

Payment Exchange Transition Due to Digitalization in Rural Consumers Based on Economic Anthropology Perspective

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Abstract. Age give rise to differences in the use of payment tenders pada masyarakat pedesaan. The purpose of this study is to look at the response of digital natives and digital migrants in interpreting the medium of payment exchange and see the influence of culture in changing preferences of the medium of payment. This research uses a qualitative approach with ethnografi methods. The study looked at 5 digital native informants and 5 digital migrant informants. This research shows that cash exchange is easier to use, adaptive in all conditions, and does not depend on geographical conditions or infrastructure. While digital exchange is indeed easy, it is still prone to data theft, it is less practical because it uses a top up system, and is very dependent on devices. Culture influences the preference of choosing a medium of payment. Informants prefer cash over digital money for reasons of practicality and more meaningful transactions.

Keywords: Payment Exchange Transition, Digitalization, Digital Native, Digital Migrant

1 Introduction

Babakan Village, Bogor Regency, West Java, is the location of the IPB Dramaga Campus. One of the livelihood strategies carried out by the people of Dramaga Village as a Campus Circle Village is trading. Therefore, students became the most consumers of Babakan Village merchants. Along with the passage of time, IPB University students began to use cashless payment technology as a form of their adaptation in a world full of technology to facilitate various activities. Payment via cash-less (non-cash) is considered the easiest payment system (Hana, 2020). This makes sellers in the Dramaga area also provide payment options through e-wallets to facilitate transactions with consumers.

The use of money in people who are still living with a substantive economic system living in rural areas is used for daily needs that are also related to socio-cultural life (Handayani, 2016). However, technology in the existence of digitalization that continues to develop provides speed demands in all fields including transactions which then gave birth to the existence of e-money

which is now also available in the form of e-wallets. According to (Yuniarto, 2019), digitalization has become one part of human life and affects various aspects of human life, including payment transactions. The use of e-wallets among the public has increased and slowly began to replace cash payment systems such as online and offline shopping payments. This behavior is inseparable from changes in values that change people's behavior because values become drivers in every activity in society (Putra et al. 2023).

However, not all consumers can use e-wallets in their transactions. This can be influenced by the age group of consumers who are divided into digital natives and digital migrants, as well as cultural influences that develop in their environment. According to Nurabiah et al. (2023), digital natives are a generation that is closely related to digital technology because in their daily lives this generation uses technology to socialize, study, do tasks, spend free time, and other activities which include Gen-Z and millennials. The characteristics of digital natives are that they are in the world of media and gadgets related to information technology, they make mobile internet a part of themselves, digital natives are a generation of multitaskers who are ready for major technological changes even for the next 10 years (Apidana et al. 2019). Meanwhile, digital migrants are people born before 1980 with the characteristics of having experience interacting with computers through direct communication and growing up together in a face-to-face era that requires offline and paper-based tasks using conventional methods in adapting to new technology (Rahmawati et al. 2020).

The economic anthropology approach is considered capable of explaining the phenomenon of socioeconomic symptoms of society related to the payment system both in cash and not. Economic anthropology involved in studying exchange problems in a market economy needs to be in line with the reality that the transformation of traditional economies towards modern economic systems is taking place in various places (Ghafur, 2022). Symptoms of payment instrument exchange that occur in society are not only seen as economic symptoms, but also as cultural symptoms influenced by digital technology and changes in cultural values.

Based on the conditions that have been described, it can be seen that there is a change in people's preferences and habits in making payments that need to be explained based on science. Therefore, the objectives of this study are: (1) explain the influence of culture through the transition of payment exchange due to digitalization, (2) explain the response of digital native consumers facing the transition of payment exchange due to digitalization, and (3) explain the response of digital migrant consumers facing the transition of payment exchange due to digitalization.

2 Methods

The research uses a qualitative approach with ethnographic methods which are methods in social anthropology research. Researchers coexist and interact intensively in the research environment so that they can explain these conditions more accurately and in depth. The types of data used are primary data and secondary data. Primary data are obtained through in-depth interviews with informants, while secondary data are data obtained from other literature studies. The informants in this study were 5 digital native consumers and 5 digital migrant consumers. The selection is based on the consideration that informants can be clearly separated (in this case digital native consumers and digital migrants) and the number of 5 people per category to meet the

requirements for source triangulation (Sugiyono, 2019). Informants were then selected accidental with the assumption that all respondents were consumers who bought merchandise in Babakan Village, precisely around the IPB University Campus with differences in age. The study was conducted in Babakan Village, Bogor, Indonesia, area in a period of 13 days from May 1, 2023 to May 14, 2023. The data obtained are processed by presenting data that identifies cultural processes affecting the transition of exchange due to digitalization and analyzes the response of digital native and digital migrant consumers to these conditions.

3 Results and Discussion

1. Cultural Influences in the Transition of Payment Instruments Due to Digitalization

Based on the results of interviews conducted with 10 informants, it was found that most informants agreed that culture has an influence on consumers in facing the transition of payment currencies due to digitalization. Table 1 shows the results of categorization of informant answers.

