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Understanding Digital Wallet Adoption: How Usefulness and Security Shape Customer Satisfaction

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Abstract

The development of digital technology has accelerated the transformation of financial transactions, including in the MSME sector, which is the backbone of the Indonesian economy. This study aims to describe the perceptions of usefulness, perceptions of security, user satisfaction, and intention to reuse digital wallets among MSME players in Kediri City. Using a descriptive analysis approach and a sample of 176 MSMEs under the guidance of the Kediri City Industry and Trade Agency, this study evaluates the level of acceptance and user experience based on key indicators in the Technology Acceptance Model (TAM) and user satisfaction theory. The results indicate that the perception of usefulness is very high, particularly in terms of transaction effectiveness, payment efficiency, ease of use, and the application's ability to support business activities. Perceptions of security also received favorable ratings, as demonstrated by appreciation for policy transparency, personal data protection, regulatory compliance, and the availability of privacy features. Both perceptions were found to contribute significantly to user satisfaction, which in turn increased the intention to reuse digital wallets in daily transactions. These findings confirm that functional benefits and trust in security are key determinants of the continued use of digital wallets among MSMEs. This research has important implications for service providers and local governments in strengthening a digital payment ecosystem that is secure, efficient, and supports the enhancement of MSME competitiveness.

Keywords: *perceived usefulness, perceived security, user satisfaction, digital wallet, MSMEs.*

1. Introduction

In 2022, there were approximately 65.4 million business units, growing to 66.0 million units in 2023. However, at the end of 2024, there was a slight contraction to 64.2 million units according to the official version of the Central Statistics Agency (BPS). The latest data, as of May 2025, shows an increase back to 66 million business units, indicating recovery and stabilization in this sector. When viewed from the business scale structure, the proportion of business actors is very uneven. Indonesian MSMEs are still predominantly dominated by micro businesses, which account for approximately 98.7% of the total MSMEs. Small businesses contribute around 1.2%, while medium-sized businesses contribute only 0.1%. This illustrates that the majority of small business owners operate on a tiny scale, facing unique challenges such as limited access to markets, technology, and funding.

The rapid development of information and communication technology, along with its widespread use, has had a significant impact on all sectors of life, particularly in the economic sector (Mavimbela & Dube, 2016). This evolution in information and communication technology provides an excellent opportunity for the government to introduce more effective and efficient products and services to the community. The primary objective is to simplify people's lives and enhance the quality of services provided to the public by both the government and private organizations across various sectors

(<https://economictimes.indiatimes.com/definition/digital>, n.d.; Mukherjee et al., 2017).

Since 2014, the government, through Bank Indonesia, has launched the National Non-Cash Movement (GNNT). The government encourages the public to use digital money-based payment instruments to ensure that the payment system runs safely, efficiently, and smoothly (Bank Indonesia, 2014). Through this national cashless movement, various problems associated with cash payments, such as unfit money, can be minimized, and crime in society can be reduced, as there is no need to carry large amounts of cash. The use of digital money can also minimize calculation errors; however, in reality, the public at that time was still hesitant to use digital wallets.

The *COVID-19* pandemic, which has swept across the globe, has heightened public awareness of the need to utilize technology to enhance business operational efficiency through digitalization, thereby ensuring business continuity. The *COVID-19* pandemic has had a profound impact on the global economy, including that of Indonesia. One of the most affected sectors is the Micro, Small, and Medium Enterprises (MSMEs), which have been the backbone of the Indonesian economy and the Southeast Asian region for the past decade, supported by the Asian Development Bank (2020). Various social restrictions implemented to control the spread of *COVID-19*, such as mobility restrictions and temporary business closures, have led to a drastic decline in turnover for many MSMEs. However, amid these enormous challenges, the pandemic has also presented opportunities for digital transformation, particularly in the adoption of digital payment technology. Digitalization has also proven to have a positive impact in reducing the risk of *COVID-19* transmission during the pandemic, maintaining economic sustainability, developing more effective strategies, and improving performance, one of which is the performance of.

