

## Challenges and Opportunities for Non-Cash Payments in the Era

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### *Abstract*

*This research aims to find out more deeply about the challenges and opportunities of non-cash transactions. The research method used is library research, namely research activities carried out using library data collection methods, reading and taking notes and processing research materials. Literary study also means data collection techniques by reviewing books, literature, notes, and various things related to the problem you want to solve. Data collection techniques include reviewing research journals or scientific articles, books, documents and information related to research. Technological developments have encouraged businesses to carry out financial businesses using digital technology or in other words financial technology and the importance of understanding the complexity of non-cash payments in the context of the modern economy because digital transformation is not only a transition from traditional banking to the digital world, but also a major shift in the way banks operate. and other financial institutions learn, interact and satisfy customers. The challenges faced during non-cash transactions are the nature of community dependency, data security, inadequate community infrastructure and so on. Meanwhile, the opportunity to use non-cash transactions is that it makes office work easier, accountable, structured and supports financial inclusion.*

**Keywords:** *Non-Cash Transactions, E-Money, Challenges, Opportunities*

## INTRODUCTION

Technological developments are growing increasingly rapidly, in line with people's lifestyles, thus encouraging business development to run businesses in the financial sector using digital technology or what is called financial technology (Hasanah, 2023). Financial technology is a form of service that uses technology to make payments possible and make it easier for people to use financial services freely (Aditya, 2022). The increasing use of technology certainly makes it easier for people, especially small and large business people, to run their businesses. The emergence of digital payment tools in Indonesia in 2017 certainly had a big impact on business people (Prasetia & Lestari, 2023). The transformation of the payment system from cash to digital payments has indirectly changed the way of buying and selling goods and services, this of course greatly simplifies the transaction process carried out by the community (Anjani, Latgifaturahmah, & Hartati, 2023).

People will switch from cash payments to digital payments. However, we need to know that there are aspects that must be considered when making this change, namely regulatory issues. Of course, there are challenges and opportunities in the future when switching completely to non-cash (digital) payments. One of the challenges that society will face is the problem of user account security. Non-cash transactions are the payment process through media such as debit cards, credit cards, automated teller machines (ATMs) and so on. Non-cash transactions can also be carried out using e-wallets such as OVO, Gopay, Dana, Shopeepay, and Link Aja and can also use Standard Indonesian Quick Response Code (QRIS) ((Ulfi, 2020., Prasetia & Lestari, 2023).

If you look at the history of non-cash transactions, they have been around for a long time.

The increasing use of computer technology in the 1860s led to the Western Union company introducing electronic and electronic transfer systems, which could then also be used to transfer money and digital transactions via credit cards to increase to prevent transaction costs (Ulfi, 2020). Cash payments in the modern era are developing so rapidly, that Bank Indonesia has innovated to improve the non-cash payment system. The results of innovations carried out by Bank Indonesia are currently being intensively socialized in the community, especially small and large business players, namely Standard Indonesian Quick Response Code (QRIS) (Sekarsari & Indrawati, 2021). QRIS is a code standard for digital payments via server-based electronic money applications, electronic wallets, and mobile banking. The purpose of QRIS is to make it easier to carry out digital payment processes and can be monitored by regulators and there is no need to wait for money to be returned. Through the news, CNBC Indonesia informed that QRIS transactions have grown quite rapidly from year to year, increasing up to 272%. Not only QRIS transactions are experiencing growth, but the money sending feature is also experiencing growth of 147% in 2023 and recorded the number of users reaching 172 million or an increase of 23% from the previous year (Dewi, 2024).

According to Bank Indonesia, electronic money is defined as a means of payment in electronic form where the value of the money is in certain electronic media (Anjani, Latgifaturahmah, & Hartati, 2023). Electronic money as a payment instrument is currently increasingly being used in Indonesia. Electronic money can be classified into two large groups, namely chip-based (offline) and online (online) electronic money (Widyastuti, Handayani, & Wilarso). Payment systems are increasingly developing along with technological developments, currently many people prefer to use electronic money as a means of payment compared to using cash. (Amran, Basrefnaldi, & Silfira, 2021). People think this makes things easier making payments, besides that it can also have an impact on government. Because you can creating orderly, efficient, effective, transparent and accountable financial governance to avoid corrupt practices. With non-cash transactions or in other words electronic money, you can avoid unwanted things in financial transactions.

