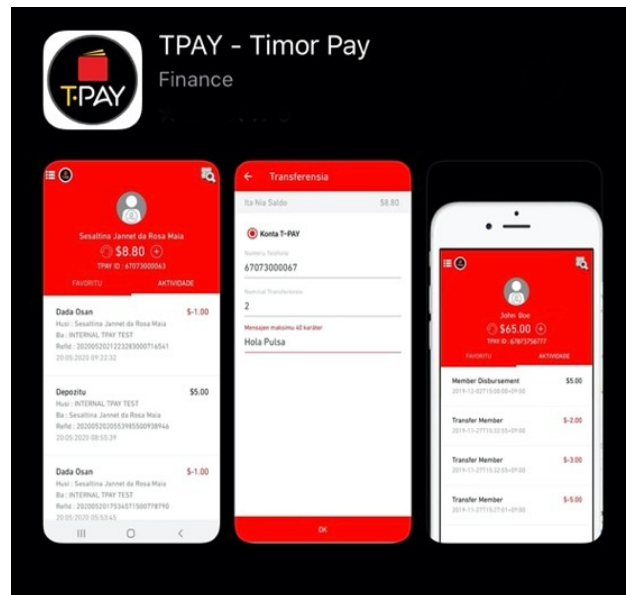


Figure 3 T-PAY services

(Source: Apps Store IOS, 2022)

1.2 Research background

In this modern era, human's life was never separated from technological developments. The development of advanced technology forces us to adapt new innovations and discover more about the technologies itself, especially when it related to the internet. Nowadays, in carrying out our daily activities and to communicating with other people, we always use internet as a media tool. Therefore, the internet has

become a part of human life, various types of technology have been used in this world both in the fields of communication, medical, construction and information.

This can be seen from the increasing intensity of internet utilization which has developed quite rapidly. Based on data from DataReportal.com, the number of internet users in Timor-Leste on 2020, from 515.1 thousand people increased by +16% or around 85 thousand people in 2021. From this data, it can then be said that the internet has become a daily necessity of the people and is very important at this time. With the internet, people can do everything they want, especially for those who have mobile phones. (Digital in Timor-Leste: All the Statistics You Need in 2021 — DataReportal – Global Digital Insights, 07 June 2022)

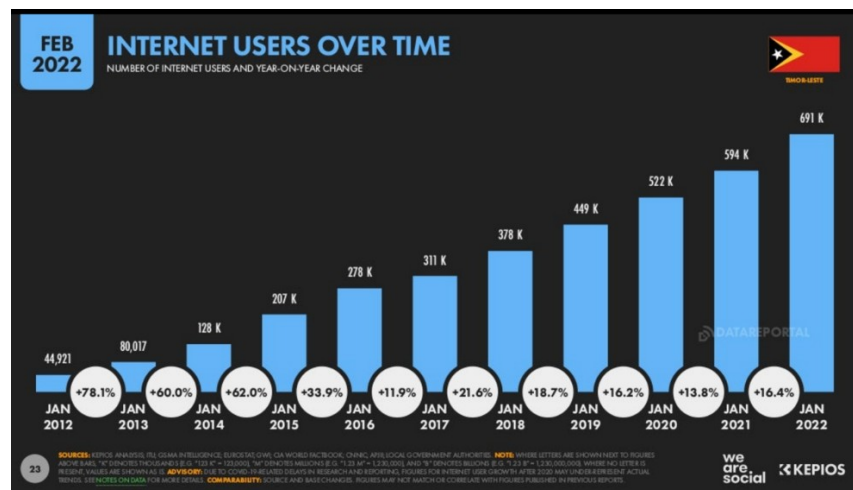


Figure 4 Internet User Data Overtime in Timor-Leste

(Access <https://www.slideshare.net/DataReportal/digital-2022-timorleste-february-2022-v01> on 07 June 2022)

Despite the increase in users, the development of fintech was also contribute to the increasing of data itself through the financial inclusion presented by Central Bank of Timor-Leste which boosting financial services access through digitization. According to the report, bank account ownership increased four percent to 61 percent by the end of 2020 compared with 2018. Of the total, 65 percent were woman compared with 57 percent men. Other deposit taking institutions saw their share of the market inch up to seven percent from six percent, non-regulated financial services to three percent from two percent, and electronic wallets (e-wallets) to 13 percent

compared with just few clients using the service in a pilot project. (Afi-global.org, 2021)

Fintech is a combination of financial services and technology that ultimately changes the conventional business model into a modern business, where initially a payment transaction was carried out face to face and brought a nominal amount of money, now it can be done remotely, and payments can be made in just a few minutes. Fintech payment methods are electronic payment instruments where money can be stored in certain electronic media, known as E-money (Electronic Money). Wibowo and Rosmauli (2015) stated that electronic money (E-money) is a means of payment with the value of money that has been stored consistently on cards or servers. To transact using e-money requires an internet network such as a digital system. The characteristics of the process of digitizing financial services include simplified access for end users via the Internet or mobile Apps, increased processing speed of automated processes, reduced costs, stronger focus on customer service, more convenience, higher transparency and exploitation of network effects.

