DETERMINANTS ANALYSIS OF CASH PAYMENT IN SUPER INDO MARKET

JOGOKARIYAN YOGYAKARTA

Nun Maziyyah Binti Mahsyar
Nunmaziyyah98@gmail.com

ABSTRACT

This study aims to know factors influence the society of Yogyakarta who shop in Super Indo to use cash payment. This study uses quantitative approach by using questionnaire as primary data. There are four independent variables within this research namely, manageable, flexibility, transaction volume and charge for non-cash payment. As a result, it shows that all the independent variables have influence simultaneously towards cash usage as the dependent variable, whereas in t test, only two variables affect against cash usage, which are transaction volume and charge for non-cash payment.

Keywords: cash payment, manageable, flexibility, transaction volume, charge for non-cash, super indo, influencing.

1. INTRODUCTION

Currently, Industry 4.0 becomes the center of public attention due to the changes that it brings. It was born from the idea of the fourth industrial revolution. Industrial revolution 4.0 presents technology that can expand the financial inclusive in which during the century is dominated by the bank. Financial industry recently feels the difference from the last moment such as the emergence of financial technology *"fin-tech"*. One of the impacts is the society can use digital payment to pay transaction without any hesitate to does not put money into the wallet. Therefore, by the emergence of financial technology, the Indonesian people are faced with two payment system options in every transaction they make, specifically using cash and non-cash, with their own respective advantages and disadvantages. The emergence of system payment has

existed besides physical payment, namely digital payment. It became a driver of the Indonesian government's policy to launch a Non-Cash National Movement (GNNT) in 2014, in order to be able to transition from the cash era to the cashless era, which until now continues to intensify its use. The existence of this movement is aimed encouraging people to conduct non-cash transactions for their economic activities so that they gradually form a community or people who prefer to use non-cash instruments. This movement to non-cash can also reduce the level of money circulation in Indonesia. In terms of the high circulation of money will cause economic inflation in Indonesia. Nevertheless, based on the report, the amount of money supply in Indonesia still increases year by year. It shows that although the existence of the feature of digital payment itself, cash usage is still become the society choice.

Money Supply in Indonesia (Jan 1989-Apr 2018)
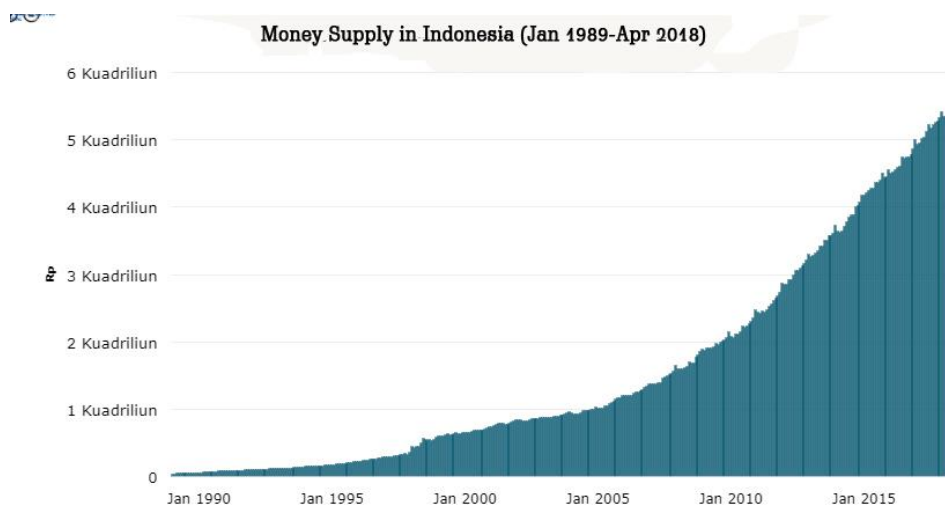
It shows that even though the government effort to push the society using digital payment through Non-Cash National Movement (GNNT) is still insufficient, cash usage as the payment tools still becomes the main financial transaction in this country. Moreover, reported "The G4S World Cash Report" released by G4S stated that 50 to 55% method of transaction in Indonesia uses

cash. This report applies two main instruments to measure increased demand for cash, namely cash circulation ratio (CIC) to gross domestic product and increase in cash withdrawals in countries involving in survey. In Indonesia, during the period 2012 to 2016, CIC grows 53,1% become IDR 528,53 trillion. While the number of cash withdrawals in ATM at the same period enhance as much as 65,6% become IDR 2.353 trillion.

