

Factors Affecting MSMEs in Using QRIS and Electronic Data Capture (EDC) as a Cashless Payment Method: Evidence from Sorong City, Southwest Papua

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ABSTRACT

Rapid progress has been made in the development of cashless payment systems. As can be seen from the positive level of public acceptance of this payment method development standard, moreover this trend has become necessary for rural communities. QRIS and debit card payment via EDC are the non-cash methods that MSMEs players in Sorong city utilize the most frequently. Sorong city is quite developed province of Southwest Papua Indonesia, which is well regarded as a commercial and industrial hub. According to reports as of January 2022, the use of QRIS by merchants in the Sorong city itself has not met the target set by Bank Indonesia. This research aims to examine the variables that affect MSMEs players decision to use QRIS and EDC for cashless transactions. In this quantitative research, the variables predictor used are the extended Technology Acceptance Model (TAM) by Davis, with are perceived risk as X1, perceived ease of use as X2, and perceived usefulness as X3. Convenience sampling was the sampling technique utilized, with questionnaires distributed to the 60 MSMEs players throughout Sorong city. Multiple linear regression analysis is used to determine the significance relationship between predictor variables and response variable. The findings demonstrate that there is significant relationship between perceived ease of use and perceived usefulness on the decision of MSMEs players to use QRIS and EDC for cashless payments in their businesses, while the usage decision not significantly affected by the variable of perceived risk. The research's empirical evidences are expected to increase local business literacy

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and provide a reference for the government and policymakers who make rules about cashless payment systems.



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INTRODUCTION

As one of the biggest cities, Sorong acts as the provincial capital of Southwest Papua. This province was inaugurated in December 2022. Sorong is a center of trade and industry since it serves as a hub for transportation to other cities on the island. There are a significant number of MSMEs players engaged in this, and the resources are also highly promising. The total number of MSMEs in West Papua Province throughout 2022 is 4,604 business units (before Southwest Papua was formed) (Erlina, 2023). MSMEs provide a significant economic contribution in the age of digitalization. Understanding technology is crucial for the business development.

In order to facilitate cashless payment, QRIS (Quick Response Code Indonesian Standard) standardized payment using the Bank Indonesia (BI) QR-code approach. For the time being, QRIS allows users to utilize any payment applications from any providers, including banks and non-banks. QRIS can be used in all stores, merchants, stalls, parking lots, tourist tickets, and donations(merchants) that have QRIS logo(bi.go.id). Specifically in West Papua, the targeted number is 35,000 merchants. At the end of January 2022, there were 26.295 merchants using QRIS. QRIS is most frequently used in Sorong city, which has 11,933 merchants. Beyond the unreliable internet infrastructure, there are many more obstacles to the target's realization. For instance, the public market's literacy of digital payments system still needs to be increased(Papuabaratnews, 2022).

The method of cashless payment via the electronic

data capture (EDC) system is also a popular choice in Sorong City. EDC make payment transactions easier, it is a tool created specifically for non-cash transactions for Card payment instrument (Alat Pembayaran Mengguakan Kartu/ APMK), such as debit or credit cards, which can be directly connected to the user's bank account, and then transferred according to the total purchase or payment at that time(bi.go.id) APMK indicates trend of growing on a national scale in Q1 2021, specifically for EDC and merchants, reaching 1.513 and 1.068 trillion respectively, or an increase for about 11,05% and 14,32% from Q4 2020(ASPI, 2021).

In order to understand the reason of MSMEs in Sorong City decided to utilize QRIS and EDC as a cashless payment method, Davis' Technology Acceptance Model (TAM) factors of perceived usefulness and ease of use were examined as the variable predictors. As an additional the perceived risk factor is included as the extended variable predictors. According to Davis (1989), perceived ease of use is the idea that using new technology doesn't require much effort, whereas perceived usefulness is the idea that using technology/systems tends to result in better performance(Davis Fred D. & Marangunić, 2023). According to Schiffmann and Kanuk (2007), perceived risk is a state of uncertainty that customers experience when they are unable to anticipate or forecast the outcomes of their purchase decisions.

