



ELIT

Economic Laboratory Transition
Research Podgorica

Montenegrin Journal of Economics

For citation:

Musyaffi, A.M., Baxtishodovich, B.S. Johari, R.J., Wolor, C.W., Afriadi, B., Muna, A. (2024), "Can Financial Advantages and Digital Payments Adoption Provide Effective Solutions to Improve SMEs' Performance?", *Montenegrin Journal of Economics*, Vol. 20, No. 2, pp. 75-89.

Can Financial Advantages and Digital Payments Adoption Provide Effective Solutions to Improve SMEs' Performance?

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ARTICLE INFO

Received January 21, 2022

Revised from February 22, 2023

Accepted March 22, 2023

Available online April 15, 2024

JEL classification: O33, M15, M21, M31

DOI: 10.14254/1800-5845/2024.20-2.7

Keywords:

Digital payment,
financial advantage,
SMEs performance,
satisfaction,
technology adoption.

ABSTRACT

The impact of COVID-19 has affected all industries, including SMEs. Digitalization is increasing, so it requires SMEs to adapt. This study's goal is to gain a general understanding of merchant acceptability of the digital payments through the integration of the TAM, Information system success and ECT. The target of this research is SMEs that use digital payments in Indonesia. By using accidental sampling, 342 respondents were obtained. Then, Data were analyzed using SEM-PLS. The main finding show that SMEs satisfaction (SMS) is the most significant factor in improving the performance of SMEs (SP). All TAM constructs, such as perceived usefulness (PUD), perceived ease of use (PEOD) and intention to use digital payment (IUDP), are confirmed to have significant interrelationships. Financial advantage (FA) in this study also has a positive relationship with IUDP. Meanwhile, digital payment quality (DPQ) also relates to PUD and IUDP. Meanwhile, DPQ, PUD, and PEOD were confirmed to have a relationship with SMS. The results of this study also illustrate that FA does have a positive impact, but the contribution of SMEs satisfaction has the most impact in improving the performance of SMEs. So it is crucial to evaluate the satisfaction of SMEs both in terms of quality and features, convenience, and security of digital payment technology. To increase awareness, Digital payment service providers should focus on the system's use and safety. so that SMEs can use digital payment services comfortably. In addition, from the government aspect, it also improves the cashless climate by making supportive policies, such as increasing financial literacy for SMEs and increasing standardized data security.

INTRODUCTION

The Covid-19 has evolved the awareness of companies to collaborate with digital tools. Various companies have steadily increased the efficiency of business operational through digitization in order to secure business sustainability (Heredia et al., 2022). Technology adoption in SMEs is considered an important strategy to improve performance. Several studies present that digital capabilities can have a positive impact by reducing costs and increasing flexibility (Heredia et al., 2022), the more digital resources are used in business processes, the more the impact on the development of more effective strategies. Heredia et al. (2022) added that the concept of the collaboration economy had allowed the wide use of digitalization by decreasing cost, expenses, and boosting performance. This study demonstrates the importance of digital capabilities to the global economy. One of them is the achievement achieved by SMEs.

SMEs are a significant industry to drive the world economy. This is evidenced by the Asian Development Bank, which presents economic growth in Southeast Asia over the last 10 years, supported by SMEs (ADB, 2020). However, the entry of the Covid-19 pandemic in 2020 worsened global trade in almost all countries worldwide. Nevertheless, in many ways, SMEs provide fresh air in the world of trade; SMEs contribute significantly to economic recovery in Asia, a developing country. The COVID condition has changed consumer habits to make purchases without going through physical contact. One is digital payment through various platforms such as mobile banking and mobile wallet. Research conducted by Visa states that 80% of consumers tend to be motivated to make payments online compared to paper money (Visa, 2020). The research also stated that 54% of SMEs revealed an increase of 15% since adopting digital payments (Visa, 2020). In addition, the existence of digital payments also creates security problems. There is an inherent risk attached to technology, including digital payments. Even before the pandemic, the risk of fraud in digital payments increased (Mikkelsen et al., 2022).

ADB (2020) also reviews the condition of SMEs in Indonesia. Based on 2019 data, SMEs accounted for 99.9% of the total companies across the archipelago. The trading pattern that dominates these SMEs is traditional wholesale and retail. It is undeniable that most SMEs still prefer the traditional way through personal contact, but digital technology has come to grow SMEs. Through the help of technology-based start-up companies, SMEs are more prominent in the Indonesian economy. The Indonesian Ministry of Industry has also issued an E-Smart IKM Indonesia program to support the advancement of SMEs since 2018. The same thing has happened in Southeast Asia, such as the SMEs eCommerce Adoption Acceleration program in Malaysia, the Philippines digital jobs program, and the Singapore Go Digital SME program.

