

# Utilization of Technology in Facilitating Customer Purchases and Payments at Charles & Keith

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Article history: received December 27, 2023; revised January 03, 2024; accepted January 19, 2024

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## ABSTRACT

With its continued development, technology is now not only used as a communication medium, but can be used as a means of payment or online shopping. Currently, the public or customers are offered many digital shopping and payment methods. PT Kurnia Ciptamoda Gemilang under the Charles & Keith brand has utilized existing technological advances by implementing an online shopping model via website and chat shop as well as a payment method using e-money, without eliminating the cash payment method. Despite innovation, many Charles & Keith customers are still confused about the steps from shopping to payment. This is due to the lack of information obtained so the company introduces this innovation through salespeople. The purpose of this activity is to find out the use of technology to facilitate customer access to purchases and payments at Charles & Keith. The method used is ABCD (Asset Based Community Development) with several stages such as preparation stages, implementation stages and monitoring and evaluation stages. The results obtained from this activity show that the company has taken advantage of technological developments that provide a choice of shopping methods via websites and chat shops as well as payments using transfers, QRIS, credit cards, virtual accounts, and others. Customers also received this innovation positively, as monthly results show about the increase in the number of chat shop users.

**Keywords:** Technological developments, Non-cash Payment Instruments, Spending Innovation

## INTRODUCTION

The development of technology has changed many aspects of human life, including financial and trade transactions. One of the most notable aspects is the advancement in online payment and shopping systems. These advancements are making transactions easier and changing the old paradigm of payments and purchases. The new concept of shopping and paying for goods and services has been revolutionized by the advent of technology, especially the internet. Online shopping and payments have changed the way people consume goods and services. These developments have resulted in a more efficient and globally connected business environment.

The previous payment system only used cash, but now uses a digital payment system known as electronic money. Non-cash payments can now be made with more efficient technology. Cashless payments are usually not made with money, but can make interbank transfers through the bank's internal network. In addition, non-cash payments can also be made using cards, such as ATMs, Quick Response Code Indonesian Standard (QRIS), debit cards,

and credit cards (Tarantang, J. Awwaliyah, A. et al., 2019). Payment systems are the most important part of the economy, especially in ensuring that payment transactions take place between people and companies. They also play an important role in keeping the financial system stable and implementing monetary policy. Bank Indonesia conducts policies that focus on four main things to ensure the smoothness and security of payment systems: improving security, efficiency, expanding access to payment systems, and paying attention to consumer protection. Based on Law Number 3 of 2004 concerning Bank Indonesia, establishing payment instruments is one of Bank Indonesia's responsibilities to regulate and ensure a smooth payment system (Sofyan, 2015: 3).

Based on Bank Indonesia Regulation Number 16/08/PBI/2014 concerning Amendments to Bank Indonesia Regulation Number 11/12/PBI/2009 concerning Electronic Money in the provisions of Article 1 Point 3, "Electronic Money is a payment instrument that fulfills the elements of (a) issued on the basis of the value of money deposited in advance to the issuer; (b) the value of money is stored electronically in a media server or chip; (c) used as a means of payment to merchants who are not the issuer of the electronic money; (d) the value of electronic money managed by the issuer is not a deposit as referred to in the law governing banking".