Aside from addressing the issues mentioned above, this research aims to serve as a resource for government and commercial policy makers

who have a role in the Payment System. Evidence from empirical research is expected to have an impact on the rise in the adoption of cashless payment methods by MSMEs in Sorong City. By supporting government initiatives through the National Movement for the Acceleration and Expansion of Regional digitization, BI hopes to develop policy in this area to stimulate the acceleration of inclusive and effective digitization of the economy and finance. Therefore, the research question formulated as follows in accordance with the problem description mentioned above are:

1. For SMEs players in Sorong City, is there a significant relationship between the perceived risk variable and their decision to use QRIS and EDC?
2. For SMEs players in Sorong City, is there a significant relationship between the variables perceived ease of use and their decision to use QRIS and EDC?
3. For SMEs players in Sorong City, is there a significant relationship between the variables perceived usefulness and their decision to use QRIS and EDC?

LITERATURE REVIEW

TAM as a Performance Assessment Model for Technology Use

Findings reveal that TAM is a credible model for facilitating the assessment of the deployment of numerous technologies as well as a leading scientific paradigm (Davis Fred D. & Marangunić, 2023). The performance evaluation system was a focus or a specialized area of study for several earlier TAM model investigations. As a mere example, the examination of its applicability to digital wallets and mobile internet banking. Ningsih, et al. (2022) examined the degree of customer satisfaction with the Octo Mobile application experience using the TAM variable model. Hadisaputro, (2022) further analyzes the frequency of Dana application usage through the use of the modified TAM variable. Both aim to evaluate the system's performance in order to

improve customer loyalty and service standards. Keller & Kotler (2012) say that customer satisfaction depends on a product's ability to fulfill their expectations after purchase. In this research, purchasing can be made an analogy to the actual use system or actual usage. Actual Usage, according to Davis (1989) in Islami (2021) aims for defining and predicting how consumers will react to novel information technology in order to evaluate its utility (Islami, 2021). According to Peter & Olson (2014) in Nurzanita & Marlana (2020), the process of making a decision to use something is one in which a person gathers and processes the information needed to assess and select one among multiple alternatives. and when it comes to this research the alternative is the choice of using cash or non-cash payments. Research conducted by Tenggingo (2022) evaluated attitudes toward QRIS payments affected users' intentions to use it. The findings of his study indicate that the user's desire to use QRIS payment is influenced by ATT (Attitude toward QRIS payment). The empirical data is anticipated to significantly advance mobile payments and Bank Indonesia's emphasis on digital finance in 2025.

On the other hand, for the cashless payment method via EDC, Irzain (2022) discovered that the trust factor variable does not affect the interest in using the EDC machine payment method due to consumer security perceptions in the scenario are: machine error, network issues, and human errors related to entering the incorrect nominal payment on the machine. Trust and risk can be said as two things inseparably linked. In fact, losing customers' trust may be the greatest danger a company has ever faced. According to Priyono's (2017) research who defines perceived risk in using digital wallet services as subjective belief of the user that there is a possibility of risk occurring. According to Ko et al. (2010), perceived risk is a combination of uncertainty with results that is taken into account. It took into account the potential loss in pursuing the expectation of return (Hidayah

& Nurfadilah, 2022). There are five categories or aspects of measurable risks according to Schiffman & Kanuk (2007), namely: Financial Risk, Physical Risk, Psychological Risk, Risk Social, and Functional Risk. Pambudi (2019) in Ashghar & Nurlatifah, (2020) indicated these following are risk indicators: There is a potential risk arising from the product, the product may cause losses, and there is an opinion that the product is risky (Nurfadilah et al., 2018; Tazlia et al., 2023; Agustin et al., 2021).