Previous research has widely used the TAM to look at adoption in various fields, including digital payments (Mikkelsen et al., 2022; Musyaffi et al., 2021). The researchers agree that TAM can measure the level of acceptance comprehensively. One of the crucial elements in TAM is usefulness and ease of use. Both constructs act as predictors in making users adopt technology (Abdullah & Toycan, 2017). Users will use technology when it has the quality offered according to user needs (Aparicio et al., 2019). In expectation confirmation theory (ECT), it is revealed that one of the essential elements in making someone adopt technology is because they are already satisfied with the features and facilities offered (Niu et al., 2021). The more satisfied a person is with using technology, the more likely he or she will use the technology continuously according to the user's needs (Qalati et al., 2021). As a result, the performance of SMEs will increase because digital payments can facilitate SMEs, especially in company operations. Based on this explanation, this study aims to determine the performance of SMEs as measured by the adoption of digital payment technology. Therefore, this research can contribute to the technology adoption theory through TAM, IS success model and ECT.

1. LITERATURE REVIEW

In carrying out their daily operations, SMEs need to be supported by technology to improve their business performance. However, the technology must have ease of use and features that meet the needs of SMEs. In TAM theory, usefulness and ease of use allow users to get great benefits from using technology. TAM theory allows it to be measured in various types of technology used, including digital payments (Franque et al., 2021; Musyaffi et al., 2021). The technological context in this study refers to digital payments where users can carry out business operational transactions through online payments.

1.1 Perceived Ease of Use (PEOD)

PEOD in this study is the convenience users feel when using digital payments in business operations. The simpler a technology is to utilize, the often users adopt the technology. The increase in convenience shows that the process of acceptance of use is improving. Previous research says that ease of use has a significant role in usefulness, especially in using technology (Musyaffi, Johari, et al., 2022). The easier it is for SMEs to use digital payments; the more SMEs feel that digital payments have the features and facilities that SMEs need. So, when the impact generated by digital payments can increase company efficiency, these users will feel satisfied, allowing SMEs to continue using digital payments for daily business operations. Previous research has proven that the PEOD has a significant positive impact on user satisfaction with a technology (Ashfaq et al., 2020; Musyaffi, Sulistyowati, et al., 2022).

H1: PEOD has a significant and relatively positive to PUD

H2: PEOD has a significant and relatively positive to SMS

H3: PEOD has a significant and relatively positive to IUDP

1.2 Perceived Usefulness (PUD)

Perceived usefulness is seen as one of the most critical indicators in making someone use technology for their business activities (Musyaffi et al., 2021). Because technology users, especially SMEs, are concerned with the main features and usability to increase the effectiveness of their business. So that makes SMES satisfied with the technology. Technology has many advantages for SMEs. For example, a fast data input and report output process can increase satisfaction with the technology (Haddara et al., 2022; Qalati et al., 2021). In addition, the use of technology can also reduce costs and improve security quality. These key factors make perceived usefulness a strong predictor of adopting technology (Musyaffi, Johari, et al., 2022). So that when the technology used has the required features, users will tend to adopt the technology, as previous literature shows that usefulness has a close positive relationship to satisfaction and behaviour to continuously use technology (Ashfaq et al., 2020; Franque et al., 2021; Musyaffi, Johari, et al., 2022).

H4: PUD has a significant and relatively positive to SMS

H5: PUD has a significant and relatively positive to IUDP

1.3 Security (SCR)

User perceptions of the security of technology adoption can have negative and positive sides (Chang, 2020) that can motivate other SMEs to adopt technology (Christiansen et al., 2022). Therefore, previous literature reveals how vital the security of technology provided by vendors is so that users can continue to adopt technology (Johnson et al., 2020; Musyaffi, Johari, et al., 2022). When users feel safe against the risks of technology used, they will tend to adopt it. Previous literature states that security significantly influences the continuity of user adoption of the technology (Hanif & Lallie, 2021; Johnson et al., 2020).

H6: SCR has a significant and relatively positive to IUDP

1.4 Digital Payment Quality (DPQ)

Digital payment quality (DPQ) in this study is the level of effectiveness and efficiency in using the digital payment. The quality of a system shows the superiority of the output of the technology itself (Ebnehoseini et al., 2021). The quality of technology can be seen from the response time, and good navigation tools (Abdullah & Toykan, 2017; Musyaffi, Sulistyowati, et al., 2022). By using digital payments, SMEs can gain experience operating a business more effectively and efficiently. So, it can reduce operational costs. This is evidenced by previous research results where the usefulness of information technology can be explained by the quality of the technology (Musyaffi, Johari, et al., 2022). Therefore, the higher the quality of the

digital payment platform used, the higher the satisfaction of SMEs with using digital payments (Bossman & Agyei, 2022; Musyaffi, Johari, et al., 2022). Also, the quality of a system can increase a person's adoption use the technology more frequently (Alrousan et al., 2021; Musyaffi, Sulistyowati, et al., 2022). So the seventh, eighth and ninth hypotheses in this study are:

H7: DPQ has a significant and relatively positive to PUD

H8: DPQ has a significant and relatively positive to IUDP

H9: DPQ has a significant and relatively positive to SMS

1.5 Financial Advantage (FA)

Financial advantage refers to the user's advantages in digital payments, including cost savings and payments (Chang, 2020). The existence of financial benefits allows SMEs to adopt digital payments by utilizing promotions or utilizing digital payment differentiation. So that users can make digital payments with various types of platforms, financial advantage is one of the main factors in making users, especially SMEs, decide to use technology in their daily business operational (Christiansen et al., 2022).

