

Strategy of Technology Services for Customers in Pandemic Covid19 Situation: A case from Indonesia

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Abstract

The COVID-19 pandemic has changed the behavior of the Indonesian people and even the nations of the world. The world community is forced to adapt to digital technology to comply this situation with the Covid-19 protocol as a form of breaking the chain of spreading the virus. In this paper, we try to describe the technology application provider strategy to serve consumers so that they can survive at home or in their respective places. Offering application technology security in transaction activities to prospective customers or existing customers is the main preference chosen by them, namely by ensuring the security of the system is maintained. Thus, this research can be proven that the use of this technology product is also increasing in urban areas where this research was conducted. Online shopping due to the Covid-19 pandemic has made online banking and shop service providers to provide online payment features via the internet network. The internet service technology application makes it easy for people to make transactions online without having to make payments with a mobile device and service application that is selected for payment in the application. So that it is also evident that many jobs and activities can be carried out more optimally from home and are able to contribute positively to the continuity of life. All about these things will be discussed in the body research paper.

Keywords:

Technology, services strategy, Pandemic Covid19, Security, customers

1. Introduction

Globally, the Covid 19 pandemic has had a huge impact on several good companies that provide ride-sharing services. Reportlinker's research shows that several company officials have lowered the projected market value of the ride hailing industry by 2 percent next year. The on-demand service provider company also focuses on encouraging both cash and cashless transactions using FinTech transactions in paying everyday life, it will support the nationally economic growth (Budiono and Purba et al 2019, Purba & Budiono, 2019; Purba, Hery, Widjaja 2020). One of them is extending onlineMart and oline Assistant services. This is because the demand for this service has increased amid the policy of limiting community activities due to the Covid19 pandemic (Purba, et al 2020a, Adirinekso, 2020a) .

The companies' name are Gojek and Grab, which are very integrated with the needs of transporting and picking people up, especially in urban areas (Tan, et al 2019, Purba, et al, 2018). In 2019, referring to the release issued by Gojek, the Gojek drivers as a whole have traveled 5 million kilometers. Comparing with the results of research from the Ministry of Transportation which states that the average distance of one online motorcycle taxi trip is 8.8 kilometers, meaning that there are more than 560 thousand trips in 2019 carried out by Gojek. In early 2019, Grab claimed that their delivery services (motorcycle taxis and online taxis) had taken 3 billion trips (Gojek, 2020, Indra, et al, 2018).

Since the beginning of the pandemic [Covid-19], namely March 2020 until entering the new normal period, a number of Gojek or Grab services have experienced an increase in demand, especially the demand for daily food, making this service a mainstay super app for the community in the midst of the COVID-19 pandemic to continue (.

The bright results from the income of drivers on line transportation clearly occurred before the COVID-19 pandemic. But when SARS-Covid 19 came and became an epidemic, everything changed. The reason is simple is that this disease is very easy to spread and there is no known vaccine or cure for Corona, the only thing mankind can do is keep a distance from other humans, through physical / social distancing, masks and always wash your hands. The problem, of course, is that Gojek and Grab services are physical contact based services with their customers. So, when Corona broke out, the Gojek and Grab businesses were in shambles, especially when the government imposed large-scale restrictions on urban areas.

Gojek and Grab services are of course not only online motorcycle taxis / taxis, but also ordering food, delivery of goods, and digital wallets. The problem is that these online non-ojek / taxi services are closely related to online ojek / taxi services. According to Burhan in Katadata Report (2020), the total GoPay transactions have exceeded IDR 89.5 trillion as of February 2019. And of that transaction figure, 70 percent is used to pay for services contained in the Gojek application, especially GoRide and GoFood.

With the Direct to Consumer method or business model, it can help companies interact directly with their users as the previous of years most of them dominated by big companies in this country that make growth cash (Suk, et al. 2019). In the recent years the startup companies implement strategy through the Direct to Consumer method, the Gojek company is still developing services that directly lead to its consumers (Tan, et al 2019, Budiono, Purba, Adirinekso, 2020). Through GoMart and GoShop services, the Gojek company is also helping its consumers to shop for groceries online in the midst of a pandemic.

Since there was this pandemic, we collaborated with Mitra Tani Market which sells staple food on the platform. Besides, the presence of GoFresh and Marketplace services which were originally intended specifically for GoFood merchants can now be accessed by all of the consumers. In the throughout 2020 groceries shopping transactions at GoMart continued to increase (Argawal, 2020). Until entering last May, Gojek managed to record an increase in products sold on GoMart by 5.5 times an increase in products compared to last January (OJK, 2019).