The decision to use can be defined as a stage where the user buy or get a product and then use it. Rahmawati & Yuliana (2020) assert that there is a connection between usage decision theory and theory purchase decisions. Kotler & Armstrong in Rahmawati & Yuliana (2020) claim that purchasing decisions are consumers' judgments about the brands they choose to purchase. While adoption is the act of a person choosing to use a product on a long-term basis. Kotler and Armstrong (2008: 181) in Pradana & Syarifah Hidayah (2017) include the following purchasing decision indicators: a) Purchasing stability after learning about the product. b) Made the choice to purchase based on the preferred brand. c) Purchase because of the needs and wants. d) I made the purchase as a result of referrals from others. Therefore, the hypothesis developed on this variable is:

H1: There is positive and significant relationship between perceived risk and the decision to use QRIS and EDC as a cashless payment method among MSMEs Players in Sorong City

The Use of Cashless Payment Method by MSMEs Players

The use of cashless payments by MSME players is a step towards sustainable business digitalization. Anggarini (2022) and Hardiky et al. (2021) in Sholihah & Nurhapsari, (2023) explain that digitalization is a strategic move for MSMEs to continue to exist and play an important

role in economic recovery in the current phase of economic disruption. Disruptive innovation is a market transformation strategy that puts an emphasis on affordability, usability, accessibility, and ease. Thus, employing electronic devices, digital payments offer a solution for the expansion of the MSME sector, enabling them to access a wider market distribution.

For research that provides empirical evidence regarding the use of QRIS cashless payments for MSMEs has also been carried out although the number is still limited. The study conducted by Sholihah & Nurhapsari (2023) examines the various ways that economic digitalization might help economic recovery. The perceived usefulness and ease of use of QRIS by MSMEs in the Semarang City market were utilized to measure the intensity of QRIS adoption behavior using the TAM approach. The results show that MSMEs will use QRIS as long as it is enjoyable and easy to use. In line with this, research by Mahyuni, et al (2021) found that MSME actors who have a higher level of understanding of QRIS, a stronger perception of the benefits and ease of use, tend to be more willing to use it. The implications of both studies show that QRIS service providers can make decisions based on how easy it is to use their services. Priyono (2017) in Ashghar & Nurlatifah (2020) explained the indicators for perceived ease of use such as much as ease of use when making installments, simplicity of the user interface, Wang & Li (2016) give an additional indicator, the convenience of comparing systems between cash payment against third party e-payment system. According to Davis in Ashgar & Nurlatifa (2020), the following items measurement is an indicator of perceived usefulness as follows: 1. Work More Quickly 2. Job Performance 3. Increase Productivity 4. Effectiveness 5. Makes Job Easier 6. Useful. Therefore, the hypothesis developed on this variable are:

H2: There is positive and significant relationship between perceived ease of use

and the decision to use QRIS and EDC as a cashless payment method among MSMEs Players in Sorong City

H3: There is positive and significant relationship between perceived usefulness and the decision to use QRIS and EDC as a cashless payment method among MSMEs Players in Sorong City

With limited study findings primarily concerning the adoption of cashless payments emphasizes the actual use of the system by MSME players, the potential to develop the research finding is still there, then this will be the main subject of this research approach. This research will analyze two models of cashless payment facilities at once, namely EDC and QRIS, in light of the actual phenomenon that have been adopted at the research site. Additionally, prior research has seldom utilized this research approach. This research's empirical evidence is expected to be a problem-solving innovation in order to achieve