H10: FA has a significant and relatively positive to IUDP

1.6 SMEs Satisfaction

In using technology, user satisfaction is crucial to pay attention to continuously attracting users to use technology (Musyaffi et al., 2021). The more satisfied the use of technology, the level of technology adoption tends to increase (Qalati et al., 2021). User satisfaction also has positive and negative sides when used in everyday life. Digital payments can have a good impact when used to increase the effectiveness and efficiency of the company. When SMEs feel that using digital payments can help their daily business operations, they tend to use digital payments. As a result, SMEs will tend to recommend digital payments to consumers and others. The relationship between user satisfaction and user adoption has been carried out by previous literature, especially those related to technology (Bossman & Agyei, 2022; Liébana-Caballillas et al., 2020). SMEs who are satisfied with the features and convenience of digital payments will create a positive perception of digital payments that can make SMEs use continuously and improve SMEs' performance optimally (Musyaffi, Sulistyowati, et al., 2022; Niu et al., 2021).

H11: SMS has a significant and relatively positive to IUDP

H12: SMS has a significant and relatively positive to SP

1.7 Intention to use digital payment (IUDP)

Performance is defined as one of the critical goals of business organizations to achieve goals. Effective adoption and integration of technology into the company will increase the company's added value in improving performance in general (Ilmudeen et al., 2019). The adoption of the use of technology in SMEs, if used correctly, can improve the overall performance of SMEs. SMEs can provide goods and services that can be accessed and paid for online transactions. So it is very profitable for SMEs because there is no need to recruit new employees. In addition, system implementation can help organizations improve operational performance; for example, it can save costs and time (Thathsarani & Jianguo, 2022). SMEs can provide goods and services that can be accessed and paid for online transactions. So it is very profitable for SMEs because there is no need to recruit new employees. In addition, system implementation can help organizations improve operational performance; for example, it can save costs and time. Implementing technology for SMEs is also helpful for decision-making, especially in optimizing the core business of SMEs so that they can increase revenue and minimize operational costs (Khayer et al., 2020). This statement is supported by previous research showing that technology adoption can significantly improve SMEs' performance (Garrison et al., 2015; Ooi et al., 2018).

