



THE INFLUENCE OF THE QRIS PAYMENT SYSTEM ON BUSINESS PERFORMANCE DENPASAR CITY MSMEs

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ABSTRACT

This research was conducted in the context of technological developments and the important role of Financial Technology (Fintech) in encouraging financial inclusion and business growth in the Micro, Small and Medium Enterprises (MSME) sector. The background of this research is the era of industrial revolution 4.0 which has changed the global economic landscape with rapid changes in the fields of technology and information. The aim of this research is to investigate the effect of using the QRIS (Quick Response Code Indonesia Standard) payment system on the financial and non-financial business performance of MSME players. The research method used involved 75 respondents who were MSME actors. Data on respondent characteristics, use of QRIS, and business performance were evaluated. The research results show that the use of QRIS has a significant influence on the financial and non-financial business performance of MSME players. More than 80% of respondents who use QRIS well have good financial and non-financial business performance. The positive effects of using QRIS indicate that this technology can increase transaction efficiency, consumer convenience and MSME business growth.

Keywords: business performance; MSMEs; qris payment system

INTRODUCTION

The development of the times in the era of revolution 4.0 is the initial milestone in the birth of globalization in the world economy, which was followed by sophistication in the field of information and communication technology. This rapid progress is evidenced by the emergence of creative and innovative technology-based business ideas. All communities, including people in Indonesia, are required to be able to follow the current of technological development and progress. One of the government's efforts to expand insight regarding the use of technology is by increasing public awareness through introducing technological developments that are currently developing (Immawati and Dadang, 2019). In the current era of the industrial revolution, both society, organizations and companies have activities that will never be separated from developments in technology and information. The rapid development of technology and information has caused changes in various sectors, both social, economic and cultural, which are taking place slowly but surely (Yuniarti, 2019). The development of advanced technology and information will help the growth of the digital economy and accelerate a country's financial inclusion. One form of implementation between information technology and digital economic growth is non-cash transaction payments.

Technological developments in the economic sector are supported by financial technology. The growth of financial technology in Indonesia is very good if seen from the data, financial technology is able to contribute IDR 25.9 trillion to the Indonesian economy (Jatmiko, 2018). According to Andriani (2018), more than 50% of financial transactions carried out by Indonesian people use an e-wallet payment system. One survey conducted by Daily Social (2018) stated that from 2016-2018 the percentage of fintech users was higher compared to the general public. who do not use fintech. As many as 74.9% said fintech was easy to use and

62.6% explained that fintech was more effective and efficient. Apart from that, 29.8% also explained that fintech is a means of good financial management. This data indicates that fintech users have satisfaction.

According to Bank Indonesia report data, there are 48 payment system service providers who have obtained approval to carry out non-cash transaction activities. There are 14 from banking parties and 34 from non-banking parties. Forms of innovation in non-cash payment systems are debit/ATM cards, credit cards, money orders, checks, bank accounts and electronic money. Based on data from Bank Indonesia in 2019, the trend holder for non-cash payments was electronic money amounting to 95.75 trillion, which had increased from the previous year (2018) with transactions of 60.00 trillion. The high rate of use of electronic money for non-cash payments is due to the large number of electronic money products issued in the form of chip-based and server-based e-money cards, such as e-wallet applications and bank accounts. The implementation of electronic money which has been used for online and offline payments can make it easier for traders to make transactions, especially MSMEs. Collaboration between MSMEs and electronic money providers will increase financial inclusion and advance the Indonesian economy. According to the Ministry of Cooperatives and Small and Medium Enterprises, the number of MSME traders is increasing every year, which can be seen in the table.

Table 1.
Data on MSME Development in Indonesia 2010 – 2019

Year	Number of MSMEs *(Million)
2010	52.7
2011	54.1
2012	55.2
2013	56.5
2014	57.9
2015	59.2
2016	61.6
2017	62.9
2018	64.2
2019	65.4

The large number of electronic money products and the rapid development of MSMEs will make it easier for MSMEs to carry out transactions and also for their customers. The advantage of electronic money makes it easier for MSMEs to have no trouble finding change from customers and customers do not need to carry a lot of currency when shopping. The use of server-based electronic money is one of the most popular non-cash payment systems used today. The form of server-based electronic money is e-wallet / digital wallet. E-wallets can be used for transactions by customers, if the merchant provides the same e-wallet application to customers. This made Bank Indonesia as the payment system regulator issue a new payment system, namely; QRIS (QR Code Indonesia Standard). The use of QRIS is used to standardize all e-wallet applications that use the QR Code system to carry out payment transactions.

