

CHAPTER II

GENERAL DESCRIPTION

Chapter 2 explains the general description of ShopeePay Application and also profile of respondents grouped by gender, age, highest level of education, occupation and monthly income.

2.1 General Description of the ShopeePay

2.2.1 ShopeePay Development History

PT AirPay International Indonesia was established in November 2015. Shopee has emerged as a major e-commerce player in Southeast Asia and Taiwan. Shopee is designed to meet the specific needs of the Southeast Asian market, providing clients with an easy, safe, and adaptive online buying experience. This is made possible by solid payment and shipping systems, which provide a smooth buying experience for users.

Shopee, a branch of Sea Company, debuted in Singapore in 2015 and has since expanded into Malaysia, Thailand, Taiwan, Indonesia, Vietnam, and the Philippines. Sea Limited is a leader in Southeast Asia's digital entertainment, e-commerce, and digital finance industries. The company's overall goal is to improve the lives of consumers and small businesses via technology innovation.

ShopeePay is a digital payment service provider that prioritizes convenience, security, and customer happiness. It is a component of SeaMoney, a digital banking

service owned by the Sea Group. ShopeePay is present in more than 500 cities and districts in Indonesia, with intentions to expand further to reach a larger user base.

2.2.2 Development of ShopeePay in Indonesia and Semarang

In December 2015, Shopee succeeded in holding Shopee University in Taiwan, followed by Shopee University Indonesia. Thanks to the Shopee University session that was held, Shopee sellers throughout the region managed to gain useful profits and marketing through put Indonesia.

In Indonesia itself, Shopee's reputation is able to compete with other marketplaces in Indonesia. With attractive features, a free shipping program, and a wide selection of products, many Indonesians feel at home selling and shopping at Shopee.

Since its launch in Indonesia, Shopee has experienced significant development fast. In 2017 Shopee was recorded to have reached 50 million application downloads, As of August 2021, the application has been downloaded more than 100 million user. At the rate of Shopee visits per month in 2020 with a total of 391 million visits. In 2017 Shopee's gross trading value (GMV) report reached 1.6 billion rupiah. Then in 2018 it experienced an increase with a GMV value reaching 2.7 billion, up to In 2020 Shopee's GMV reached US \$ 14.2 billion. ShopeePay is an e-wallet that is integrated with e-commerce Shopee.

ShopeePay was officially launched in September 2020. ShopeePay referred to as an electronic money service that functions as a tool payment for transactions on the

Shopee application and payments online offline at ShopeePay Merchant. Apart from that, ShopeePay can also be used as a place to store money from refunds when transactions and can later be used again for subsequent transactions.

In the dynamic urban landscape of Semarang, Central Java, the advent of Shopee and ShopeePay marks a pivotal chapter in the region's commercial and digital evolution. Historically renowned for its bustling markets and rich cultural tapestry, Semarang saw a transformative shift with the introduction of Shopee, a pioneering e-commerce platform that swiftly captured the imagination of its diverse demographic. From young digital natives to seasoned entrepreneurs and families, Shopee's user-friendly interface and expansive product offerings resonated deeply, revolutionizing the way Semarang residents shopped and engaged in commerce.

The journey of Shopee in Semarang is underscored by strategic market penetration initiatives and localized promotional campaigns tailored to the unique preferences and behaviors of the city's inhabitants. These efforts not only accelerated the adoption of online shopping but also provided local businesses with a powerful platform to showcase their products to a broader audience. As Semarang embraced digital transformation, Shopee emerged as a catalyst for economic empowerment, facilitating seamless transactions and fostering entrepreneurial growth across the region.

Simultaneously, the introduction of ShopeePay brought forth a new era of financial inclusivity and convenience in Semarang. By promoting cashless transactions and forging strategic alliances with Semarang's merchants, ShopeePay addressed

longstanding challenges in traditional payment systems, offering residents secure and efficient means to conduct transactions both online and offline. This initiative significantly contributed to financial literacy and inclusion, empowering individuals from all walks of life to participate actively in the digital economy.

