

IMPACT ANALYSIS OF UTILIZING DIGITAL PAYMENT METHODS ON THE DEVELOPMENT OF IKAT WEAVING BUSINESSES IN KUPANG CITY



^{1*}Klaasvakumok J. Kamuri, ²Irience R. A. Manongga, ³Andrias U. T. Anabuni,
⁴Yanti S. Giri

^{1,2,3,4}Department of Business Administration, Kupang State Polytechnic, Kupang - Indonesia

e-mail:

^{1*}klaasvakumok.kamuri@pnk.ac.id (corresponding author)

²irience.manongga@pnk.ac.id

³andrias.anabuni@pnk.ac.id

⁴yanti.giri@pnk.ac.id

ABSTRACT

This study aims to examine the influence of digital marketing and influencer endorsements on consumer purchase intentions, with trust as a moderating variable. Using a quantitative approach with a sample of 96 Kedaita consumers, data were collected through structured questionnaires and analyzed using multiple regression and moderation analysis. The findings indicate that both digital marketing and influencer endorsement have a positive impact on purchase intention. Moreover, trust strengthens the relationship between the independent variables and purchase intention, indicating its essential role in enhancing the effectiveness of promotional strategies. The results provide us a deeper understanding of how trust functions within digital marketing dynamics, particularly for small businesses. However, the confinement of this study to a specific regional context and consumer segment may limit the generalizability of the results. Future research is suggested to explore other moderating variables and apply broader population samples to validate and expand the insights.

Keywords: Digital Payment; Ikat Weaving; Business Development

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INTRODUCTION

Technological advancement has become a driving force behind Indonesia's industrial development (Meidyasari, 2024). The advancement of information and digital technology brings about a variety of changes, including the growth of the financial services business, which has become a new trend in society (Wahyuni et al., 2025). This is gradually impacting the financial sector. The payment methods used in economic transactions are constantly evolving, with digital payment methods having mostly superseded traditional methods (cash usage) as acceptable forms of payment (Hakim & Nasution, 2024).

The use of digital payment methods is still increasing in the age of the digital economy (Pachouri, 2025). This approach minimizes usury practices, lowers national inflation brought on by the excessive flow of money, and helps the community become more productive and efficient (Anwar et al., 2024). People can now undertake a variety of financial transactions more easily thanks to digital payment methods, which have become a financial revolution. Due to efficient use, a large number of people have begun making financial transactions utilizing digital payment methods (Nurohman et al., 2022).

The usage of digital payment methods in Indonesia has grown in recent years, thanks to greater internet connectivity and advances in smartphone technology that have made it easier for people to use various digital financial services. According to the Bank Indonesia report for 2023, reported by Astari et al (2024), digital payment transactions in Indonesia reached 2,133 trillion rupiah in 2023, up 57.4% from the previous year. This suggests that the Indonesian population is interested in embracing digital payment systems for a variety of objectives, including everyday purchases and business transactions. Furthermore, the government continues to support the economy's digitalization through programs such as "Digital Indonesia and Making Indonesia 4.0," which have increased the adoption of digital payment methods in a variety of sectors (Anggara & Raharjo, 2024).

The Covid-19 epidemic has also driven digital transformation in a variety of areas, including payments. For security and efficiency reasons, the general population is beginning to shift away from cash transactions and toward digital ones (Primadineska, 2021). According to Sutikno dan Handayati (2023), consumers in Indonesia prefer digital payment options due to their ease of use and faster transaction times. Furthermore, the growing number of organizations offering digital financial services increases consumer interest in using digital payment methods (Rizkiyah et al., 2021). E-wallets (OVO, GoPay, and DANA), Bank Indonesia Fast Payment (BI-Fast), virtual accounts, and QRIS (Quick Response Code Indonesian Standard) are some of the most popular digital payment methods in Indonesia because they allow users to make payments with only their smartphones, eliminating the need for cards or cash (Sinulingga et al., 2024). E-wallets, virtual accounts, and QRIS have emerged as the most popular digital payment systems in Indonesia due to their ease of use and ability to interact with a variety of payment service providers. These three solutions are quite effective because they provide high-level security and public access (Alfarizi et al., 2024).