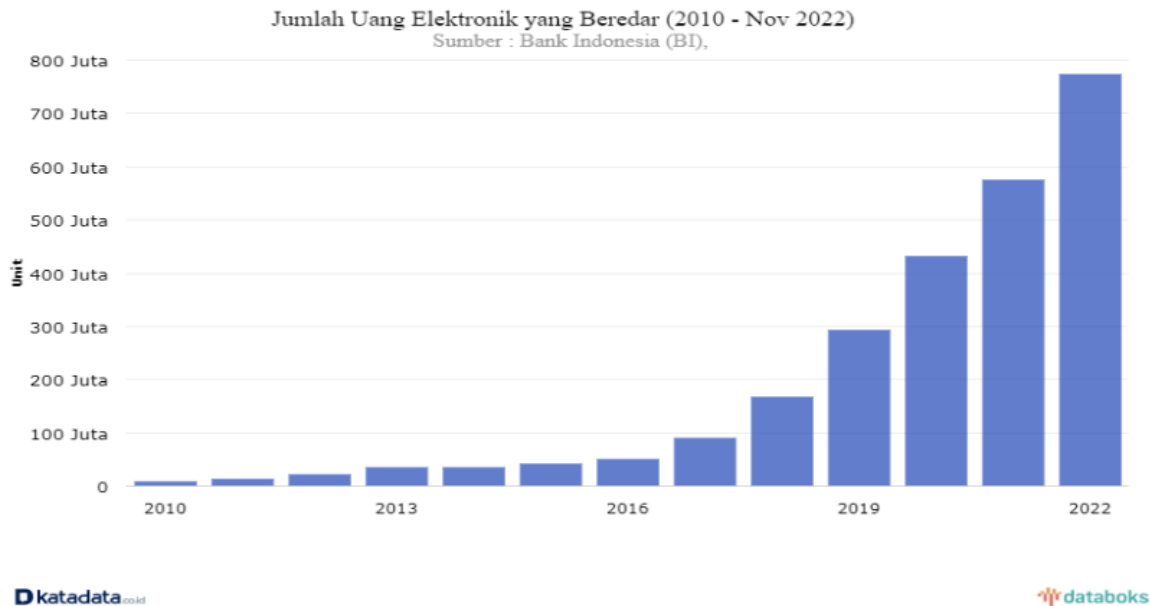


Figure 1: Number of Electronic Money in circulation

Source: Bank Indonesia

In Indonesia, the use of electronic money (e-money) has increased as a result of the emergence of online marketplaces and the rise of digital payments. According to data from

Bank Indonesia (BI), electronic money in circulation reached 772.57 million units in November 2022, a 34.28% increase from the end-2021 position. According to data from the Central Statistics Agency (BPS), Indonesia's population reached 275.77 million in June 2022. This means that, in the previous year, each person had an average of 2.8 units of electronic money. The graph shows an increasing trend since 2010. Electronic money only reached 7.9 million units in 2010. By November 2022, the number has increased by more than 9,000%. Electronic money is divided into two based on its storage media. First, electronic money using chips amounted to 89.09 million units. Second, using servers totaling 683.47 million units. Electronic money that has been registered is 188.9 million units and electronic money that has not been registered is 583.66 million units.

PT Kurnia Ciptamoda Gemilang has employed various strategies for sales and payment management, especially for its flagship brand Charles & Keith. The company offers various ways to make it easier for customers to shop, such as through the official website and chat shop, which gives customers the opportunity to shop more flexibly. PT KCG cooperates with many banks in Indonesia in terms of payment. Thanks to this cooperation, customers can use various payment methods, such as bank transfers and credit cards. In addition, the company offers an e-money feature that allows customers to make payments more easily and quickly. PT KCG became a competitive contender in the retail market by adjusting its multiplatform sales strategy and incorporating various payment methods.

Companies should provide easy and flexible payment methods to meet the preferences of diverse customers. Customers can make purchases both in-store and online quickly and easily by using credit, debit, or e-wallet cards. Customers should feel comfortable and safe while shopping, which is a top priority that companies should provide. An effective customer payment system can also manage reward points or loyalty programs to provide additional incentives to keep customers loyal and happier. Companies can build strong relationships with customers, increase loyalty, and improve the transaction experience by providing a variety of innovative and secure payment methods.

Table 1. Visitor Traffic of Charles & Keith Galaxy Mall Surabaya

| Year | Visitor Traffic |
|------|-----------------|
| 2018 | 188.605         |
| 2019 | 208.836         |
| 2020 | 101.760         |
| 2021 | 81.392          |
| 2022 | 121.643         |

Source: Charles & Keith

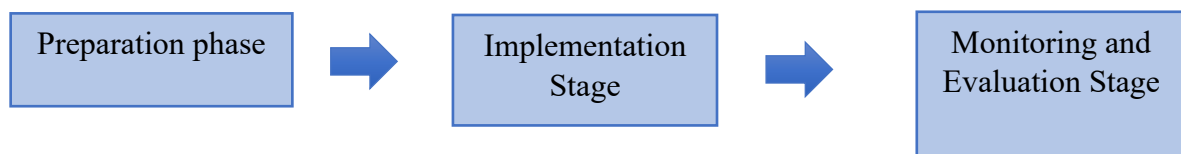
When viewed from the number of visitor traffic for the past 5 years, in 2019 the number of visitors who came to the Charles & Keith store was very high, but in 2020-2021 it experienced a very rapid decline. This was triggered by the rampant covid-19 pandemic in Indonesia. The impact of covid-19 is felt by the economy, one of which is the retail industry. Supported by the implementation of new regulations, namely social distancing, which requires people to reduce outdoor mobility, resulting in a decrease in buying interest from consumers. Until 2022, the number of visitors slowly began to increase, although it was still below average

due to the economic downturn caused by the pandemic. Thus, it is necessary to innovate purchasing as well as payment to continue to revive sales.

