

Entrepreneurs Preference in Choosing Payment Method

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Abstract: The rapid advancement of technology also affects entrepreneurial activities. An entrepreneur will definitely update or follow any existing developments so that the business is not out of date. The transactions carried out also varied. These transaction activities certainly use a variety of payment instruments, ranging from cash to non-cash. A person's preference for something is related to the reasoning process that is built in explaining the reasons for his liking for something. Preference in this sense will certainly be related to a person's opportunity to achieve something he is interested in. This type of research is descriptive research. Descriptive research is research that includes data collection by testing hypotheses or answering questions about the latest status of research subjects. From the interviews that have been conducted, it can be interpreted that entrepreneurs who choose to use cash only think that using cash only can help, those who use cash state that if the use of cash payment is in the form of cash, the form of the money can be confirmed.

Keywords: *Entrepreneur, Transaction, Preference.*

Abstrak: Pesatnya kemajuan teknologi, juga mempengaruhi kegiatan berwirausaha. Seorang entrepreneur pasti akan meng-update atau mengikuti setiap perkembangan yang ada agar usaha yang dilakukan tidak ketinggalan zaman. Transaksi-transaksi yang dilakukan juga beragam. Kegiatan transaksi tersebut sudah pasti menggunakan alat pembayaran yang beragam, mulai dari tunai sampai non tunai. Preferensi seseorang akan sesuatu terkait dengan proses penalaran yang dibangun dalam menjelaskan alasan rasa sukanya terhadap sesuatu. Preferensi dalam arti ini tentu akan terkait dengan kesempatan seseorang untuk mencapai sesuatu yang diminatinya. Jenis penelitian ini adalah penelitian deskriptif. Penelitian deskriptif merupakan penelitian yang meliputi pengumpulan data dengan diuji hipotesis atau menjawab pertanyaan mengenai status terakhir dari subjek penelitian. Dari wawancara yang telah dilakukan, dapat disimpulkan bahwa para entrepreneur yang memilih menggunakan tunai saja berpikir bahwa penggunaan alat pembayaran tunai saja sudah dapat membantu, mereka yang menggunakan tunai menyatakan bahwa jika penggunaan alat pembayaran tunai berupa uang cash, wujud dari uang tersebut sudah dapat dipastikan.

Kata kunci: *Entrepreneur, Transaksi, Preferensi.*

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INTRODUCTION

Entrepreneur is a person who is responsible for compiling, processing and measuring the risk of an entrepreneurial business venture that is synonymous with how to create something with added value, in order to produce higher value (Barna, 2010).

Therefore, skills in a person who have the core of a process and find opportunities to improve their life (business), meaning that to create something requires high creativity and an innovator spirit.

The rapid advancement of technology also affects entrepreneurial activities. An entrepreneur will definitely update or follow any existing developments so that the business is not out of date. The transactions carried out also vary, ranging from small scale (buying and selling) to large scale (export-import). These transaction activities certainly use a variety of payment instruments, ranging from cash to non-cash (Barus, 2019).

Means of payment can also be said to be developing very rapidly and advanced. At first, the means of payment was a barter system between goods being traded, then the means of payment for cash, known as money, to the means of non-cash payment. Entrepreneurs must choose to use a payment instrument that suits their transaction needs (Jati & Priyambodo, 2015).

Entrepreneurship is a mental attitude and spirit that is always active or creative, empowered, creative, initiative, modest, and trying to increase income in its business activities. Entrepreneurship is an attitude and spirit that is always active or creative, work, and uncertain efforts to increase income in its business activities. Entrepreneurship as stated above is generally concluded as a combination of creativity that creates ideas and consideration of opportunities or risks and innovation in implementing creative ideas into a form of goods and services that have selling value for entrepreneurs (Usman, 2022). Entrepreneurial knowledge is one of the incentives to stimulate interest in entrepreneurship (Awaludin & Ardiansyah, 2022). Those who have received entrepreneurship training, seminars and courses will be interested in entrepreneurship. The existence of knowledge allows humans to develop skills that are useful for their lives. Likewise, knowledge about entrepreneurship also has a very important role in business activities because entrepreneurial knowledge is the basis of the source of business power that exists in individuals (Prabowo, 2023). Entrepreneurship learning material, which contains things related to entrepreneurship such as steps in entrepreneurship, processes in running a business, etc. A human being can develop with knowledge (Ahmadi, 2023). One of them is entrepreneurship, entrepreneurial knowledge is very important in entrepreneurship, because knowledge is the source of running everything (Bahri, 2012).