Nonetheless, the emergence of electronic money is thriving away, the Yogyakarta societies still prefer to use cash as the payment transaction in daily life. It can be seen through directly observation in four big markets in Yogyakarta.

The Observation In Four Big Markets (Yogyakarta)

No.	Location	Observation (people)	Card Usage (%)	Cash Usage (%)
1.	Indogrosir	25	6	19
2.	Hypermart	25	10	15
3.	Superindo	25	9	16
4.	Mirota Godean	25	8	17
	Total	100	33	67

According to table, 67% people in Yogyakarta still prefer using cash payment, rather than use digital payment such as debit card, credit, OVO and so on with average expenditure up to IDR 500,000. It contrasts with the government policy on non-cash national movement that pushed since 2014. What happens with the rule and the development of digital payment. It seems like there is something wrong in digital payment. It is in line with the Final Report of Access to Cash Review that launched by Natalie Ceeney, across the United Kingdom, supports this

observation. Cash is decline but Britain is not ready goes through cashless era, because digital payment does not work for everyone. It is proved in the report, there 97% of UK population carry cash and 85% keep cash in their home.

Therefore, the authors curious what is the most factors influence society of Yogyakarta who purchase goods in Super Indo Jogokariyan using cash payment instead of the existence of digital payment currently. The likelihood factors influencing are manageable, because it is essential for financial in order to manage expenditure, it refers from (Soman, 2018). Flexibility because society will use when it eases to be accessed, It is supported from (Rosano, 2018) through world cash report regarding flexibility in using cash. Transaction volume due to people concern to use cash based on how much their quantity purchases, it refers to (Lloyd, et al, 2016) Charge for non-cash inasmuch as charge is the burden imposed through the card. It refers to (Arongo, et al, 2017).

This research uses flexibility variable as the distinguishing variable that never used from other researches. Flexibility variable is utilized within this research inasmuch as one of the purposes of non-cash national movement in Indonesia since 2014 to ease the society when use digital payment. Therefore, the existence of digital payment in order to make the society become flexible in every payment transaction they did. This research focuses on the Super Market in Yogyakarta, namely Super Indo. Since super indo provides cashier both device for digital payment and cashier only for cash users, therefore the authors will see the result obtained from all these variables.

2. LITERATURE REVIEW

Based on UU Bank Indonesia No.23/1999, payment system is a system that includes a set of rules, institutions and mechanisms, which are used to carry out the transfer of funds to fulfil an

obligation arising from an economic activity. In Indonesia, the only payment legalized is rupiah. Yet, there are many tools approved by government. Since, we live in millennial era and industry 4.0 so that there are several instrument tools that can be used as a tool of payment, namely cash and non-cash. Money has here primary function in any economics, as the medium of exchange, store of value and unit of account.

According to Keynesian Theory, there are three motives of money demand, as transaction motive, precautionary motive, and speculative motive. There are several factors influence the society of Yogyakarta to use cash, videlicet manageable, flexibility, transaction volume and charge for non-cash payment. Management is the art of knowing what you want to do and then it is done in the best and the cheapest way based on (Taylor, 1992). According to (Garperz, 1997) said that flexibility is the characteristic of process that measured how long a process changes to produce different output by using different set of inputs. Moreover, transaction volume based on (Simonson, 1990) stated that the amount of purchases have systematic effect on various product that likelihood chosen by consumer. According to (Machfoeds, 1996) stated that charge is the burden on income because the company uses available economic resources.