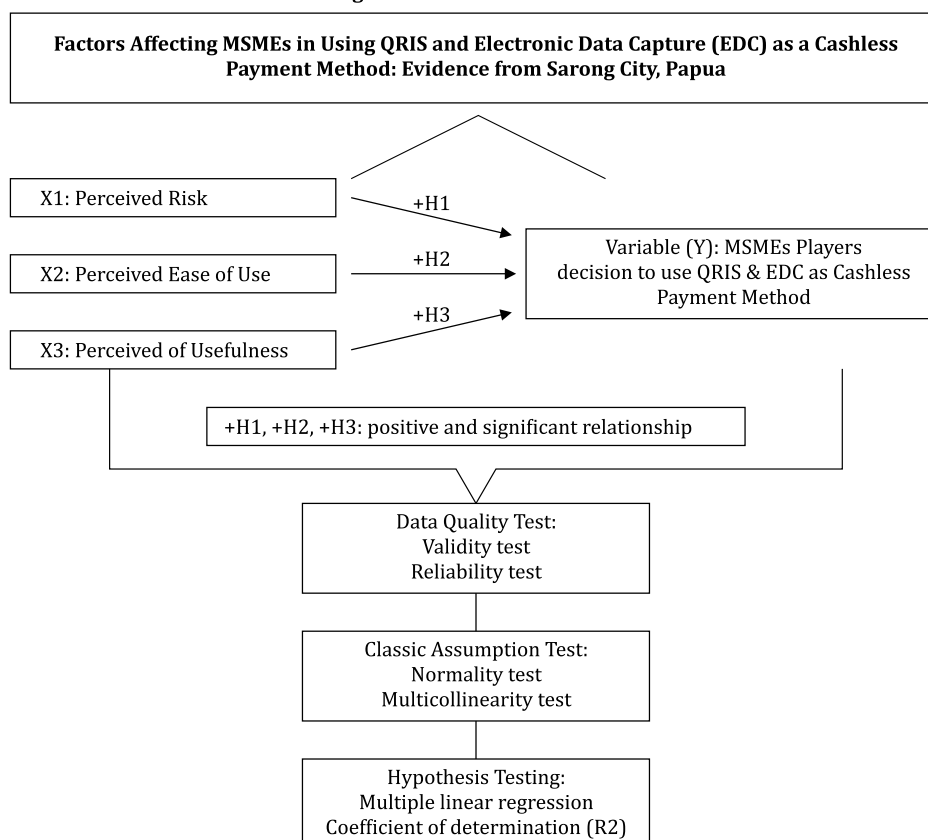
the goal of MSMEs embracing cashless payments in Sorong City and assist the acceleration of regional economic digitalization. The research's own its originality supported by the topic and research site, which were both examined using the conceptual framework technique that will be suggested in research method section.

Research Method

Research Design (Quantitative Method)

The purpose of this study is to examine how perceived risk (X1), perceived ease of use (X2), and perceived usefulness (X3) affect the decision of MSMEs players in Sorong City use QRIS and EDC for collecting cashless payments. According to Sugiyono (2018:13) quantitative data is a method research based on positivistic, research information is presented in the form of numerical data that will be analyzed using statistics as a calculation test tool in order to draw a conclusion. As for the method, the research framework is explained in the following figure:

Figure 1. Research Framework



Data Collection Method

The main findings of the research were gathered using a questionnaire as a data collection tool. The questionnaire consists of a number of questions and offers respondents brief explanations in order to gather the necessary data. In The questionnaire for this research has two main parts:

1. The first section contains demographic questions and other general questions. Some of these questions are: (1) Gender, (2) Last Education (3) Banks/ Providers EDC used, (4) Banks/ Providers QRIS used, (5) Type of business run, (6) Average amount daily EDC and QRIS machine transactions.
2. The second part contains statements that

emphasize indicators predictor variables (X1, X2, and X3) namely perceived risk (PR) perceived ease of use (PEU) and perceived usefulness (PU) and response variable (Y) Decision to Use (DU) of the questionnaire is prepared based on a five Likert-scale, namely (1) Strongly Disagree, (2) Disagree, (3) Neutral, (4) Agree, and (5) Strongly Agree.

The Operational Variable Matrix table figure.2 below describes how the predictor variable (X) and response variable (Y) for the questions instrument will be developed from various prior literature studies.