The existence of entrepreneurs themselves has been a lot in the Province of Yogyakarta Special Region. The SE2020 registration results in the DIY Yogyakarta Province show that the distribution of businesses or companies by business field is dominated by the wholesale and retail trade business fields of 105,674 businesses or companies or 52.84% of all businesses/companies in the DIY Yogyakarta Province. Then followed by business fields providing accommodation and providing food and drink with 26,752 businesses or 13.38%, processing industry with 22,959 businesses/companies or 11.48% and the remaining 44,619 businesses or 22.30% are other business fields (Dewi, 2020). This study aims to determine the choices or preferences of entrepreneurs in choosing to use cash and non-cash payment instruments in conducting a transaction.

A person's preference for something is related to the reasoning process that is built in explaining the reasons for his liking for something. Preference in this sense will certainly be related to a person's opportunity to achieve something he is interested in. Preference is also interpreted as a choice of likes or dislikes by someone towards a product, goods, or services that are consumed (Doresa & Basuki, 2017). Thus, preference theory can be used to analyze the level of satisfaction for consumers, for example, if someone wants to consume or use a product or service with limited resources, he must choose an alternative so that the use value or utility obtained is optimal. Consumer preferences can be identified by measuring the level of usefulness and relative importance of each attribute contained in a product or service. Attributes displayed on a product or service can generate the first attraction that can influence consumers. Evaluation of products and services describes consumer attitudes towards these products or services, as well as reflecting consumer behavior in using or consuming a product or service (Azis, Muslim & Fajri, 2022).

The emergence of purchasing a product seen where consumers have needs to be satisfied. Consumers will seek information about the benefits of the product and then evaluate the product's attributes. Consumers will give different weights to each product attribute according to their interests, from here it will lead to consumer preferences for existing brands (Paula & Roni, 2022). Consumer preferences are closely related to the problem of determining the choice of basic attitudes that are used to explain choices, determine individual behavior in problem-setting choices. The preference relationship in rational choice is usually assumed to have three basic properties which assume that each

person can make or arrange all rankings, conditions or situations from the most preferred to the least preferred, namely completeness, transitivity, and continuity. Each of these conditions or situations has a different influence on someone in consuming the product (Kurniasari & Bharata, 2020). In this stage, usually someone will look for information and compare a product. Belief in something encourages someone to try the product. This process is very important because it determines whether a person accepts or rejects the product. In the process of trying, usually a person directly feels the impact of what is tried. From there someone will make a decision to accept or reject, although not all products must be felt directly to be able to encourage a belief (Barokah & Hanum, 2016).

Theoretical uses or theoretical benefits in this research are later expected to provide knowledge and contributions in the form of discourse regarding choices or preferences among entrepreneurs in using payment instruments. In addition, the results of this study can also contribute to knowledge in the field of economics and means of payment. For the academic world, this research is expected to add literature and references that can be used as information materials for other students who will be researching similar issues. For readers, the results of this study can be used as a means of information to find out the preferences of entrepreneurs in using payment instruments.

METHOD

This type of research is descriptive research. Descriptive research is research that includes data collection by testing hypotheses or answering questions about the latest status of research subjects. While the necessary data obtained through interviews, field notes, photographs and documentation. This research was conducted from May 2 2022 to July 20 2022. This research was conducted in the DIY Yogyakarta Province area, with 20 student entrepreneurs who had been divided into several business fields including five entrepreneurs in the business of making cakes, five entrepreneurs in the field of computer shops, five entrepreneurs in the culinary field, and five entrepreneurs in the accessories and clothing stores. The location for this research was chosen because the researchers randomly chose locations to speed up the research, and the researchers considered that these locations represented entrepreneurs in the Province of Yogyakarta Special Region. The informant collection technique used in this study was a purposive sampling technique. Purposive sampling is a technique in which researchers tend to select informants who are considered to know the information and problems in depth and can be trusted to become

sources of relevant data. The primary data in this study were obtained through interviews with entrepreneurs who had been assigned as respondents.

In data analysis techniques, researchers used data reduction, data presentation and data verification. The data obtained from the field is quite a lot, for this reason it is necessary to record it carefully and in detail. As already stated, the longer the researcher is in the field, the more, more complex, and complicated the amount of data will be. For this reason, it is necessary to immediately carry out data analysis through data reduction. Reducing data means summarizing, choosing important things, looking for themes and patterns. Thus the reduced data will provide a clearer picture, and make it easier for researchers to carry out further data collection, and look for it if needed. After the data is reduced, the next step is to show the data. By displaying data, it will make it easier to understand what happened, plan further work based on what has been previously understood. The third step in qualitative data analysis according to Miles and Huberman is drawing conclusions and verification. The initial conclusions put forward are still temporary and will change if strong evidence is not found to support the next data collection stage.

RESULT AND DISCUSSION

Result

Based on interviews with respondents, respondents chose to use non-cash payment instruments, because it is more practical and can avoid the possibility of getting counterfeit money from consumers. He also added that the development of the existing means of payment has progressed with the existence of non-cash, it remains only for the people to open themselves again in using more efficient means of payment. Respondents prefer to use debit cards as a tool for payment transactions which are considered easier, simpler and more practical. Easier in the work process, simple and practical because the funds are automatically entered into the account without having to be deposited. However, he felt a little burdened by the existence of deductions in each bank for the debit process, he said it would be better if there were no deductions.

