

## THE USE OF ISLAMIC CASHLESS SOCIETY AS A COMMUNITY NEED IN THE NEW NORMAL PERIOD

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### **Abstract**

*This study aims to compare the use of a conventional and sharia-based cashless society in the new normal, cashless transactions that are considered more real time by the community. The research method used is qualitative, with library study data collection based on the use of cashless with digital wallets in Indonesia which people tend to use during the COVID-19 pandemic such as Shopee pay, Dana, Ovo, link aja, link aja sharia, gopay. The results showed that Go-Pay, OVO, DANA, LinkAja. Five products with the best developers from each. ShopeePay is 39%, OVO is 18%, Go-pay is 17%, Dana is 18%, and LinkAja is 9%, ShopeePay has succeeded in gaining public trust in transactions during the pandemic, while the LinkAja Syariah Service is the first Islamic electronic money. The conclusion of this research is Shopee pay is Cashless with the most popular ranking during the covid-19 pandemic, ShopeePay is also the main payment method that is in demand and used by the non-cash movement community.*

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### **Introduction**

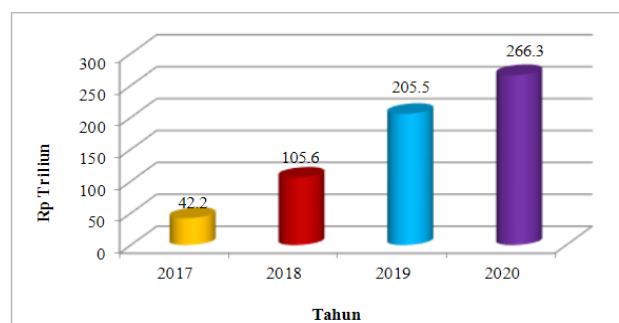
The impact of Covid-19 is very large for the order of people's lives in this world that has a crisis effect in all fields, this puts pressure to each individual to innovate and take preventive action in tackling the spread of Covid-19 (Boedi Priantoro, 2020). The government and strategic assessment institutions predict Indonesia's growth will be low or even negative in 2020. In the current pandemic era, the world economy has experienced a significant decline, even many countries have complained about the economic sluggishness experienced by their people. One of the countries affected by the pandemic is Indonesia. This can certainly be seen from the smallest component, which is currently experiencing a decline in sales and turnover, namely traders. For this reason, the Government is good and can be an alternative to self-awareness against the COVID-19 pandemic.(Aji et al., 2020).

Attempting to schedule the New Normal policy so that the economic impact due to the pandemic not to cause a prolonged crisis (Muhyiddin, 2020)(Trinugroho et al., 2017) The pandemic has changed people's habits or habits in non-cash transactions using digital wallets or e-wallets with the aim of making them more practical and simple. With cashless or non-cash transactions, it is to reduce the risk of being infected with the covid 19 virus attached to money, credit cards or the hands of the person who handed over or received the money. WHO (World Health Organization) urges the public to implement contactless payments, namely reducing contact with cash payments using digital wallets or electronic transactions. (Katon & Yuniati, 2020).

The existence of transactions using e-wallet is a form of technological development, like it or not, people have been introduced to a cashless lifestyle (Cashless Society) or called the Non-Cash Movement. Cashless society is a term that refers to people who in transactions no longer use physical money, but through the transfer of financial information digitally. In daily transactions, people do not use real money, but digital money.

A digital wallet is a type of prepaid account protected with a password where users can save money for any online transactions, such as payments for food, online shopping for goods, and flight tickets. Digital wallets can be downloaded for free via everyone's smartphone. (Rosmayanti, 2019).

**Figure 1. The Value of E-Commerce Transactions in 2020 in Indonesia**



Source : Kata Data

Based on the picture above, during the Covid-19 pandemic the value of e-commerce transactions in Indonesia increased from previous years. Economic activity is not paralyzed on a macro basis, as it is proven that market activity persists, namely through electronic commerce (e-commerce), which also uses payment instruments through digital applications and or electronic money. Various types of digital wallets such as Shopee Pay, Go Pay, Dana, Ovo, LinkAja, LinkAja

Syariah, and so on. E-wallet payments can also be useful for controlling finances. There is a cashless society based on sharia and conventional, in the face of the new normal era the use of e-wallet has increased drastically which has become a trend for the community, both sharia and conventional are still used in electronic transaction activities in general.

### **Literature Review** **Pandemi in New Normal Era**

In the current pandemic era, the world economy has experienced a significant decline, even many countries have complained about the economic sluggishness experienced by their people. One of the countries affected by the pandemic is Indonesia. This can certainly be seen from the smallest component, which is currently experiencing a decline in sales and turnover, namely traders. (Pradesyah, 2021). Globally, the impact of Covid-19 has damaged supply chains, dropped commodity prices, and increased the risk of global economic collapse. (Tirtayasa et al., 2021)

In 2014, Bank Indonesia officially carried out innovations and at the same time promoted the National Non-Cash Movement (GNNT). The purpose of this is to invite the public to be aware of the use of non-cash instruments in daily economic activities (cashless society). (Rangkuty, 2021), The presence of digital wallet products by provider companies such as ShopeePay, OVO, Go-pay, Dana, LinkAja reflects that they have been accepted by the community. And Indonesia with a high population has the potential to widely access digital wallet services in increasing the use of e-wallet (Badri, 2020).

