


The role of culture and financial literacy on the actual use digital payment systems for MSMEs in Rantepao city

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Article Info	ABSTRACT
Keywords: Culture, Financial Literacy, Actual Use of Digital Payments	This research aims to analyze and determine the influence of culture and financial literacy on the actual use of digital payments by MSMEs in Rantepao City. Study This use approach quantitative . The object under study are MSME owners in Rantepao City, Regency North Toraja . Data obtained through survey with instruments, ie questionnaire And method taking sample used _ is random sampling method . Data analyzed with using the SPSS 20 statistical program . The research results concluded that culture had a significant effect on the actual Use Digital Payment System, financial literacy has a significant effect on Actual Use Digital Payment System, culture and financial literacy simultaneously influence Actual Use Digital Payment System
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INTRODUCTION

Technological advances continue to develop in Indonesia, especially in the city of Rantepao, North Toraja Regency. Based on data from Bank Indonesia, the value of electronic money transactions reached IDR 142.97 trillion in December 2022. This amount increased by 7.98% compared to November 2022 of IDR 132.41 trillion. The value of electronic money transactions also shot up 79.14% compared to the same period the previous year. In December 2021, the value of electronic money transactions was recorded at IDR 79.81 trillion. In 2022, the Ministry of Cooperatives and SMEs noted that the number of Micro, Small and Medium Enterprises (MSMEs) that have entered the ecosystem will reach 20.76 million units, an increase of 26.6% compared to 2021 of 16.4 million MSMEs, so it is concluded that it will be 32.44 % of the 64 million MSME units that have entered the digital ecosystem. Digital payment methods have many benefits due to their fast and efficient availability [1][2]. *Digital Payments* are carried out online, where transactions are carried out by the money sender and the money recipient digitally or online [3].

In the city of Rantepao, the digital payment system is also used by MSME players as a tool to process financial transactions. There are MSME players in Rantepao City who use digital payment systems, but they are not yet used by all MSME business actors. Internet-based, mobile and application-based payment systems such as E-wallet (*Gopay*, *Shopeepay*, *OVO*, *QRIS (Quick Response Code Indonesian Standard)*, *internet banking*, *mobile banking* and other applications make it easier to carry out various transactions,

however, public culture does not yet support their use). The digital payment system is fully implemented in Rantepao City. The people of Rantepao City still use cash for transaction activities rather than using digital payment-based payments. Culture influences MSME business actors to use digital payment systems [4]. Research by Kamilah and Nurrani suggested that culture can have an impact on the use of technology [5].

With good financial literacy, it will be easier to make smart financial decisions [6]. Some studies suggest that the combination of the use of digital payment methods and low financial literacy may have negative effects on financial behavior [7]. Indayani and Dewi's research results show that financial literacy has a positive and significant effect on interest in using digital wallets (*ShopeePay*) in financial transactions [8].

The state of art of this research which will later become a reference and comparison in this research is the research of Saragih and Nopriadi [4] with the title The Influence of Culture on the Actual Use of Digital Payment Systems among MSMEs in Batam City using quantitative methods. The results of this research conclude that culture has an influence positive towards actual use of digital payment systems. This research is a development of Saragih and Nopriadi's research [4]. The difference between this research and that research is that this research adds one independent variable, namely financial literacy, in accordance with previous research suggestions to use additional variables to get better results. This research aims to analyze and determine the influence of culture and financial literacy on the actual use of digital payments by MSMEs in Rantepao City. This research is expected to produce reference material regarding the influence of culture and financial literacy on the actual use of digital payments .

Literature Review

Digital Payments

Digital Payment also known as electronic payment refers to payment methods that do not involve cash and use digital currency, which allows payers and recipients of payments to send and receive money online [9]. Digital payment system is a technology that provides a new perspective for the public regarding non-cash payments which are much more practical, efficient and safe in every transaction using electronic media [10]. Transactions carried out through this new technology are more convenient, easier, and faster than using traditional technology such as credit cards, checks, or cash [7].

Culture

Culture can be defined in several different ways, as the way in which people solve problems and reconcile dilemmas, as the content that is transmitted and created in patterns of values, ideas, and other systems of symbols that are essential to human behavior, or as the collective programming of the mind that differentiates members of one human group from another [11]. Hofstede's original classification contained four dimensions:

1. Individualism / Collectivism : To an extent where people expected For look after self they Alone or family they If compared to with become part from group social anywhere _ they expected For nurse individual group with rewards loyalty .
2. Distance Strength : So far where public accept reality that power from institution And organization distributed in a way No evenly .