Respondents prefer to use and develop non-cash payment instruments in the form of digital wallets for the reason that they are easier to assist with payment transactions. In addition, it is also more time efficient because there is no need to be busy giving back funds to consumers. Students who do business adjust the use of cash and non-cash according to

business needs. However, interest in using cash is more dominant than using non-cash. Respondents are more comfortable using cash payment because they are familiar with the existing conditions. Because customers who are used to cash eventually cause respondents to get used to using cash payments. Based on interviews with cashiers, respondents prefer to use cash rather than non-cash. They want a simple job without being burdened with administrative hassles when using non-cash payment instruments such as debit, which must use a debit machine.

Discussion

A means of payment is a system that includes a set of rules, institutions and mechanisms used to carry out transfers of funds in order to fulfill an obligation arising from an economic activity. Means of payment is a system related to the transfer of a number of money values from one party to another. From the research findings that have been carried out, it shows that after conducting interviews with 20 student entrepreneurs in the Province of Yogyakarta Special Region, it was found that seven entrepreneurs chose to use only cash payment instruments, 13 entrepreneurs chose to use cash and non-cash payment instruments, and no entrepreneur had only use non-cash means of payment.

The seven entrepreneurs who only chose to use cash thought that cash payment was easier because there was no need for auxiliary tools which sometimes hung or got stuck. Another problem is also regarding the tax set by the bank for non-cash payment instruments. In addition, five entrepreneurs in the accessories and clothing sector argued that they used cash payment instruments because they were adjusted to the prices in their businesses. They assess that the business they run is still in the lower middle level and their target consumers are students and students.

Other entrepreneurs said that they had been using cash for a long time, so they found it difficult to switch to non-cash. And there are also those who argue that cash payment instruments are already in sight.

From the interviews that have been conducted, it can be concluded that entrepreneurs who choose to use cash only think that using cash only can help, those who use cash state that if cash is used as a means of payment, the form of the money can be ascertained. In addition, in its use there is no need to use transaction aids which are considered to make it difficult to process existing transactions.

Then there are 13 entrepreneurs who use payment instruments in the form of cash

and non-cash. This is tailored to the needs of each consumer. If consumers want cash they will be served, as well as when consumers want to use non-cash payments.

At the time of the interview, the entrepreneurs who used non-cash payment instruments also thought that they would be facilitated by the existence of these non-cash payment instruments. They don't need to put their money into an account because by using a non-cash payment instrument, the money will automatically go into their account and they can avoid counterfeit money. Apart from that, non-cash makes their work easier, simpler, more practical and faster. Furthermore, from the results of the study, there were also no entrepreneurs who only used non-cash payment instruments to help process their transactions.

From the opinions that have been expressed by entrepreneurs, it proves that many entrepreneurs have updated their payment instrument systems by using non-cash payment instruments, but not a few are still using cash only as payment instruments. Similar to the previous research conducted by Sheren to find out the factors that influence the use of cash transactions which concludes that control, availability of tools and average spending are factors in the use of cash transactions. In this study, the preferences that entrepreneurs have in using cash payment instruments are also still influenced by the availability of tools, trust, and the comfort they have felt while using cash payment instruments.

CONCLUSION

Based on the results of the research that has been done, regarding the preferences of entrepreneurs in using cash and non-cash payment instruments in the city of Bengkulu, it can be concluded that, seven entrepreneurs or entrepreneurs in DIY Yogyakarta choose to use cash payment instruments, with the reason that it is easier than using non-payment instruments. cash which must use a transaction assistant, besides that no tax is needed in the transaction. There are also those who reason that if cash is certain the money is in sight and cannot be used anywhere and anytime. Then 13 entrepreneurs or entrepreneurs in DIY Yogyakarta Province chose to use cash and non-cash payment instruments. This is adjusted to consumer demand when making payment transactions. Furthermore, entrepreneurs who also use non-cash find it easier because they can save working time and are more efficient in the process. In addition, the research also found that there were no or no entrepreneurs or entrepreneurs who only used non-cash payment instruments.

Based on the results of the research that has been carried out, there are several

suggestions given as follows, it is hoped that the public will be able to open themselves up again to be able to use and apply the development of existing payment instruments. If the community is able to use existing non-cash payment instruments, it will be able to make the community more efficient in time and more able to save costs in printing cash that is used daily. Entrepreneurs are expected to be able to keep up with the times. Can take advantage of the development of non-cash payment instruments to assist all types of transactions. Because, there will be many benefits to be gained from using this means of payment. Payment instrument operators are expected to be able to socialize more about the positive and negative impacts of using payment instruments, so that people can better understand and be able to carry out changes to more modern payment instruments.

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