A rapidly growing innovation is the use of digital wallets, which offer ease of transaction without the need for face-to-face contact or cash, a feature that is increasingly relevant during the pandemic. Digital wallets not only provide convenience in transactions but also support health protocols by minimizing physical contact. This innovation has had a significant impact on the growth of MSMEs in Indonesia. In 2024, the number of MSMEs in Indonesia exceeded 65,000 business units that have experienced growth. MSMEs contribute 61% to the Gross Domestic Product (GDP). The government continues to encourage digitalization to increase competitiveness and market access. The target is for 30 million MSMEs to operate digitally. MSME players no longer rely solely on traditional methods to run their businesses. However, they are more inclined to develop their businesses digitally in all aspects, mainly using digital wallets for sales and purchase transactions.

For MSMEs, utilizing digital wallets offers several advantages. First, digital wallets enable MSMEs to continue operating efficiently in an increasingly developed digital ecosystem. By utilizing digital payment platforms, MSMEs can expand their reach to more customers, both domestically and internationally, who may have previously been restricted by distance or limited access to traditional banking services. Second, the use of digital wallets also provides transparency and convenience in recording financial transactions, which can help MSMEs manage their cash flow in a more structured manner. Referring to the problem, the purpose of this study is to describe the perceptions of usefulness, security, user satisfaction, and intention to reuse digital wallets in the city of Kediri.

The theoretical benefits expected from this research can serve as a reference for researchers in developing the intention to reuse digital wallets among the public, particularly MSME players in Kediri City. The results of this study can serve as a basis for digital wallet service providers to enhance their services and for local governments to refine their service strategies, focusing on tangible benefits and high security. This approach is expected to increase user satisfaction and loyalty, particularly among SME actors, which in turn will encourage adoption and reuse.

2. Literature Review

This study employs the *Technology Acceptance Model* (TAM) theory, developed by Davis et al. (1989). This model has been widely used to analyze the acceptance of new technological innovations. TAM is used to measure the adoption of information technology, which is known to be theoretically robust and helpful in identifying the reasons for user acceptance of new technologies (Nunes et al., 2018). The TAM model proposes that perceived usefulness is one of the two main factors influencing customer attitudes toward technology and verifying their intention to use or adopt new technology (Alalwan et al., 2018; Pertiwi et al., 2021).

Perceived usefulness is a crucial element in TAM that influences the acceptance of technology (Davis, 1989). In its application, understanding and improving perceived usefulness can help technology developers and marketers to design products or services that are more relevant and acceptable to users or customers. To that end, it is essential for organizations and companies to continually evaluate and align their technology with user needs, thereby maximizing its usefulness. In service marketing, security is viewed as a utilitarian value attribute that reduces the risks perceived by customers when transacting. In the context of digital services, the perception of security encompasses the belief that protection

mechanisms (confidentiality, integrity, authentication, and availability) are capable of protecting funds and personal data, thereby reducing anxiety and increasing perceived value. The e-service quality perspective considers privacy/security as important dimensions that shape user experience and satisfaction. The review findings synthesize e-SQ dimensions, including reliability/fulfillment, responsiveness, usability, and privacy/security, as drivers of satisfaction and loyalty in electronic channels.

Customer satisfaction is based on *Expectation-Confirmation Theory (ETC)* and *Technology Continuance Theory (TCT)*. ECT was developed by Bhattacharjee (2001) as a model to explain continuance intention, or the intention to continue using technology after initial use. In this model, user satisfaction acts as a mediating variable between initial expectations, confirmation of expectations, and the intention to reuse.

3. Method

3.1 Population and Sample

Population is a generalization area consisting of objects/subjects that have certain qualities and characteristics, as determined by researchers, to be studied, and then conclusions are drawn (Sugiyono, 2019). The research population consists of MSMEs that have utilized digital wallets in Kediri City. Based on secondary data from the Industry and Trade Office (Disperindag) of Kediri City, the number of MSMEs under Disperindag's guidance is 482 entrepreneurs. The research sample comprises MSMEs that have utilized digital wallets, are based in Kediri City, and have conducted transactions using these digital wallets. Based on the above calculations, the sample size consists of 176 MSMEs in Kediri City, under the guidance of Disperindag. The sampling technique used is *Proportional Non-probability Sampling*.