The historical impact of Shopee and ShopeePay in Semarang extends beyond commerce and finance, influencing societal norms and consumer behavior in profound ways. Through continuous innovation and community engagement, these platforms have not only reshaped the retail landscape but also fostered a vibrant ecosystem where technology meets tradition, paving the way for further socio-economic development in the region.

In the context of this thesis, examining the nuanced interactions between Shopee, ShopeePay, and the demographic dynamics of Semarang offers a compelling lens through which to understand the broader implications of digital commerce and financial innovation on local economies. This narrative underscores the significance of Semarang's journey towards becoming a digitally empowered city, driven by the transformative forces of Shopee and ShopeePay.

2.2.3 Company logo



Figure 2. 1 ShopeePay Logo

Source: www.Shopee.com,

The ShopeePay logo has a deep meaning and plays a very important role in building the image and identity of this digital wallet service. The overlapping “S” in the logo shows integration between Shopee and ShopeePay, while the circle symbol with three lines shows ease, speed and openness in using ShopeePay services. The green color used in the ShopeePay logo has a positive meaning and shows security, comfort and technological progress.

2.2.4 Vision and Mission

Every company definitely has goals or ideals that it wants to achieve so that the company's existence continues to be maintained in the business world. Importance the vision and mission for an organization is to be directed so that it is expected can survive for a long time, progress, and continue develop. Shopee is a big company, and has a vision and mission.

Shopee's vision is: "To become the number 1 mobile marketplace in Indonesia". Then to realize this vision, Shopee set a mission as a stage taken to achieve the company's vision. Shopee Mission namely as follows: "Developing an entrepreneurial spirit for sellers in Indonesia".

2.2.5 ShopeePay Features

Shopeepay is an electronic money service that can be used to make payments for products you buy through the marketplace famous. ShopeePay was officially launched in January 2019 as payment method on the Shopee platform, after previously

obtaining permission from Bank Indonesia. Before using it, you need to know first about how to register and what services are available given.

Shopeepay offers a variety of services that will help users in various payment transactions, such as the following This :

1. Shopeepay balance transfer service to friends.
2. Make payments on the Shopee platform quickly and easily.
3. Can also be used to pay for offline transactions at merchants Shopeepay

To be able to use the Shopeepay service above, you can follow these steps:

1. The first step is to open the My menu
2. If so, click the verify now button
3. Enter your identity in the form of KTP or KITAS
4. Enter your personal identity
5. Next, you just have to wait for the verification process to complete
6. After the verification process is complete, you can immediately use it Shopeepay for various purposes, especially shopping at shopee.

Shopeepay has the advantage of being easy to use transactions, so when users want to make payments they don't need to use mobile banking or transfer via ATM machine now Simply by entering the transaction pin, customers can do it directly make a payment. However, on each user account has available nominal balances. Apart from ease-of-use Shopee pay offers several benefits to users which include: greater comfort, efficiency, security and cost savings. ShopeePay balance can also be topped up easily via various methods Choice of payment methods, including debit/credit cards, bank

transfer/online banking, and via minimarket. Not only that Of course, users also use ShopeePay for online payments non-cash, balance top-up to transfer and withdrawal of funds.

There are four advantages of using ShopeePay. Firstly,ShopeePay Voucher that users will get cashback of up to 30% when making transactions at selected merchants ShopeePay. Second, users will get cashback every day the form of ShopeePay coins which can later be used for transactions next. Third, users can make ShopeePay balances quickly and easy to fellow ShopeePay users for free without any deductions. Fourth, ShopeePay payments when shopping via e-commerce will get cashback and free shipping costs. Apart from that, there are special ShopeePay features or capabilities that will be available enjoyed by users.

There are six ShopeePay features, Firstly, Payment can be made by scanning a QR code. Second, when shopping at stores (offline), websites and merchant applications, users can scan the barcode for payment according to the total price of the product purchased. Second, ShopeePay users who have verified account, you can transfer your ShopeePay balance to your ShopeePay account someone else or to a bank account. Third, users will know ShopeePay Voucher offers at nearby merchants via Deals Around You. Fourth, users can top up their ShopeePay balance via bank transfers that are automatically checked through verification. Fifth, after the user verifies, the maximum transfer limit to the user ShopeePay and bank account is IDR 10,000,000. Sixth, and the final feature is that ShopeePay maintains user account security in making payments and transferring balances by completing them with Pins.

