

CHAPTER I

INTRODUCTION

1.1. OVERVIEW OF RESEARCH OBJECT

1.1.1. Company Profile

Shopee is one of the various online Marketplace applications that sell product range easily and quickly. Shopee sells a wide variety of products from fashion products to daily necessities. Shopee comes in shape mobile application to make it easier for users to carry out shopping activities online. Shopee is a subsidiary of Garena based in Singapore. Shopee is present in several countries in the Southeast Asia region such as Singapore, Malaysia, Vietnam, Thailand, the Philippines and Indonesia.



Figure 1.1 Shopee Logo

Source : Shopee, google.

Shopee's goal is to be present in Indonesia to bring a new shopping experience. As well as facilitating sellers to sell, Shopee also provides convenience for consumers to make transactions easier and more organized. On the home page, users will be greeted with 26 categories available at Shopee, namely Women's Clothing, Men's Clothing, Women's Shoes, Men's Shoes, Handphones and Accessories, Beauty, Computers and Accessories, Home Appliances, Baby and Child Fashion, Mother and Baby, Men's Bags, Women's

Bags, Watches, Muslim Fashion, Electronics, Fashion Accessories, Healthcare, Hobbies and Collections, Photography, Food and Beverage, Sports and Outdoor, Automotive, Books and Stationery, Vouchers, Souvenirs and Parties, and Miscellaneous Items inside there are snacks and home decorations. (Shopee, 2019). Shopee has a payment system that is quite safe and easy. Shopee facilitates its consumers with Shopee E-Wallet. Shopee E-Wallet is an electronic money service feature that can be used as an online payment method on the Shopee platform, offline at ShopeePay merchants and to accommodate refunds.

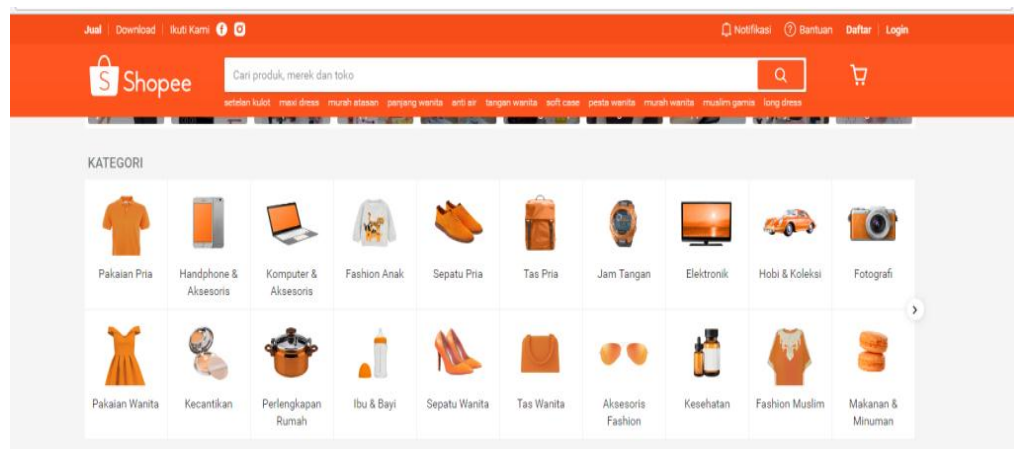


Figure 1.2 Shopee Home Page

Source : Shopee, Google.

1.1.2. Company's Location

- Pacific Century Place Tower Lt. 26 SCBD (Sudirman Central Business District) Lot 10, Jl. Jend. Sudirman No.52-53, RT.5/RW.3, Senayan, Kec. Kby. Baru, Kota Jakarta Selatan, Daerah Khusus Ibukota Jakarta 12190, Indonesia.
- 67 Đ. Lê Lợi, Bến Nghé, Quận 1, Thành phố Hồ Chí Minh 700000, Vietnam.

1.2. BACKGROUND OF STUDY

The Covid-19 pandemic has lasted almost a year, but there is no sign that the rate of transmission of Covid-19 has been brought under control. The number of patients exposed to Covid-19 in Indonesia continues to grow. Data from the Covid-19 Handling Task Force until Tuesday showed that there were an additional 10,029 new cases of Covid-19 in the last 24 hours. The addition has caused the total number of Covid-19 cases in Indonesia to now reach 1,233,959 people, starting from the announcement of the first patient on March 2, 2020. The main spread of the new type of corona virus which is currently becoming a pandemic is currently occurring through droplets.

In other words, we are at great risk of becoming infected with the virus if we get droplets of saliva from an infected person. However, the virus can also survive on surfaces and cause cross-contamination of people who touch them. Therefore, the World Health Organization (WHO) urges us to avoid objects that are frequently touched by many people, such as doorknobs and tables. We are also encouraged to reduce transactions using cash. If forced to do so, we must wash our hands immediately, including after handling money.