According to data from Bank Indonesia's 2023 report on "Digital Payment Penetration and Usage in NTT Province in 2022", 65% of Kupang's population has used digital payment methods like e-wallets (OVO, GoPay, DANA) and QRIS for a variety of transactions, despite the city's slower rate of technological adoption. This is an increase above the previous year's level of 40%. This expansion is motivated by greater internet availability, the convenience of smartphone use, and government programs such as the National Non-Cash Movement (GNNT), which are currently being carried out in eastern

Indonesia. Additionally, the growing number of shops in Kupang City accepting digital payments, particularly in the MSME and tourism sectors, contributes to the acceleration of this adoption. However, issues such as a lack of digital literacy continue to limit the usage of financial technology (Fintech) services in Kupang (Kofi et al., 2023).

The ikat weaving craft industry is one of Kupang City's most popular businesses (Koro et al., 2025). NTT's traditional ikat weaving is a cultural treasure with considerable economic worth, and it has become a regional emblem. In 2023, the ikat weaving sector in Kupang City earned 4.5 billion rupiah, with around 75 business units spread in 6 sub-districts. This increase is being driven by the growing interest of local communities and tourists in cultural products, as well as the ease of marketing access via digital platforms (Ndoen, 2024). Furthermore, the local government is actively encouraging the growth of this business by providing talent training, weaving tools, and product promotion through cultural events and exhibitions (Sutikno & Handayati, 2023).

In the context of digital economy globalization, the use of digital payment methods is becoming increasingly important for the growth of small and medium-sized businesses, particularly in culturally significant regions (Maharsi, 2024). However, research on the influence of digital payment methods on ikat weaving enterprises in Kupang City remains limited, leaving a gap in understanding how digital payment methods might boost the competitiveness of ikat weaving firms in Kupang City. The majority of studies focus on the employment of digital marketing tactics in the culinary, tourism, and service sectors; therefore, in-depth studies on this topic have been limited (Armutcu et al., 2023). Previous studies have not adequately addressed the active involvement of local governments, civil society organizations, and other stakeholders in encouraging the use of digital payment systems to grow the ikat weaving business in Kupang City.

This research attempts to address this gap by researching the influence of digital payment methods on the development of ikat weaving firms in Kupang City. Thus, this research is planned to provide practical recommendations for ikat weaving entrepreneurs in the city of Kupang on how to optimize the use of digital payment methods to grow their enterprises.

LITERATURE REVIEW

Financial Technology (Fintech)

Financial technology (Fintech) combines the primary activities of the financial system with technology (Amalia, 2016). Fintech refers to financial service innovations such as mobile payments, blockchain, and cryptocurrencies, which change traditional financial systems into efficient, accessible, and secure platforms (Suhardjo et al., 2024). Fintech can alternatively be characterized as a new approach to financial services combined with modern technical touches that are currently popular worldwide, both in terms of gadgets and businesses (Amalia, 2016).

Sari et al (2022) fintech introduces innovations like digital payments for quick mobile transactions, Bitcoin for a decentralized financial system, peer-to-peer lending for direct loans, robo-advisors for automated investment management, and insurtech for personalized insurance solutions. Together, these advancements enhance transparency, efficiency, and accessibility in the financial sector.

For the general public, fintech increases the availability of financial services, reduces transaction costs, accelerates and strengthens transaction security, and improves financial inclusion, allowing more individuals to obtain inexpensive financial services (Luu et al., 2021). Meanwhile, in business processes, fintech allows for more

structured operations, lowers operational costs, and enhances risk management, consequently improving customer experience, expanding markets, and obtaining a competitive advantage in an increasingly digital industry (Astuti, 2022).

Digital Payment

Digital payment methods are payment systems that use technology to support financial transactions that do not require currency, allowing them to be completed electronically via digital platforms such as the internet, cellphones, or other electronic devices (Raz, 2024). Digital payments are the concepts, principles, and technology that underpin the process of transferring funds between transaction participants, such as sellers, buyers, banks, or financial service providers (Mackenzie, 2015).