It can be said that application features such as food delivery services, goods delivery orders, household shopping orders with cashless payments have helped a lot for the needs of the community, especially during the Covid-19 pandemic (Suryaman, et al, 2020). In addition, innovations such as providing separation bulkheads, disinfecting vehicles, wearing masks and providing hand sanitizers, can also be a solution so that application-based transportation can continue to operate carrying passengers, while still paying attention to the health aspects to prevent Covid-19 transmission. The Minister of Transportation asked the applicator to optimize the use of shelter facilities or places for drivers to wait for passengers, so that health and safety aspects for passengers and drivers are more secure (Indra, et al, 2019, Purba and Purba, 2020).

2. Literature Review

With the development of increasingly sophisticated information technology, online shop transactions continue to grow rapidly in all parts of the world (Aileen et al, 2018, Simbolon, et al, 2020b). Therefore security is of utmost importance, not only to business owners operating over the internet technology in the effort of on line transactions to increase customer trust. This can be achieved even more by minimizing the risks faced by customers online (Purba and Panday, 2015, Radnan and Purba, 2018). There are several reasons why security in on line transaction is so

important for online businesses. At the end of the day there have been many reports about customers who have become victims of hacking breaches and their private data; this is because the level of security is not strong enough. The consequences of this can have an impact on the company's reputation and financial consequences can't be repaired anymore (Santoso, 2020, Purba, 2015). Thus, online security is very important in supporting businesses in dealing with threats to their web sites and avoiding the loss of other sensitive and private data.

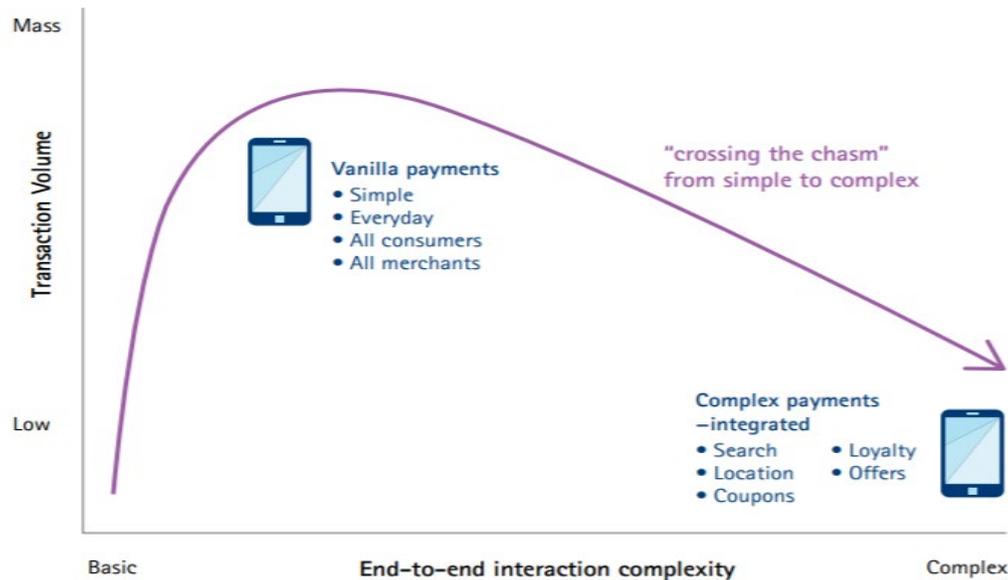


Fig.1. Achieving scale in digital payments: first target mass simple payments, before more complex lower volume payments

With the Covid 19 Pandemic, learning online is a necessity that must be taken as an approach with new technology for the passage of education on this planet. Almost all educational and other institutions in the world have introduced online programs with various applications due to this pandemic virus Covid19 must use access to internet technology, the flexibility of such programs (Adirinekso, et al, 2020a; Purba, Budiono, Adirinekso, 2020) and the opportunities they bring to students, instructors, as well as the other customers and also institutions (PWC, 2018, Purba, 2014, 2015, Simbolon, 2020). Several studies have been conducted investigating online learning, on line payment, including design and evaluation technology (Samuel and Purba, 2020, Kamaludin and Purba, 2015).

It is logically clear that this digital payment offering will encourage consumers to use payments with mobile technology and it can be also use as payment later application (Adirinekso, et al, 2020b). So the digital payment mechanism needs to be targeted at mass payment transactions to achieve mass adoption first with strong security guarantees. This will create a high level of trust from users (Santoso, 2020, Noviantoro, 2020, Purba, 2015, 2014).

