Gen Z Perception in Samarinda, East Kalimantan Towards the Use of Cashless Payment from a Sharia Economic Perspective

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Abstract:
With the growth and advancement of technology, payment systems now offer more practical methods, such as cashless payments. Consumers are increasingly satisfied when they get fast service and convenience in transactions. This study aims to explore the perceptions of Generation Z from the perspective of Islamic economics in Samarinda City, East Kalimantan, regarding the use of cashless payments. The main focus of this research is on the perception of security and convenience offered by non-cash payment systems in the context of Islamic economics. This study uses a qualitative descriptive approach, the population in this study is generation z and the sample is 43 generation z who use cashless payment systems. Data was collected through questionnaires distributed to respondents who are members of Generation Z, born between 1997 and 2012. The results showed that the majority of respondents pointed out the convenience and security offered by the cashless payment system. However, their understanding of sharia economic principles in the use of cashless payment is still limited. Therefore, further education on cashless payment systems that comply with sharia principles is needed to increase Gen Z's trust and acceptance in using this technology. Through this research, it is hoped that a deeper understanding of how Generation Z perceives and accepts cashless payments can be obtained, as well as the factors that influence their decision to make non-cash transactions. This research is expected to provide insights for the development of payment systems that are more in line with sharia values.

***Keywords**: Generation Z, Cashless Payment, Sharia Economics*

A. INTRODUCTION

In 2019, Bank Indonesia introduced QRIS, as a single container that supports the use of digital payments with a single QR code. at that time, Bank Indonesia Governor Perry Warjiyo revealed that the transaction *Quick Response Code* Indonesia Standard (QRIS) grew by 226.54% in June 2024 (*Year on year*). There were 50.50 million QRIS users and 32.71 million *Merchant* the majority of which are *Merchant* MSMEs. Digital *Payment* itself makes the transaction process easier and more efficient, which is now very popular among the public. Most Indonesians choose QRIS in transactions because it is considered more practical in making payments. (Laloan, Wenas, and Loindong 2023) Simply scan one QR *Code* from the app *platform* at *Smartphone* and payment becomes easier and of course safe. However, there is also a negative impact from the convenience and practicality it has, namely the tendency of users to be extravagant in consumption behavior. However, even so, based on Bank Indonesia's data on QRIS above, it is predicted that the use of *platform* Digital payments are predicted to increase with the times. (Bank Indonesia, 2019)

In the current era of digitalization, which is increasingly advanced, the phenomenon of *cashless payments* has shifted the role of cash as a means of payment to a more efficient and economical form of non-cash payment, including in Indonesia. This payment technology not only offers ease and speed in transactions, but also improves efficiency and security, which is especially important in the context of the modern economy. Gen Z, who were born between 1997 and 2012, is a generation that grew up with digital technology, so they have different behaviors and preferences than previous generations.

With the growth and advancement of technology, payment systems also offer easier payments, namely cashless payments. Gen Z, who are accustomed to social media and mobile phones, value speed and convenience, so they support cashless transactions, especially when considering them from an Islamic economic perspective. (Rahmawati and Rosa 2023) However, their understanding of the sharia principles related to these payments is still very limited. The user's experience, their beliefs, and religious principles greatly influence their decisions. Therefore, to help them make the right decision, it is important for them to gain a deeper understanding of cashless payments from an Islamic economic perspective. (Rahmatika, Ariani, and Susanti 2024)

However, the sharia economy, which is based on Islamic sharia principles, has experienced rapid progress. With great market potential, especially in countries with a significant Muslim majority, such as Indonesia. Use *cashless payment* in sharia economic transactions are becoming more and more *relevant*. However, understanding *cashless payment* by Gen Z in the context of sharia still requires deeper knowledge. Additionally, it is important to understand how Gen Z views the use of cashless payments in sharia economic transactions because factors such as user experience, user confidence, and their religious values can influence their decision to use this technology. (Rif'ah 2019)

From the perspective of sharia economics, research on Gen Z's perception of the use of cashless payments in Samarinda, East Kalimantan, still has several interesting research gaps to be further researched. One of them is that it is rare for research to be conducted thoroughly and in-depth in the city of Samarinda. Instead, most previous research has focused on big cities like Jakarta and other big cities. In addition, the use of cashless payments has been widely discussed, but it is still rarely discussed from the perspective of the sharia economy, especially in looking at how Gen Z perceives the use of cashless payments. This happens even though the use of technology is increasing rapidly. In addition, how the use of social media can affect Gen Z's perception of the suitability of cashless payments with sharia principles is still minimal.

This study aims to explore the perception of Generation Z's understanding from the perspective of sharia economics in Samarinda City, East Kalimantan, regarding the use of cashless payments. The main focus of this research is on the perception of security and convenience offered by non-cash payment systems in the context of the Sharia economy.

B. LITERATURE REVIEW

Cashless Payment

Cashless is a non-cash payment from the financial card system that no longer uses cash (be it in the form of metal or paper). To disseminate the use of *the cashless system*, the concept *of a cashless society* was also triggered. In the concept *of a cashless society*, people no longer use cash in every financial transaction in their daily lives. *Cashless payment* is all financial transactions that are carried out without entering currency such as current accounts and checks, but utilizing electronic means such as transactions through Automated Teller Machines (ATMs), debit cards, credit cards, and transactions that use high technology such as *e-banking*, *e-commerce*, or *e-payment*.