Figure 2. Operational Variable Matrix Table

Independent Variable	Operational Definition	Indicators	Measuring Instrument	Scale
<i>Perceived of risk (X1)</i>	User's subjective feeling that there is a risk of experiencing a loss when using an application service or as a perceived risk in its use. In the context of this research, the QRIS payment method and EDC machines are used by MSMEs. ¹	1. There are risks involved 2. Possibility of causing losses 3. There is an opinion that the product is risky ²	Questionnaire	Strongly Agree=5 Agree=4 Neutral=3 Disagree=2 Strongly Disagree=1
<i>Perceived ease-of-use (X2)</i>	Individual perception that using new technology will be free/minimal effort. In the context of this research, the QRIS & EDC payment method are easy to apply to MSME businesses ³	1. Ease of transaction (installment) 2. Ease of learning the platform (interface) 3. Comparison of the simplicity of third-party electronic payment systems and cash-based payment methods ⁴	Questionnaire	Strongly Agree=5 Agree=4 Neutral=3 Disagree=2 Strongly Disagree=1
<i>Perceived of usefulness (X3)</i>	Someone feels that using systems and technology will make them work better. In this context MSME actors benefit from the QRIS payment method and EDC machines for their business. ⁵	1. Work more quickly and efficiently 2. Make work easier and more effective 3. Better job performance 4. Helpful. ⁶	Questionnaire	Strongly Agree=5 Agree=4 Neutral=3 Disagree=2 Strongly Disagree=1
Independent Variable	Operational Definition	Indicators	Measuring Instrument	Scale
<i>Decision to Use(Y)</i>	The decision to use relates to a person's decision to become a regular user or to use a product repeatedly. In this context, MSME actors adopt the QRIS method and EDC machines as one of the fixed payment methods for their business ⁷	1. Decide to use after knowing the product information 2. Deci to use because of the preferred choice 3. Decide to use it because it suits your needs 4. Decided to use because of getting recommendations from other people. ⁸	Questionnaire	Strongly Agree=5 Agree=4 Neutral=3 Disagree=2 Strongly Disagree=1

Source (Processed by Researcher, 2023): 1(Priyono,2017), 2(Pambundi, 2019) in (Ashghar & Nurlatifah, 2020), 3,5,6 (Davis, Fred D. et al., 2023), 4(Wang&Li, 2016) in (Ashghar & Nurlatifah, 2020), 7(Kotler &Amstrong, 2008) in (Rahmawati & Yuliana, 2020), 8(Kotler dan Armstrong, 2008) in (Pradana et al., 2017)

Sampling Method

Convenience sampling was used as the sampling method in this study. As many as 60 MSMEs in Sorong City were the targeted respondents. The main requirement for respondents in this research that meet the criteria are MSMEs players who use both QRIS and EDC systems as means of payment in their operations. According to Sugiyono (2019), a sample size of 30 to 500 was appropriate for research. The minimum sample size for multivariate (correlation or multiple regression) analytical study should be 10 times the number of variables being investigated. To show the findings of this study, a normality test will be run on the data.

Method of Data Analysis

In this research, multiple linear regression analysis in SPSS version 20 is used to run data and test hypotheses. According to Sugiyono (2010), multiple linear regression analysis is used to predict the influence value of two or more independent variables to the dependent variable, then to find out if a dependent variable and an independent variable have a functional relationship or not. In order to determine the influence of perceived risk (X1), perceived ease of use (X2), and perceived usefulness (X3) on the decision to use QRIS and EDC by MSME players

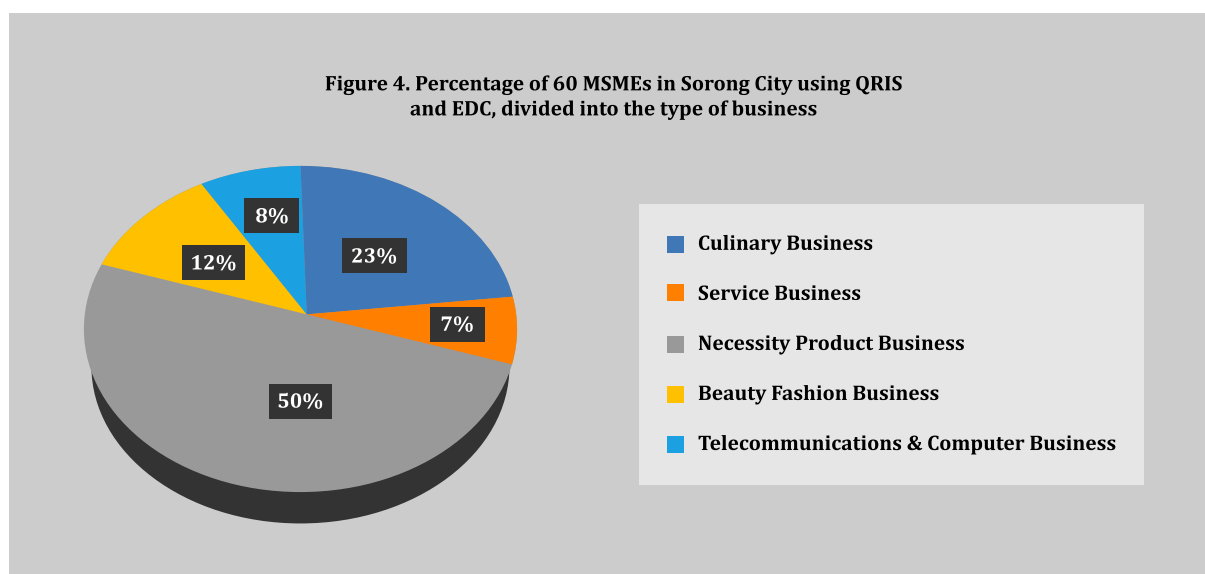
in Sorong City (Y), the data analysis process at first will check the quality of the data through Validity & Reliability Test, the Classical Assumption Test through the Normality Test, and Hypothesis Test through regression analysis using the equation $Y = a + b X$.