According to (Soman, 2001) stated that consumers who shop using a credit card will feel a sense of loss "or pain" of spending money will feel smaller than using cash so they find it difficult to control the expenditure. Moreover, it is in line with (Jati, 2015) and (Kresnawati, et al, 2018) stated that electronic money encourages the society to behave consumptively. Related result by (Rosano, 2018) stated that cash is flexible because it is easy to use which does not require about account or device by either party to complete transaction.

Related research regards transaction volume found by (O'Brien, 2014) stated that the amount of the purchases affect their propensity to use cash. It is in line with (Lloyd, et al, 2016) found

that the society will use physical payment when the transaction volume is lower. However, it contrast with the result by (Schmidt, 2016) found that in Germany, almost 40% or larger purchases with the value equivalent more than $ 40 US dollars are made in cash. Another research found the result regards charge for non-cash by (Arongo, et al, 2017), stated that the existence of incentive such as cost of card and differences in ATM withdrawal cost are the key factors explaining why cash is still remaining top of wallet across many developed economies. It is also found by (Alonso, 2018) stated that the fees charged for the use of cards therefore being willing to use cash for everyday transaction rather than using card.

3. METHODOLOGY

This research was done by quantitative approach and primary data. The object for this research focuses on Super Indo Market Jogokariyan Yogyakara. The subject for this research is the society of Yogyakarta. The number of the society of Yogyakarta reaches 431.939.000. Purposive sampling is used for choosing the study area. Stratified random sampling is used in determining sample size from the customers. In this research, the authors apply the standard of error in collecting sample such amount 10%. Based on the purposive sampling by using slovin formula, the authors gets 100 respondents.

The primary data of research variables will be carried out by questionnaire. Then, the data will be analyzed by multiple linear regression. Dependent variable is cash usage. Independent variables consist of four variables namely manageable, flexibility, transaction volume and charge for non-cash payment. Economic model defines the statistical relationship between variables in particular phenomena. This research uses multiple linear regression models below:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Where :

Y = cash usage

b_1, b_2, b_3, b_4 = regression coefficient

b_0 = intercept

μ = error term

$X1$ = manageable

$X2$ = flexibility

$X3$ = transaction volume

$X4$ = charge for non-cash

4. RESULT AND DISCUSSION

4.1 Profile of Super Indo

Super Indo is one of the large retail business in the form of a supermarket in Indonesia. It sells various products for daily needs such as foods, stuffs, electronic, etc. there are many society buy their household needs in super indo, it is in line with their motto "Fresher, More Economies, and Closer". Super Indo become one the supermarket favorites among the society to purchase because their services make the society feel comfortable, the lower price and quality product.

There are various kinds of products brand sold in super indo therefore easy to be gotten, moreover the diversity of society taste can be handled by super indo well. Super Indo has its own brand denominate "365". Private brand was launched in 2006 along with the amount of products reached 140 products. Super Indo has small mini enterprises partners as one of the appreciation against mini enterprises that want to supply their products in Super Indo. It can be seen in Super Indo market. Super indo has many market separated and dominantly in Java Islands. Nowadays, there are 171 booths, 165 super indo markets, 6 super indo express booth. Furthermore, in Yogyakarta can be behold as much nine Super Indo market.

4.2 Result of Classical Assumption

Normality Test

	Kolmogorov-Smirnov			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Unstandardized Residual	.062	100	.200[*]	.985	100	.338

It shows that the significance value of kolmogorov smirnov reaches 0,200>0,05. It means more than the value of alpha which is 0,05. It indicates, all the concepts of measuring variables used do not contain normality problems and can be said to be normally distributed data.

Multicollinearity Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Manageable	.737	1.358
	Flexibility	.597	1.675
	Transaction Volume	.704	1.421
	Charge for Non-Cash Payment	.780	1.282

It can be seen that the tolerance value of each independent variable shows a value> 0.1 and the value of VIF of each independent variable is at a value <10. This indicates that each independent variable in this study is free from the symptoms of multicollinearity.