In terms of sustainable strategic services, it requires a mindset with the implementation of a digital transformation culture, and this can make it easier for these new habits gradually (Purba, 2002). Legally formal; structural strategies also require active support and support from the top of the organization. As shown in Figure 3 below, it can be seen that almost half of survey respondents agree or strongly agree that their bank is working with a fintech service company to provide new payment service technology (FinExtra, 2018).

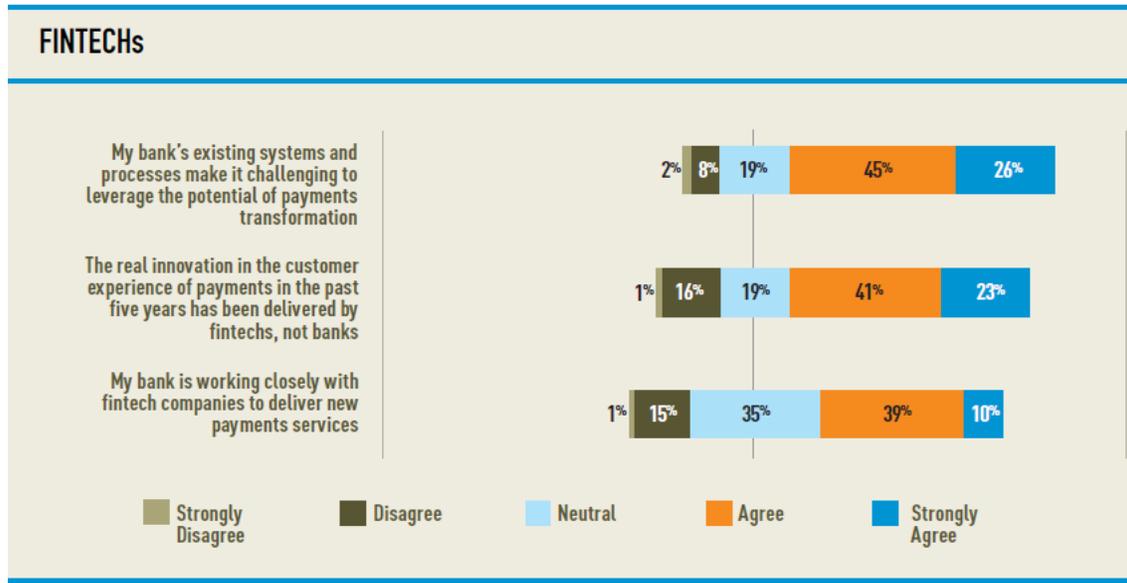


Figure 2: Digital Payment Transformation (FinExtra, 2018).

Another strategic challenge with payouts is keeping up with the pace of change. With the world's technological developments changing so fast, it is difficult to predict what the future will look like, but the bank still has to make the best choice for us to make. Service providers need to understand what value-added services they can provide to retain their clients, whose payment transactions are only one part of a broader and technologically soundly integrated value proposition.

3. Methodology and Discussion

In this study the writers choose the quantitative method which use proper instrument to get data from the field. The research data were collected using electronic system; the questionnaires were distributed to 355 respondents but only 238 respondents replied and gave back to the authors. The sampling used nonparametric method with a purposive sampling approach. Considering that finance technology is still limited, only those who have used technology services with digital Fintech applications were involved. Based on the problems and possible causal relationships between Security with Customer Preference during Pandemic Covid 2019 and Trust of the customers with CP, then we compile an economic model as outlined in the following figure.

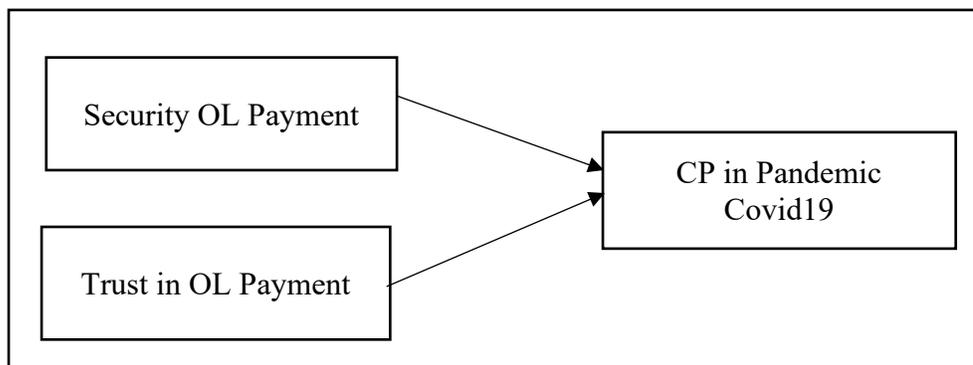


Figure 3. Econometrics Model.