RESULT AND DISCUSSION

Respondent Demographics

Among the 60 MSMEs respondents who participated in this research, women dominate the majority of respondents, with a total of 34 MSMEs players (54%) compared to men, who make to 26 respondents (46%). In term of level of education 62% of the respondents are those with high school education or equivalent, 35% have a bachelor's degree or equivalent, and the remaining 3% have a master's degree. Based on the type of business that is run, the majority of the 60 MSMEs players examined 50% are involved in the need products sector, followed by the food and culinary by 23%, the fashion and beauty by 12%, telecommunications and computers by 8%, and the service sector by 7% as can be seen from the chart in the figure.4 below:

Both QRIS and EDC devices have already been issued by both bank and non-bank payment system providers. If we look at the 60 MSMEs in



Source: Processed by Researcher 2023

Sorong City that are employing QRIS and EDC from bank providers, Bank Mandiri has the highest percentage with 52% EDC device employed and 45% for QRIS. In this Section, respondents are requested to provide all provider brands they use in their business, and they may enter more than one provider. Meanwhile, from the survey results for the types of non-bank providers used by 60 MSME players, the DANA digital wallet holds the largest position at 35% for EDC devices, while for QRIS the most used is from GOPAY at 35%. The figure.5 below gives a complete picture of the survey results in this section:

Data Quality Test

a. Validity Test

If an instrument measures what it is intended to measure, it is said to be valid. In contrast to general science, social sciences require caution when choosing measurement instruments because the outcomes to be measured are abstract(Sanus, 2019). Comparing r-tables and r- counts is one approach to determine a measurement tool's eligibility or a question's validity with the formula from r table is $df = N-2$ hence, $60-2=58$, and $r\ table = 0.2542$. The results of testing the validity of questionnaires containing 4 variables for 16 questionnaires, are explained in the table below:

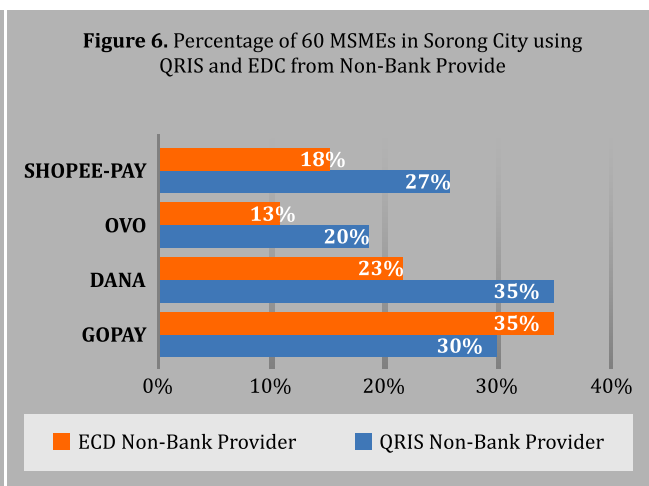
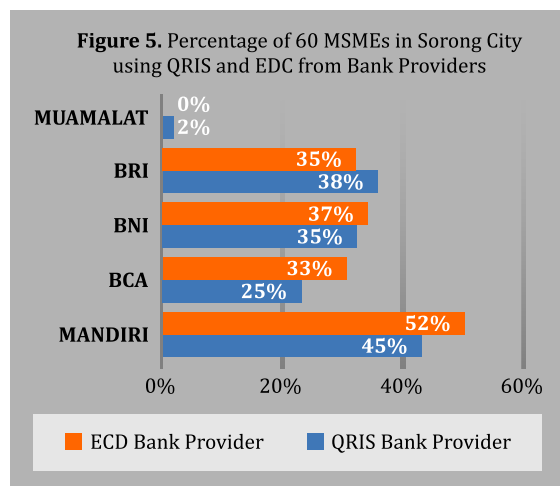
Table 1. Questionnaires validity test