H13: IUDP has a significant and relatively positive to SP

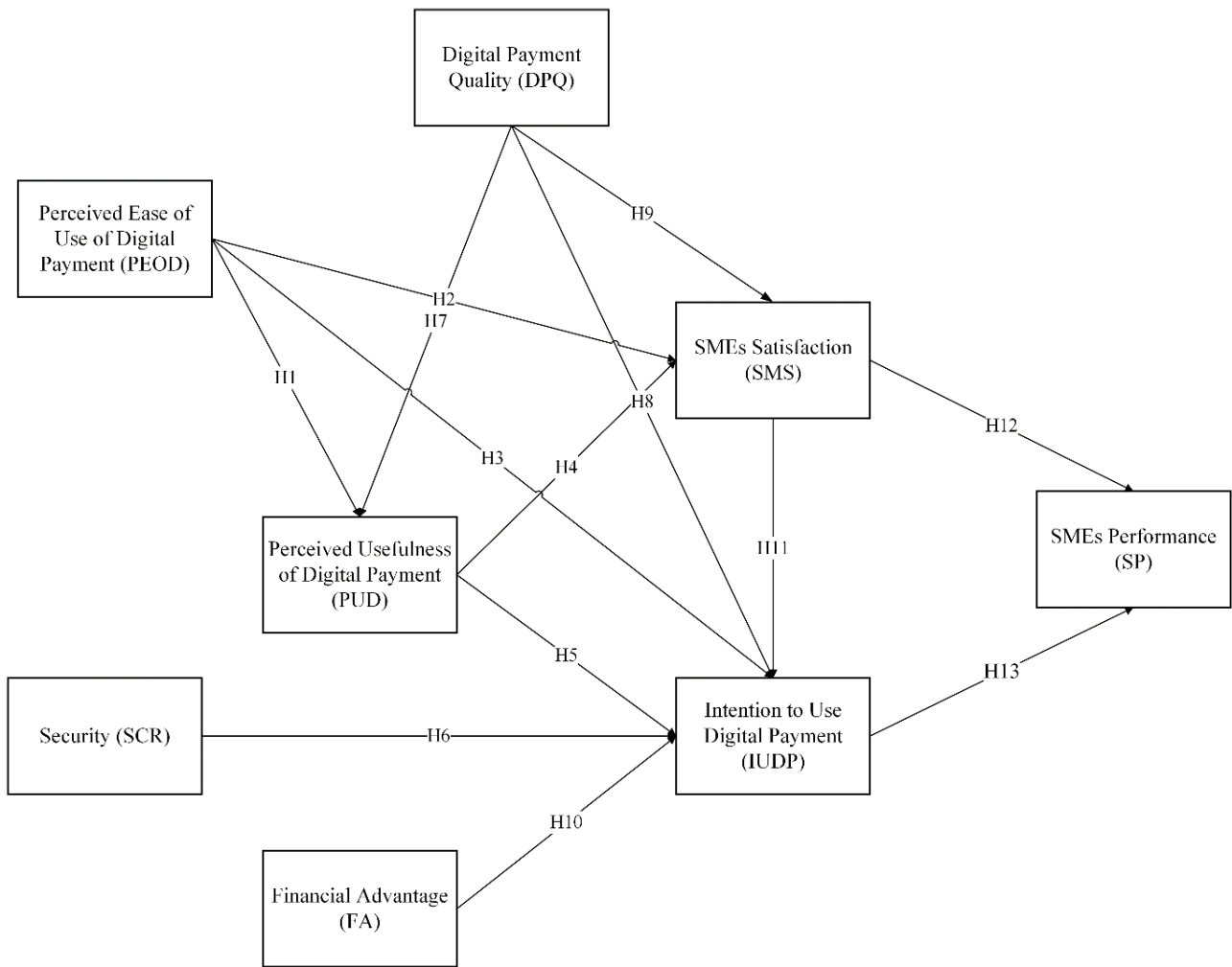


Figure 1. Research Model

Source: own

2. METHODOLOGY

2.1 Research Design

This research targets SMEs managers or employees in Indonesia who use digital payment as a payment method in their daily operational activities. This study uses non-probability sampling using the accidental sampling method, with respondents responding to the questionnaire based on their availability and interest (Gravetter & Forzano, 2018) when asked to fill out the questionnaire. After that, the number of respondents was 342. We chose the sampling method because it is faster and easier to use. Accidental sampling is also commonly used in data collection related to technology adoption (Khayer et al., 2020). We distributed 432 questionnaires, but only 342 questionnaires were possible to use or 79.17%. The results of collecting respondents based on gender, age, business ownership, and type of business. Most respondents in this study were male at 66.4%, while the female was 33.6%. Then based on age category, the majority were in the age range of 31 – 40 years (54.1%). This study's SMEs respondents were self-employed (92.1%). Meanwhile, SMEs in this study were dominated by the fashion industry (38%), innovative products (22.5%), and culinary (18.1%).

Table 1. Respondent characteristic

		<i>N</i>	<i>Percentage</i>
Gender	Male	202	66.4%
	Female	140	33.6%
Age	<25	0	0
	25 – 30	48	14.04%
	31 – 40	185	54.1%
	41 – 50	85	24.9%
	>50	24	7.02%
Business Ownership	Business owner	315	92.1%
	Employee	14	4.09%
	Owner and employee	13	3.8%
Type of business	Culinary	75	18.1%
	Fashion	143	38.0%
	Automotive	23	6.7%
	Creative products	110	22.5%
	Internet technology	26	7.6%
	Beauty	24	7.0%

2.2 Instrument

This research questionnaire consists of 32 question items regarding the acceptance of digital payments on the performance improvement of SMEs. The questionnaire in our study consisted of numbers 1 to 5, adopting a Likert scale. A value of 1 when the respondent answered firmly disagreed and 5 when the respondent answered strongly agreed. Each question in this study refers to an adaptation of previous research. Questionnaire items from the PUD, PEOD and IUDP constructs each consist of 4 questions adapted from several sources (Musyaffi, Johari, et al., 2022). At the same time, the DPQ questions were adapted from system quality derived from the Delone & Clean information success model with a total of 4 questions (Musyaffi, Sulistyowati, et al., 2022). The financial advantage item consists of 4 questions adapted from (Chang, 2020). Then the security item was adapted from various researchers (Hanif & Lallie, 2021), which consisted of 4 questionnaire items. While other variables also have 4 question items adapted from various researchers, namely SMEs performance (Isaac et al., 2017) and SMEs satisfaction (Musyaffi, Sulistyowati, et al., 2022).

2.3. Data Analysis

To answer the research problem, the author uses SEM PLS as an analytical tool to evaluate the dataset that has been collected. PLS is very appropriate because it can model a relatively new research theory. This follows this research where the author integrates several frameworks of thought, namely TAM, ECT and IS success model with financial advantage and security variables as extension variables. There are several stages in analyzing PLS: measurement models, structural models and hypothesis testing (Hair & Alamer, 2022). In analyzing the measurement model, researchers evaluate reliability through outer loading, and CR. In comparison, the validity evaluation is through the analysis of CA and AVE. Then testing the model structure is done by evaluating R square, f square, path coefficient, and Q square. The evaluation of hypothesis by comparing the predetermined error rate with the PLS output, namely the p-value.