Non-cash transactions are currently the center of attention for Indonesian society and one of the government's programs. Apart from having a positive impact by using digital money, of course it will also have a negative impact. Then there are also challenges and opportunities with the non-cash transaction program. Challenges such as account security and opportunities can create new innovations. Therefore, to find out more about the challenges and opportunities of non-cash transactions it will be discussed in this journal.

## RESEARCH METHODS

The method used in this study uses a literature method or approach (library research) namely by reading, studying and studying books and written sources that are closely related to what is being discussed (Tanjung, 2020). The method used in this study uses a literature method or approach (library research) according to Zed in (Solehan, 2022) that library or literature study can be interpreted as a series of activities related to methods of collecting library data, reading and taking notes as well as processing research materials. Literature study also means data collection techniques by reviewing books, literature, notes, and various things related to the problem you want to solve (Cahyono, 2021). In library research there are four main

characteristics that writers need to pay attention to, including: first, the writer deals directly with the text. Second, the data is "ready to use" meaning not fall into the field. Third, the researcher obtained data from second hand, not secondary data. Fourth, library conditions are not limited by space and time (Supriyadi, 2016).

## RESULTS AND DISCUSSION

This section discusses the insights gained here that non-transactions make it easier for people to carry out the payment process. It is not only the public who feel the convenience of non-cash transactions, but also the government, business actors and others. So there are several findings that we obtained based on the references used as follows:

### The Role of Non-Cash Transactions in Society

Non-cash transactions have a very important role in society, apart from making it easier to carry out transactions but also making it easier to make payments when you want to buy something. The use of electronic money (e- money) in the next few years in Indonesia will grow significantly. With electronic money, it will be easier for people to make transactions without the need to use cash. E-money is a non-cash payment tool, this product is a deposit of the amount of money stored in electronic equipment. The amount of money saved electronically is done by exchanging a certain amount of money or by debiting a bank account which is then stored in electronic equipment. The implementation of e-money in Indonesia is late compared to countries such as Hong Kong and Singapore. E-money was introduced in 2007, when it was in Hong Kong in 1997 and Singapore in 2000. With the condition of infrastructure in Indonesia, it takes a long time for people to achieve this goal. accustomed to using emoney. The culture of people who are used to making cash transactions will be a challenge. To increase public confidence, Bank Indonesia has issued regulations regarding e- money transactions. Using Emoney will also make things easier for the public, because they no longer need to carry cash. Transactions using e- money are safe, because they use technology that pays attention to standardization such as the use of chips (Samsunar, 2016). However, on the other hand, there are still many people who cannot use technology well or in other words are technologically illiterate, especially among ordinary people. Then the level of trust Public awareness of electronic money is high, but there are still concerns regarding data security and privacy (Anjani, Latgifaturahmah, & Hartati, 2023).

### Challenges of Non-Cash Transactions for Business Actors

The obstacles faced by e-money users are merchant restrictions, access method limitations, channel transaction limitations, transaction costs, namely additional admin fees, other existing e-money products. The obstacles faced by business people are the lack of experience in business and the difficulty of getting money users. electronic. Apart from that, sata security is also an obstacle and challenge for business people, this is due to sophisticated security technology, but data security risks are also getting higher and many business people still cannot have access to the technological infrastructure needed to carry out non-cash transactions. and there are still many business people who still don't understand using non-cash transactions such as QRIS, Ovo, Gopay, Linkid (Prasetia & Lestari, 2023).

