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## DIGITAL TRANSFORMATION OF SMEs IN KEDIRI: THE IMPACT OF QRIS ADOPTION

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### ABSTRACT

This research aims to analyze the implementation of QRIS as an electronic payment method for MSMEs in Kediri City to encourage economic growth in the era of digitalization. Using face-to-face interviews with randomly selected respondents, this research involved 6 respondents who were divided equally into two groups, namely 3 business stakeholders who had implemented QRIS and 3 stakeholders who were business actors who had not implemented QRIS. The research results show that QRIS brings several significant benefits for MSMEs, including increased income, customer satisfaction, transaction security, and better financial management. However, the spread of QRIS in Kediri has not been evenly distributed due to a lack of understanding, dependence on traditional payment methods, doubts about how QRIS works, and security issues. This research also shows that social influences from family and environment play an important role in customers' interest in implementing QRIS. Therefore, the government's role is very important in providing adequate education and awareness as well as improving technological infrastructure to support wider QRIS adoption. With the right strategy, QRIS can be an effective tool to encourage the development of the MSME economy in Kediri City in the era of digitalization.

**Keywords:** QRIS, MSMEs, digitalization, technology adoption, transaction security, buyer satisfaction

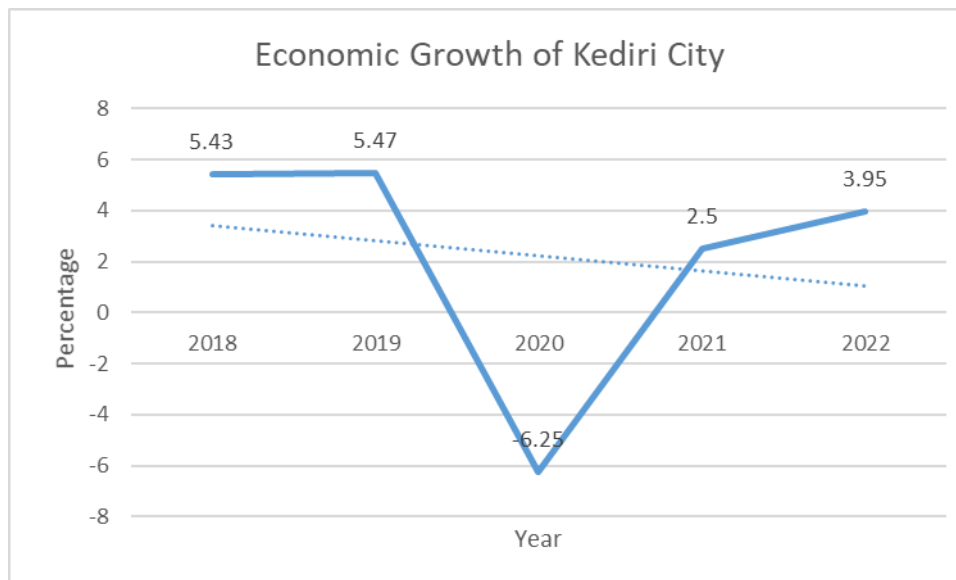
### INTRODUCTION

Digitalization is currently the main mechanism for driving change in all aspects of human life, including the economic aspect. Of course, digitalization will change human habits, which were initially done manually and complicatedly, but will now be replaced by technology that is simpler to carry out. Innovations that often emerge over time will eventually influence all human activities, from work, and business to communication with other people. The rapid development of technology also has a significant impact on the economic aspect itself, one of which is that payment instruments which usually still use cash are now changing more easily to using electronic money (Yan et al., 2021).

This is utilized by business unit actors in Indonesia, one of which is micro, small, and medium enterprises commonly abbreviated as MSMEs. In trade in Indonesia, MSMEs as business units with a small scope take advantage of increasingly sophisticated technological developments. MSMEs in Indonesia's economic mix have a fundamental role to develop and act as the front guard to improve community welfare. (Najib & Fahma, 2020). In the Kediri area, many residents have MSMEs, so the rapid development of technology will create many new challenges and innovations for MSMEs themselves. Until now, community behavior and adaptation to technological developments are very necessary for the progress of all levels of society, especially in the city of Kediri. MSMEs in the urban area of Kediri are still not optimal in utilizing technology. The following is a graph of Kediri City's economic growth from 2018 to 2022.