The analysis tools used are the econometrics and statistics methods to test the models and their respective parameters. The analysis tools used are the econometrics and statistical methods to test the model and their

respective parameters (Greene, 2018). The unknown parameters of the stochastic relation $y_i = x_i'\beta + \varepsilon_i$ are the objects of estimation. It is necessary to distinguish between population quantities, such as β and ε_i , and sample estimates of them, denoted b and e_i . the population regression is $E[y_i|x_i] = x_i'\beta$, whereas authors estimates of $E[y_i|x_i]$ denoted

$$\hat{y}_i = x_i'\beta \quad (1)$$

The disturbance associated with the i -th data point is

$$\varepsilon_i = y_i - x_i'\beta \quad (2)$$

For any value of b , we shall estimate ε_i with the residual

$$e_i = y_i - x_i'\beta \quad (3)$$

From the definitions, so The basic framework for analyzing cross section data is a regression model of the form (Greene, 2018)

$$y_i = x_i'\beta + \varepsilon_i = x_i'\beta + e_i \quad (4)$$

This study uses cross section data that includes in study. The purpose of this study is to analyze impact of Security and Trust towards CP. The following is an explanation of Security, Trust, and Customers Preferences on line Payment variables used in the econometric model.

Based on the basic framework of this regression model, the applied regression model for this study is as follows

$$CP = \beta_0 + \beta_1 Security + \beta_2 Trust \quad (5)$$

Subsequently a calculation is made by estimating the suitability of the econometric model that is the magnitude of the R-squared and F-test with a significance level of 5%.

Based on the theoretical estimates for each parameter to achieve the desired model conditions in mathematical equations are as follows.

$$\beta_1 = \frac{\partial CP}{\partial Security} > 0 \text{ and } \beta_2 = \frac{\partial CP}{\partial Trust} > 0 \quad (6)$$

Based on the calculus equation, the partial test of each independent variable is one way. Security affects CP in the same direction and Trust also affect CP in the same direction. Thus, the value of each parameter β is expected to be positive.

While the partial testing of each independent variable on the dependent variable is carried out by t-test with a significance level in this study amounting to 5%.

By using the null hypothesis (H_0) and alternative hypothesis (H_1) for partial testing on the β_1 parameter as follows:

$H_0 : \beta_1 = 0$, Security does not affects Customers Preferences in Pandemic era

$H_1 : \beta_1 > 0$, Security affects Customers Preferences in Pandemic era.

The null hypothesis (H_0) and the alternative hypothesis (H_1) for partial testing on the β_2 parameter are as follows

$H_0 : \beta_2 = 0$, Trust does not affects Customers Preferences in Pandemic era

$H_1 : \beta_2 > 0$, Trust does not affects Customers Preferences in Pandemic era

Discussion

Linear regression		Number of obs	=	238		
		F(2, 235)	=	43.95		
		Prob > F	=	0.0000		
		R-squared	=	0.4413		
		Root MSE	=	1.8468		
CP	Coef.	Robust Std. Err.	t	P> t	[95% Conf. Interval]	
Security	.3677012	.0596713	6.16	0.000	.2501421	.4852602
Trust	.3811196	.0834358	4.57	0.000	.2167418	.5454973
_cons	5.438138	1.419367	3.83	0.000	2.641829	8.234447

5. Conclusion

Overall, the results of the study illustrate how digital payments are used by customers to survive during the Covid 19 pandemic era in research areas in Indonesia. It is proven that the future potential of the payment business is changing rapidly in line with the availability of digital technology in Indonesian society during the Pandemic Covid19. By implementing the frictionless payment strategy services with modernization technology approach in order to overcome human touch with physical distancing with the aim that the Covid 19 virus does not have more human victims. According to this research variable of security in digital payment giving the trust to the customers who are already used the applications. These digital payment providers will in turn enable them to gain a strong position in the e-payment business and to secure their future business and relevance, by providing sufficient security, confidence as well as speed and service which are increasingly in demand by retail and corporate customers supported by an agile and flexible payment system for the digital age. And other food and goods companies are trying to be partners who need each other, and it can make good transaction economic growth to the nation. The authors hope, the research can be expanded with more variables in the different areas in the nation.

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