3. Avoid Uncertainty : So far where public feel threatened by uncertainty And ambiguous situation _ And try avoid it .
4. Masculinity / Femininity : As far as where mark dominant masculine ; that is firmness , strength , masculinity , and No pay attention to others, or otherwise , for mark feminine , like quality .
5. Term Thinking Long / Term Short : Referring on future values _ like persistence And conflicting savings _ with past value _ And Now like respect to tradition And fulfillment obligation social .

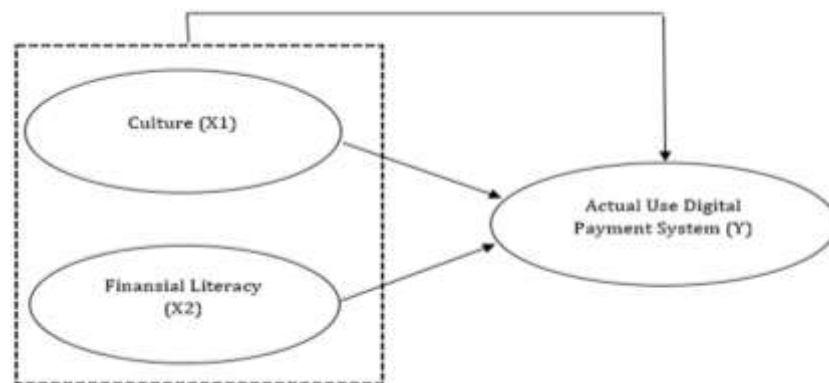
Financial Literacy

Literacy finance defined by Financial Authority Services (OJK) as knowledge , skills , and impactful beliefs _ on attitude And behavior For increase quality taking decision And management finance in frame reach well-being [12] . Atkinson and Messy pointed out that literacy finance is something awareness about information finances , skills in manage finances , attitude in decision use finance And behavior in take wise decision _ with objective For reach well-being finance every individual [13] . According to Authority Service Finance benefit literacy finance as following :

1. Make individual more wise in choose , utilize And use service product And service appropriate finances _ with needs , and make planning finance with good .
2. Averted from activity investment and financial instruments that do not clear
3. Gain knowledge and understanding of the benefits and risks of financial services and products

Conceptual framework

Conceptually, the research model is presented in the following figure.



Picture 1: Conceptual Framework

Research Hypothesis

Based on the problem formulation and conceptual framework above, the research hypothesis put forward by the researcher is as follows:

1. Culture influences *the actual use of digital payment systems* by MSMEs in Rantepao City

2. Financial literacy influences *the actual use of digital payment systems* by MSMEs in Rantepao City
3. Culture and Financial Literacy simultaneously influence *the actual use of digital payment systems* by MSMEs in Rantepao City

METHOD

The method used in this paper is a survey method. This research lasted for 8 months in Rantepao City, North Toraja Regency. This time is used to obtain data and information from the objects in the research, process the data and compile the research results until the final stage, after the results have been obtained, will be published according to the outcomes and achievement targets and create a final report on the research results.

Sampling Techniques

The population of this research is MSME owners in Rantepao City, North Toraja Regency. The sampling technique (determining respondents) was carried out using the random sampling method. The sample size is determined or guided by the formula from Taro Yamane, as follows:

$$n = \frac{16.752}{16752(0,1X0,1) + 1}$$

$$n = 99$$

Information:

n = sample size

N = population size

d2 = Precision set is 95% ($\alpha = 0.05$)

1 = constant number

In this research there are two variables observed. These variables are as follows: *Actual use of the digital payment system* (Y), is called the dependent variable. Culture (X1), Financial Literacy (X2), are called independent variables

RESULTS AND DISCUSSION

Table 1 Normality test

One-Sample Kolmogorov-Smirnov Test		
Unstandardized Residuals		
	N	99
Normal Parameters a, b	Mean	,0000000
	Std. Deviation	1.01971078
Most Extreme Differences	Absolute	,072
	Positive	,072
	Negative	-,063
	Kolmogorov-Smirnov Z	,714
	Asymp. Sig. (2-tailed)	,688

In study This testing normality in a way statistics done with use test *Kolmogorov Smirnov*. Results testing normality , obtained mark *Sig Kolmogorov Smirnov* of 0.688. Mark This has fulfil condition test normality , that is If results testing obtained Sig value > 0.05 , then assumption normality fulfilled (Ghozali , 2013).

