

Information Technology Fraud in MSME's Perspective: A Study Case in Yogyakarta

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ABSTRACT

MSMEs were demanded to adopt information technology in their operation for gaining a competitive advantage over other competitors. However, new problems arise because fraudsters consider MSMEs as easy targets for information technology fraud because MSMEs generally have limited capital and human resources. This study will explore how MSMEs perceive the risks of information technology crime in their business activities. The results of this study can be used to identify the necessary steps to address the concerns of MSMEs on the security of information systems and technology and to prepare their skills in the face of business competition in the digital age. This research was a qualitative study. There were five MSMEs selected to be respondents and interviewed.

This study found that respondents' understanding of information technology fraud is greatly influenced by their level of IT utilization and level of exposure toward information technology fraud. Respondents were aware of the danger of using information technology. However, this awareness and understanding are superficial. They consider IT fraud risk as a foreign risk, which has a small chance to be relevant for their business. This finding was concluded from respondents' answers which reflected their low level of willingness to learn more about IT fraud risk. Respondents also showed that they tend to underestimate IT fraud risk, shown by their hesitancy to invest in IT fraud risk countermeasures.

Kata Kunci: information technology, fraud, Small-medium enterprise, small business, security risk