QRIS is a normalization of the Quick Reaction Code (QR Code) as an innovative installment strategy established by Bank Indonesia since January 2020. This standard was created to provide a simpler and more productive non-cash installment strategy. Bank Indonesia noted that currently QRIS has been connected to around 5.8 million national retail traders as of December 30 2020. This figure has increased by 88% from March 22 2020, when there were 3.1 merchants. Most of the merchants are MSMEs from Micro Businesses totaling 3.6 million and 1.3 million Small Businesses. The increase in QRIS usage in Small Businesses was also the highest, namely 316% from 304.4 thousand on March 22 2020. Meanwhile, QRIS users at other merchants were

310.7 thousand Large Businesses, 558.5 thousand Medium Businesses, and 14.7 thousand Donations /Social. BI said, through QRIS, the digitalization of MSMEs will be accelerated so as to support national economic and financial inclusion, including the availability of MSME data which has been one of the obstacles in developing MSMEs (Jayani, 2021)

In this case, like it or not, MSME actors in Denpasar City must follow developments in the digitalization era by continuing to equip MSME actors with knowledge. In the city of Denpasar, especially with the development of payment support tools that have been developed by the Indonesian government to help MSME players to continue carrying out transactions with consumers so that they can maintain the development of the MSMEs they have been involved in. The use of QRIS is also expected to improve the business performance of MSMEs. Business performance assessment is one of the important factors in a business which is the process of assessing the implementation of the work capabilities of the business based on certain standards. For this reason, this research will discuss the business performance of MSMEs when using QRIS as a method for making payments in transactions by consumers.

METHOD

This research is an analytical observational study using cross sectional research with a quantitative approach, namely that the research variables are measured or collected at one time, meaning that observations are made only once on several variables at the same time. The sampling technique for each MSME in the North Denpasar, East Denpasar, South Denpasar and West Denpasar areas was carried out by Consecutive Sampling, namely MSMEs that were Go-food merchants during the data collection period and met the inclusion criteria, were included in the research until the sample size was met. using a structured questionnaire. The instrument used in this research is a questionnaire containing structured questions to measure the variables studied, namely containing socio-demographic characteristics (age, gender, status and employment), QRIS payment system variables, financial business performance and non-financial business performance. In this research, product moment correlation is used to see the influence between one variable and another variable. In product moment analysis, you can see the influence and opportunities and the tool used is Spss 21 with product moment analysis

RESULTS AND DISCUSSION

Respondent Characteristics

Table 1.

General characteristics of respondents (n=75)

Characteristics	f	%
Age (years) (MOH RI, 2016)		
Late teens (17-25)	4	5.3
Early adulthood (26-35)	27	36
Late adulthood (36-45)	23	30.7
Early seniors (46-55)	17	22.7
Late seniors (56-65)	4	5.3
Gender		
Man	55	73.3
Woman	20	26.7

Table 1 above shows the characteristics of the respondents in this study, where the most dominant average age of UMKN actors is early adulthood (26-35) with 27 respondents (36%). The early adulthood age range is a productive age range that can do more than one job and still has great enthusiasm for trying new things or trending topics. Regarding gender characteristics, male respondents were the most dominant respondents, namely 55 people (73.3%). The male gender is the gender that is described as a hard-working and resilient individual in various

conditions and works more using logic and facts rather than feelings. The influence of QRIS payment frequency on financial and non-financial business performance

Table 2.
Effect of QRIS payments on financial and non-financial business performance

Variable	Total (n =75) n(%)	QRIS Payment n(%)		X2	p	Effect Size
		Good	Bad			
Financial Business Performance						
Good	65 (86.7)	60 (92.3)	5 (7.7)	4,527	0.033*	0.196
Bad	10 (13.3)	5 (50)	5 (50)			
Non-financial Business Performance						
Good	60 (83.1)	40 (66.7)	20 (33.3)	10,549	0.001*	0.289
Bad	15 (16.9)	5 (33.3)	10 (66.7)			