In 2018, Kediri City recorded an economic growth of 5.43%. This indicates that at that time, the economic condition of Kediri City was very encouraging, with very active and productive economic activity. In 2019, Kediri City's economic growth increased slightly to 5.47%, which shows that the Kediri City economy continues to experience positive development, supported by factors such as investment, public consumption, and the performance of main sectors. Although, in 2020, Kediri City's economic growth experienced a significant decline to -6.25%. This decline could be caused by the impact

of the COVID-19 pandemic that hit Indonesia and the world during that period. Furthermore, in 2021, Kediri City's economic growth will improve by reaching 2.5%. Even though it has not reached pre-pandemic growth levels, this figure indicates that there are steps to recovery in the Kediri City economy. In 2022, Kediri City's economic growth will increase again to 3.95%. This indicates that the economy of Kediri City is recovering and experiencing significant improvements



**Figure 1. Economic Growth of Kediri City**  
**Source: Central Bureau of Statistics (2024)**

Currently, the rise of fintech allows MSME players to more easily access their marketing and operations, optimize financial reporting, and most importantly, replicate payment transactions. One aspect of fintech that is currently being developed is digital payments or what is known as digital wallets (e-payment) (Rafferty & Fajar, 2022). Most people already have an e-wallet on their cell phones. However, many MSMEs still rely on cash payments, causing inefficiencies in the payment process. Lack of understanding and education regarding the use of QRIS is the reason why MSMEs have not been able to implement digital payments using QRIS as a payment method. The existence of QRIS can overcome the liquidity problems faced by MSMEs in the region. Cash payments usually involve more processing and additional security, but QRIS increases efficiency and ensures payment security.

In the current situation, the role of QRIS is very important for MSME players and is one of the digital payment system innovations that has a positive impact on society (Kilay et al., 2022). QRIS is an abbreviation for the Indonesian Standard Quick Response Code. On August 17, 2019, Bank Indonesia and the Indonesian Payment System Association (ASPI) introduced QRIS as a national QR code standard that aims to make payments using QR codes easier in Indonesia. Its presence also supports cashless and cardless transactions which are being promoted in Indonesia.

With QRIS, customers can more easily access their payments by accessing the QR code provided by the shop owner during payment. In this way, transactions will be easy, fast, safe, and efficient compared to paying with cash (Gao et al., 2023). QRIS allows various digital wallets with simultaneous transactions, as well as other payment applications to carry out transactions. With this, customers can choose and use their main digital wallet without having to wait in line.

The research carried out this time aims to analyze the use of QRIS as an electronic payment option for Micro, Small, and Medium Enterprises (MSMEs) in Kediri City. This is

due to people still being unfamiliar with it, as well as the lack of outreach from the local government to introduce digital payment systems. Therefore, it is necessary to update the payment system to improve business operations and become more efficient (Rahadi et al., 2022). Implementing the use of QRIS as a means of payment will have a positive impact on MSMEs, including Using QRIS becomes easier and faster because customers do not need to queue to pay with cash and additional costs. Receipt printing is reduced with QRIS because by simply scanning the QR code, transactions are automatically recorded and visible every day, no need to return change for large transaction amounts. With QRIS, security is better maintained, minimizing the risk of fraud, lost money, or theft. Apart from that, QRIS also increases operational efficiency with relatively reduced time required to handle cash payment transactions. This allows MSMEs to focus more attention on other operational activities. Therefore, the use of QRIS for MSMEs aims to facilitate transactions, profitability, operational efficiency, and security. By implementing the QRIS method, MSMEs can optimize their business opportunities and increase their competitiveness amidst the rapid development of the current era of digitalization (Saputri, 2021).

The reason MSMEs must immediately implement the QRIS payment method in their payment transactions is so that they are not left behind by other business actors. As reported by Bank Indonesia, the number of QRIS users in 2024 will now increase to 48.12 million, while the number of merchants will be around 31.86 million, which has increased compared to 2023 which was 45.58 million with the number of merchants around 29.6 million. With the phenomenon that is occurring, Bank Indonesia is also encouraging the development of digital-based transactions, so that MSMEs do not experience delays in adapting to digital transformation. Supported by advances in technology, MSMEs can't ignore customers or consumers from various levels of society.

