

CHAPTER 1

INTRODUCTION

1.1 Problem Statement and Motivation

Micro, Small, and Medium Enterprises (MSMEs) in cafés on Bali Islands encounter significant challenges when adopting point of sale (POS) systems. These challenges primarily stem from difficulties in effectively utilizing the features of POS systems, which are essential for managing sales, inventory, and financial reporting. Inaccurate tracking of financial performance can greatly weaken these businesses' operational efficiency and growth potential, resulting in inconsistencies in sales data and financial records.

Many owners and employees of MSMEs lack the technical expertise required to fully leverage POS systems. This gap in knowledge can lead to underutilization of available technology, preventing businesses from taking advantage of critical features like real-time inventory management and detailed sales reporting. The rapid pace of technological change further complicates matters, leaving many business owners struggling to keep up with the latest tools and practices. Without sufficient training and understanding, the potential advantages of POS systems remain unrealized, diminishing the overall efficiency and profitability of these enterprises.

The financial implications of adopting new technologies present another considerable challenge for many MSMEs, especially those operating with narrow profit margins. The costs associated with software acquisition, training, and ongoing

maintenance can be substantial, deterring businesses from pursuing necessary technological advancements. Hambali (1990) highlights that a major factor contributing to MSME failure is their limited ability to obtain appropriate technology essential for their operations. When businesses do not adopt suitable information technology, they risk financial instability and may be left with inadequate tools. This situation creates a cycle of disadvantage, where insufficient investment in technology further hampers growth and operational efficiency.

The integration of effective point of sale solutions is vital for enhancing the competitive position of these businesses. Research has shown that technology can significantly support companies, allowing them to operate more efficiently and effectively (Turban, MacLean, & Wetherbe, 2002; Utomo & Dodgson, 2001; Willcocks & Lester, 1996). By optimizing the adoption of POS systems, cafés can improve their financial reporting, lower operational costs, and become more responsive to customer needs and market trends. Features like inventory management and sales tracking offered by POS systems can empower these businesses to make informed, data-driven decisions, ultimately contributing to a more resilient café sector on Bali Island, which is essential for job creation and economic growth. This research aims to address these challenges by providing actionable insights and recommendations to facilitate sustainable growth and transformation within the industry.

1.2 Problem Statement

The adoption of information systems in companies during this digital era is crucial for companies to process accounting functions quickly, accurately, and efficiently, thereby providing a competitive advantage. This research will focus on the adoption of Point of Sale (POS) systems in Micro, Small, and Medium Enterprises (MSMEs), particularly in cafés, to enhance their productivity. The assessment will center on the following key considerations:

1. **Perceived Ease of Use:** Does perceived ease of use influence actual system use of POS applications among cafés and restaurants in Bali?
2. **Perceived Usefulness:** Does perceived usefulness impact actual system use of POS applications in cafés and restaurants in Bali?
3. **Attitude Toward Using:** Does attitude toward using affect the actual system use of POS applications in cafés and restaurants in Bali?
4. **Behavioral Intention to Use:** Does behavioral intention to use influence actual system use of POS applications among cafés and restaurants in Bali?
5. **Actual System Use:** Does actual system use serve as a reliable indicator of successful adoption of POS applications among cafes and restaurants in Bali?

1.3. The Importance of the Research

This research aims to develop a practical framework for the effective adoption of Point of Sale (POS) systems in Micro, Small, and Medium Enterprises (MSMEs) within cafés on Bali Island. By offering a structured approach to adopting this technology, MSMEs can minimize the risks associated with integrating new systems, particularly those related to security concerns identified in the problem statement. This risk reduction will enhance the efficiency and effectiveness of IT investments, allowing café MSMEs to concentrate on improving their sales operations and overall business performance.

The research has several specific objectives:

1. To measure the impact of perceived ease of use on the actual system use of POS applications among cafés and restaurants in Bali.
2. To evaluate the influence of perceived usefulness on the actual system use of POS applications in these cafés and restaurants.
3. To assess how attitudes toward using affect the actual system use of POS applications in the cafés and restaurants in Bali.
4. To analyze the effect of behavioral intention to use on the actual system use of POS applications among cafés and restaurants MSMEs in Bali.
5. To investigate how perceived usefulness influences perceived ease of use of POS applications in cafés and restaurants in Bali.

This research focuses on adopting Point of Sale (POS) systems in Micro, Small, and Medium Enterprises (MSMEs) in cafés and restaurants on Bali Island. It aims to enhance sales effectiveness and usefulness while identifying the unique challenges these businesses face during adoption.