Digital payments include several types: virtual bank transfers between accounts, card payments using credit, debit, or prepaid cards, digital wallets such as OVO, GoPay, or PayPal, cryptocurrency payments like Bitcoin or Ethereum, and QR code payments that simplify money transfers (Wewege & Thomsett, 2019).

Digital payment systems offer a variety of advantages, including convenience, which allows transactions to be done anytime and anywhere, and speed, with a transaction process that is speedier than cash payments (Maharsi, 2024). Security is achieved by the deployment of robust encryption and authentication technology to avoid fraud (Rizkiyah et al., 2021). Financial inclusion allows remote populations or people who do not have access to banks to perform financial activities, while efficiency minimizes transaction costs and payment time (Barroso & Laborda, 2022). For small and medium-sized business operators, digital payment systems provide greater market access, improve customer experience through various payment types, and facilitate financial recording and management, all of which contribute to the growth and sustainability of their businesses (Ovami et al., 2024).

Technology Acceptance Model (TAM)

The Technology Acceptance Model (TAM) is a theoretical framework for explaining how people accept and use technology (Santoso & Nainggolan, 2023). It focuses on several fundamental beliefs that influence a person's decision to use technology, including Perceived Usefulness (PU) refers to the extent to which consumers perceive that technology will improve performance when completing certain activities (Herowati, 2024). Perceived Ease of Use (PEU) describes how simple the technology is to use. Attitude Toward Using Technology (AT), which refers to the user's attitude or disposition toward technology as influenced by their perceptions of PU and PEU; Behavioral Intention (BI), which refers to the user's intention or plan to use technology in the future; and Actual Use (AU), which refers to the user's actual use of technology (Herowati, 2024). TAM's decision-making process is divided into various stages, beginning with consumers' perceptions of how beneficial and easy a technology is. Based on this perspective, a good or negative attitude is developed (Santoso & Nainggolan, 2023). A positive mindset affects the behavioral intention to use technology (Herowati, 2024). Finally, strong intentions drive technology adoption (Sumantri et al., 2023).

TAM can assist in understanding the elements impacting the adoption and use of digital payment technologies in the context of using digital payment methods, both as consumers and as corporate actors (Herowati, 2024). Business actors' perception that digital payment systems can improve transaction efficiency and streamline financial administration is a reflection of perceived usefulness (PU) (Santoso & Nainggolan, 2023). The simplicity of using and incorporating the technology into the corporate system is

known as perceived ease of use, or PEU (Sumantri et al., 2023). Perceived Usefulness (PU) is demonstrated by consumers' belief that digital payment methods simplify transactions and save time, while Perceived Ease of Use (PEU) is demonstrated by how simple it is to access and use the application (Santoso & Nainggolan, 2023). As a result, the greater the public's impression of the utility and convenience of digital payment methods, the more favorable their attitudes and intentions to use them, which will eventually boost the usage of this technology in daily economic operations.

Relationship Between Concepts

Fintech advances include digital payments, blockchain, and cryptocurrency, all of which improve the efficiency, accessibility, and security of financial transactions (Amalia, 2016). One of the most relevant fintech advances to this research is digital payments, which enable financial transactions without the need for currency using digital platforms such as the internet and smartphones (Mackenzie, 2015). Thus, fintech serves as the foundation for the usage of digital payments, which may subsequently be used to improve the efficiency and availability of financial services for Kupang-based woven fabric firms.

Digital payments, being a key component of fintech, provide numerous benefits such as ease, speed, security, and transaction efficiency (Ovami et al., 2024). The use of digital payment methods can help small and medium-sized businesses get access to a larger market, simplify financial record-keeping, and improve customer experience, making it simpler to receive affordable financial services (Barroso & Laborda, 2022). As a result, digital payments have emerged as a critical component in the growth of Kupang City's ikat weaving industry.