Table 2 explains in detail the data needed in this research, namely QRIS payment variables and financial and non-financial business performance. Financial and non-financial business performance has both been carried out well by business actors, where for financial business performance that has been good there are 65 respondents (86.7%) while for non-financial business performance that has been running well there are 60 respondents (83.1%). Then, looking at the influence of QRIS payments on financial and non-financial business performance, both have a big influence. This can be seen from good QRIS payments, the performance of financial and non-financial businesses is also good, with each percentage being 92.3% and 66.7%. The effect size value shown in the table can be defined as the better the QRIS payments made by consumers, the better the financial business performance, likewise the better the QRIS payments made by consumers, the better the non-financial business performance.

Based on the research results, it was found that there is an influence of QRIS payments on financial and non-financial business performance with a p value <0.005. The results of this research are also supported by the results of research conducted by Pangestu (2022) stated that there is a significant influence between QRIS payments and financial business performance because it is indirectly influenced by consumer behavior who are open to technological developments. However, according to research conducted by Leatemia et al., (2023) stated that there is no significant influence between QRIS payments and financial business performance because market aggregators have a big opportunity to influence financial business performance. Judging from the age of business actors, most of whom are of productive age who tend to be very open to technological developments, payment using modern methods like this is the main choice. Even though it has big consequences commensurate with the benefits provided, modern payment methods have become a trend that is embedded in the modern lifestyle among consumers, especially consumers of productive age. The male gender dominates business drivers because they have a firm character and prefer challenges in running a business (Mayanti, 2020).

Bank Indonesia Regulation no. 19/12/PBI/2017 emphasizes that Fintech is the use of technology in the financial system to create products and services, business models with this new technology can influence monetary stability, an efficient and flexible financial system from the point of view of security and reliability of payments. MSMEs can use this Fintech service

to develop their business so that it is more developed and advanced, where these users have many choices of financial services to use. The willingness to learn and adapt to changes can encourage MSMEs to experience growth. Examples of Fintech companies are Kredivo, Modalku, OVO, Go Pay, Dana, and Spenmo. MSMEs who are accustomed to this service will have higher business resilience because sales increase (Azzahroo & Estiningrum, 2021). On January 1 2020, Bank Indonesia officially released standards for the use of the Indonesian QR Code or QR Code Indonesian Standard (QRIS). QRIS is a payment QR Code standard for the Indonesian payment system developed by Bank Indonesia and the Indonesian Payment System Association (ASPI). Every QR-based Payment System Service Provider (PJSP) is required to use QRIS as regulated by BI in PADG No.21/18/2019 concerning Implementation of QRIS International Standards for payments (Noble, 2019).

The existence of QRIS used by MSMEs is a form of business actor involvement in the Fintech realm. Two specific variables that represent Fintech are cashless payment and market aggregator. Cashless payment means that business actors receive payment services non-cash, while market aggregator means that business actors utilize various digital platforms to access financial and investment services that can improve their business performance. The existence of QRIS opens up opportunities for business actors and the public to implement a cashless payment system. This can increase the effectiveness of MSME work because funds from transactions via QRIS are directly transferred to the business actor's account (Sudiatmika & Martini, 2022). Apart from being effective, using QRIS also provides convenience, comfort and security because customers do not need to carry physical money when buying products. Apart from that, this method can also improve health because the payment process is carried out using electronic money. The digital era makes people have a tendency to transact electronically so that MSMEs that use QRIS services are guaranteed to experience increased sales and profits so that ultimately MSMEs can experience increased performance. (Lestari et al., 2020)

CONCLUSION

Technological developments have shifted several methods or systems in the transaction process for goods. QRIS is a standard QR Code payment for the Indonesian payment system which is very popular and used by business people. In the results of this research, there is an influence of QRIS payments on financial business performance because of the various benefits and convenience felt by users. Business actors and business users must remain alert and careful about all the possibilities and impacts arising from the increasingly easy systems available

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