3.2 Data Analysis Techniques

Descriptive analysis techniques were used. Descriptive analysis was intended to explain the description or characteristics of each variable studied, namely usefulness, safety, trust, satisfaction, and intention to reuse. The analysis technique employed was *descriptive statistics*, specifically frequency distribution analysis, which was used to describe each variable and indicator using the mean.

4. Results and Discussion

4.1 Result

General description of the research object: The Kediri City Trade and Industry Agency (Disperdagin) is a regional agency with a strategic mandate to manage, nurture, and develop the trade and industry sectors, as well as micro, small, and medium enterprises (MSMEs) in the Kediri City area. This agency serves as a facilitator and regulator for the local business ecosystem, ensuring sustainable, competitive, and market-oriented growth. Structurally, Disperdagin is under the coordination of the Kediri City Government and has primary duties as outlined in Kediri Mayor Regulation Number 50 of 2021, concerning the Position, Organizational Structure, Duties, and Functions of Regional Agencies. Under this regulation, Disperdagin plays the following roles: formulating and implementing policies in the fields of trade and industry, fostering and empowering MSMEs, facilitating the development of local industry and trade centers, and expanding market access for leading regional products. Disperdagin also implements various programs derived from national policies, such as the National Movement for Pride in Indonesian Products (Gerakan BBI), as well as the regional program "Pusaka UMKM"

(Kediri City's Original Leading Products), which promotes *local branding* and *digital marketing*. According to an official report by the Kediri City Government (kedirikota.go.id, 2025), the "Pusaka" program is utilized to support digital promotion, professional product photography training, and packaging quality improvement, enabling local MSMEs to compete in the national market.

In addition to promotions, Disperdagin also coordinates annual events, such as the Kediri City Expo and Kediri City Shopping Week, and facilitates halal certification and packaging design for MSMEs. These activities serve as a forum for economic interaction and a means of evaluating the performance of MSMEs under the guidance of the local government. For example, the 2025 Kediri City Expo recorded a turnover of IDR 365,027,516, while the visit of the Deputy Minister of Trade generated an additional turnover of approximately IDR 32,505,000 from the souvenir and local weaving sectors (Pitoyo, 2025). These figures demonstrate the ability of Kediri City's SMEs to generate economic value despite the limitations of their business scale.

4.2 Discussion

Description of Perceived Usefulness: Based on the frequency distribution of respondents' answers regarding the variable of perceived usefulness, which focuses on reducing transaction time, 100 respondents (56.8%) stated that they strongly agreed. This was followed by 64 respondents (36.4%) who stated that they agreed. Six respondents (3.4%) stated they were neutral. Six respondents (3.4%) stated they disagreed, and zero respondents (0%) stated they strongly disagreed. The average score was 4.46. This shows that the majority of respondents strongly agreed that the perceived usefulness of reducing transaction time was high.

The distribution of respondents' answers regarding the variable of perceived usefulness, which discusses speeding up the payment process, shows that 94 respondents (53.4%) strongly agree, followed by 72 respondents (40.9%) who agree. Three respondents (1.7%) stated they were neutral. Seven respondents (4.0%) stated they disagreed, and zero respondents (0%) stated they strongly disagreed. The average score was 4.43. This indicates that the majority of respondents agreed with the variable of perceived usefulness, which discusses speeding up the payment process. The distribution of respondents' answers regarding the variable of perceived usefulness, which discusses reducing transaction costs, shows that 63 respondents (35.8%) strongly agree. This is followed by 100 respondents (56.8%) who agree. Five respondents (2.8%) are neutral. Two respondents (1.1%) disagreed, and six respondents (3.4%) strongly disagreed. The average score was 4.20. This indicates that the majority of respondents agreed with the perceived usefulness variable, which discusses reducing transaction costs.