Indicators	r-Table	r-Counts	Status
X1.1	0.216	0.341	Valid
X1.2	0.216	0.275	Valid
X1.3	0.216	0.387	Valid
X1.4	0.216	0.334	Valid
X2.1	0.216	0.848	Valid
X2.2	0.216	0.639	Valid
X2.3	0.216	0.544	Valid
X2.4	0.216	0.573	Valid
X3.1	0.216	0.757	Valid
X3.2	0.216	0.858	Valid
X3.3	0.463	0.798	Valid
X3.4	0.463	0.829	Valid
Y1	0.463	0.735	Valid
Y2	0.463	0.867	Valid
Y3	0.463	0.843	Valid
Y4	0.463	0.826	Valid

Source: Research Result (2023,Processed by SPSS)

b. Reliability Test

Sanusi (2019) defines, when a measuring device is used by the same person throughout time, by various people over time, or by different people at different periods, the measurement findings are consistent. Due to the fact that the findings of the measurement are unaffected by the person conducting it, this reliability implies objectivity. There must be a foundation for decision-making, namely an alpha of 0.70, prior to reliability testing. If a variable's value is more



Source: Processed by Researcher 2023

than > 0.70, it is regarded as reliable. Ghozali (2013) in (Hidayah & Nurfadilah, 2022) aligns and supports such testing standards. The Cronbach Alpha must be more than 0.7 in order for the reliability test to pass. The table below shows that all of variables have a Cronbach's alpha greater than to 0.70. These findings demonstrate that the questionnaire's statements are all considered reliable.

Table 2. Reliability Statistics

Variable	Cronbach's Alpha	N of Item
X1	0.877	4
X2	0.801	4
X3	0.824	4
Y	0.830	4

Source: Augusty, 2006

Classic Assumption Test

a. Normality Test

The estimating model must have normally distributed residuals and be free of multicollinearity issues, which is the classic assumption that research projects must adhere to (Algifari, 2021). The Kolmogorov-Smirnov test was used to determine whether the data were normal. The significance value (Asymp. Sig. (2-tailed)) for each variable shows larger than (0.05), this indicates that this variable's residual value is regularly distributed. Table.3 contains the findings of the normality test.

Table 3. One-Sample Kolmogorov-Smirnov Test

		PR	PEU	PU	DU
N		60	60	60	60
Normal	Mean	11.80	17.57	17.03	16.47
Parameters ^{a,b}	Std. Deviation	4.246	1.897	2.321	2.480
Most Extreme Differences	Absolute	.098	.097	.128	.159
	Positive	.098	.079	.122	.090
	Negative	-.089	-.097	-.128	-.159
Kolmogorov-Smirnov Z		.755	.755	.992	1.229
Asymp. Sig. (2-tailed)		.618	.619	.278	.097

a. Test distribution is Normal.

b. Calculated from data.

Source: Research Result (2023, Processed by SPSS)

b. Multicollinearity

Ghozali (2013) in (Hidayah & Nurfadilah, 2022) explain, to ascertain whether or not there is a correlational relationship between independent variables, the multicollinearity test is utilized. The tolerance value or the Variable Inflation Factor (VIF) value is frequently used to show the presence of multicollinearity. If the tolerance value is greater than 0.10 percent and the VIF value is lower than 10, it may be said that there is no multicollinearity between the independent variables in the regression. The table below provides evidence that the independent variables of this research have no signs of multicollinearity.