Table 1. Categorization of informants' answers regarding cultural influences in the transition of payment exchange due to digitalization

No	Informant	Culture Influencing the Medium of Payment Exchange	Payment Currency Preferences
1	A	Tidak	Tunai
2	B	Iya	Tunai
3	C	Iya	Tunai
4	D	Iya	Tunai
5	E	Iya	Tunai
6	F	Iya	Tunai
7	G	Iya	Tunai
8	H	Iya	Tunai
9	I	Iya	Tunai
10	J	Iya	Tunai

Here it can be seen that almost all informants consider culture to be the reason that affects the medium of payment exchange. Informants state that often culture becomes a guideline for informants to think about, do, decide things. In this case, the culture in the environment around the informant has an influence on the informant's response in facing the transition of payment exchange due to digitalization. The culture around the IPB University campus is payment using digital and cash. They are then encouraged to be able to master non-cash exchange because of different cultures. Initially, some informants claimed that they could not use cashless payments. However, after studying at IPB University, informants learned to use it, both independently, and with peers.

However, informant "A" points out different answers from other informants stating that culture has no effect on the medium of exchange. The reason is, he believes that the current medium of exchange is a response to needs. Informants assume that the existence of various means of exchange is due to technological advances in the economy alone. Progress in the field of transactions is considered only an innovation to encourage the practicality of transactions carried out.

From the data in table 1, the preference of all informants related to the type of choice of transaction tool is cash. Their reason tends to be the same, which is more practical because it can be used in all conditions, including when an internet connection is not available, and not all merchants have tools that accept cashless payments. This is contrary to Katon and Yuniati's (2020) research which states that the use of cash-less provides many conveniences and is able to bring about changes in the lifestyle of its users. This phenomenon can actually be interpreted anthropologically, because indeed people have become accustomed to using paper money as a means of payment. This is known as "reciprocity". According to Masithoh & Kartono (2013), reciprocity is an action that requires reciprocity for them for what they receive or for what they have given. The implementation is a medium of exchange that can be accepted by all parties, this medium of exchange is called money. It is a physical culture created from a series of cultures in the form of activity. This is in line with the research of Putra et al. (2023) which states that activity culture can be the beginning of the formation of a physical culture.

2. Digital Native Consumer Response to the Medium of Exchange

Based on interviews with five digital native informants, it can be seen that although they know and acknowledge the development of e-wallets in Indonesia, most of them still tend to use cash in daily transactions. Although informants agree that e-wallets have practicality in their use as digitized products, there are a number of reasons that encourage them to prefer cash.

One of the main reasons presented by informants was the practicality and ease of use of cash. They feel that transactions with cash are simpler and faster, without the need to worry about balances or the top-up process. This is contrary to research Gusriani (2018) That said that the use of e-money is easier and cheaper. Some informants also stated that the need to ensure the availability of smartphone batteries and adequate networks is an obstacle in the use of e-wallets.

In addition, informants highlight cultural aspects in their choices. They consider that transactions with cash provide a more interacting experience, in accordance with the friendly culture of Indonesian society. According to them, the personal touch in cash transactions reflects the values of togetherness and hospitality that are upheld in society (Donoriyanto et al. 2023).

Geographical and infrastructural constraints are also important factors (Khayyirah et al. 2022). Informants show that e-wallet penetration has not been evenly distributed throughout Indonesia, which makes the use of e-wallets not always possible. This creates uncertainty and the need to remain dependent on cash.

Overall, while e-wallets are recognized as practical payment solutions in the digital age, the preference for cash remains strong among digitally native informants. Aspects such as

practicality, cultural value, and geographical conditions play a significant role in shaping their day-to-day payment patterns.

3. Digital Migrant Consumer Response to the Medium of Exchange

Based on interviews with five digital migrant informants, some of them are not too familiar with e-wallets and prefer to use cash in transactions. They consider payments through e-wallets difficult because of lack of understanding of digital technology. Cash is considered more tangible and easy to use without dependence on electronic devices.

The use of cash by digital migrant informants is considered minimal compared to e-wallets. They consider that cash transactions create an easy experience, in accordance with the culture and customs that have been formed. Cash transactions are also thought to play an important role in social interactions, emphasizing trust and closer relationships.

As for the meaning of the means of payment exchange, informants see the use of cash as something easy because it has become a habit. On the other hand, the use of e-wallets is considered difficult to adapt, especially by informants who are no longer young. Cash payments are seen as an effective way to manage expenses with full awareness and self-control. The ability to see and feel the physical value of money makes it easier for informants to monitor budgets and prevent overspending. In addition, migrant digital informants are more trusting of the use of cash out of concern for the security of personal information in digital transactions. Hal tersebut sejalan dengan penelitian Agung dan Nasution (2023) yang menyatakan bahwa masih terdapat kekhawatiran pengguna transaksi digital pada keamanan data pribadinya.

Summary

Digital natives prefer using cash over e-wallets due to perceived practicality and alignment with Indonesian interactive culture. Geographical constraints also contribute to this preference. Despite acknowledging the practicality of e-wallets, cash remains their top choice. Digital migrants, similarly, favor cash over e-wallets, finding them easier and more secure. The culture around IPB University influences informants to adapt to cashless payments, though some argue that culture doesn't dictate payment choices. Overall, cash is preferred for its practicality, cultural alignment, and perceived security, reflecting a reciprocal acceptance in daily activities..

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