3. RESULT

3.1 Measurement Model

The validity of the data is indicated by the AVE value and outer loading. The minimum outer loading value must meet 0.7 and AVE value must meet 0.5 (Hair & Alamer, 2022). According to table 2, the outer loading value for all constructs has the lowest value (0.75) (SP4) and the highest value of 0.909 (SCR2). thus, the data in this study has good validity.

Meanwhile, the reliability of the data is shown by evaluating the CA and CR values with a suggested value greater than 0.70 (Hair & Alamer, 2022). The highest CA value is owned by the security construct (SCR) of 0.903. while the lowest CA value was owned by IUDP of 0.859 (CA> 0.7). Meanwhile, based on the value of A, the lowest value comes from security ($\rho A=0.907$) and IUDP ($\rho A=0.859$) which means it has a value above the standard, which is 0.7. Another way to evaluate reliability is with CR. The highest CR is in the security of 0.932. in contrast, the smallest CR is in the SP of 0.901. it means that the CR value is greater than the standard, which is 0.7. so that all constructs meet reliability if based on CR evaluation. Therefore, based on the evaluation of CA, CR, and A, all constructs have good reliability.

Table 2. Result of discriminant validity

<i>Item</i>	<i>Questioner</i>	<i>Outer loading</i>	<i>CA</i>	<i>Dijkstra-Henseler's rho (ρA)</i>	<i>CR</i>	<i>AVE</i>
	Perceived ease of use of Digital Payment (PEOD)		0.886	0.889	0.921	0.745
PEOD1	Digital payments can be utilized anywhere and at any time.	0.858				
PEOD2	The digital payment platform that I use has a straightforward and easy-to-understand display	0.872				
PEOD3	The digital payment platform is easy to use for my business operations	0.854				
PEOD4	I feel that the digital payment platform can be quickly learned	0.869				
	Perceived Usefulness of Digital Payment (PUD)		0.880	0.887	0.917	0.735
PUD1	The digital payment platform that I use has more advantages compared to traditional transactions	0.848				
PUD2	Using digital payments, I can see the input and output of transaction information quickly	0.897				
PUD3	I like the use of digital payment because it has attractive features and appearance	0.857				
PUD4	By using digital payment, I can manage my business transactions more flexibly	0.826				
	Security (SCR)		0.903	0.907	0.932	0.774
SCR1	The digital payment platform has strong security	0.871				
SCR2	The digital payment platform has the facility to verify the user's identity	0.909				
SCR3	The digital payment platform protects data from users	0.833				

SCR4	When using digital payment, there is a password that the user has created	0.905				
	Digital Payment Quality (DPQ)		0.863	0.869	0.907	0.710
DPQ1	The interface and display on the digital payment platform are comfortable to look at	0.883				
DPQ2	The use of the digital payment platform is easy to navigate in conducting business transactions	0.842				
DPQ3	I find features and services that suit my business when using digital payments	0.862				
DPQ4	In business operations, I feel that using digital payments is convenient because it suits my needs	0.778				
	Financial Advantage (FA)		0.900	0.902	0.926	0.715
FA1	Digital payments can reduce employee recruitment costs in operating technology (e.g., cashiers who operate computers, software development, and maintenance)	0.825				
FA2	Digital payments can make customers pay for their own needs using digital payment methods (for example, account creation, data storage, and processing time)	0.882				
FA3	Digital payments can allow customers to take advantage of various structured payments (monthly or annually).	0.866				
FA4	The use of digital payments can make me superior because I have invested in business infrastructure	0.808				
	SMEs Satisfaction (SMS)		0.868	0.870	0.910	0.717
SMS1	I am satisfied with digital payment because the information displayed is correct	0.863				
SMS2	When using the digital payment platform, I am satisfied with the digital payment output so that business transactions run smoothly	0.874				
SMS3	I am satisfied with digital payment because it can provide complete information	0.808				
SMS4	Overall, I am satisfied with all the features and benefits of digital payment in meeting my business needs	0.841				
	Intention to use Digital Payment (IUDP)		0.859	0.859	0.904	0.703
IUDP1	I intend to use digital payments continuously because it is helpful for my business	0.872				
IUDP2	I try to use digital payment when doing business transactions	0.852				
IUDP3	I quite often use digital payments in my business transactions	0.841				

IUDP4	I recommend digital payment to others	0.787				
	SMEs Performance (SP)		0.853	0.864	0.901	0.695
SP1	My business decisions become more effective when viewing transaction reports from digital payments	0.839				
SP2	Digital payments in my store can increase customer loyalty	0.868				
SP3	Digital payments in my store can increase the number of consumers who buy	0.872				
SP4	Digital payment can improve my business reputation	0.750				