From the description above, the variables used for this research are the implementation of the use of QRIS as an electronic payment medium and MSMEs in Kediri City as the independent variable (Rahayu, 2022). And economic growth in the digitalization era is the dependent variable. This research aims to explain the implementation of using QRIS as a practical, easy, and safe payment medium to encourage the economic growth of MSMEs in Kediri City.

## LITERATURE REVIEW

According to Sari & Adinugraha (2021) Digital payments are a way of paying for goods or services using mobile devices and technology such as smartphones. Digital currencies, often referred to as cryptocurrencies, are available in two principal forms: via computer networks and digital systems. This is a way of payment that is made visually using digital technology. In carrying out payment transactions, sellers and buyers use digital intermediaries to facilitate a series of transactions to receive or send money. All digital payment transactions are carried out online (Wahyudin et al., 2022). According to Nada et al. (2021), Digital payments are considered the latest innovation in the payment process that is often used by buyers. In summary, according to the opinion of the experts above, digital payment is a non-cash payment transaction method that uses a mobile device as a means of payment for goods or services. Digital payments are also easy to use and effective in saving money. Utilizing digital payment services can be a new payment alternative to debit and credit cards, offering ease of use and better security than other conventional payment methods (Musyaffi et al., 2021). Furthermore, with this method, during payment transactions, there is no need to hand over money in cash, but now it has shifted to a virtual direction that can be accessed by consumers and merchants from anywhere in the world.

QRIS is a QR Code payment standard adopted by Indonesia as a modern payment method. The development of this method was carried out by Bank Indonesia and the Indonesian Payment Systems Association (ASPI) (Butarbutar et al., 2022). With QRIS, there are many benefits for the community, of course also for MSMEs, including: For

customers with QRIS, it is guaranteed that the payment process will be faster, easier, and more effective, security will be better maintained and of course protected because all Payment System Service Providers that offer QRIS already have permits. And supervision by Bank Indonesia. For MSME owners, this will increase business pressure because it can be done through any QR code, improve branding, be more comfortable just by using QRIS, reduce financial administration costs, no need to print payment receipts when making transactions, avoid possible problems with money counterfeiting, no change. Needs to be provided, and record transactions automatically that can be accessed at any time. This increases consumer confidence (Nugrahini & Hijri Alfian, 2023).

Based on Bank Indonesia benchmarks, the QRIS method is available at sales points with three QR code displays that customers can access via their cellphones, including static, dynamic, and customer presentation. Bank Indonesia's Rephrase also carries a high spirit theme, namely Universal, Easy, Profitable, and Direct. With the adoption of QRIS, it is hoped that payments will be more efficient and affordable, accelerate financial inclusion in Indonesia, and encourage the progress of MSMEs, thereby driving economic growth (Bakhitah, 2023).

According to Kotler and Keller, consumers go through four key steps in the purchasing process: identifying a problem or need, searching for information, evaluating options, and making a purchasing choice. They also highlight the important role of culture, society, individuality, and psychology in shaping consumer behavior (Chohan et al., 2022). Consumer behavior involves various aspects, including the study of how individuals or groups make choices, make purchases.

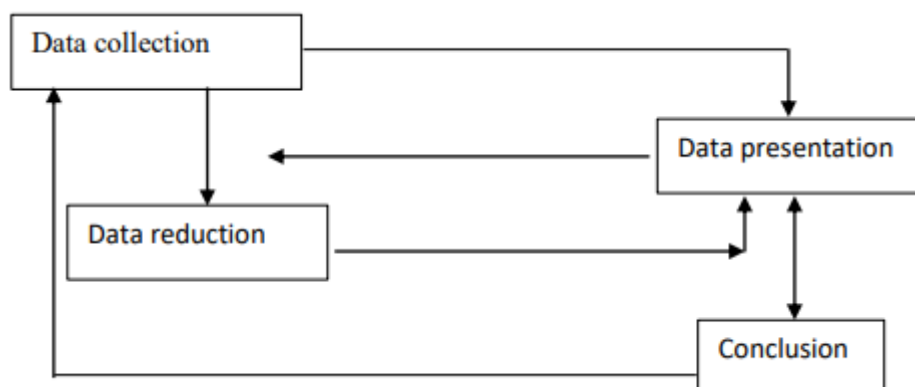
## METHODS

This research applies a descriptive method with a qualitative approach. This approach aims to analyze phenomena that are occurring in depth, including understanding, action, motivation, and action, using descriptive language to explain in detail. This approach is considered capable of explaining in detail, and clearly. The qualitative approach in this research explains the reasons and reasons why MSME sellers are encouraged to use and adopt digital payments which we usually know as QRIS. Therefore, using a descriptive method with a qualitative approach analysis can explain the relationship between many factors when the object is studied. This research emphasizes observing natural contexts and utilizing natural methods, to obtain a more comprehensive perception of the observed phenomena (Faisal et al., 2024).