Table 4. Coefficients

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
PR	,972	1,029
PEU	,717	1,394
PU	,703	1,422

a: Dependent Variable: Decision to Use (DU)

Source: Research Result (2023, Processed by SPSS)

Hypothesis Testing

Multiple linear regression models using the variables Perceived Risk (X1), Perceived Ease of Use (X2), and Perceived Usefulness (X3) on the Decision to Use (Y) were used to evaluate the hypotheses. Testing a hypothesis is equivalent to

testing the significance of the numerous linear regression coefficients which are partially related to the research hypothesis statement (Sanusi, 2019). Starting with the test results for the coefficient of determination found in Table 5 below, it is 0.438, indicating that the variables Perceived Risk (X1), Perceived Convenience (X2), and Perceived Benefits (X3) have an influence of 44% on the Decision to Use while the remaining value by 56% is influenced by another factor. The R value (symbol for the correlation coefficient value) in this study is 0.662, which shows that the independent and dependent variables have a fairly strong relationship.

Table 5. Coefficient Determination Test

R	R Square
.662 ^a	.438

Source : Research Result (2023, Processed by SPSS)

The regression equation model obtained from the constant coefficient value with the variable coefficient is $Y = 2.450 + 0.50X1 + 0.467X2 + 0.811X3$. The positive value shown indicates that there is a direct influence between the dependent and independent variables.

- a. Based on the sig value for the effect of X1 on Y is 0.403 > 0.05 and the t value is 0.842 < 2.003, it means that H1 is rejected indicating that perceived risk (X1_PR) has no effect on the decision to use (Y).
- b. Based on the sig value for the effect of X2 on Y is 0.04 < 0.05 and the t value is 3.020 > 2.003, it means that H1 is accepted indicating that perceived ease of use (X2_PEU) has an

effect on the decision to use (Y).

- c. Based on the sig value for the effect of X3 on Y is 0.00 < 0.05 and the t value is 6.352 < 2.003, it means that H1 is accepted indicating that perceived usefulness (X3_PU) has an effect on the decision to use (Y).
- d. It can be said that PEU_X2 and PU_X3 have a positive effect on MSMEs players' decisions to use QRIS and EDC devices in Sorong City.

Discussion

A significant value below 0.005 in this research confirms that perceived usefulness (PU_X3) and perceived ease of use (PEU_X2) are the variables that motivate MSMEs players in Sorong City to use QRIS and EDC as a cashless payment option for their business operations. indicated by a significance value below 0.005. The perceived usefulness is how effective QRIS dan EDC in helping MSMEs runs their businesses. Today people want an easy experience. Therefore, the outcomes of this variable's influence are consistent with previous research findings done by Sholihah & Nurhapsari (2023) and Mahyuni, et al (2021) Apart from it, the perceived risk has no significant impact on the decision of MSMEs Players to use QRIS and EDC device, as can be seen from the probability number (Sig.), which is 0.403 and higher than 0.05. If the probability number is > 0.05, it means that there is an insignificant relationship between the two variables. Therefore, the decision to employ QRIS and EDC for the business operations is less likely to be made by Sorong City MSMEs players when risk perception is higher, and vice versa.

Table 6. Multiple Linear Regression

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
1 (Constant)	10,276	2,450		4,194	,000
PR	,050	,059	,086	,842	,403
PEU	,467	,155	,357	3,020	,004
PU	,811	,128	,759	6,352	,000

a. Dependent Variable: Decision to Use

Source: Research Result (2023, Processed by SPSS)

CONCLUSION AND RECOMMENDATION

The objective of this study is to examine the variables that affect MSMEs' decision to employ QRIS and EDC as a cashless payment method in their operations. The study's findings show that while perceived risk (X1) has no significant impact, perceived usefulness (X2) and considered ease of use (X3) have significant effects on the decision to use.

The empirical data from this study is anticipated to help accelerate the digitalization of the region's economy and help solve the problem of not

achieving the target of using cashless payments for MSMEs players in Sorong City, it also can be used as a reference by policymakers to develop cashless payment system and regulations that promote the regional business climate.

The primary variable in the usage of non-cash payment technologies is one of the limitations of this study. Future researchers should be able to improve this study by include additional factors, such as perceived behavioral control, or from the psychology literature of entrepreneurship for the respondents who are acting as business actors in a broader context.

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