Electronic money (*E-money*) as defined by *Bank for International Settlements* (BIS) is different from other card-based electronic payment instruments such as credit cards and debit cards. Electronic money has slightly different characteristics than the electronic payments mentioned above. Basically, electronic money is a prepaid product (*store of value*). The stored value is the monetary value recorded on the card product, which is completely under the control of the consumer and the verification process is carried out at the merchant level (*point of sale*) without contacting the issuing bank (bank) online. (Marlina, Mundzir, and Pratama, n.d.)

Bank Indonesia Regulation Number on Electronic Money (*e-money*): 11/12/PBI2009 states that electronic money is an electronic means of payment that meets the following elements:

a. Issued based on the amount paid in advance by the holder to the issuer.
b. The value of money is stored electronically on a medium such as a server or chip.
c. It is used as a payment method for member stores that are not electronic money issuing companies.
d. The value of electronic money entrusted by the holder and controlled by the issuer is not a deposit as referred to in the Banking Law.

Sharia Economics

Economics in language comes from the Greeks, namely oikos and nomos. Which means household is oikos and nomos as a rule. So it is usually defined as household rules. Economics is interpreted as iqtishad from the Arabic fii'il Mahdi "*Qashada*" which means simple, frugal and straight in the middle. The economy itself includes not only a family, but also a village, a city and a country. Meanwhile, economics is a science that studies individuals or society in meeting their needs by utilizing the resources they have to achieve their goals. Economics studies how we produce, divide, and use goods and services. (Billy, 2018)

Sharia starts from the word syara which turns into syar'iatan (masdanya), which means to face, explain and show the way. There is also the meaning of sharia which generally means the way to the source (eye) of water, which is the right path and must be followed by Muslims, sharia is the way of Muslim life, the decisions of Allah and the instructions of His Messenger, both in the form of prohibitions and commandments that cover all aspects of human life. Thus, sharia economics can be defined as a science that studies human activities related to the production, distribution and consumption of goods and services both on a micro and macro scale in accordance with the guidelines of Muslim life, the decisions of Allah and the instructions of His Messenger.

According to M.A. Mannan, sharia economics is a social science that studies the economic problems of the people inspired by Islamic values. Then, Umar Chapra gave the opinion that Islamic economics is a branch of science that helps humans in realizing their welfare through the allocation and distribution of various scarce resources in accordance with the goals set based on sharia (al-'iqtisad al-sharia) without excessively curtailing individual freedom, creating macroeconomic and ecological imbalances or weakening family and social solidarity as well as moral bonds established in society. The definition of sharia economics of these experts emphasizes the comprehensive nature of the subject and is based on the moral values of sharia economics which aims to analyze the human welfare obtained through the management of natural resources based on cooperation and participation. (BatuBara, n.d.)

Generation Z

The term "Gen Z" is often used to describe those born between 1997 and 2012. Generation Z grew up in the digital era, this generation has a strong relationship with technology and the internet. They keep up with the latest developments in information technology and other contemporary applications. This generation will certainly have easier access to information for personal or educational needs and apply financial technology in daily life. Generation Z is used to the system *cashless payment*. Because thanks to the sophistication of technology, transactions have become easier. This can affect Generation Z in utilizing financial technology services. Using financial technology is a determining factor in consumer actions. In this study, the behavior in question is Interest in Use. (Sari, Fiorintari, and Ardhi 2023)

Perception

According to KBBI, perception is a direct response to something or a process where a person knows several things through his five senses. Perception with the aim of giving meaning to various things through the five senses based on information obtained from the environment. A person's judgment of something will be influenced by the assumptions they make about it. Each individual can choose different clues that affect his or her perception of objects, people, and symbols. Therefore, each individual's perception of something is not always the same, and can even vary. From this understanding, it is concluded that perception is the process of determining, understanding, and interpreting information to give it meaning. (Jayanti and Arista 2019)

Research by Wida Arindya Sari, Fiorintari, Qisthi Ardhi (2023) This study aims to find out the perception of Generation Z, especially students majoring in Accounting at the Pontianak State polytechnic in measuring the intention of transaction interest with the use of *fintech payments*. This study uses an explanatory research method of quantitative approach with e-commerce, namely *fintech*, benefit perception, ease of use perception and risk perception. Based on the results of the research, it is stated that the perception of benefits, ease of use, and risks affects the interest in using *Fintech payments* among Generation Z, first, the perceived benefits motivate users to use the service. Secondly, the operational convenience also appeals to them. Third, despite the potential risks, Gen Z still considers the security of *Fintech services.* Overall, this study confirms that Generation Z pays attention to both the positives and negatives of *fintech payment users.*

Research by Anisa Retno Utami (2022) This study aims to find out the Perception of the Use of OVO *E-Wallet* in Generation Z during the Covid-19 Pandemic. The data analysis used in this study is qualitative descriptive. Based on the results of the study, it was concluded that the highest result in the perception of convenience is that E-Wallet is easy to use with the results of 93 respondents agreeing. The lowest results on the perception of security and risk regarding E-wallets OVO had reliable security security with 63 respondents, while the other 37 respondents disagreed.