During the Covid-19 pandemic with the implementation of the physical distancing policy, Indonesians are turning to digital payment systems. Reducing physical interactions including on manual payment methods to digital payments. Feel the use of e-wallet completely by the community mediated by the government through support the use of the e-wallet, but there are also things that become a perceived risk effect the public is interested in using e-wallet during the Covid-19 pandemic. Information that is still limited to the protection of the security of holding money in digital wallets, public awareness in transacting continuously tends to increase the number of money supply in the market which results in an imbalance between the quantity demanded and the offer of money. (Aji et al., 2020).

## **Cashless Society**

Non-cash transactions are a form of modernizing infrastructure in the financial sector and preventing fraud in the financial sector. (Rahmayati, 2021), Besides being able to prevent fraud in the financial sector, non-cash transactions can provide many advantages. The advantages of non-cash transactions include providing convenience and simplicity of the transaction process on the party doing it. Only with a card or smartphone, the transaction process can be carried out by the parties making the payment. (Rahmayati, 2020). *Cashless* are also able to minimize financial crimes that may arise when cash transactions occur. This is because non-cash transactions are very transparent and it is easy to see transaction history through mutation printouts. The implementation of non-cash transactions is also claimed to be able to encourage the implementation of the government's monetary policy in controlling inflation. Currently, the use of smartphones to support business activities, especially for transaction aids, is increasingly widespread. The development of financial technology applications in the payment sector makes transactions using QR codes very fast. (Yudiantoro & Rahmadi, 2021)

Digital wallets (cash transactions) based on user motives are divided into (1) enjoyment as a pleasant experience when consumers transact, (2) conviviality as a motive based on trying something new, (3) belonging is part of a form of digital user loyalty with a brand certain in a relationship, (4) security as the most common motive sought by digital consumers, (5) control is considered to provide data control or transaction evaluation, (6) recognition is a perceived benefit in using a digital wallet, (7) power provides capabilities and power for users, (8) vitality provides digital wallet users readiness to future.(Aulia, 2020).

Digital wallets have become part of people's daily lives where within a week about one to two times using transaction payments reaching 68%. The existence of digital wallets such as OVO, Gopay, Dana, Linkaja makes humans consumptive because of the ease of transaction services through digital. The most frequently used transactions according to research institutes research results application-based, snapchart, namely retail transactions (28%), online transportation orders (27%), and online food ordering (20%). The rest, for e-commerce transactions (15%) and bill payments (7%). Online transportation ordering transaction segment and delivery online food, Snapcart research data shows ovo's position as a digital wallet Grab and Grab Food services show that 71% of respondents use ovo for this transaction.(Situmorang, 2021)

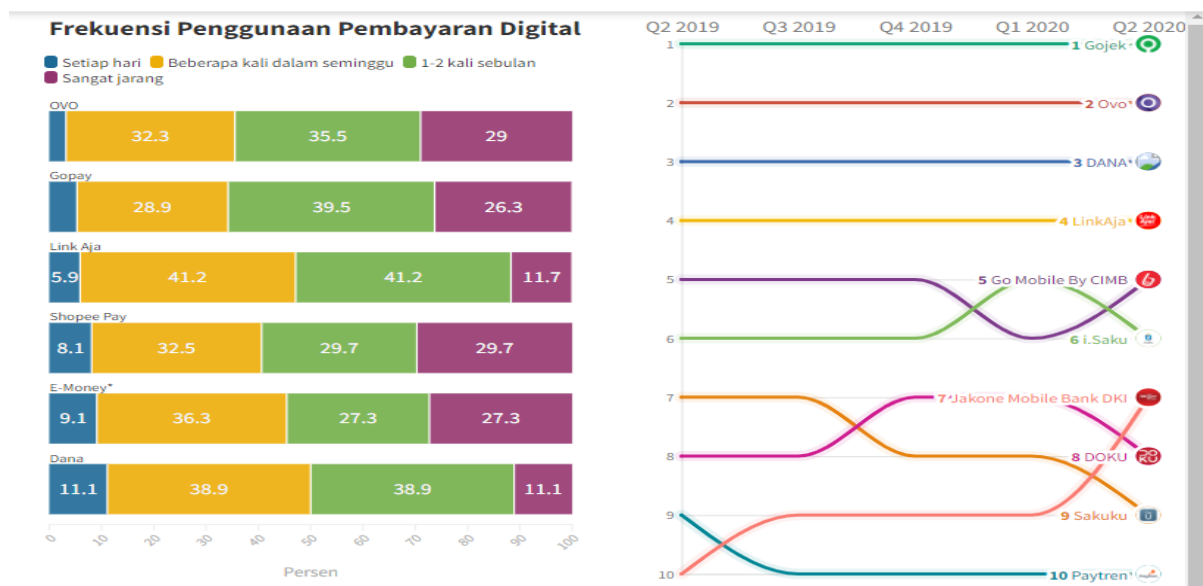
**Method**

The type of research used is a qualitative research approach research. Primary data is obtained from the latest summarized scientific articles with some information from trusted websites. As for the secondary data which used here are journals, and websites.