Table 2: Heteroscedasticity Test

Variable	Sig.	Conclusion
X1	0.995	Heteroscedasticity does not occur
X2	0.565	Heteroscedasticity does not occur

Multicollinearity Test

Test assumption multicollinearity can done with count VIF (*Variance Inflating Factor*) value . If VIF value < 10, then can concluded No there is multicollinearity . Results test assumption multicollinearity on study This can seen on table following .

Table 3: Multicollinearity Test

Independent variable	VIF	Information
Understanding Tax Mechanisms	1,059	Non multicollinearity
Tax Morals	1,059	Non multicollinearity

Table show that VIF values are all below 10 so all over variable free No contain multicollinearity (non- multicollinearity). It means variable freely researched _ No each other relate so that appropriate used as variable free in models.

Determinant of R²

Table 4: Model Summary ^b

Model	R Square	Adjusted R Square	Std. Error of the Estimate
1	,432 ^a	,187	1.03028

Based on the R square value of 0.187, it shows that the proportion of influence of the variables understanding tax mechanisms and tax morals has an effect of 18.7% on voluntary tax compliance while the rest is influenced by other variables.

F test

Table 5: ANOVA ^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	23,392	2	11,696	11,018,000 ^b	
Residual	101,901	96	1,061		
Total	125,293	98			

Mark thecalculated F probability (sig) is more than 0.000 small of 0.05 which means a regression model estimated worthy used For explain influence culture And financial literacy to *actual use of digital payment systems*.

Table 6: T test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1(Constant)	4,221	1,267		3,332,001	
X1	,327	,100	,309	3,264,002	
X2	,178	,071	,237	2,505,014	

Thecalculated t probability value (sig) of the Culture variable is 0.002 (<0.05), which means that culture has a significant influence on the *actual use of the digital payment system* . Likewise for the financial literacy variable with a sig value of 0.014 (<0.05), which means financial literacy has a significant effect on *actual use of digital payments* .

Cultural Influence (X1) on Actual Use of Digital Payment (Y)

The research results show that culture (X1) has a significant effect on the actual use of digital payments (Y) of MSME actors in the city of Rantepao. This is in line with research by Saragih and Nopriadi [4], Kamilah and Nurrani [5] suggests that culture can have an impact on the use of technology. Culture is something that cannot be separated from society. Culture is formed from many factors that allow it to become a characteristic or character that is possessed.

Influence of Financial Literacy (X2) on Actual Use of Digital Payment (Y)

The research results show that financial literacy (X2) has a significant effect on the actual use of digital payments (Y) of MSME actors in the city of Rantepao. Indayani and Dewi's research results show that financial literacy has a positive and significant effect on interest in using digital wallets (*ShopeePay*) in financial transactions [8]. With good financial literacy, it will be easier to make smart financial decisions [6]. The use of digital payments in do transaction influenced by ability somebody know And understand about literacy digital finance [6]. According to Siswanti [6] The use of digital payments in carrying out transactions is influenced by a person's ability to know and understand financial literacy. This shows that every digital payment user should have knowledge and understanding of financial literacy, both the benefits and risks before making a choice to use digital payments in transactions.

The Influence of Culture (X1) and Financial Literacy on the Actual Use of Digital Payment (Y) of MSMEs in the city of Rantepao.

Simultaneous test results show that culture (X1) and financial literacy (X2) simultaneously have a significant effect on the actual use of MSME actors in Rantepao City. The use of digital payments is influenced by culture, habits and the surrounding environment. Where the environment plays a big role in a person's decision to use digital payments in transactions [6]. Apart from that, a person's knowledge about finances can encourage them to use digital payments to make transactions.

CONCLUSION

Based on the research results, it can be concluded that culture has a significant influence on the actual use of digital payments, financial literacy has a significant influence on the actual use of digital payments, culture and financial literacy simultaneously influence the actual use of digital payments.

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