In the context of digital payments, TAM can help understand how business actors accept and use digital payment technology (Herowati, 2024). Perception of usefulness (perceived usefulness) and ease of use (perceived ease of use) are the main factors that influence a person's attitude and intention to use technology (Sumantri et al., 2023). Thus, TAM provides a framework for understanding how digital payment methods can be accepted and maximally utilized by ikat weaving entrepreneurs in the city of Kupang.

Empirical Study

This empirical study presents several previous research works on the use of information and digital technology by ikat weaving entrepreneurs in the city of Kupang, with the goal of filling gaps in the existing literature and focusing on how digital payment technology can contribute to the growth and sustainability of the ikat weaving industry in Kupang. Here are some references to prior studies:

Table 1
Empirical Study

No	Title / Researcher / Year	Research Method	Research Focus	Result
1	The Influence of the Use of Fintech on the Development of Literacy and Financial Inclusion Among MSMEs in Kupang City. (Kofi et al., 2023).	Quantitative with path analysis model	The impact of fintech on MSMEs' financial inclusion and financial literacy in Kupang City.	The financial inclusion and financial literacy of MSMEs in Kupang are positively and significantly impacted by fintech.
2	Sales Application at Rumah Tenun Ikat Ina Ndao Using Business to Consumer (B2C). (Ngongo et al., 2021)	Literature Study and Program Design	• Boosting marketing efforts and reaching a wider audience with woven goods and standard NTT accessories. • Facilitating online transactions and product information access for consumers. • Solving the problem of sales that are still done offline and by hand, which adds to the expenses and time required.	• Users can more easily get the most recent product information thanks to the effectively constructed sales application. • Additionally, the program facilitates more effective and efficient inventory, order, and product data management for rumah tenun ikat ina ndao. • The marketing reach of woven goods and common NTT accessories can be increased, and promotions improved, with this technique.
3	Small Micro Business Readiness in Utilizing E-Commerce Technology in Kupang City (Mamulak, 2020)	Descriptive Quantitative	The UMKM ikat weaving company in Kupang is growing through e-commerce innovation and digital technology to become more globally competitive.	The UMKM ikat weaving company in Kupang is growing through e-commerce innovation and digital technology to become more globally competitive.

The empirical study Table 1 indicates that this research is different from earlier studies in a number of ways. In contrast to other studies that used quantitative approaches, literature reviews, and program design, this research uses a qualitative approach, concentrating on a thorough knowledge of the use of digital payment methods in ikat weaving enterprises in the city of Kupang. While earlier research focused more broadly on mobile application development, fintech in general, and e-commerce in weaving enterprises, this study is more focused on digital payment systems as the primary tool.