The object used as research is the active participation of respondents who have MSMEs in the Kediri City area, whether they have digital transactions or those who don't. To collect data for scientific work itself, interview techniques using simple random sampling are used (Sarif et al., 2023). Purposive sampling is a planned and conscious sampling process, where the researcher presents questions to explore opinions, facts, perceptions, and characteristics of respondents related to the topic or phenomenon being researched. Meanwhile, respondents will provide answers to questions given by researchers according to the research conducted (Farhan & Shifa, 2023). Six resource persons in this study were searched randomly for each element without distinguishing between their strata in the population. The sources studied were MSME actors located within the radius of Kediri City which are currently still operating, whether they have QRIS or not. The interviews conducted in this research used a probing skills system, which involves the use of additional questions to have a deeper understanding of the interviewee's understanding, perceptions, opinions, insights, and facts.

Data collection was carried out through several stages. Data analysis using search techniques also processes and classifies the data obtained effectively and precisely. The desired data is processed using information from interviews with sources that have been sought, classifying into data units, tabulating information, creating goals, and combining.

The next data analysis is the conclusion of the data obtained. The cycle of data that has been processed through several stages can be seen in the following picture.



**Figure 2. The Cycle of Data**  
 Source : Author (2024)

### Data Collection

In this stage, qualitative research uses methods such as interviews, observation, and document analysis to retrieve and obtain the information needed to be used as samples in the research (Moore et al., 2021). Interviews are used to collect data from an individual's perspective or experience, observation is useful for collecting data that directly looks at conditions and phenomena that occur in the field, while document analysis is used to collect structured data that has been carried out in previous research.

### Data Reduction

After data collection, the next stage is data reduction. Data reduction is a processing stage in research that transforms recorded data into focus, categories, and various collected phenomena. According to Miles dan Huberman (2007) Data reduction is an analytical process that sharpens, categorizes, directs, and deletes unnecessary data and organizes data so that conclusions can be drawn and verified. In data reduction, data obtained from respondents is processed, simplified, and separated so that the required samples can be taken. Research conducted qualitatively involves deleting data through data reduction. So that the data obtained can be more relevant to the topic being studied (Strategy et al., 2021).

### Data Presentation

Dalam tahap penyajian data, data yang diperoleh divisualkan sesuai dengan fenomena atau pengalaman yang didapat dari responden. Dengan maksud informasi yang didapat bisa jelas dan mudah dipahami (Adeoye-Olatunde & Olenik, 2021).

### Conclusion

Summarizing data at the qualitative research stage is important to examine the meaning contained in the findings resulting from qualitative data analysis (Alshenqeeti, 2014). Concluding qualitative research involves data synthesis and interpretation of the research context.

## RESULTS

Based on data from the Kediri City Central Statistics Agency, the number of MSMEs that have been operating has reached 38,806 business units. From this data, around 5,400 business units were developed directly by the Kediri City Government. The Mayor of Kediri explained that there are several MSME centers in Kediri City. Among them, the batik craft center in Dermo, the ikat weaving center in Bandar Kidul, the soto ayam

culinary center in Tamanan, the Gang Bendon snack center in Banjaran, the tofu center in Tinalan, and so on.

The following is data on the characteristics of respondents that has been obtained through interview techniques with micro, small and medium enterprises (MSMEs) totaling six sources.

**Table. 1 Respondent Characteristics**

| Name   | Gender | Age | Origin |
|--------|--------|-----|--------|
| Ardi   | M      | 23  | Kediri |
| Fuad   | M      | 20  | Kediri |
| Rudi   | M      | 39  | Kediri |
| Watini | F      | 60  | Kediri |
| Beni   | M      | 35  | Kediri |
| Ratna  | F      | 32  | Kediri |

**Source: Author (2024)**

In this research, there were differences in perspectives among MSME actors. Some have created QRIS intermediaries as their payment medium, some have not. So, these differences become data divisions that must be processed and tabulated according to the reality in the field.

