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## ANTECEDENTS OF DIGITAL PAYMENT USAGE AMONG MSME: A SYSTEMATIC REVIEW

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**Abstract:** Digital payment has transitioned from a paper based payment system to electronic payment which leads to higher economic growth and competitiveness for the country. Digital payment plays a pivotal role in providing opportunities to improve business productivity. This systematic literature review aims to analyse the factors of digital payment adoption of local micro, small and medium enterprises (MSMEs) by synthesizing existing research. The review seeks to identify factors associated with digital payment adoption in the context of MSMEs. By providing insights into the relationships between UTAUT and knowledge with digital payment, this systematic review aims to propose the factors of adoption and provide guidance for sustainable digital payment in MSMEs sector. This systematic literature review follows the ROSES publication standard and incorporates various research approaches. The study utilized two important scientific databases, Web of Science and Scopus, along with the supporting database, Google Scholar for article selection. The findings of this systematic review will contribute to the existing knowledge and inform educational leaders, MSMEs, and government in navigating the landscape of digital payment adoption by MSMEs.

**Keywords:** Digital payment, UTAUT, Knowledge, SLR, MSME

### 1. Introduction

The existence of various advanced technologies in the world has caused a transformation in the process of SME enterprises. Transformation is often associated with the development effects of economic growth. The country has collaborated with the Asia-Pacific Economic Cooperation (APEC) in implementing the strategic plan of the Small and Medium Enterprises. Among them is innovation in the digital and internet economy to support SME development. Formulated as Belanjawan MADANI, the budget reflects the principle of accountability and pure value system that can confront the current challenges including the highly uncertain global economic challenge. A total of RM1.7 billion has been allocated to enhance Digitalisation Technology and Innovation that exclusively benefits the MSMEs (SME Corp 2024). The growth of digital technology has brought changes to the behaviour of consumers around the world. Many countries have started their journey towards being a cashless society. In time, the use of cash will be replaced by its digital equivalent. In other words, legal tenders or virtual money will exist, record, and exchange only in electronic digital form (Fabris, N. 2019). Being a cashless society does not mean that there will no longer be any cash transaction available, but the use of cash will be greatly minimized. People will be carrying less physical money in their wallet, preferring to use debit cards, credit cards or digital wallet through their mobile devices instead (Kadir et al., 2023). The adoption of digital payment technology brings about a lot of benefits to consumers (Kadir et al., 2023). It simplifies purchasing and selling transactions by only using smartphone apps, allowing for a quick and seamless online process (Yang et al., 2021). In addition, digital wallets offer convenience and speed,

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reduce crime, money laundering, and increase personal safety as people hold less money while they shop (Fabris, 2019; Rahman et al., 2020). By synthesising pertinent research on the subject, this literature review tries to analyse the adoption of digital payment among MSMEs. The review seeks to identify factors related to digital payment adoption among MSMEs. This systematic review intends to identify digital payment adoption factors and provide insights into the link between digital payment and MSMEs.

## **2. Literature Review**

The research has decided that keyword search would be needed to fulfill the study goals. Thus, the current study employed search terms from the Scopus and Web of Science to find relevant literature utilizing the databases. “Digital Payment” OR “Cashless Payment” OR “E-Payment” OR “E-wallet” OR “E-payment” OR “Adoption” OR “Acceptance” OR “Usage” OR “Intention” are the keywords used to identify papers relevant to digital payment. The keyword search returned 31 articles. The downloaded digital payment articles are deemed to be relevant for this study if they meet one of the following five criteria: (1) the publication date must be between the year 2020 to 2024, (2) the research must empirically investigate digital payment system, (3) the goals and results of the studies must be within the scope of digital payment, and (4) non-English and Malay language studies are excluded.

## **3. Methodology**

This section discusses the method used to retrieve articles about the adoption of digital payment among MSMEs. The reviewers utilised the ROSES method, which includes Web of Science and Scopus in addition to Google Scholar as supporting resources used to conduct the systematic review, eligibility and exclusion criteria, steps of the review process (identification, screening, eligibility), and data abstraction and analysis.