## METHOD

The method used in carrying out this community service program is using the ABCD (Asset Based Community Development) method. The ABCD method is a method used as a strategy for understanding customers or customers who use assets. Assets here can be interpreted as customer understanding which aims to educate about payment methods. The assets can be in the form of: care, cohesiveness, intelligence and others. This can be used to support customer groups to maximize the services that have been provided, by utilizing the resources, skills that have been provided.

The location taken in carrying out this activity at Galaxy Mall Surabaya Charles & Keith brand, which is in one of the malls in Surabaya, with a large number of visitors, but some of them still use cash payments, as well as a lack of information about online shopping through websites and chat shops. In its implementation, there are several flows in it, namely:



Some of the stages carried out in this activity are as follows

### 1. Preparation Stage

In the preparation stage, training or debriefing of some materials tailored to the problem is carried out, namely regarding payment methods, conditions for the use of credit cards, how to shop and pay through websites and chat shops. Then the results of the material obtained will be explained to the customer along with the stages in it.

### 2. Implementation Stage

At the implementation stage, the facilitator conducts in-depth explanations and explanations to customers who will later make purchases and payments. Here, the assistant will directly accompany and control the stages until they reach success, until the customer understands the steps.

### 3. Monitoring and Evaluation Stage

In the last stage, namely monitoring and evaluation, the assistant conveys the progress and conducts a review and conveys the problems faced by the buyers to the head of the shop.

## RESULTS AND DISCUSSION

Technology has brought significant positive impacts especially in terms of electronic payments or e-money. The main benefits of this technology lie in the ease, speed, and efficiency

of transactions. Many of Charles & Keith's customers are now switching to using e-money because it simplifies the payment process without the need to carry cash. In addition, e-money's ability to be used both online and offline makes it very practical in this digital era. Users can not only make payments at physical stores, but also online through dedicated apps or platforms. As a result, the adoption of e-money is widespread, contributing positively to economic development and easing the lifestyle of modern society.

PT KCG has improved its sales system due to technological advancements. The company made major innovations, such as creating an official website. The platform allows sales to be made more quickly and effectively. The website not only displays Charles & Keith products, but also allows customers to conduct online transactions. Customers can easily browse the product catalog, check stock availability, and make purchases thanks to this website. In addition, PT KCG on the Charles & Keith brand offers a chat shop that allows customers to talk to the company directly. Consumers can get more information, get product recommendations, and even place orders through chat.

Educational activities on the use of technology in facilitating purchases and payments have been carried out in accordance with the stages of the activity, and have produced positive results on understanding of payments and purchases. The following results were obtained:

### 1. Preparatory stage

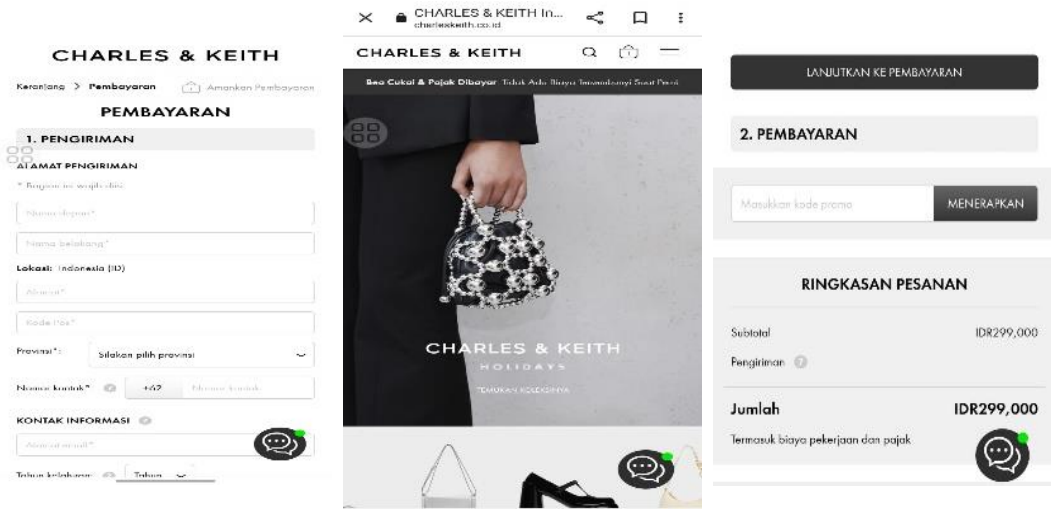
At this stage, the assistants received training and briefing materials that had previously been provided regarding payment methods, the conditions that must be met by customers to use credit cards and minimum spending limits, and how to make payments through websites and chat shops. The explanation of this material is useful to increase knowledge and facilitate consumers or customers in making purchases. The facilitator identifies problems that arise from customers until it is found that the problems faced by customers are generally uniform, they do not understand the stages when transacting through the website and chat shop. So this causes customers to take the time to come directly to the store when they are in a hurry and results in less than optimal product selection.