The distribution of respondents' answers regarding the variable of perceived usefulness of indicators that improve the transaction experience, which discusses the easy-to-understand appearance of the application, showed that 46 respondents (26.1%) strongly agreed, followed by 118 respondents (67.0%) who agreed. Nine respondents (5.1%) were neutral. Two respondents (1.1%) disagreed, and one respondent (0.6%) strongly disagreed. The average score was 4.17. This indicates that the majority of respondents agreed with the variable of perceived usefulness of indicators that improve the transaction experience, specifically the easy-to-understand application display. The distribution of respondents' answers regarding the variable of perceived usefulness of indicators that improve the transaction experience,

which discusses offering discount programs for users, shows that 61 respondents (34.7%) strongly agree, followed by 107 respondents (60.8%) who agree. Five respondents (2.8%) are neutral. Two respondents (1.1%) disagreed, and one respondent (0.6%) strongly disagreed. The average score was 4.27. This indicates that the majority of respondents agreed with the variable of perceived usefulness of indicators to improve the transaction experience, specifically offering discount programs for users.

The distribution of respondents' answers regarding the variable of perceived usefulness of indicators that improve the transaction experience, discussing quality customer service, showed that 64 respondents (36.4%) strongly agreed, followed by 100 respondents (56.8%) who agreed. Eight respondents (4.5%) were neutral. Two respondents (1.1%) disagreed, and two respondents (1.1%) strongly disagreed. The average score was 4.26. This indicates that the majority of respondents agreed with the variable of perceived usefulness of indicators to improve the transaction experience, specifically in terms of quality customer service.

The distribution of respondents' answers regarding the variable of perceived usefulness of indicators that improve the transaction experience, which discusses whether they can be operated on not only specific operating systems, shows that 77 respondents (43.8%) strongly agree, followed by 88 respondents (50.0%) who agree. Eight respondents (4.5%) are neutral. Two respondents (1.1%) disagreed, and one respondent (0.6%) strongly disagreed. The average score was 4.35. This indicates that the majority of respondents agreed that the variable of perceived usefulness of indicators enhances the transaction experience, noting that it can be utilized on various operating systems.

The distribution of respondents' answers regarding the variable of perceived usefulness of indicators to improve payment effectiveness in terms of saving transaction costs showed that 84 respondents (47.7%) strongly agreed, followed by 91 respondents (51.7%) who agreed. One respondent (0.6%) stated that they were neutral. Zero respondents (0%) stated disagree, and zero respondents (0%) stated strongly disagree. The average score was 4.47. This indicates that the majority of respondents agree with the variable of perceived usefulness of indicators to improve the transaction experience, which focuses on reducing transaction costs.

The distribution of respondents' answers regarding the variable of perceived usefulness of indicators to improve payment effectiveness, which discusses efficient payment processes, showed that 84 respondents (47.7%) strongly agreed, followed by 89 respondents (50.6%) who agreed. Three respondents (1.7%) stated they were neutral. Zero respondents (0%) stated that they disagreed, and zero respondents (0%) stated that they strongly disagreed. The average score was 4.46. This indicates that the majority of respondents agreed with the variable of perceived usefulness of indicators to enhance the transaction experience, specifically in terms of efficient payment processes.

The distribution of respondents' answers regarding the variable of perceived usefulness of indicators to improve payment effectiveness, which discusses the availability of assistance services when experiencing payment problems, showed that 73 respondents (41.5%) strongly agreed, followed by 99 respondents (56.3%) who agreed. Four respondents (2.3%) stated they were neutral. Zero respondents (0%) stated that they disagreed, and zero respondents (0%) stated that they strongly disagreed. The average

score was 4.39. This indicates that the majority of respondents agreed that the perceived usefulness of indicators improves the transaction experience, specifically in terms of the availability of assistance services when encountering payment problems.

The distribution of respondents' answers regarding the variable of perceived usefulness of the time-saving payment indicator, which discusses not spending much time making payments, showed that 67 respondents (38.1%) strongly agreed. This was followed by 93 respondents (52.8%) who agreed. Thirteen respondents (7.4%) were neutral. Two respondents (1.1%) strongly disagreed, and one respondent (0.6%) disagreed. The average score was 4.26. This indicates that the majority of respondents agreed with the variable of perceived usefulness of the indicator of improving the transaction experience, which discusses not spending much time making payments.