However, the encouragement to implement non-cash transactions with the existence of non-cash policies in various countries is expected to have a positive impact on the economy. From previous research it can be concluded that non-cash transactions have a positive impact on the economy, such as macro economic growth and growth in MSMEs (Ulfi, 2020). Apart from

that, the convenience and security of transactions is also a positive impact for consumers. Nevertheless, there is several challenges that must be faced in order to implement efficient non-cash transactions include the low level of consumer acceptance, business models that must be standardized and additional costs due to maintenance and security activities for non-cash transactions. By identifying opportunities and challenges, we can plan how to take advantage of opportunities and answer challenges in implementing non-cash policies. By doing this, it is not impossible that the positive impacts of the implementation and policies of non-cash transactions that have been implemented can continue to increase so that they can contribute to a better Indonesian economy in the future.

#### Opportunities & Challenges of Non-Cash Transactions

Technological advances in the business world can encourage the business world to continue to innovate and launch new products so that they are not eroded by time. Digital transformation is not just a transition from traditional banking to the digital world, it is a major shift in the way banks and other financial institutions learn, interact and satisfy their customers. Digital transformation begins with understanding digital customer behavior, likes and dislikes, and the shifts that lead to a major organizational shift from productcentric to customer-centric. Banking needs in this digital era are everywhere at all times. Therefore, banking requires innovation, resilience, security, optimization and drive to meet the desires of tech-savvy customers. If a bank does not meet customer needs, customers are willing to move to another bank that meets their needs (Tambunan & Nasution, 2023). The opportunity for non-cash transactions is that the government can also implement noncash transactions in regional financial management, providing many benefits for transactions that are very efficient and effective. The advantage of implementing a noncash transaction system is that the use of cash flows for all transactions can be traced so that they are more accountable, because all transactions are supported by valid evidence; treasurers do not have to hold cash at risk of crime, loss and miscalculation; avoiding financial abuse in regional apparatus; more efficient use of the budget and more controlled cash inflow and outflow; improving internal control of cash management; and make it easier for the treasurer to receive billing. Non-cash transactions tend to be more cost-effective when compared to using cash transactions with currency, aka paper money or coins, speeding up the implementation of book closing and financial reporting and guaranteeing reliability. Then the growth of non-cash transactions can also encourage financial technology innovation, including digital payments, the development of blockchain-based payment solutions. Apart from that, non-cash transactions can also help increase financial inclusion by providing access to those who previously did not have access to traditional banking services.

The challenge of using non-cash transactions is technology dependence, where people tend and are very dependent on technology, when the technological system experiences disruption or failure it can result in inconvenience and difficulties for someone who relies on non-cash transactions. Apart from that, there are still many people who do not have access to the technological infrastructure needed to carry out non-cash transactions and there are additional transaction costs for both users and traders. Insufficient infrastructure means that there are still a number of transactions in people's daily lives that are not yet fully covered by electronic money. This includes situations such as traditional markets, street vendors and small traders in villages who still rely on the cash payment system. This limitation is one of the main reasons why some people have not completely abandoned cash transactions. Apart from that, there is also a sense of concern among the public regarding the security of using electronic money, especially

regarding the potential for personal data leakage due to human negligence or security leaks. Data security risks will also be a challenge, because the risk of data theft is very large.

## CONCLUSION

Technological developments have encouraged businesses to carry out financial activities independently digital technology or in other words financial technology and the importance of understanding the complexity of non-cash payments in the context of the modern economy because digital transformation is not only a transition from traditional banking to the digital world, but also a major shift in the way banks and other financial institutions learn, interact and satisfy customers. We also need to know that using non-cash transactions certainly has challenges. The challenges with using non-cash transactions include the nature of community dependency, so that if there is a problem with the system, whether a network problem or something else, it will create a feeling of discomfort. Then data security, where data will be very easy to be taken by irresponsible individuals by hacking someone's account and not all people understand and understand how to use technology.

Meanwhile, the opportunity to use non-cash technology transactions is that it makes someone's job easier, especially the government, because the use of the flow of funds, all transactions can be traced so that they are more accountable, because all transactions are supported by valid evidence; treasurers do not have to hold cash with various risks of crime, loss. In addition, they can support financial inclusion by providing access to those who previously did not have access to traditional banking services

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