**Result and Discussion**

The e-wallet service is in the form of a server-based application. The advantage, security is more guaranteed because users must register themselves first. The balance limit is even greater up to IDR 10 million. The segmentation of e-wallet users is more netted. Only consumers who are connected to the internet can take advantage of it. Because e-wallet is only useful when transacting online and when the cellphone is on. The majority of consumers enjoy this digital payment service when shopping online, as shown by KIC's research.

**Figure 2. Frequency of Digital Payment Usage**



Source : Kata Data

Consumers choose services that are simple and practical. This is as in KIC's research which states, respondents rated ease of use (56.8%), convenience (54.6%), and practicality (53.3%) as very important in a digital payment service. This advantage is also owned by e-wallet. For example, Gopay and OVO are integrated directly into online motorcycle taxi and taxi applications. Then, Shopee Pay which is useful for online shopping payments and other utilities in one application. This is not owned by e-money. In addition, e-wallet has many promos that are

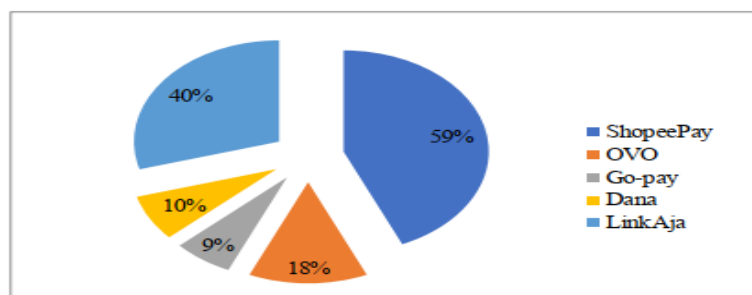
also consumer preferences in using digital payment services. For example, a cashback promo for Gofood transactions using Gopay. In fact, e-money providers also have promos, such as BCA which provides discounts for Flazz card holders.

There are three advantages to using an e-wallet, namely:

- a) Practical and Efficient Using an e-wallet only with a smartphone without having to carry a wallet so that it is more practical and efficient because there is no need to provide cash to make the wallet too thick.
- b) Many Promos, Discounts and Cashback It is a marketing strategy that offers many promos, discounts and cashback for e-wallet users. This causes the community to feel benefited and then take the decision to switch from a cash payment system to a non-cash payment system.
- c) Safe

People feel safe when using e-wallet because digital wallet applications are the smartphone is equipped with a security feature of including a password or password in the every account registered.

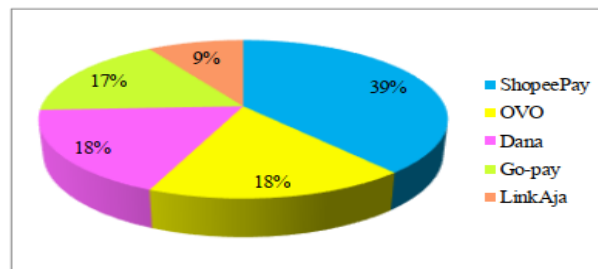
**Figure 3. The Most Helpful & Easier E-wallet for Indonesian People**



Source : Rajasa

From the picture above, it can be seen that the development of the use of e-wallet during the Covid-19 pandemic in Indonesia was dominated by five products with the best developers from each. ShopeePay (59%). This means that the use of e-wallet during the Covid-19 pandemic in Indonesia is increasing.

**Figure 4. The Most Interested E-wallet in Indonesia**



Source : Rajasa

From the picture above, it can be seen that the development of the use of e-wallet during the Covid-19 pandemic in Indonesia was dominated by five products with the best developers from each. ShopeePay at 39%, OVO at 18%, Go-pay at 17%, Dana at 18%, and LinkAja at 9% have succeeded in gaining public trust in transactions during the pandemic.

### Conclusion

The use of e-wallet during the Covid-19 pandemic in Indonesia is increasing. Indonesia as an emerging market country that is able to compete in creating innovations in the payment system for digitizing the economy. Conventional payments go online. During the Covid-19 pandemic, Indonesia was not paralyzed by economic activity, as evidenced by buying and selling in the market, but in electronic commerce (e-commerce) and using a digital payment system (e-wallet). Indonesia has great potential in market expansion in e-commerce and e-wallet innovation that has been accepted by the public. A high population is not an obstacle but an opportunity for the birth of business units that play a role in e-commerce so as to contribute to increasing the rate of community economic growth.

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