The distribution of respondents' answers regarding the variable of perceived usefulness of the time-saving payment indicator, which discusses the payment process being carried out automatically, showed that 80 respondents (45.5%) strongly agreed, followed by 82 respondents (46.6%) who agreed. Eleven respondents (6.3%) were neutral. Two respondents (1.1%) strongly disagreed, and one respondent (0.6%) disagreed. The average score was 4.35. This indicates that the majority of respondents agreed that the perceived usefulness of the indicator improves the transaction experience, which involves the automatic payment process.

The distribution of respondents' answers regarding the variable of perceived usefulness of the time-saving indicator, which discusses integration with online shopping services, shows that 73 respondents (41.5%) strongly agree, followed by 92 respondents (52.3%) who agree. Eight respondents (4.5%) are neutral. Two respondents (1.1%) disagreed, and one respondent (0.6%) strongly disagreed. The average score was 4.32. This indicates that the majority of respondents agreed with the variable of perceived usefulness of indicators that enhance the transaction experience, particularly when integrated with online shopping services.

The distribution of respondents' answers regarding the variable of perceived usefulness of indicators useful in payments, discussing the availability of transaction history features, showed that 54 respondents (30.7%) strongly agreed, followed by 111 respondents (63.1%) who agreed. Eleven respondents (6.3%) stated they were neutral. Zero respondents (0%) stated that they disagreed, and zero respondents (0%) stated that they strongly disagreed. The average score was 4.24. This shows that the majority of respondents agreed that the variable of perceived usefulness of indicators is valid in payments that discuss the availability of transaction history features.

The distribution of respondents' answers regarding the variable of perceived usefulness of indicators that are useful in payments, which discuss helping to control spending, showed that 85 respondents (48.3%) strongly agreed, followed by 83 respondents (47.2%) who agreed. Eight respondents (4.5%) stated they were neutral. Zero respondents (0%) stated that they disagreed, and zero respondents (0%) stated that they strongly disagreed. The average score was 4.43. This indicates that the majority of respondents strongly agreed with the variable of the perceived usefulness of indicators in payments that help control spending.

The distribution of respondents' answers regarding the variable of perceived usefulness of indicators useful in payments, which discusses the ability to serve various financial transactions through

a single application, showed that 94 respondents (53.4%) strongly agreed, followed by 80 respondents (45.5%) who agreed. Two respondents (1.1%) stated they were neutral. Zero respondents (0%) stated they disagreed, and zero respondents (0%) stated they strongly disagreed. The average score was 5.52. This indicates that the majority of respondents strongly agreed that the variable of perceived usefulness of indicators useful in payments, which discusses the ability to serve various financial transactions through a single application, is important.

Description of Security Perception: The frequency distribution of respondents' answers regarding their perception of security, the safety indicator that discusses the terms and conditions for user protection, showed that 89 respondents (50.6%) strongly agreed, followed by 78 respondents (44.3%) who agreed. One respondent (0.6%) stated that they were neutral. Seven respondents (4.0%) stated disagree, and one respondent (0.6%) stated strongly disagree. The average score was 4.40. This indicates that the majority of respondents strongly agree that the variable of security perception, a safety indicator that discusses the terms and conditions for user protection, is important. Based on the frequency distribution of respondents' answers regarding Perception of Security, the indicator of safety that discusses having protection against suspicious activities showed that 80 respondents (45.5%) strongly agreed, followed by 78 respondents (44.3%) who agreed. Three respondents (1.7%) stated they were neutral. Thirteen respondents (7.4%) stated they disagreed, and two respondents (1.1%) stated they strongly disagreed. The average score was 4.25. This indicates that the majority of respondents strongly agreed with the security perception variable, which is a safety indicator that discusses having protection to prevent suspicious activities.

Based on the frequency distribution of respondents' answers regarding Security Perception, the safety indicator discussing the Protection of User information from being sold to third parties without permission showed that 84 respondents (47.7%) strongly agreed, followed by 80 respondents (45.5%) who agreed. 0 respondents (0%) were neutral. Seven respondents (4.0%) disagreed, and five respondents (2.8%) strongly disagreed. The average score was 4.31. This indicates that the majority of respondents strongly agreed with the Security Perception variable, specifically the indicator that user information is not sold to third parties without the user's permission.