**Table 2. Respondents who adopted QRIS**

| Question   | Answer  |
|--|---|
| How will your income be after using QRIS   | <b>Respondent 2</b><br>"In my opinion, it has increased by 30% from before using QRIS. And more money comes in because you don't have to spend cash." (Fuad, interview 8 June 2024).  |
|  | <b>Respondent 5</b><br>"It has really increased, because most of the people who buy are teenagers and most of them have migrated, so the money is transferred. "As a result, the QRIS that I provided was used." (Beni, June 8 2024)                                  |
|  | <b>Respondent 6</b><br>"It has increased even more, because previously buyers knew that my shop still paid cash, so not many people bought it." (Ratna, June 8 2024)  |
| How is the security of existing money using QRIS, is it safer and more suitable for payment or vice versa? | <b>Respondent 2</b><br>"It's safe and faster, every payment goes directly into the account we registered." (Fuad, June 8 2024)  |
|  | <b>Respondent 5</b><br>"The money that comes in every time there is a payment is according to the price set, even if there are admin fees, that's not a problem for me." (Beni, June 8 2024)  |
|  | <b>Respondent 6</b><br>"Besides being safe, it also makes it easier to restock goods because you don't need to bother withdrawing money from an ATM, you can directly transfer money from the account registered with QRIS to the goods agents." (Ratna, June 8 2024) |
| Have you experienced any problems while using QRIS   | <b>Respondent 2</b><br>"No, only sometimes there is a lag when the  |

|  |  |
|--|--|
| payments?  | transaction is taking place, and the money used for holding is transferred to a savings account which must be withdrawn if you want to use it." (Fuad, June 8 2024)  |
|  | <b>Respondent 5</b><br>"So far there have been no problems, it's just that at certain hours at night there are transaction congestion, because the bank's settlement policy means QRIS cannot be used and cannot be collected before morning." (Beni, July 8 2024) |
|  | <b>Respondent 6</b><br>"Nothing, I was more helped and less complicated when using it, the money that came in was also in accordance with the transaction." (Ratna, June 8 2024)   |
| Is there a difference in buyer satisfaction after you implement QRIS payments? | <b>Respondent 2</b><br>"More people are buying than before before using QRIS. Because on average those who buy are also students who are close to my stall" (Fuad, 8 June 2024)  |
|  | <b>Respondent 5</b><br>"In my opinion, now consumers don't look at shops or stalls for complete goods and good places, but rather look at shops or stalls for the payments they have." (Beni, June 8 2024)   |
|  | <b>Respondent 6</b><br>"Now there are more people buying than before... And buyers are also more satisfied and comfortable when making transactions with QRIS." (Ratna, June 8 2024)   |

Source: Results of interviews with MSME actors (2024)

**Table 3. Respondents who have not adopted QRIS**

| Question  | Answer  |
|---|---|
| What is the reason you haven't implemented QRIS payments? Nowadays, does QRIS make transactions easier for sellers?                         | <b>Respondent 1</b><br>"Actually, it was offered to me a long time ago, I didn't want it, because it was complicated to register, sir, so I had little money. There was no clear direction, so I didn't dare to make it." (Ardi, June 8 2024) |
|   | <b>Respondent 3</b><br>"It's complicated, difficult, and registration requires a complete and valid personal data file, whereas my family card and identity card are not the same. (Rudi, June 8 2024)  |
|   | <b>Respondent 4</b><br>"No one registered, I don't have a bank account either. I don't want to bother with new payments. (Watini, 8 June 2024)  |
| What makes you not fully believe in digital payments? Even though many people already use it and it is more effective than manual payments. | <b>Respondent 1</b><br>"I am comfortable with traditional payments, even though not many people buy them, I have no trouble using old (manual) payments." (Ardi, June 8 2024)   |
|   | <b>Respondent 3</b>   |

"If I want to stock up on goods, it's a hassle having to go back and forth to the ATM to withdraw money, after it runs out of gas. Meanwhile, I have to stock goods every day. So it's better for me to hold my own money." (Rudi, June 8 2024)