Research by Dila Indriyani and Sri Hardianti Sartika (2022), this study aims to find out the perception of generation z on the use of E-Wallets during the covid-19 pandemic. The data analysis used is qualitative descriptive and data collection through surveys. The results showed that the perception of benefits showed that 92.6% of generation z agreed that E-wallets provide benefits for transaction activities, the perception of convenience showed that 93.63% agreed that E-wallets provide convenience and the perception of risk showed that 71.3% of generation z responded that E-wallets have little risk.

C. RESEARCH METHODOLOGY

This research was conducted on Generation Z, namely from the age of 18-23 years in Samarinda City. The taking of the research subjects is based on the fact that, despite their young age, Generation Z has high awareness and experience in using *cashless payment*. The population used is Generation Z who use *Cashless Payment* in payment activities. The sample of this study was 43 user respondents *Cashless Payment*. The research method used is qualitative descriptive, (Annisa Retno Utami 2022) Explain that the qualitative descriptive research method is a fact-finding method with the right interpretation because it will make an overview of the situation or activity. With the *Technology Accepted Model (TAM)* this approach is used to determine Gen Z's views on payment usage *Cashless Payment* from the perspective of sharia economics in Samarinda City. TAM will help discover the factors that influence the acceptance and use of non-cash payment technologies, such as the perception of security and ease of use, as well as their impact on user perceptions and desires. (Rusandi and Muhammad Rusli 2021)

Data collection was carried out through a survey in the form of a questionnaire distributed through *a google form*. Each respondent was asked to show the extent of their understanding of the perception of the use of *Cashless Payment*, the data obtained was then interpreted descriptively to get a conclusion about the perception of *Cashless Payment* owned by Generation Z in Samarinda City.

D. RESULTS AND DISCUSSION

Generation Z's perception of the use of *cashless payments* in Samarinda City is measured by the *Technology Accepted Model (TAM) method.* The characteristics of the respondents in the form of identity contained in the research questionnaire were Gender and Age. Regarding this, we will discuss in more detail in the following table.

Table 1. Respondent Data

Respondents	Percentage
Man	**23,3%**
Woman	**76,7%**

Source : Data processed 2024

Table 1. It showed that there was a gender comparison imbalance in the sample used in this study, namely 10 men and 33 women.

Table 2. Respondent Categories

Category	Percentage
Ages 13-18	**7%**
Ages 19-23	93%

Source : Data processed 2024

Table 2. It shows that most of the respondents are 19-23 years old, and the remaining 7% are between 13-18 years old. The data that has been mentioned was taken in 2024, as we know that generation z is an individual born in 1997-2012.

Table 3. Use of *Cashless Payment*

Category	Percentage Agree	Percentage Disagree
Respondents who know about sharia economics	88,37%	11,63%
Cashless Payment Users	100%	0%

Source : Data processed 2024

Table 3. It shows that most of the z generation in the city of Samarinda has understood and used Cashless Payment as a daily means of payment.

Furthermore, Gen Z's perception of Cashless Payment is carried out with the *Technology Accepted Model (TAM)* approach with the indicators used, namely through weighing the perception of security and user convenience so that users can use Cashless Payment without having to use cash payments.

Table 4. Perception of security and user convenience

Category	Percentage Agree	Percentage Disagree
Security	53,5%	46,5%

Ease	88,37%	11,63%

Source : Data processed 2024

Table 4. Showing that most security respondents are 53.5% secure, this shows that most users feel comfortable and trust the *cashless payment* system. "Security Needs to Be Improved": With 46.5% not feeling safe, there is a need to improve trust and security in the system. And the respondents who used *cashless payment* showed that the achievement of 88.37% showed that cashless *payment* is very easy to use and learn, therefore it is suitable for use in daily activities.

E. CONCLUSION

In the digital age, *Cashless payment* is increasingly popular among Gen Z, who value speed and convenience. However, their understanding of sharia principles is still limited. This research was conducted in Samarinda to explore Gen Z's perception of cashless payments, including the influence of social media and factors influencing their decisions. Using 43 respondents aged 18-23 years, this study used a qualitative descriptive method and *Technology Acceptance Model (TAM).* The data was collected through an online questionnaire and analyzed to understand Gen Z's views on cashless payments in the context of the sharia economy. The results of the questionnaire show that many Generation Z in Samarinda have known and utilized *Cashless Payment* in everyday life. By applying *Technology Acceptance Model (TAM)*, focusing on security and convenience aspects, this study shows that Generation Z is more likely to transact non-cash or with *Cashless Payment*. From the results, suggestions were also obtained from respondents regarding the development of non-cash payment methods with sharia principles in the future, namely with more *Cashless Payment* who use sharia principles and also this can be supported by the government to avoid riba, gharar, maysir and others. In addition, researchers can further examine the scope of cashless payments by using more respondents and using more informative data collection techniques.

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