Heteroscedasticity Test

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.812	1.060		2.652	.009
	Manageable	-.031	.098	-.037	-.315	.754
	Flexibility	-.088	.083	-.139	-1.062	.291
	Transaction Volume	.044	.133	.040	.330	.742

Charge for Non-Cash Payment	-.030	.050	-.068	-.592	.555

It can be seen that the significance value of each independent variable has a value> 0.05 which means it is greater than the alpha value. This indicates that each independent variable namely manageable, flexibility, transaction volume, and charge for non-cash payments does not contain heteroscedasticity problems.

4.3 Result of Multiple Linear Regression

Determination Coefficient Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.500	.250	.218	1.826	2.102

Based on the table above, it shows that the coefficient of determination (R2) is 0,250 or 25 %. The magnitude of the coefficient shows that the independent variables in this study are able to explain the dependent variable by 25 %, while the remaining 75 % is explained by other variables outside this research model.

F Test

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	105.660	4	26.415	7.919	.000
1	Residual	316.900	95	3.336		
	Total	422.560	99			

From the data above, it explains the F significance value of 0,000 <0.05. Thereby, it can be concluded that independent variables, which are manageable, flexibility, transaction volume, and charge for non-cash payments within this model together or simultaneously have a significant effect on the dependent variable that is cash usage.

T Test

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.444	1.699		4.383	.000
	Manageable	-.034	.157	-.022	-.216	.830
	Flexibility	.121	.132	.105	.916	.362
	Transaction Volume	.432	.212	.216	2.035	.045
	Charge for Non-Cash Payment	.256	.081	.318	3.160	.002

$Y = -0{,}022\, X1 + 0{,}105\, X2 + 0{,}216\, X3 + 0{,}318\, X4$

a) $\beta1 = -0{,}022$ coefficient for independent variable manageable. It shows coefficient regression for manageable is negative. It means that when manageable level increase then the cash usage will decrease, and vice versa. Moreover, t value reaches -0.216 and a significance value of $0.830 > 0.05$. This shows that manageable variable has a negative and insignificant effect on cash usage.

b) $\beta2 = 0{,}105$ coefficient for independent variable flexibility. It shows coefficient regression for flexibility is positive. It means that when flexibility level increases then the cash usage will increase and vice versa. Moreover, flexibility has a t value of 0.916 and a significance value of $0.362 > 0.05$. This shows that the flexibility has a positive and insignificant effect on cash usage.

c) $\beta3 = 0{,}216$ coefficient for independent variable transaction volume. It shows coefficient regression for transaction volume is positive. It means that when transaction volume level undergoes increment then the cash usage will increase. Moreover, the transaction volume

has a t value of 2.035 and a significance value of 0.045 < 0.05. This shows that the transaction volume has a positive and significant effect on cash usage

d) $\beta4 = 0,318$ coefficient for independent variable charge for non-cash. It shows coefficient regression for charge for non-cash is positive. It means that when charge for non-cash level undergoes increment then the cash usage will increase. Furthermore, charge for non-cash has a t value of 3.160 and a significance value of 0.002 <0.05. This shows that the charge for non-cash payments, has a positive and significance effect on cash usage.

4.4 Discussion

a) Manageable has negative and insignificance influence on cash usage

Manageable variable against factor of cash usage contrasts with non-cash usage in managing or controlling money itself. According to (Jati, 2015) found that by using electronic money will encourage the society to behave consumptively. This statement also is supported by (Soman, 2018) explained that consumer who pay or use debit card, more likely to obey the will and buy items that are not needed and not planned to be purchased beforehand, because the feeling of lost money will be lower in expenditure and does not affect them, due they do not see it. Moreover, consumer using credit card likelihood underestimates the amount of money they spend so there is a tendency for overspending

However, within this case, the manageable variable does not influence the society of Yogyakarta who shops in super indo to spend their money on shopping, unlike previous research findings. It is because they do not consider regarding managing their money in using cash. Moreover, the result is negative and insignificant because most of the occupation of the respondent within this model is the students reaching 36%, they do not earn money by their own self so that managing their money for shopping in using cash not affect them.