Based on the frequency distribution of respondents' answers regarding Security Perception, the guaranteed indicator discussing Compliance with Financial Services Authority regulations showed that 65 respondents (36.9%) strongly agreed, followed by 85 respondents (48.3%) who agreed. Twenty-four respondents (13.6%) stated they were neutral. Zero respondents (0%) stated they disagreed, and two respondents (1.1%) stated they strongly disagreed. The average score was 4.21. This shows that the majority of respondents agreed that the variable of Security Perception, the indicator of compliance with Financial Services Authority regulations, was secure.

Based on the frequency distribution of respondents' answers regarding Security Perception, the indicator that discusses Providing transparent information regarding costs, privacy policies, and refund policies received 96 respondents (54.5%) who strongly agreed, followed by 72 respondents (40.9%) who agreed. Four respondents (2.3%) were neutral. Two respondents (1.1%) disagreed, and two respondents (1.1%) strongly disagreed. The average score was 4.48. This shows that the majority of

respondents strongly agreed with the variable of Security Perception, specifically the indicator of providing transparent information regarding costs, privacy policies, and refund policies.

Based on the frequency distribution of respondents' answers regarding Perception of Security, the indicator that discusses having a good reputation in the market states that 100 respondents (56.8%) strongly agree, followed by 70 respondents (39.8%) who agree. Four respondents (2.3%) stated they were neutral. Two respondents (1.1%) stated they disagreed, and zero respondents (0%) stated they strongly disagreed. The average score was 4.52. This indicates that the majority of respondents strongly agree with the security perception variable, which is a safety indicator that discusses having a good reputation in the market.

Based on the frequency distribution of respondents' answers regarding Security Perception, the indicator of maintaining privacy, which allows users to set strong passwords, showed that 81 respondents (46.0%) strongly agreed, followed by 85 respondents (48.3%) who agreed. Seven respondents (4.0%) were neutral. One respondent (0.6%) disagreed, and two respondents (1.1%) strongly disagreed. The average score was 4.37. This shows that the majority of respondents agreed with the security perception variable, specifically the privacy protection indicator that allows users to set strong passwords.

Based on the frequency distribution of respondents' answers regarding Security Perception, the indicator of maintaining privacy, which involves providing settings to prevent receiving irrelevant advertisements, showed that 60 respondents (34.1%) strongly agreed, followed by 83 respondents (47.2%) who agreed. Thirty-one respondents (17.6%) were neutral. One respondent (0.6%) disagreed, and one respondent (0.6%) strongly disagreed. The average score was 4.13. This indicates that the majority of respondents agreed with the security perception variable, specifically the privacy protection indicator, which discusses providing settings to prevent receiving irrelevant advertisements.

Based on the frequency distribution of respondents' answers regarding Security Perception, the indicator of maintaining privacy, which discusses the automatic logout feature, 71 respondents (40.3%) strongly agreed, followed by 87 respondents (49.4%) who agreed. Seventeen respondents (9.7%) were neutral. One respondent (0.6%) disagreed, and zero respondents (0%) strongly disagreed. The average score was 4.29. This indicates that the majority of respondents agreed with the Security Perception variable, specifically the privacy protection indicator regarding the automatic logout feature.

Frequency Distribution of User Satisfaction: Based on the frequency distribution of respondents' answers regarding customer satisfaction variables, the repurchase indicator, which discusses the tendency to use this digital wallet again for subsequent transactions, showed that 55 respondents (31.3%) strongly agreed, followed by 87 respondents (49.4%) who agreed. Thirty respondents (17.0%) were neutral. Three respondents (1.7%) disagreed, and one respondent (0.6%) strongly disagreed. The average score was 4.09. This indicates that the majority of respondents agreed with the customer satisfaction variable, specifically the repurchase indicator, which suggests a tendency to use this digital wallet again for subsequent transactions.