Table 3. Fornell–Larcker criterion

	<i>DPQ</i>	<i>FA</i>	<i>IUDP</i>	<i>PEOD</i>	<i>PUD</i>	<i>SP</i>	<i>SMS</i>	<i>SCR</i>
Digital Payment Quality (DPQ)	0.842							
Financial Advantage (FA)	0.290	0.845						
Intention to Use Digital Payment (IUDP)	0.553	0.483	0.839					
Perceived Ease of Use of Digital Payment (PEOD)	0.700	0.393	0.601	0.863				
Perceived Usefulness of Digital Payment (PUD)	0.565	0.489	0.612	0.641	0.858			
SMES'S Performance (SP)	0.597	0.520	0.677	0.629	0.552	0.834		
SMEs Satisfaction (SMS)	0.580	0.565	0.694	0.654	0.634	0.732	0.847	
Security (SCR)	0.666	0.485	0.505	0.557	0.429	0.590	0.598	0.880

The subsequent stage in determining discriminant validity is the application of the Fornell–Larcker criterion. The standard for measuring this value is that the value of root AVE must be greater than the other values. For example, DPQ to DPQ has the highest value (0.842) compared to DPQ with other constructs such as FA (0.290), IUDP (0.553), PEOD (0.700), PUD (0.565), SP (0.597), SMS (0.580), and SCR (0.666). Thus, DPQ meets the criteria of Fornell-larcker. If you look at table 2 above, the root square AVE values between variables are DPQ – DPQ (0.842), FA – FA (0.845), IUDP – IUDP (0.839), PEOD – PEOD (0.863), PUD – PUD (0.858), SP – SP (0.834), SMS – SMS (0.847), and SCR – SCR (0.880), it can be concluded that all AVE square root values have the highest value compared to the construct below.

Table 4. Heterotrait-monotrait (HTMT) ratio

	<i>DPQ</i>	<i>FA</i>	<i>IUDP</i>	<i>PEOD</i>	<i>PUD</i>	<i>SP</i>	<i>SMS</i>	<i>SCR</i>
Financial Advantage (FA)	0.329							
Intention to Use Digital Payment (IUDP)	0.637	0.548						
Perceived Ease of Use of Digital Payment (PEOD)	0.798	0.435	0.686					
Perceived Usefulness of Digital Payment (PUD)	0.633	0.550	0.700	0.712				
SMES'S Performance (SP)	0.697	0.590	0.789	0.720	0.629			
SMEs Satisfaction (SMS)	0.666	0.636	0.803	0.745	0.720	0.842		
Security (SCR)	0.757	0.539	0.572	0.622	0.475	0.668	0.675	

In addition, the evaluation of discriminant validity can also be done through Heterotrait-monotrait (HTMT). The purpose of the HTMT evaluation is to ensure that no correlation exists. HTMT is said to have no correlation when the value is below 0.9 (Hair & Alamer, 2022). The maximum value for the constructs DPQ (0.798), FA (0.435), IUDP (0.572), PEOD (0.622), PUD (0.475), SP (0.668), and SMS (0.675) does not exceed 0.9.

3.2 Structural Model

Structural model testing aims to find out how the model built by the researcher provides a good model framework. Table 5 below shows the values of Q^2 , R^2 , and R Square adjusted to show the impact of the model framework created. Predictive relevance (Q^2) assesses the suitability of the model the researcher has built. Evaluation of Q^2 shows sufficient predictive power ($Q^2 > 0$) (Hair & Alamer, 2022). The value of Q^2 ranges from 0.309 to 0.402 (the value > 0). So, it can be concluded that the model built by the researcher is reasonable. Another structural analysis model is to use R Square (R^2). The R^2 value category is classified based on several categories, namely Substantial (R^2 value 0.75), moderate (R^2 value 0.50), and weak (R^2 value 0.25) (Hair & Alamer, 2022). R^2 value of the IUDP is 0.557, so there is a joint influence between DPQ, PEOD, PUD, PEOD, SCR, and FA with an IUDP of 55.7% or moderate category. While the R^2 value of PUD is 0.557, meaning that DPQ and PEOD together affect PUD by 43.7% or in the weak category. The R^2 value of SP is 0.592, meaning there is a mutual influence between INDP and SMS of 59.2%.

Table 5. Structural model evaluation

	<i>Predictive Relevance (Q^2)</i>	<i>R^2</i>	<i>R^2 adjusted</i>
Intention to Use Digital Payment (IUDP)	0.383	0.557	0.549
Perceived Usefulness of Digital Payment (PUD)	0.309	0.437	0.434
SME'S'S Performance (SP)	0.402	0.592	0.589
SMEs Satisfaction (SMS)	0.366	0.519	0.514

F square is used to measure the relationship between path models. The most significant effect size value is on SMS to SP with a value of 0.326 or in the medium category. At the same time, other constructs have minimal effect sizes since their values are less than 0.15.

Table 6. f square

	<i>IUDP</i>	<i>PUD</i>	<i>SP</i>	<i>SMS</i>
Digital Payment Quality (DPQ)	0.011	0.047		0.027
Financial Advantage (FA)	0.012			
Intention to Use Digital Payment (IUDP)			0.135	
Perceived Ease of Use of Digital Payment (PEOD)	0.010	0.210		0.094
Perceived Usefulness of Digital Payment (PUD)	0.036			0.129
SMEs Satisfaction (SMS)	0.123		0.326	

3.3 Hypotheses Testing

This section discusses the hypotheses analysis according to the data processing results. Based on the 13 hypotheses proposed, 12 hypotheses have a positive impact. Meanwhile, there is 1 hypothesis that

does not have a significant impact, namely the 6th hypothesis. The 6th hypothesis talks about the impact of security on IUDP. The p-value of H6 is 0.367 (p-value > 0.1). Thus, security does not have a significant impact with only a 1.9% relationship (original sample (O)=0.019).