2.2 Respondent Identity

Respondent characteristics are used to describe the identity of the research object that is the research sample. The respondents used in this research are consumers or users of ShopeePay Application in Semarang who used ShopeePay application or website products and services at least 3 times in the last 1 month. The respondents selected were 96 people aged minimum of 20 years old being a worker or student by filling in a questionnaire that had been distributed. Based on the results of the analysis of the sample, respondents can be classified based on gender, age, occupation, and income.

2.2.1 Respondents By Gender

There are 2 (two) categories of respondents' characteristics based on gender, namely men and women. Based on the total respondents, the characteristics of respondents based on gender are as follows.

Table 2. 1 Gender of the respondent

No.	Gender	Amount	Percentage (%)
1	Men	59	60
2	Woman	37	40
TOTAL		96	100

Source: Processed Data, 2023

Based on table 2.1, it can be seen that the majority of Bata footwear users who were respondents in this study were Male. This can be seen through a comparison of users where there are 59 Male respondents and 37 male respondents.

2.2.2 Respondents By Age

Respondent characteristics based on respondent age ranged from 20 to 61 years. Based on the total respondents, the age categories are divided into 20 – 30, 30 – 40, 50 – 55 as in the following table.

Table 2. 2 Age of the respondent

No.	Age	Amount	Percentage (%)
1	20 – 25	78	81
2	26 – 31	13	14
3	32 – 37	13	14
4	38– 43	0	0
5	44 – 49	4	4
6	50- 55	1	1
7	56 - 61	0	0
8	62 - 67	0	0
TOTAL		96	100

Source: Processed Data, 2024

Based on table 2.2, it can be seen that the majority of Bata footwear users who were respondents in this study were in the age range 20 - 25 years, totaling 73 respondents. Then followed by the age range 26 – 31 with 13 respondents. Age range of 32 – 37 with 13 respondents. Followed by 44-49 age range with 4 Respondent and finally age 50-55 with just 1 respondent.

2.2.3 Respondent By Work

The characteristics of respondents based on type of work are divided into 9 categories, namely private employees, civil employees, entrepreneurs, students,

BUMN, BUMD, Army/Police and others. Based on the total respondents, the characteristics of respondents based on type of work are as follows.

Table 2. 3 Respondent Work

No	Type	Amount	Percentages (%)
1	Private Employees	21	22
2	Civil Employees	1	1
3	Entrepreneurs	5	5
4	Students	0	0
5	BUMN	0	0
6	BUMD	0	0
7	Army/ Police	0	0
8	College Students	60	63
9	Others	9	9
TOTAL		96	100

Source: Processed Data, 2023

Based on table 2.3, it can be seen that most of the ShopeePay Application users who has the most respondents in this research are College, namely 60 respondents. While private employees with 21 respondents, entrepreneurs with 5 and civil employees with only 1 respondent. There were also other types of work, as many 9 respondents, such as barista and housewives.

2.2.4 Respondent by Income

Respondent characteristics based on income are divided into 5 categories, namely < Rp. 2,500,000, Rp.2,500,000 - Rp.5,000,000Rp, 5,000,000- Rp.7,500,000, Rp.7,500,000- Rp.10,000,000, >Rp. 10,000,000. Based on the total respondents, the characteristics of respondents based on monthly income are as follows.

Table 2. 4 Respondent Income

No	Income	Amount	Percentage (%)
1	<Rp2.500.000	56	59
2	Rp2.500.000- <Rp5.000.000	23	24
3	Rp5.000.000 - <Rp7.500.000	9	9
4	Rp7.500.000 – Rp10.000.000	4	4
5	>Rp10.000.000	4	4
TOTAL		96	100

Source: Processed Data, 2024

Based on table 2.4, it can be seen that the majority of ShopeePay users who has the most respondents in this study had an income of IDR <IDR 2,500,000, namely 56 respondents.