In the covid-19 era, the government advises people to use online payments to prevent the spread of the Covid-19 virus. the development of digital payment makes it easy for people to avoid spreading the virus. This development is marked by the emergence of e-wallets and e-money, electronic money uses cards or smartphones. Based on statistical data from OJK, 149 e-wallets were released. Of these 149 e-wallets, there are several e-wallets that are well-known and often used by the public. Such as ShopeePay, DANA, OVO, Go-Pay, LinkAja, and many more. Of the many e-wallets that have been released, Shopee E-Wallet is the e-wallet that is most often used by the public.

Shopee E-Wallet is E-Wallet that has been released by Shopee. Based on chart from databoks shopee e-wallet usage increased during covid-19 pandemic. shopee has a strategy to retain its users. by presenting the Shopee E-Wallet. Shopee makes it easy for its users to transact, this also makes it easier for those who don't have a bank account

because Shopee E-Wallet can be used to save money without monthly deductions. Shopee e-wallet is an online payment service that provides many promotions.

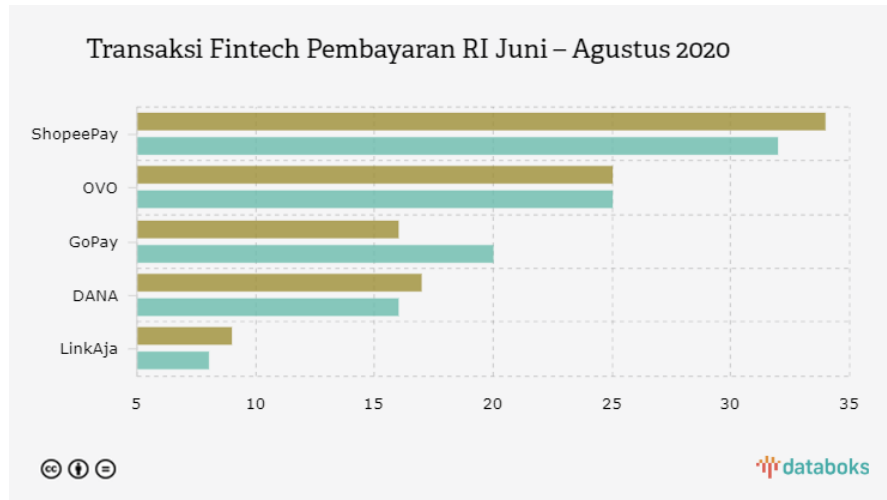


Chart 1.1 Fintech Payment in Indonesia

source : databoks.go.id

Promotions provided by Shopee E-Wallet are discounts and cashback. Shopee is the first e-commerce to provide postage discounts. by using Shopee e-wallet users can get free shipping. not only discount shopee e-wallet also provides cashback. however, the cashback is given in the form of digital coins which can be used for subsequent transactions using shopee e-wallet. according to khoirunissa (2018) this e-wallet has official permission to use it.

Shopee also provides transaction security for its users, this relatively new E-Wallet already has a high level of security. Shopee E-Wallet guarantees the security and confidentiality of users' personal data. although there are also many e-wallets that have good promotion and security, but shopee e-wallets are in great demand by consumers. Therefore, this research was conducted to see the factors that influence the intention to use shopee e-wallets.

1.3. PROBLEM STATEMENT

The number of companies that create E-Wallets as payment transactions can pose a threat to Shopee E-Wallet in retaining its users, because many other companies use promotions and increase security to attract consumers to use the E-Wallet that was created. Shopee E-Wallet also uses promotional strategies through discounts and cashback, in addition to using the Shopee E-Wallet promotion it also provides security and keeps customers personal data safe so that consumers feel safe for transactions. According to Jogiyanto (2007) intention is the desire to do behavior. According to Arisudana (2009) in Sumaryono (2016) intention is a component in the individual referring to on the desire to do a behavior, while on behavior is the real action of the will to behave. This stage is very important because it relates to the success of the marketing program. this will be one measure of the company's success. The problem faced by Shopee E-Wallet is a similar high level of competition in the city of Bandar Lampung, which shows that consumers who fall into this category are very potential, but on the other hand, producers are required to be more careful in reading the needs and desires of consumers.

1.4. RESEARCH QUESTIONS

From background and problem statement can be formulated :

1. Does cashback,discount, and security influence intention to use Shopee E-Wallet?
2. Which factors that more influence towards intention to use Shopee E-Wallet?
3. Does Does Respondents in Vietnam and Indonesia have a different perception to each factors?