**Respondent 4**

"I don't have a cellphone and people closest to me, like my child, don't allow me to use this payment. And also, there was no explanation or direction from anyone." (Watini, 8 June 2024)

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**Source: Results of interviews with MSME actors (2024)**

**MSME income with QRIS**

From the results of interviews conducted, respondents 2, 5, and 6 revealed that the impact of QRIS payments in the era of digitalization is very beneficial for business actors, especially MSMEs. The reason is that before digital payments came into existence, their merchandise or products which were previously not looked at, were now in demand and even sought after. Respondents 2, 5, and 6 revealed that there had been an increase in the income of their MSMEs by 30%. The coffee shop business of respondents 2 and 5 has experienced a significant increase. Because of its strategic location and close to the campus area. So on average, students buy from that campus. Meanwhile, for respondent 6, before the arrival of QRIS, the shop he owned was quiet. And now after using QRIS, buyers trust and switch to the shop because it has payments that consumers are interested in. On the other hand, the views of respondents 1, 3, and 4 revealed that the existence of QRIS did not change their income because they did not adopt it as did respondents 2, 5, and 6. And it had an impact on decreasing consumer buying interest. (Rahmayati et al., 2023).

**Transaction security after adopting the QRIS payment system**

Based on the results of the interviews conducted above, respondents 2, 5, and 6 revealed that they felt comfort and security in all their transactions. However, from respondent 5's point of view, there are certain times when transactions cannot be carried out, whether in or out of money in the account. At night, the bank carries out a settlement process which causes the sending and receiving of money to stop. Security is more guaranteed with every transaction made a notification of incoming money appears. In the research conducted (Wayan Arta Setiawan & Luh Putu Mahyuni, 2020) also presented the same results as the current research. Naturally, sellers use QRIS more, because the security of total transactions can be detected properly without the money having to be recalculated and the money from transactions can go directly into the bank account that has been registered with QRIS.

**Obstacles while using QRIS**

Based on interviews conducted, comments from respondents 2, 5, and 6 on average experienced problems with the distribution of goods from agents. This means all efforts carried out, whether in the MSME or other scope. Of course, you need items to replenish empty items. This issue is very important because the smooth distribution of goods is the backbone of every business. When goods cannot be distributed properly, businesses will face the risk of running out of stock, which can result in decreased sales and customer satisfaction. In the research explored by (Yustisiana et al., 2023) Have similarities in the results obtained from their research. The obstacle felt by business actors when using QRIS lies in the hampered distribution of stock of goods. On the other hand, QRIS is a new payment method that comes from innovative technology. Therefore, to withdraw cash you have to go to the nearest bank teller. And later it will take time to withdraw the money and spend money on the motorbike fuel used.

**Buyer satisfaction when trading using QRIS**



From the interview results obtained, QRIS greatly influences consumer purchasing power. Because when buyers need goods, they don't look at good shops or complete goods. Now, the main indicator of whether a shop will operate or not depends on the means of payment provided. Apart from that, in the era of digitalization, business actors are required to be more sensitive and more open to adapting to current developments that focus on technology. Of course, with advanced technology, convenience is greater and can reduce the burden on business actors (Sholikhah & Soesilo, 2023). This research also has similarities with (Auliya Akhyar & Sisilia, 2023) who think that electronic-based payment technology influences buyer satisfaction when purchasing goods. The significant change in moving payment methods from manual to electronic is the reason for buyers' satisfaction.

#### **The reason why QRIS users are not evenly distributed among MSMEs**

From the results of the interviews conducted, respondents 1, 3, and 4 were represented as sellers who had not implemented QRIS payments in their business. They have different views on this matter, respondent 1 explained that using QRIS was complicated as the reason, and he added that he was still unfamiliar because there had been no guidance about QRIS, either from the local government or other people. Respondent 3 had almost the same opinion, only the respondent added that there were problems related to restocking goods from agents to their businesses. Because you have to withdraw money from an ATM account registered with QRIS, so you can pay the agent. Meanwhile, respondent 4 thinks that the availability of QRIS tools that they don't have, such as cell phones or smartphones, is very important in using digital payment transactions (Darnilawati et al., 2023)

#### **Trust in QRIS payments**

Based on interviews conducted. Respondent 1's opinion revealed that the main reason for the lack of trust was a lack of knowledge and education regarding QRIS (Farhan & Shifa, 2023). Many MSME players do not yet understand the use, benefits, and security provided by this payment system which makes them worried about the potential for fraud or technical errors that could cause them losses. Apart from that, some MSME players feel more comfortable with the traditional payment methods they already use. They tend to hesitate to apply new technology which is considered complicated. Meanwhile, many business actors are worried that there will be additional costs arising from using QRIS. Unclear information regarding costs and benefits makes them hesitant to use the QRIS payment system.