Thus, the result of this phenomenon can be concluded that the societies who shop in Super Indo are a category of retail buyer which withdraw their own money from ATM and hold cash in order can purchases goods and services to fulfil their needs without thinking and considering their expenditure management in shopping, so that variable manageable is negative insignificant.

b) Flexibility has positive and insignificance influence on cash usage

Flexibility does not influence the society significantly. It is insignificant because either the consumer will buy many things or not they will tend to use cash. This result become positive because everyone likes to ease in every action did especially when it is part of transaction tool. The society of Yogyakarta who shop in super indo likes to hold cash because they do not have any tackle when they pay using cash. The more flexibility, the more consumers will use cash. Moreover, it is also eased them to pay the park by only using cash rather than they use card to pay.

This phenomenon also supported by (Rosana, 2018) through world cash report stated that cash is flexible inasmuch as it is easy to use which does not require account or device by either party to complete transaction so therefore, everyone can use cash and it is very simple. Although they purchase in grocery needs, cash is still needed so therefore, cash is still important in daily life. Moreover, the result of flexibility and transaction volume has consistent itself. When the society wants to get more flexible then they will use cash for buying their daily needs no matter how much their quantity purchases. Transaction volume has positive and significance influence on cash usage.

Thereby, it can be concluded that although one of the purposes of non-cash national movement to make the payment transaction become flexible, in fact society likes to use cash

payment, because it does not require device and does not have any tackle therefore it can be accessed anywhere

c) Transaction volume has positive and significance influence on cash usage

It indicates that the independent variable for transaction volume is positive and significant towards cash usage. The results obtained between flexible and volume transactions have red thread, which because they want to flexible therefore they use cash. Although the higher volume transaction. It shows the consistency results between flexible and transaction of volume, which means no matter how much the quantity shopping, they will remain using of cash.

This result matches with the pre-research conducted that indeed the use of cash still dominates; videlicet 67% of people still use cash to transact with an average expenditure of up to 500 thousand rupiah, it includes as higher purchases. It also matches with the result from the respondent answer saying agree regarding still using cash although the transaction volume relatively higher reaches 51%.

Thus, the results obtained tell that society of Yogyakarta who shop at Super Indo already have planning beforehand for shopping as a behavior to fulfill their needs. Thereby, transaction volume becomes the reason significantly, why the society of Yogyakarta who shop in Super Indo use cash payment.

d) Charge for non-cash payment has positive and significance influence on cash usage

The result of this variable, charge for non-cash is positively and significance influence towards cash usage. It means that within this model, the society of Yogyakarta who purchase in Super Indo decide that the more charge for non-cash, the more they prefer

using cash as transaction system. It is because there is additional fee charge when they swept the card, it is kind of burden for them. Consequently, the factor of charge for non-cash becomes the reason why societies of Yogyakarta who shop in Super Indo use cash to transact. It is because the burden through additional cost out of the total cost of purchases that actually does not exist in cash usage.

It has the red thread with transaction volume variable, in which when the society of Yogyakarta who shop in super indo buy their daily needs by using cash with the number of transaction volume relatively higher, then they do not want to get burden anymore by the additional cost imposed by card, so that they tend to use cash.

Thereby, the phenomenon result shows that the society of Yogyakarta who shop in Super Indo think holding cash is more important rather than card due to the charge does not give an advantage at all. The fee charge imposes for non-cash actually can use for any good rather than acquiesce their money in vain. Furthermore, the center of Super Indo, headquarters Jogokariyan, serves the customers who pay with cash through provide cashier specific only for cash user. It shows that people who shop at Super Indo avoid additional costs that will be charged when they pay using a card.

CONCLUSION

This research aims to analyze determinants of cash payment in Super Indo Market Jogokariyan Yogyakarya, so that results 100 respondents through slovin formula. Then, the result is tested using multiple linear regression and shows the result of every independent variable. As a result, only transaction volume and charge for non-cash payment have positive and significance effect on cash usage.

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