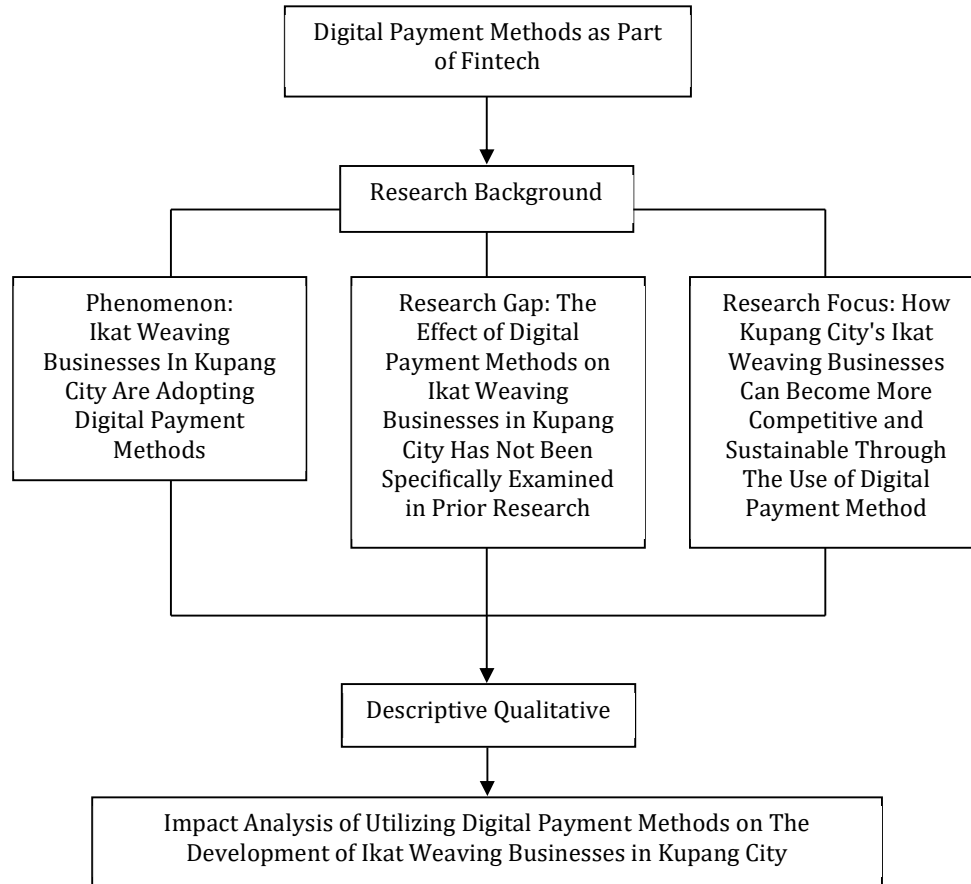
Furthermore, this study incorporates the aspect of sustainability and business development, which has not been the primary emphasis of earlier research. Regarding

the findings, it is anticipated that this study will offer comprehensive insights into how digital payment methods can be used as strategic tools to improve the growth potential of woven textile companies and how their adoption can impact the sustainability of businesses. Therefore, this study not only adds to earlier research but also offers a fresh viewpoint on the effects of digital payment methods on ikat weaving enterprises in Kupang City that is more targeted and contextual.

Research Framework

The purpose of this research is to determine how the use of digital payment methods might positively affect the development of ikat weaving businesses in Kupang City. Ikat weaving is a cultural asset with significant economic worth, but its development faces numerous hurdles, particularly in terms of marketing and limited market access. As a result, in the context of the digital economy, using digital marketing methods and other forms of digital services, such as digital financial services, is viewed as one of the strategic solutions for increasing the competitiveness of ikat weaving businesses in Kupang (Mamulak, 2020).

The identification's findings show that the usage of digital payment methods in the growth of ikat weaving enterprises in Kupang City has not been particularly covered in earlier research. In order to fully benefit from the use of digital payment methods, it is actually crucial to raise the understanding and proficiency of ikat weaving entrepreneurs in this area. In order to close that gap, this research also focuses on two key areas: first, how traditional ikat weaving businesses from NTT in Kupang City can become more competitive and gain access to markets by using digital payment methods; second, how the sustainability of these businesses can be affected by the use of digital payment methods. Thus, the conceptual framework for this research can be seen in the following figure:



Source : Kamuri et al., 2025

Figure 1
Research Framework

METHOD

Types and Approaches to Research

The research is qualitative, meaning it prioritizes understanding the dynamics and context of a social phenomenon by focusing on the pursuit of meaning, process, and in-depth experiences (Sugiyono, 2022). Because it seeks to fully comprehend the effects of using digital payment methods on the growth of ikat weaving firms in Kupang City, qualitative research was selected.

The approach used is an exploratory approach, which aims to gain an understanding of a phenomenon that has not been widely understood or researched (Sugiyono, 2022). The exploratory approach was chosen because, specifically, the use of digital payment methods in ikat weaving businesses in the city of Kupang has not been a widely discussed topic in previous research related to ikat weaving businesses in the city of Kupang. Thus, this research can provide a comprehensive understanding of how the use of digital payment methods impacts the development of ikat weaving businesses in the city of Kupang.