#### **The difference between MSMEs that have QRIS and those that do not have QRIS**

Based on research that was carried out using on-site interview techniques with random respondents, I got 6 respondents and they were divided equally into 3 people, one of whom had QRIS payments and the second did not have RIS payments. There are 4 differences including, Income: Respondents who use QRIS tend to have more increased and stable income compared to respondents who do not use QRIS. Because with QRIS everything can be simpler, more practical, and less complicated, which makes it easier for customers to make transactions without spending cash. Buyer satisfaction: Buyers who transact with QRIS tend to have a higher level of satisfaction. Buyers don't look at price, quality, place, and so on. However, regarding the payments he has. Transaction security: Respondents who use QRIS feel safer when making transactions because it reduces the risk of theft or loss of cash. Apart from that, transactions via QRIS are also more transparent and well-recorded. Money management: Respondents who use QRIS tend to find it easier to manage the financial flow of their business. Bookkeeping and recording transactions become more organized, making the reporting process and overall financial management easier.

In research conducted by (Hamzah Muchtar et al., 2024) entitled Customer Compliance with QRIS E-Payment Acceptance in Indonesia: Customer Perspective. The results of this research state that two causes influence customers' interest in adopting QRIS, namely social influence from family and other people and environmental conditions. The

average age of respondents is around 25-40 years, the majority of whom work as entrepreneurs and company employees. They stated that social influences, such as recommendations from family or friends, played an important role in their decision to use QRIS. Apart from that, environmental conditions, such as ease of access and availability of supporting infrastructure, also contribute significantly to QRIS adoption.

The results of this research emphasize the important role of communities and social networks in promoting the use of QRIS. Support and encouragement from those closest to you can increase customer confidence and comfort in switching to a digital payment system. Apart from that, conducive environmental conditions, including the availability of a stable internet network and accessibility of payment devices, are also crucial factors in increasing QRIS adoption. This research is also in line with research conducted by (Rahmayati et al., 2023) which revealed the influence of customers' purchasing interest which was influenced by their perspective, both in terms of cost, convenience, and others. Respondents revealed that there was ease and smoothness in accessing payment, and also provides accuracy, for example, the system delivered by QRIS in real-time instead of waiting for tomorrow. So after the payment is made, an incoming balance notification will immediately appear.

### CONCLUSION

MSME business actors, especially in Kediri City, have increased their use of QRIS payment media. In this case, the registration carried out by business actors was not driven or directed by the government but was based on their initiative. Apart from that, the distribution of QRIS in Kediri City is also uneven due to a lack of understanding about QRIS, still using traditional or old payments, doubts from business actors about how QRIS works, and security concerns. With the obstacles and fears faced, the government's role is very important to help level adoption in MSMEs. Meanwhile, the impact felt by the existence of QRIS is very significant, including; ease of transactions, increased MSME income, buyer satisfaction, and others. QRIS makes the transaction process faster and more efficient, thereby increasing productivity and business competitiveness.

To ensure that business continues to grow, business actors need to innovate and take advantage of technological developments. Being open to new technology such as QRIS not only helps overcome existing challenges but also opens up new opportunities for business growth and expansion. With government support and the willingness of business actors to continue learning and adapting, the business ecosystem in Kediri City can develop more advanced and inclusively.

### SUGGESTION

With increasingly advanced technological developments, it would be wise if all levels of society were willing to adapt to the current era of digitalization. There is a need to change the mindset of most business actors to understand the advantages and convenience of the new payment system, namely QRIS. So that business people can join and adopt this payment system which over time will become a payment that is more widely used in the future. And the government's role is also needed in overcoming the lack of public literacy. Education from the government must be carried out so that business actors find a bright spot for the QRIS payment obstacles they face. Especially for MSMEs as the front guard in growing the Indonesian economy

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