Since the beginning of the period introduced to the public e-money has been widely accepted by its users and is considered as a payment system that is easy, useful, and has an aspect of convenience. This can be seen from Statista data which recorded an increase in the number of transactions using Fintech in Timor-Leste from 2017 up to this date in table 1.1 below:

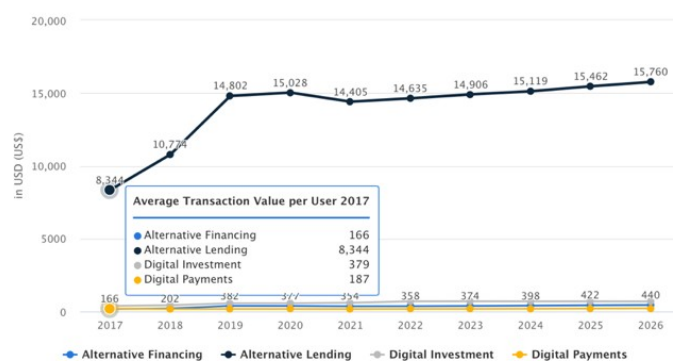


Figure 5 Transaction Value by Segmen

(Source: <https://www.statista.com/outlook/dmo/fintech/timor-leste#transaction-value>, on Apr 24, 2022)

With the existence of e-wallets, businesspeople see that there is an opportunity to innovate and create new businesses that can meet the needs of modern society whose transaction processes can be carried out using digital transaction. . E-Wallet is slowly becoming popular in the community due to the ease of obtaining it, users only need to register by filling out a short application, with few requirements and no credit check is needed, making it suitable for all levels of society. In Timor-Leste there are already several companies that provide cashless transaction tools such as T-Pay, P24 and Mosa. One of the internet's telecommunication service providers such as Telkomcel tries to attract consumers to use its services by offering e-wallet platform called T-Pay. (www.telin.net, 2019)

With so many challenges, adjustments and changes due to the COVID-19 pandemic, it is undeniable that many of Small Medium Enterprises (SMEs) in Timor-Leste are struggling in order to survive and the people also experience problems in transactions because of limited customer service interaction. Telkomcel sees that Timor-Leste is a country that is already growing and has a millennial generation that is very active in utilizing technology, so TPAY can be a platform that will be used to help move the economy wheels during and after the pandemic. As such, Telkomcel has launched the T-pay, with a focus on helping SMEs to rapidly digitize admits the pandemic and create an efficient and effective payment system within the societies. Afterall the Timorese culture still hindered by preference to hold cash where still have a dominant role in the payment system. However, transactions using digital payment have also experienced a significant increase in recent years.

From the phenomenon of the development of the digital economy at this time it is concluded that technological developments have an impact on society's lives, especially in emerging of payment transaction methods which is progressing and developing in Timor-Leste. The growth and development of FinTech in the use of digital payments will be more developed and in great demand because of its efficient use in terms of time and personal satisfaction.

The emergence of digital transaction has an impact on the interest of consumers to use e-wallet. Interest to use it can be based on consumer attitudes before using the service. There are several factors that can influence attitudes towards interest in using digital transaction, some of which are perceived of usefulness, perceived ease of use, and perceived risk. Usefulness and ease of use are taken into account by individuals in order to have a positive attitude towards the intention to use the service. With the wide spread of information on the internet and the many conversations in the community, of course someone can more easily find out the benefits of the product or technology that will be used.

In the modern era, technology is expected to save time and convenient. The benefits of online transactions will certainly create perceptions, both positive and negative for the users. This is because users who often use the service assume that the use of e-wallet will have benefits such as obtaining various discounts and being able to make payments for services outside the Telkomcel's service. Furthermore, the perceive ease of use is a person's perception of the use of a system that is free from effort and easily carried out, therefore service providers will certainly try to provide convenience to their customers, in addition to the benefits and convenience, the perceived of risk also can affect the intention of use due to the security issue which can decrease customer desire in use e-wallet.

Therefore, the research in this thesis will examine how the effectiveness, superiority, trustworthiness, attractiveness, advantages and practice using one of the e-wallet companies, namely T-Pay as a transaction tool. The discussion of the problem above becomes the basis for conducting research on the factors that influence the interest in using E-wallet among the community in Dili, Timor-Leste with the title **“THE INFLUENCE OF PERCEIVED USEFULNESS, PERCEIVED EASE OF USE, AND PERCEIVED RISK ON INTENTION TO USE T-PAY AS DIGITAL TRANSACTION TOOL FOR THE COMMUNITY IN DILI”**

1.3 The formulation of the problem

1. Does perceived of usefulness affect the interest of e-wallet users on T-Pay?
2. Does the perceived ease of use affect the interest of e-wallet users on T-Pay?
3. Does perceived risk affect the interest of e-wallet users on T-Pay?

4. Do the perceived of usefulness, perceived of ease of use, and perceived of risk affect the intention to use e-wallet T-Pay?

1.4 The purpose of research

1. To determine the effect of perceived usefulness on the interest of e-wallet users on T-Pay.
2. To determine the effect of perceived ease of use on the interest of e-wallet users on T-Pay.
3. To determine the effect of perceived risk on the interest of e-wallet users on T-Pay.
4. To determine the effect of perceived usefulness, perceived ease of use, and perceived risk on the intention to use e-wallet T-Pay.

1.5 The benefit of research

1. For Researchers

This research is expected to provide insight and knowledge regarding community perception, payment methods, and electronic money which it can be useful for the future career and be an additional reference for those who are interested in researching problems with community perception in digital transactions.

2. For Company

This research is expected as advice and information for the company to further improvement of the facilities and provide conveniences to consumers in the form of platform so that the company's development is wider, and its existence is maintained