According to Moleong, (2019), the focus of research is the concentration of attention on a certain object, phenomenon, or problem to be examined, allowing researchers to narrow and concentrate their research on the most relevant and crucial parts of the subject under study. Thus, the focus of this study is on how using digital

payment systems might improve the competitiveness and sustainability of ikat weaving firms in Kupang City.

According to Moleong (2019), key informants are those who can offer precise and comprehensive data because they have information, expertise, or knowledge related to the research issue. The selection of key informants is based on their strategic roles, positions, or experiences that allow them to contribute valuable information and insights to the study. Since they are people who are familiar with and actively involved in the phenomenon under study, the information they provide is more reliable and significant. Fifteen woven ikat business actors from the city of Kupang who have used digital payment methods are the study's informants.

This research uses qualitative data, which are words, sentences, or narratives gathered from field observations, interviews, and documentation. This study's data sources include primary data, which was gathered directly from primary sources through field observations, interviews, and documentation, as well as secondary data, which was gathered from publications like books, periodicals, and reports to bolster primary data (Sugiyono, 2022).

In this study, 15 ikat weaving business owners in the city of Kupang were interviewed and observed to provide primary data, while books and earlier research publications pertinent to the study's topic and emphasis provided secondary data.

According to Moleong (2019), there are various methods for analyzing data in qualitative research. The first step is data reduction, which is the process of narrowing down, choosing, and eliminating irrelevant data in order to extract significant and valuable information. In an effort to make the data simpler for better comprehension and analysis. The second is data presentation, which is the act of arranging and displaying data in a way that is easy to understand, like charts, diagrams, or narratives, in order to assist researchers in finding patterns, connections, or interpretations in the data. The third step is drawing conclusions, which is the act of making sense of the data that has been studied in order to provide answers to the specified research questions or hypotheses.

This study uses triangulation approaches, which entail comparing data from many sources, methods, and time periods, to guarantee and improve the reliability of the data collected (Mekarisce, 2020). Source triangulation, the triangulation technique employed, entails verifying the information gathered from many sources, including archives, interview transcripts, and other materials pertinent to the research data (Moleong, 2019). Cross-checking and comparing the research data with earlier studies that are pertinent to the topic or emphasis of the current study is therefore part of the source triangulation process.

RESULTS AND DISCUSSION

Description of Key Informant Data Before Using Digital Payment Methods

The study's core key informants come from a variety of backgrounds and have run ikat weaving companies in Kupang City. Nine of the fifteen important informants have been in business for five to eighteen years, while the remaining six have been in business for three to five. The majority of the key informants have been running this business since they were young. This extensive experience reflects a commitment to preserving and expanding the ikat weaving industry in Kupang.

So far, all key informants have employed a variety of marketing tactics to manage their firms, including traditional methods such as company location advertising, word of mouth, print media advertisements, and participation in events such as

exhibitions. However, as information and digital technology have advanced, all major informants have shifted to current marketing strategies such as social media and online purchasing sites like Shopee. This demonstrates that modern marketing strategies, like as social media marketing and e-commerce platforms, have emerged as the most effective avenues for improving ikat weaving entrepreneurs' exposure and market reach in Kupang.

Most key informants solely utilized cash or bank transfer payment methods prior to adopting digital payment methods. This approach frequently results in potential transaction errors, cashflow monitoring issues, and payment delays. Key informants reported that transactions were more efficient, transparent, and secure after converting to digital payment systems. Additionally, they may better handle their company's money and service clients from outside of Kupang thanks to digital payment options. Therefore, it is believed that the growth and sustainability of the ikat weaving industry in Kupang City will benefit from the usage of digital payment systems.

Description of Key Informant Data After Using Digital Payment Methods

Three of the fifteen important informants have been utilizing digital payment methods since 2023, while four of them have been using them since 2018. Because of the COVID-19 outbreak, most key informants began using digital payment methods. As a result, 2020 marked a critical turning point for the majority of important informants in their transition from traditional to digital payment methods.

