

# PHENOMENON OF RURAL COMMUNITY BEHAVIOR IN ONLINE PAYMENT TRANSACTIONS POST COVID-19 IN LAMONGAN REGENCY, EAST JAVA

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**Abstract.** Online shopping transactions are carried out with a number of supporting facilities that must be available. Among them are the existence of communication technology devices, internet network access, inter-regional cargo courier services and the development of adequate infrastructure. So that with adequate supporting facilities, online payment transactions can be made to reach almost all regions in the world and even reach consumers in rural communities. Rural Community or what is often referred to as rural community is a society that is always associated with modesty, backwardness, traditionalism and isolation. In this case, modesty is often associated with simplicity in the behavior of rural communities such as in the delivery of words and in meeting simple needs. Meanwhile, underdevelopment is a condition of delay in the development or progress of something that supports the sustainability of rural life. The next is traditionalism which is a teaching by emphasizing the traditions received from previous generations as a way of life. The research method in this study is a qualitative method with a phenomenological approach. a social phenomenon that occurs in the behavior of online payment transactions in rural communities in villages in Lamongan Regency. In accordance with the phenomenon of ERG Theory, online shopping transactions have become a shopping style trend in rural communities in Lamongan Regency since before the COVID-19 pandemic. Then the Covid 19 pandemic has not become an obstacle for rural communities to make online payment transactions. It was found that the behavior of rural consumers in online shopping transactions went through several stages of purchasing decisions. However, transactions are often carried out impulsively. Rural communities in Lamong Regency are still enthusiastic and want to make transactions even though they cannot feel the benefits and advantages of online shopping to the fullest.

**Keywords:** online payments; rural community; ERG theory.

## I. INTRODUCTION

In this modern era, technological developments have had a major impact on the progress of communication. The development of communication technology has encouraged many people to have technological knowledge and adapt to the use of technology that continues to develop [1]. Until in the end it causes a shift in values and culture in matters related to daily activities. One of them is the existence of online transaction behavior caused by the presence of the internet which is used to fulfill daily needs [2]. Based on the Aftch 2019/2020 Annual Member Survey Report, the number of electronic pouring instruments touching the highest point reached 412,055,870. The cumulative transaction value has also increased rapidly, from 2018 of Rp. 47 trillion and then in 2019 to Rp. 145 trillion, and in the period of January to June 2020 it has reached Rp. 93 trillion. It was informed that 51 percent of the adult population in Indonesia had not been touched by banking services (unbanked). Of this number, 69 percent of them have a smartphone or smartphone, which makes them have access to use fintech. In addition, the high number of working age population, rapidly growing internet penetration, and many groups of people who have not been touched by banking services are considered to be great opportunities for the fintech industry to contribute to boosting economic growth.

Currently, rural communities are also applying the use of the internet as a communication technology that can help support various kinds of activities so that it feels like there are no longer certain limitations in meeting the needs of the rural community to be more practical and modern, although not all of the existing infrastructure is supportive and can be fulfilled. This is also supported by the statement that in this modern era, however small a village, it must have an influence from the city (Soekanto [3]). So in this case, the behavior of urban people who are often considered the easiest society to adapt to technology and with all the existing culture of using technology, is currently also carried out by rural communities.

In the presentation of internet usage penetration based on rural-urban characters, the penetration rate in rural areas reached 48.25% in 2017 (Teknopreneur [4]). However, with the penetration rate of internet usage, there are still infrastructure limitations which are a means of supporting various internet usage activities for the fulfillment of human needs caused by the intensity of development that is not maximal [5]. With the limited infrastructure development that supports the continuity of online payment transactions, it often makes rural communities experience difficulties [6]. The reason for the distance and the state of the infrastructure that does not support the delivery of goods in online transactions makes rural communities often do not feel the convenience and advantages of online payment transactions

to the fullest [7]. Villages in Lamongan Regency are one of the areas included in the rural community classification.

At first, payment transactions were carried out by rural residents in Lamongan conventionally, namely by face-to-face transactions that took place in 2 directions, bound by space and time. Often, they shop for the fulfillment of their needs in traditional markets, grocery stores and food stalls. In the end, with the development of online shopping technology, it began to become one of the most popular shopping events for rural communities in Lamongan. Because in general, online payment transactions put forward the value of practicality and convenience. However, it is different from what happened in several villages in Lamongan, villagers doing online shopping transactions do not fully feel the value of practicality and convenience caused by limitations in the intensity of infrastructure development which causes inadequate facilities and infrastructure services. Where the distance to the village is far and the condition of the road is damaged causing cargo courier services for the delivery of goods often delaying delivery according to the time agreed between the sender and recipient which causes protracted delays [8][9]. Even though this situation occurs, it does not eliminate the enthusiasm of rural residents to become consumers of online shopping transactions that are carried out repeatedly to fulfill all kinds of their needs and desires.