Based on the frequency distribution of respondents' answers regarding customer satisfaction, the repurchase indicator, which examines the preference for using this digital wallet over other

payment methods when shopping, showed that 79 respondents (44.9%) strongly agreed, followed by 73 respondents (41.5%) who agreed. Twenty-two respondents (12.5%) stated they were neutral. Zero respondents (0%) stated they disagreed, and two respondents (1.1%) stated they strongly disagreed. The average score was 4.28. This indicates that the majority of respondents strongly agree that the customer satisfaction variable, as measured by the repurchase indicator, prefers to use this digital wallet over other payment methods when shopping.

Based on the frequency distribution of respondents' answers regarding customer satisfaction variables, the repurchase indicator, which discussed feeling comfortable making repeat transactions with this digital wallet, showed that 87 respondents (49.9%) strongly agreed, followed by 71 respondents (40.3%) who agreed. Fifteen respondents (8.5%) were neutral. Two respondents (1.1%) disagreed, and one respondent (0.6%) strongly disagreed. The average score was 4.28. This indicates that the majority of respondents strongly agreed with the customer satisfaction variable, specifically the repurchase indicator, which concerns their comfort in making repeated transactions with this digital wallet.

Based on the frequency distribution of respondents' answers regarding customer satisfaction variables, the Positive *Word of Mouth* indicator, which discusses recommending this digital wallet to friends or family, shows that 61 respondents (34.7%) strongly agree, followed by 78 respondents (44.3%) who agree. Thirty-five respondents (19.9%) are neutral. Two respondents (1.1%) strongly disagreed, and none (0%) strongly agreed. The average score was 4.12. This indicates that the majority of respondents strongly agree with the customer satisfaction variable, specifically the 'Positive *Word of Mouth*' indicator, regarding recommending this digital wallet to friends or family.

Frequency distribution of respondents' answers regarding customer satisfaction variables and Positive *Word of Mouth* indicators, specifically discussing telling others about their positive experience using this digital wallet, shows that 71 respondents (40.3%) strongly agree. Followed by 75 respondents (42.6%) who agree. Twenty-seven respondents (15.3%) are neutral. Three respondents (1.7%) disagreed, and zero respondents (0%) strongly disagreed. The average score was 4.21. This indicates that the majority of respondents strongly agree with the customer satisfaction variable, specifically the Positive *Word of Mouth* indicator, which involves sharing my positive experiences using this digital wallet with others.

Based on the frequency distribution of respondents' answers regarding customer satisfaction variables, the Positive *Word of Mouth* indicator, which assesses whether this *digital wallet* is worth promoting to others, showed that 73 respondents (41.5%) strongly agreed, followed by 73 respondents (41.5%) who agreed. Twenty-seven respondents (15.3%) were neutral. One respondent (0.6%) disagreed, and two respondents (1.1%) strongly disagreed. The average score was 4.21. This indicates that the majority of respondents strongly agree that the customer satisfaction variable, specifically the Positive *Word of Mouth* indicator, which assesses whether this digital wallet is worth promoting to others, is a valid measure.

Based on the frequency distribution of respondents' answers regarding customer satisfaction, the indicator of Creating Purchase Loyalty, which discusses whether they would continue to use this digital wallet even though there are many other digital wallet

options available, showed that 77 respondents (43.8%) strongly agreed, followed by 80 respondents (45.5%) who agreed. Fourteen respondents (8.0%) were neutral. Two respondents (1.1%) strongly disagreed, and one respondent (0.6%) disagreed. The average score was 4.28. This indicates that the majority of respondents agree that it is necessary to create purchase loyalty, which will encourage them to continue using this *digital wallet* despite the availability of many other digital wallet options.

The frequency distribution of respondents' answers regarding customer satisfaction, an indicator of Creating Purchase Loyalty, which discusses feeling compelled to continue using this digital wallet, shows that 66 respondents (37.5%) strongly agree, followed by 71 respondents (40.3%) who agree. Thirty-six respondents (20.5%) are neutral. Two respondents (1.1%) disagreed, and one respondent (0.6%) strongly disagreed. The average score was 4.13. This indicates that the majority of respondents agree that they want to continue creating purchase loyalty, feeling committed to continue using this digital wallet.