Key areas of interest include how employees actively use the POS application for daily business activities and their overall satisfaction with it. The research will assess how effectively the POS system resolves business issues and how often employees engage with it, including access outside regular hours. Additionally, the ease of use and clear interface of the POS application will be evaluated, as well as its impact on productivity and job performance. The study will also look at the technical skills and knowledge gaps among MSME owners and employees regarding POS systems for sales tracking and reporting. By identifying these gaps, the research aims to inform the development of targeted training programs. Strengthening these skills is essential for MSMEs to improve sales effectiveness and fully benefit from modern sales management solutions.

This research has the potential to significantly enhance the economic vitality of Bali by improving the sales performance and financial management of café MSMEs. By fostering a more competitive and resilient café sector, the research aims to support job creation and sustainable economic growth in the region, benefiting both individual businesses and the wider community. This focus aligns closely with the problem

statement, emphasizing the importance of efficient accounting systems and technology integration for achieving a competitive edge in the digital landscape.

1.4 The Scope and Limitation of the Research

This research will specifically target Micro, Small, and Medium Enterprises (MSMEs) in cafés and restaurants on Bali Island, Indonesia. Consequently, the insights gained may not be relevant to MSMEs in other countries or sectors. The study aims to explore the unique challenges and barriers these businesses encounter when adopting Point of Sale (POS) systems, focusing particularly on sales management and transaction tracking. This localized approach will influence the strategies developed and may not apply to contexts beyond Bali Island.

For this research, MSMEs are defined according to the criteria established by the Indonesian government, which categorizes them based on specific financial and operational metrics. This definition is crucial as it guides the analysis and recommendations tailored to the distinct needs of these cafés and restaurants.

The study will also assess the technical skills and knowledge gaps among owners, employees, and managers in cafés and restaurants regarding the effective use of POS systems for sales tracking and reporting. However, it is important to note that the findings may be affected by the willingness of businesses to participate, which could influence the depth and comprehensiveness of the data collected. The rapid advancement of technology presents a challenge, as new features and updates to POS

systems may change the sales management landscape, potentially diminishing the relevance of the results over time.

1.5 Contribution and Research Objectives

This research aims to develop a practical framework for the effective adoption of Point of Sale (POS) systems in Micro, Small, and Medium Enterprises (MSMEs) within cafés and restaurants on Bali Island. By providing a structured approach to adopting this technology, the study seeks to minimize risks associated with integrating new systems, particularly those related to security concerns outlined in the problem statement. Reducing these risks is expected to enhance the efficiency and effectiveness of IT investments, allowing cafés and restaurants to focus on improving their sales operations and overall business performance.

Key objectives include measuring the influence of perceived ease of use on the actual utilization of POS applications in cafés and restaurants, as well as evaluating how perceived usefulness impacts their adoption. The research will also assess the effect of attitudes toward using POS systems on their actual adoption in the local café and restaurant sector. Additionally, it will analyze the influence of behavioral intention to use on the actual utilization of these applications among MSMEs in Bali and Gili Trawangan. This study will provide an in-depth analysis of the unique challenges and barriers faced by cafés and restaurants when adopting POS systems, particularly focusing on how security perceptions influence technology acceptance. It will also

address cultural and contextual factors that affect POS adoption, ensuring that developed strategies are tailored to the specific needs of the local café and restaurant sector.

Furthermore, the research will evaluate the technical skills and knowledge gaps among MSME owners and employees regarding the effective use of POS systems for sales tracking and reporting. By identifying these gaps, the study aims to inform the creation of targeted training programs that empower café and restaurant owners and staff to fully leverage the features of POS systems, thereby enhancing their skills and ability to adapt to rapid technological advancements.

Ultimately, this research is expected to significantly boost the economic vitality of Bali Island by improving the sales performance and financial management of café and restaurant MSMEs. By fostering a more competitive and resilient café and restaurant sector, it aims to support job creation and sustainable economic growth in the region, benefiting both individual businesses and the wider community. The findings will align closely with the problem statement, emphasizing the importance of efficient accounting systems and technology integration for achieving a competitive edge in the digital landscape. Additionally, this research will contribute empirical evidence to the Technology Acceptance Model (TAM) by illustrating how factors such as perceived ease of use, perceived usefulness, attitudes, behavioral intentions, and actual system use interact within the context of POS applications.