The value of the most extraordinary significant association between variables resides in the twelfth hypothesis: SMS to SP by 50.7% (O=0.507). In addition, the p-value in hypothesis 12 is 0.000 (p-value < 0.1). So, SMS significantly impacts the satisfaction of traditional traders with the use of digital payments. Then the second hypothesis also has the second largest significant relationship, 48.1% (o=0.481). Meanwhile, based on trials regarding the positive impact of PEOD on PUD, it was found that the second hypothesis was rejected (p-value = 0.000 < 0.1). In other words, there is a positive and significant impact between PEOD and PUD of 48.1%.

The first hypothesis regarding PEOD with PUD has a p-value of 0.043. when compared with the specified error rate (0.05), PEOD has a large beneficial impact on PUD, amounting to 10.9% of its total (O=0.109). Then in the third hypothesis, the p-value of the relationship between PEOD and SMS is 0.000. then the results of the calculation also support hypothesis 3. Therefore, PUD has a significant positive impact of 32.7% (O=0.327) on SMS. The fourth hypothesis regarding PUD to SMS has a p-value of 0.000 (p-value < 0.1). Then the fourth hypothesis on the PUD construct to SMS has a significant positive relationship of 33.2% (O=0.332). Likewise, the fifth hypothesis regarding PUD and IUDP has a significant positive relationship (p-value=0.001, <0.1) of 18.7% (O=0.187). So, DPQ has a significant positive relationship with PUD of 22.8% (O=0.228).

The constructs related to IDUP, namely the eighth hypothesis (p-value=0.45), ten (p-value=0.35), and eleven (p-value=0.000), have p-values smaller than 0.05. So, there is a positive relationship between DPQ (O=0.115), FA (O=0.097), and SMS (O=0.371) with IUDP. In contrast, the ninth hypothesis regarding DPQ to SMS has a p-value below 0.05. So, the presence of DPQ can positively affect SMS by 16.3% (O=0.163). Finally, in testing the thirteenth hypothesis, the p-value of the two hypotheses is below 0.05. So, IUDP and SMS have a positive and significant relationship of 32.6% (O=0.326).

Table 7. Result of hypotheses testing

	<i>Hypotheses</i>	<i>Path</i>	<i>p-value</i>	<i>Decision</i>
H1	PEOD -> IUDP	0.109	0.043	Supported
H2	PEOD -> PUD	0.481	0.000	Supported
H3	PEOD -> SMS	0.327	0.000	Supported
H4	PUD -> SMS	0.332	0.000	Supported
H5	PUD -> IUDP	0.187	0.001	Supported
H6	SCR -> IUDP	0.019	0.367	Not Supported
H7	DPQ -> PUD	0.228	0.001	Supported
H8	DPQ -> IIUDP	0.115	0.045	Supported
H9	DPQ -> SMS	0.163	0.008	Supported
H10	FA -> IUDP	0.097	0.035	Supported
H11	SMS -> IUDP	0.371	0.000	Supported
H12	SMS -> SP	0.507	0.000	Supported
H13	IUDP -> SP	0.326	0.000	Supported

4. DISCUSSION

This research is a development of the results of previous research by adding an extension model in the form of security and financial advantage. This factor is essential because it can affect the performance of SMEs themselves. Previous researchers have proven that financial advantages can increase the company's added value in terms of financial (cost reduction and increased income) and non-financial

(intangible value). The more intuitive and user-friendly a system is, the users will adapt to the new technology, thereby increasing performance directly (Musyaffi et al., 2021).

One thing that makes SMEs adopt digital payments is that they have the required quality. This study indicates that DPQ has a substantial connection with PU (11.5%) and INTD (16.3%). The reason why digital payments are considered quality is that having an interface and display on the digital payment platform is comfortable to look at. In addition, digital payments also have easy navigation when making transactions. This argument is reinforced by other researchers where the quality of technology can be seen from the response time, and easy navigation (Abdullah & Toycan, 2017; Musyaffi, Gurendrawati, et al., 2022). Therefore, it is not surprising that this study reveals a substantial link between DPQ, PU, and INTD. The findings also support the findings of this study by other researchers, who found that the perception of technology's utility increases as its quality increases (Abdullah & Toycan, 2017; Ebnehoseini et al., 2021; Garrison et al., 2015; Musyaffi, Sulistyowati, et al., 2022) and user adoption continuously (Alrousan et al., 2021; Musyaffi, Sulistyowati, et al., 2022).