One of the motivational theories is the theory of existence, relatedness and growth, or better known as the ERG theory. This theory is a theory pioneered by Clayton P. Alderfer which is the result Derived from Maslow's hierarchy of needs theory [10]. This theory explains that there are three kinds of needs in this theory (Satrio [11]), the first is existence or existence which is the need to be able to live with the fulfillment or maintenance of one's presence in society which includes physiological needs and a sense of security. The second is relatedness or kinship which is a link between a person and the surrounding social environment so that a person needs continuous interaction with other individuals. And the third, namely growth or growth is a need related to self-actualization and development of one's potential, such as the growth of creativity and having productive activities towards oneself or the environment [12]. In this theory the hierarchy is not rigid so that lower needs do not have to be met first, this theory also explains that there is no barrier dimension when the lower level needs are blocked, the needs at a higher level cannot be fulfilled but this theory is more flexible and can take place concurrently. This theory can be applied to technological developments in the modern era because at this time often meeting physiological needs is no longer a top priority that must be met first, but often fulfilling growth in self-actualization and appreciation is the main need in this modern era [13].

## II. RESEARCH METHODS

This study uses a qualitative phenomenological methodology using a descriptive approach. The methodology [14] and approach the researchers chose because the research carried out was a qualitative research category that wanted to

collect actual and detailed information by describing social symptoms or phenomena that occurred in the behavior of online payment transactions in rural communities in villages in Lamongan Regency. The informants in this study are people in rural areas in Lamongan district who often shop using online payment transactions. The data analysis technique in this study emphasizes the observed events and information obtained from online shopping transactions according to Clayton's ERG theory regarding existence.

## III. RESULTS AND DISCUSSION

ERG theory is a theory of motivation that was coined by Clayton Paul Alderfer. This theory states that motivation is based on three needs, namely the existence, relationship and development in humans. The word "ERG" is an acronym for English words, namely Existence, Relatedness, and Growth. In ERG theory, existence is made as a necessity for every person in accordance with human dignity. The need for relationships is explained by the existence of social interactions between humans and human interactions with the surrounding environment as the essence of existence. In the process of existence and interaction, there will be a human need to grow and develop. ERG theory is similar to Maslow's hierarchy of needs. In ERG theory, existence is considered as a basic need, relationships as social needs and development as a form of self-actualization. From the findings in the field, in accordance with the phenomenon of ERG Theory, online shopping transactions have become a shopping style trend in rural communities in Lamongan Regency since before the COVID-19 pandemic. Then the Covid 19 pandemic has not become an obstacle for rural communities to make online payment transactions. Even rural communities in Lamongan district have become consumptive after online shopping has emerged as a shopping style in the digitalization era. Consumptive online transactions are felt easier and many benefits are felt not only as personal needs but also for entrepreneurship as an economic opportunity they have. So that the continuity of online shopping in rural communities in Lamong has marked economic progress in the village. However, in its implementation there are obstacles experienced by rural communities in conducting online shopping transactions. Especially in villages that are very far from the village to the central government area. The poor state of road infrastructure has hampered the success of transactions which has made the courier service delivery of goods as one of the parties supporting the success of online shopping transactions to be hampered in the process of delivering goods. So with this it causes delays and direct pickup of goods by consumers to the expedition service which reduces practicality in the online shopping process [15]. However, even though these obstacles are felt, rural communities in Lamong district are still enthusiastic to continue doing online shopping transactions because online shopping transactions can fulfill the needs of existence, relatedness, and growth they want.

For further findings, it was found that the behavior of rural consumers in online shopping transactions went through

several stages of purchasing decisions. However, transactions are often carried out impulsively. This is because there is marketer stimulation, personal stimulation and cultural stimulation. Online shopping behavior develops simultaneously with the presence of online conditions of affection and cognition of rural communities who like and believe in online shopping transactions made through e-commerce, which offers security and convenience of transactions that are known by consumers through word of mouth in the consumer environment [16]. The results of the following findings, the researchers saw that rural communities in Lamong Regency remained enthusiastic and wanted to make transactions even though they could not feel the benefits and advantages of online shopping to the fullest. This is due to the presence of rational motives for fulfilling personal needs with logical considerations, as well as being present in the form of entrepreneurship which helps increase economic growth in the village. And the trend of online shopping in rural communities in Lamongan is due to emotional motives due to personal stimulation of interest in making transactions even though the considerations are less logical. This is due to the existence of marketing incentives and the pride factor that is present in the informants for conducting online shopping transactions in rural areas. In its implementation there are online needs that are met, namely security, convenience and representation of pleasure in online shopping transactions.

#### IV. CONCLUSION

In accordance with the phenomenon of ERG Theory, online shopping transactions have become a shopping style trend in rural communities in Lamongan Regency since before the COVID-19 pandemic. Then the COVID-19 pandemic has not become an obstacle for rural communities to make online payment transactions. Even rural communities in Lamongan district have become consumptive after online shopping has emerged as a shopping style in the digitalization era. Consumptive online transactions are felt easier and many benefits are felt not only as personal needs but also for entrepreneurship as an economic opportunity they have. So that the continuity of online shopping in rural communities in Lamong has marked economic progress in the village. It is found that the behavior of rural consumers in online shopping transactions passes through several stages of purchasing decisions. However, transactions are often carried out impulsively. This is because there is marketer stimulation, personal stimulation and cultural stimulation. Rural communities in Lamong Regency remain enthusiastic and want to make transactions even though they cannot feel the benefits and advantages of online shopping to the fullest. This is due to the presence of rational motives for fulfilling personal needs with logical considerations, as well as being present in the form of entrepreneurship which helps increase economic growth in the village.

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