### **3.1 ROSES**

This study follows the ROSES review protocol. In this study, ROSES (Reporting standards for Systematic Evidence Syntheses) serves as a guide. Haddaway et al. (2018) stated that the ROSES initiative seeks to improve the conduct of systematic reviews and maps by increasing transparency and facilitating quality assurance of systematic reviews. The authors then evaluate the quality of the selected papers and describe the strategy employed to ensure that the reviewed articles are of high quality. Finally, the authors describe how the data for the review are extracted, analysed, and validated.

### **3.2 Formulated Research Questions**

The research objective of this study is to conduct an SLR to analyse the article's adoption of digital payment among MSMEs by synthesizing existing research. The review seeks to identify key factors associated with articles adoption of digital payment among MSMEs. The SLR is guided by the following overarching research questions to ensure that the primary objective is met: i) What are the factors associated with adoption of digital payment among MSMEs?

### **3.3 Resources**

The review relied on two major journal databases - Scopus and Web of Science (WoS). WoS is a robust database that covers 33,000 journals in more than 250 disciplines, including topics in management, innovation management, technology management, and information system. It contains over 100 years of comprehensive backfile with citation data produced by Clarivate Analytics, and it

ranks journals according to three different measures: Citations, Articles and Citations per Article. Scopus is the second database used for the review.

### 3.4 Identification

The initial step in the systematic searching phase is identification, which focuses on increasing or diversifying research keywords. Synonyms, related words, and variations of major keywords are proposed by Scopus and Web of Science databases based on relevant studies. The keywords and search string used are displayed in Table 1. This study incorporates a broad range of advanced search techniques, such as Boolean Operators, phrase searching, truncation, wildcards, and field code functions. The constructed research questions serve as the foundation for the search phrases used in the systematic review methodology. Thirty-three records were retrieved from the three databases at this point.

**Table 1:** The Search String Used for The Systematic Review Process

Database	Keywords Used
Scopus	TITLE-ABS-KEY((msme OR "micro, small and midsize enterprise*" OR "micro,small and medium-sized enterprise*") AND ("digital payment") AND (slr OR "systematic review" OR "systematic literature review" OR "meta-analysis"))
Web of Science	TS= ( ( "digital payment*" OR "e-payment*" OR "electronic payment*" ) AND ( msme OR "small and midsize enterprise" OR "small and medium-sized enterprise" ) )
Google Scholar	"digital payment" "msme" "knowledge" "perceived risk"

### 3.5 Screening and Eligibility Criteria

Screening is the process of selecting articles that are appropriate and relevant to Systematic Literature Review (SLR) based on set criteria, and this process is done automatically by both Scopus and WOS databases. Article document type criterion proposed by Johnson and Hennessy (2019) and English language criterion proposed by Linares-Espinós et al. (2018) are the only criteria considered in this screening process (Table 2). At this point, 11 records were eliminated. As a result, the remaining balance is 22 records. The third process in the systematic search is eligibility, which can also be termed as the second screening process. First, authors will examine the article's title to see if it is acceptable for SLR analysis. If the title and abstract are unclear, authors will read the full piece. At this point, only 12 out of 33 articles were chosen for further SLR process.

**Table 2:** The inclusion and exclusion criteria

Criterion	Eligibility	Exclusion
Document type	Article	Conference paper, conference review, review, book chapter, editorial, and retracted
Language	English and Malay	Non-English or Malay

### 3.6 Systematic Review Process

The systematic review was conducted in four phases. The review process was conducted in April 2024. In the first phase, the keywords used for the search process were identified. Based on previous studies and the thesaurus, keywords similar to and related to digital payment, MSMEs were used (Table 1). At this stage, 33 records were retrieved. The second stage was screening. In this stage, 21 records were excluded from a total of 33 records that were published before 2020 and published in a language other than English and Malay with the document type of article reviews, book chapters, book series, books, or conference proceedings. As a consequence, there are 11 records remaining. The third stage is eligibility, where the full articles were viewed. After careful review, a total of 12 articles remained as they focus on digital payment based on empirical articles. The expert reviewers categorised the remaining 12 articles as high quality and moderate quality. According to Petticrew and Roberts (2006), only articles of high and moderate quality should be reviewed in SLR, whereas those of low quality should be eliminated.