All key informants in this study are motivated to utilize digital payment methods because of the ease of transactions and the increased time and cost efficiency of transactions. Furthermore, the usage of digital payment methods is motivated by a desire to boost consumer trust, broaden market reach, and keep up with increasingly popular digital trends. They also indicated that digital payment methods are preferred since they make it easier to manage funds and record transactions.

All of the key informants cited QRIS, virtual accounts, OVO, and ShopeePay as some of the most popular digital payment options. The selection of these digital payment methods is predicated on the simplicity of transactions with each type of technique, as well as the consideration and analysis of digital payment methods that are often used by consumers.

Key informants claim that the simplicity provided by digital payment methods makes customers feel more at ease, secure, and content. The simple and effective payment options also increase the likelihood that customers will return for future purchases and refer others to the store. Following the adoption of digital payments, some key informants even claimed that the volume of transactions increased.

According to all key informants, the primary challenges include a lack of understanding and awareness regarding digital payments, worries about data security, extra expenses such transaction fees, and reliance on technologically unstable electronic gadgets. Through self-study, training sessions, and even certain key informants who advise clients about the advantages of utilizing digital payment methods, the informants are attempting to understand how digital payments operate. Therefore, the use of digital payments has a lot of promise to improve Kupang City's ikat weaving industry; however, this needs to be backed by sufficient infrastructure, improved services from digital payment providers, and ongoing education.

Data Analysis

Several trends that show how the use of digital payment methods affects weaving enterprises in Kupang have been found based on the data that has been given. First, transaction security and efficiency. Ikat weaving business owners in the city of Kupang had to deal with a number of issues prior to using digital payment systems, including delayed payments, transaction failures, and trouble keeping track of cash flow. However, transactions become more secure, transparent, and efficient after moving to digital payment methods.

Second, the expansion of market reach. By using digital payment methods like ShopeePay, OVO, virtual accounts, and QRIS, woven fabric entrepreneurs can reach customers outside of Kupang, increasing their competitiveness as a business. Third, money management ease. The sustainability of ikat weaving enterprises in the city of Kupang is positively impacted by the adoption of digital payment methods, which facilitate the management of finances and the recording of transactions.

Covid-19 is the fourth starting point. When the Covid-19 outbreak forced a transition from traditional to digital payment methods, most ikat weaving business owners in Kupang started using digital payment methods. Fifth, difficulties. The biggest issues facing ikat weaving business owners in Kupang include a lack of knowledge about digital payments, worries about data security, extra expenses (such as transaction fees), and reliance on unreliable technology.

The data in this study not only exhibits the aforementioned pattern, but it also shows a relationship to the concepts employed in this investigation. First, the idea of fintech, or financial technology. Digital payments are one of the financial services innovations made possible by fintech (Luu et al., 2021). In the context of this study, fintech implementations that improve the productivity and reach of ikat weaving enterprises in Kupang include the use of QRIS, virtual accounts, OVO, and ShopeePay. The idea of digital payments comes in second. Digital payments make it possible for Kupang's ikat weaving business owners and customers to transact more quickly, securely, and transparently, which boosts client confidence and competitiveness. This is consistent with Fariza Raz, (2024) research findings.

Third, consider the Technology Acceptance Model (TAM) theory. The primary elements driving technology adoption are the system's perceived usefulness (PU) and ease of use (PEU) (Sumantri et al., 2023). In the context of this study, ikat weaving businesses in the city of Kupang believe that digital payment methods are more convenient and useful, increasing the possibility of acceptance and long-term use.

Discussion

The Impact of Digital Payment Methods on the Competitiveness of Ikat Weaving Businesses in Kupang City.

The study's findings show that the adoption of digital payment systems has significantly impacted the competitiveness of Kupang City's ikat weaving enterprises. Business owners had to deal with a number of challenges prior to the widespread use of digital payment systems, including late payments and trouble keeping an eye on cashflow. However, transaction efficiency, transparency, and security all increased after moving to a digital payment system. These results are consistent with the study by Luu et al (2021), which highlights how crucial technological innovation is to improving small and medium-sized businesses' operational effectiveness and competitiveness.