### 2. Implementation stage

To optimize the use of chat shops and purchases via the web, the assistant helps directly with the stages and conditions specified when making transactions via the web or chat shop and the terms and conditions of credit card validity. With direct guidance from Charles & Keith's servants, it is hoped that customers will be able to use these services optimally, so that the time spent is more effective and efficient.

Requirements for credit card payments at Charles & Keith Galaxy Mall Surabaya, customers must spend at least 1 million. Installments are 3-6 months 0% using BNI and Mandiri cards. For purchases via the web, consumers will be directed to open the link <https://www.charleskeith.com.id> provided several choices of Charles & Keith products. Consumers can shop by following the steps below:

- a. Enter the website link <https://www.charleskeith.com.id> then determine the product to be purchased and put in the basket



- b. Then select visitor payment and fill in personal data, proceed to payment
- c. The last step is to choose the payment method that has been provided



While through chat shop, customers can call directly to the waiter number, send the product to be purchased, provide complete personal data along with the shipping address, and e-mail as the recipient of the payment bill. Then the data will be processed through the computer that has been provided. After the processing is complete, consumers will get an e-mail that serves to send a payment link. In it, consumers are also provided with several payment methods.



Figure 2. Customer Assistance in Making Transactions Via Chat Shop

In the payment process, customers are given several payment system options such as credit, debit, QRIS, and virtual accounts. In the picture below is an example of a customer making a payment using a credit card



Figure 3. Customers who make transactions using credit cards

Before the internship, customers who used the chat shop were not stable every month due to the lack of introduction to the chat shop, so that customers lack information about the chat shop. Can be seen from the table below

Table 2. Number of Chat Shop Users Before Assistance

| Month | Consumer |
|-------|----------|
| May   | 41       |
| June  | 31       |
| July  | 30       |

After the internship, the introduction of chat shop increased due to the assistance on how to use chat shop. So that customers are facilitated in using the chat shop. In a period of 3 months, chat shop users have increased which can be seen in the table below.

Table 3. Number of Chat Shop Users After Assistance

| Month     | Consumer |
|-----------|----------|
| September | 32       |
| October   | 40       |
| November  | 43       |

Source: Charles & Keith

From the data above, it can be concluded that consumers or customers have taken advantage of the innovation provided by the company, as can be seen from the increase every month. From this it can be concluded that consumers understand the steps for ordering products and the payment process.

### 3. Monitoring and Evaluation Stage

Introductory activities regarding payment and purchasing methods aim to optimize customers when shopping at Charles & Keith. Customers who previously did not know in detail about how to shop are finally enthusiastic and feel helped by this innovation. However, during the activity there are of course several obstacles which will be monitored and evaluated by assistants from PT Kurnia Ciptamoda Gemilang. When it comes to individual development, especially in the workplace, monitoring and evaluation are two different but complementary components. So daily evaluation is needed to improve performance.

## CONCLUSION

The activity of implementing the introduction of new innovations regarding shopping and payments carried out at the Charles & Keith Galaxy Mall Surabaya City store resulted in a positive response from customers. This activity is carried out by explaining the purchasing and payment system via the web or chat shop as well as credit card validity requirements which are expected to increase consumer understanding regarding the purchasing and payment stages. This is also in line with the vision and mission of PT Kurnia Ciptamoda Gemilang, one of which is to provide the best service to consumers. The results obtained were quite satisfactory because the target the assistant wanted to achieve had been successful. This is proven by the increase in chat shop and website users every month. It is hoped that the increase in chat shop and website users will be able to help customers shop effectively. It can be concluded that the innovation provided by the company has a positive impact on customers, so that customers feel satisfied with the presence of this innovation.



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