1.5. RESEARCH OBJECTIVE

The purposes of this study is :

1. To indentify the influence of Cashback, Discount, and Security towards intention to use Shopee E-Wallet.

2. To evaluate the influence's level of each factors
3. To compare respondents perception to each factors between Indonesia and Vietnam

1.6. RESEARCH LOCATION

In this study the target are Shopee E-Wallet users in Indonesia and Vietnam. As for the coverage list in terms of respondents, such as 18-30 years old, students or employees both in Vietnam and Indonesia. With this coverage, this research will be conducted in Indonesia directly and online in Vietnam. This research done in University Of Economic and Law, Vietnam and Institute of Informatics and Business Darmajaya, Indonesia.

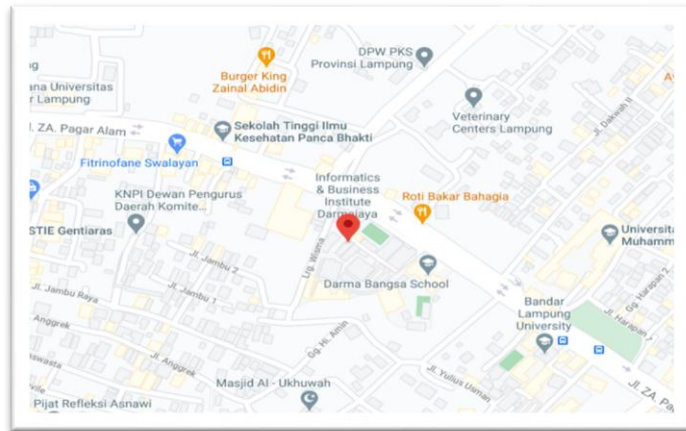


Figure 1.3 IIB Darmajaya's Location

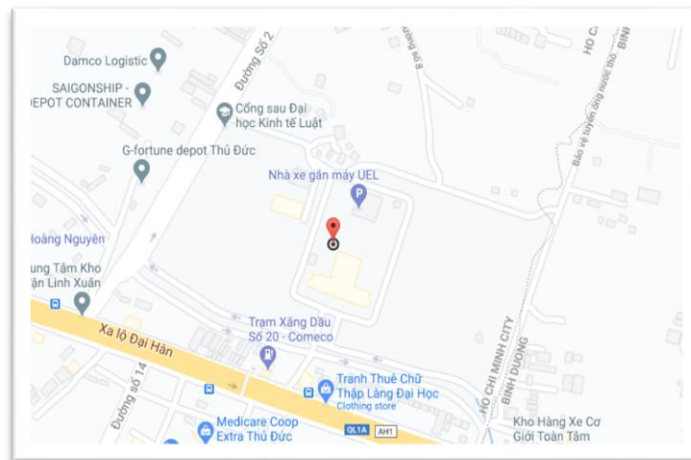


Figure 1.4 University Economics And Law's Location

1.7. TIME AND PERIOD OF RESEARCH

The time and period in this study were from November 2020 to February 2021.

1.8. SCOPE AND LIMITATION

1.8.1. Scope of Research

This study aims to determine the influence of cashback, discount, and security towards intention to use Shopee E-Wallet. Researchers chose Shopee E-Wallet as a platform to identify the influence of cashback, discount, and Security towards intention to use Shopee E-Wallet. This study does not limit age. Anyone who uses Shopee E-Wallet to make transactions can be a respondent.

1.8.2. Limitation of Research

Several limitations have been identified in this study. This study only covers areas in Bandar Lampung, Indonesia and Ho Chi Minh, Vietnam to determine the influence of cashback, discount, and security towards the intention to use Shopee E-Wallet. Other locations will not be discussed in this paper. In addition, the sample size of this study is relatively small, namely around 200, 100 each for each country. The limited sample size may cause researchers not to get the expected results. This can undermine the validity of the study.

Appropriate sample size (200 respondents) to determine future customer acceptance. Time is also limited in this study. Only one semester for researchers to carry out this research from November 2020 to February 2021. Therefore, researchers need the right time to publish all research from start to finish.

1.9. CONTRIBUTION OF THE STUDY

The results of this study are expected to be useful for many parties, especially those related to this research, including:

1. For the Company

This research is expected to provide additional information to companies about how much cashback and discounts have to influence to improve existing

promotions in the company and increase security so that consumers feel safe using the Shopee E-Wallet.

2. For Academics

This research is expected to provide additional and reference contributions for academics, especially students who will research marketing matters.

3. For Author

It is hoped that it can add insight and knowledge about the influence of cashback, discount, and security towards the intention to use Shopee E-Wallet and compare the theories studied with facts in the field.

SUMMARY

In conclusion, this entire chapter covers all aspects of the introduction to starting the study. This chapter clearly explains the problems faced by Shopee E-Wallet regarding the influence of cashback, discount, and security towards the intention to use Shopee E-Wallet on the problem statement. Then, there are several objectives identified in the problem statement. The scope of research is the science of marketing management, namely marketing, promotion mix, sales promotion, cashback, discount, security and intention to use. This research is expected to provide useful information for researchers as additional insights in developing the knowledge obtained during the academic learning process or the field research process.