In addition to making transactions easier, the usage of digital payment systems like QRIS, Virtual Accounts, OVO, and ShopeePay broadens the market. Ikat weaving

business owners can boost their sales volume and solidify their place in the market by reaching clients outside of Kupang City. This is what Luu et al (2021) meant when they said that integrating technology can be a good way to make small and medium-sized businesses more competitive.

Additionally, Fariza Raz (2024) emphasizes how digitalization in the small business sector increases customer trust in addition to efficiency. This study supports these conclusions by showing that using digital payment methods improves consumers' comfort and sense of security, which in turn promotes loyalty and boosts transaction volume. As a result, this study not only confirms earlier conclusions but also advances knowledge of how digitization might help firms in the conventional product industry become more competitive.

The Impact of Digital Payment Methods on the Sustainability of Ikat Weaving Businesses in Kupang City.

The survival of the ikat weaving company in Kupang City is significantly determined by the entrepreneurs' capacity to adapt to technical developments. According to this study, using digital payment systems promotes improved financial management in addition to increased operational efficiency. Business owners can better record transactions and assist long-term financial planning with a more structured approach.

The difficulties encountered, such as a lack of knowledge about digital payments and worries about data security, suggest that more may be done, nevertheless. Thus, entrepreneurs require proper education and training. This is consistent with the Technology Acceptance Model (TAM), which highlights how important perceived utility and usability are when adopting new technology (Sumantri et al., 2023).

In addition to the two previously mentioned aspects, the study's findings indicate that the Covid-19 epidemic served as a driving force behind the city of Kupang's weavers' quicker adoption of digital payment systems. COVID-19 compelled entrepreneurs to look for other ways to keep their company afloat. Accordingly, the study's findings show that switching from conventional to digital payment methods is not just a reaction to an urgent circumstance but also a calculated move to improve competitiveness and the long-term viability of the company. This circumstance highlights how crucial adaptability and creativity are when dealing with outside obstacles. Business players are more likely to survive and prosper if they can quickly adjust to changes in the business environment. As a result, in order to improve their competitiveness and long-term viability, ikat weavers in the city of Kupang must constantly investigate and make use of current technologies.

However, this study also helps to understand the difficulties that ikat weavers in Kupang encounter when attempting to use digital payment methods. This study identifies important obstacles, including a lack of knowledge and worries about data security, whereas other research has tended to concentrate on the advantages and opportunities provided by technology. This suggests that even while technology adoption has a lot of promise, user preparation and comprehension are crucial to its implementation's success.

CONCLUSION AND SUGGESTION

This study demonstrates that the competitiveness and sustainability of ikat weaving enterprises in Kupang City are significantly impacted by the use of digital payment methods. Entrepreneurs benefit from improved transaction efficiency, transparency, and security when they move from traditional to digital payment systems, which

broadens their market reach. These results are consistent with earlier studies that highlight how crucial technological innovation is to enhancing the performance of small and medium-sized businesses.

Issues like a lack of knowledge about digital payments and worries about data security are still problems that must be resolved. Furthermore, the Covid-19 outbreak served as a driving force behind the quick uptake of digital payment methods, proving that crises may spur innovation in the commercial world. This study emphasizes the significance of infrastructural assistance and education for ikat weaving entrepreneurs in Kupang city and offers fresh perspectives on the intricate dynamics surrounding the adoption of technology in the context of ikat weaving enterprises in the city.

The research's conclusions suggest that in order to increase entrepreneurs' confidence, educational and training initiatives centered on comprehending and utilizing digital payment systems should be put into place. Furthermore, it's critical to upgrade Kupang City's IT infrastructure to facilitate online transactions and to promote cooperation between ikat weaving business owners and digital payment service providers in order to develop solutions that better suit regional demands. In order to draw in more clients, entrepreneurs must also make use of internet channels to advertise ikat weaving goods more extensively. In order to find practical solutions to the problems faced by ikat weaving business owners in the city of Kupang, more research is required to examine additional elements such as digital literacy, government support, ease of access to technological resources, and digital community support that influence the use of digital technology.

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