### **3.7 Data Abstraction and Analysis**

The remaining articles were assessed and analysed. Efforts focused on specific studies that answered the formulated questions. Data were extracted by firstly reading the abstracts and then the full articles (in depth) to identify appropriate themes and subthemes. Qualitative analysis was conducted using content analysis to identify themes related to digital leadership in digital transformation in higher education. The authors then organized sub themes around the topics identified through thematic analysis by examining patterns in past study findings. The pattern can be identified based on two primary characteristics: similarities between past studies or correlations between past studies.

## **4. Findings**

The authors managed to select 12 articles. A total of 11 articles used quantitative methods, while one paper used qualitative methods in their studies. In terms of publication years, according to the results of this evaluation, publication started in 2020 and ended in 2023, with one article published in 2020, one in 2020, two in 2021, three in 2022, and six in 2023. The results of the thematic analysis of the 11 articles indicate that digital payment adoption and usage are apparent. Cashless payment system adoption was discussed in 6 studies, highlighting its factors for cashless payment systems. The other studies discussed E-wallet (2 studies), E-payment (2 studies), followed by mobile payment (1 study) and digital payment (1 study).

## **5. Discussion**

Unified Theory of Acceptance Technology (UTAUT) is the theory that dominates the study of digital payment adoption in Asia (Susanto et al., 2022). UTAUT's main variables consist of performance and effort expectancy, social influence, and facilitating conditions which are considered following the character of digital payment users in Asia who are in the phase of payment behaviour transformation. The results of the 12 articles analysis also indicate that one study used Technology Acceptance Model (TAM) and one study used Innovation Resistance Theory (IRT) which indicates knowledge is an extended variable to determine Digital Payment adoption among SME. Knowledge was discussed and its importance was highlighted for digital payment adoption among small industries. It also found that quantitative analysis techniques dominated the study of digital payment adoption. Quantitative analysis techniques were used in eleven studies and qualitative analysis techniques in one study. Social Influence (SI) and Facilitating Condition (FC) were identified as the most significant factors of digital payments which were mentioned in the papers of Rahman et al. (2020), Triasesiarta and Rosinta (2021), Mahfuzur and Shamshul (2021), Alshannag et al. (2022), Gunawan et al. (2022), Eugene et al. (2023), Lim et al. (2023), Kanokkarn and Viphasiri (2023), Nasuredin (2023), and Bibianah (2023). Despite this, Effort Expectation (EE) was not used in two studies as a factor of digital payment adoption which were written by Lim et al. (2023) and Nasuredin (2023). Although Effort Expectation (EE) was not included in two studies, the impact of Effort Expectation (EE) is relevant and significant in eight studies which included Rahman et al. (2020), Triasesiarta and Rosinta (2021), Mahfuzur and Shamshul (2021), Alshannag et al. (2022), Gunawan et al. (2022), Eugene et al. (2023), Kanokkarn and Viphasiri (2023), and Bibianah (2023). In addition, this study found that Rahman et al.'s (2020) study did not implement Performance Expectation (PE) as a factor toward Cashless Payment Adoption even though Performance Expectation (PE) is relevant and significant in other nine (9) studies.

## **6. Conclusion & Recommendations**

In summary, the review of literature on adoption of digital payments was undertaken for this study. UTAUT is the most often used theory/model for analysing digital payments adoption, according to the key findings of this literature review. The results of the 12 articles analysis indicate

knowledge factor in Technology Acceptance Model (TAM) and Innovation Resistance Theory (IRT) as extended variables to determine Digital Payment adoption among SME. Knowledge was discussed and highlighted as an important factor for digital payment adoption among MSMEs. Despite this, the knowledge factor became a gap in UTAUT in which the research found and identified the knowledge factor as a factor for digital payment adoption. Although this study provides a succinct summary of digital payment adoption studies, the conclusions drawn should be evaluated in light of the limitation's discussion. As this study relied only on the WoS and Scopus databases for its research, studies that were not indexed in these databases may have been ignored. To overcome the shortcomings of this study, future literature reviews should look at different databases as well. Furthermore, just a fraction of the research found was evaluated and the remaining studies will be analysed as part of this continuing project to see if there are any drivers or inhibitors that future research should address. Furthermore, this study merely provided definitions of digital payment adoption, frequent used theories and drivers toward digital payment adoption. Therefore, there are more issues that demand more in-depth investigation in the near future study on other digital payment modalities as well. Another issue is that this study only looked at consumer adoption of digital payment, leaving out organizations and other stakeholders.

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