Based on the frequency distribution of respondents' answers regarding customer satisfaction variables, the indicator of Creating Purchase Loyalty, which discusses not intending to switch to a digital wallet in the near future, showed that 75 respondents (42.6%) strongly agreed, followed by 72 respondents (40.9%) who agreed. Twenty-four respondents (13.6%) were neutral. Four respondents (2.3%) strongly disagreed, and one respondent (0.6%) disagreed. The average score was 4.22. This indicates that the majority of respondents strongly agree that the customer satisfaction variable, which serves as an indicator of creating purchase loyalty, does not intend to switch to another digital wallet in the near future.

Based on the frequency distribution of respondents' answers regarding customer satisfaction variables, the low Complaint indicator, which discusses the use of digital wallets, indicates that 77 respondents (43.8%) strongly agree that they rarely encounter problems that necessitate a complaint. This is followed by 80 respondents (45.5%) who agree and nine respondents (5.1%) who are neutral. Eight respondents (4.5%) disagreed, and two respondents (1.1%) strongly disagreed. The average score was 4.26. This indicates that the majority of respondents agree that customer satisfaction, as measured by the low number of complaints regarding the use of digital wallets, is high, as they rarely encounter problems that necessitate complaints.

Based on the frequency distribution of respondents' answers regarding customer satisfaction, the low complaint indicator, which discusses feeling satisfied and not needing to complain about this digital wallet service, shows that 73 respondents (41.5%) strongly agree, followed by 71 respondents (40.3%) who agree. Twenty-one respondents (11.9%) are neutral. Eight respondents (4.5%) disagreed, and three respondents (1.7%) strongly disagreed. The average score was 4.15. This indicates that the majority of respondents are satisfied with the User Satisfaction variable, so there is no need to submit complaints about this digital wallet service.

Based on the frequency distribution of respondents' answers regarding customer satisfaction variables, the low Complaint indicator, which discusses rarely experiencing disruptions or obstacles when using this digital wallet, showed that 69 respondents (39.2%) strongly agreed, followed by 68 respondents (38.6%) who agreed. Twenty-six respondents (14.8%) stated they

were neutral. Nine respondents (5.1%) stated they disagreed, and four respondents (2.3%) stated they strongly disagreed. The average score was 4.07. This indicates that the majority of respondents agreed with the customer satisfaction variable, specifically the low complaint indicator, which reflects that respondents rarely experience disruptions or obstacles when using this digital wallet.

5. Conclusion

The study's results indicate that perceptions of usefulness and security significantly influence satisfaction and the intention to reuse digital wallets among MSME players in Kediri City. Perceptions of usefulness, which include time efficiency, ease of payment, service integration, and the application's ability to support transaction activities, have been proven to provide a positive experience that increases user satisfaction. Similarly, perceptions of security, which include data protection, regulatory compliance, information transparency, and security features such as privacy settings and automatic logout, provide a strong sense of security for users. Overall, both perceptions not only increase satisfaction levels but also strengthen the intention of SME operators to continue using digital wallets in their business activities. Thus, this study confirms that tangible benefits and security are determining factors in the sustainability of digital payment technology usage.

Recommendations For management and practitioners, the results of this study indicate the need to improve the perceptions of digital wallet users, particularly SME players in Kediri City, regarding the use of digital wallets for all transaction needs. The perceptions of usefulness and security associated with digital wallets are primarily related to the effectiveness of payments and the security guarantees when using digital wallets. Improving these perceptions can be achieved through intensive communication with users.

Theoretically, this study makes an important contribution by expanding the application of the Technology Acceptance Model (TAM) through the integration of user satisfaction variables as a mechanism that bridges the perception of usefulness and security to the intention of continued use. The findings reinforce the literature that both perceptions play a key role not only in the initial adoption stage but also in long-term usage behavior, especially in the context of MSMEs, which has not been widely discussed in similar studies. Practically, this study provides strategic input for digital wallet service providers to improve feature quality, strengthen security systems, and prioritize transparency in order to maintain user loyalty. Local governments also benefit from empirical evidence to encourage SME digitalization through education and the facilitation of secure and functional digital wallets. Methodologically, this study employs a comprehensive descriptive analysis approach, which can serve as a reference for further research seeking to analyze the factors influencing the use of digital financial technology in Indonesia in greater depth.

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