The use of the right technology, of course, will increase the company's main competencies, whose impact is an increase in performance (Khayer et al., 2020; Musyaffi, Gurendrawati, et al., 2022; Thathsarani & Jianguo, 2022). Most SMEs continue to use digital payments in their daily transactions and operations. One of the features that SMEs like the most is that digital payments have many features in one application, such as payments, e-commerce purchases, credit purchases, electricity and insurance bills, bank transfers, and other features. In addition, digital payment is also straightforward to use because the menu is familiar with similar applications. Other researchers suggest that implementing information technology can increase added value in the company's operational processes (Khayer et al., 2020; Ooi et al., 2018) so that digital payments can accelerate the company's business processes. The easier the system to use, SMEs will think that digital payments are proper (Haddara et al., 2022; Musyaffi, Johari, et al., 2022; Thathsarani & Jianguo, 2022). PEOD has a considerable favorable influence in the relationship with PUD by 48.1%. one of them is because the digital payment platform is straightforward to use to process business transactions.

This research also shows that SMEs are satisfied with digital payments. The more satisfied users are with the technology used, the tendency to use it continuously increases (Ashfaq et al., 2020; Hanif & Lallie, 2021; Liébana-Cabanillas et al., 2020; Musyaffi, Sulistyowati, et al., 2022). Every time merchants attach digital forms of payment at their place of commerce. They are always ready if consumers make payments using digital payments. Even some SMEs direct consumers to choose digital payments because it is more accessible and more practical. This fact shows that SMEs are satisfied with the features and benefits of digital payments, which impact the continuous adoption of digital payments. Another reason SMEs use digital payments continuously is that it can reduce costs and time in conducting transactions. SMEs become freer of time because consumers or vendors make transactions online. However, the results differ on the security aspect. The security framework investigated in this study has no consequence on the degree to which SMEs utilize technology. This is evident from SMEs not checking the incoming funds. The main thing SMEs dare to take is that buyers also respond to digital payments. So SMEs prefer to use digital payments. Hanif & Lallie (2021) concur with this study's findings that there is no positive correlation between security and the propensity to utilize mobile banking. According to the results of his study, people utilize mobile banking applications only when they have no other option (Hanif & Lallie, 2021).

The adoption of digital payments also increases the performance of SMEs, especially in increasing the company's business value (Ilmudeen et al., 2019). When SMEs use digital payments as a means of payment, consumers can see that SMEs are trustworthy companies. So that the use of digital payments can provide great interest in making consumers actively buy products and services at the store. In addition, the use of digital payments is also able to reduce costs economically. To make a purchase, SMEs do not need to withdraw money at an ATM or branch office. SMEs also do not need to meet in person, so that costs for operational costs are reduced. SMEs satisfaction has the most significant positive impact on SMEs performance, which is 50.7%. SMEs satisfied with the benefits and convenience of digital payments will try to continue using digital payments. One of the reasons why SMEs are satisfied with the use of digital payments is because there are features that can make payments quickly on various other platforms such as e-commerce, digital wallets, and bill payments. In addition, when consumers make payments, consumers can independently make payments online. So, SMEs do not need much time and energy to transact

with consumers. The availability of access to financial products and services shows an increasing performance of SMEs (Thathsarani & Jianguo, 2022). (Garrison et al., 2015) revealed that one of the keys to improving performance is using the right information technology. Adopting information technology for SMEs' input and output processes will significantly increase SMEs' performance (Khayer et al., 2020). In addition, technology adoption can also improve company performance in non-financial aspects such as flexibility and quality. While several other researchers also agree with the results of this study, where technology adoption can improve the company's overall performance (Garrison et al., 2015; Ooi et al., 2018; Qalati et al., 2021).

CONCLUSION

This research is the development of several theories, such as the TAM, Information success model, ECT, and additional constructs, such as security and financial advantage and performance. All constructs except security against IUDP. The constructs that have a significant influence include PEOD with IUDP, PUD and SMS. Meanwhile, the PUD construct has a significant relationship with SMS and IUDP. Then DPQ with PUD and IUDP. Meanwhile, the financial advantage construct has a positive correlation with the IUDP. Then SMS has a significant positive impact on several other constructs such as IUDP and SP. Lastly, IUDP has a positive relationship with SP. Meanwhile, the non-significant construct is owned by security with IUDP. There is an insignificant impact because the orientation of SMEs is to consumer needs. Because the trend of digital payments is increasing, there are offers from these digital payment service providers. This is evidenced by the fact that SMEs rarely check balances on digital payment accounts. The findings show that the most significant factor in improving the performance of SMEs is when they are satisfied with using digital payments. This means that the technology adoption factor can strengthen overall user satisfaction so that it has an impact on the performance of SMEs. Other findings also show that the SMEs' adoption factor for digital payments is due to the ease of access to the smartphones used. SMEs also revealed that the features and services in digital payments are sufficient to cover the needs of SMEs in business operations. The main finding confirms that there is a good model integration between the TAM and IS success model as well as the construct of financial advantage and SMEs performance, especially in the field of digital payment technology.

Further research can develop other integrations, such as technology readiness to measure readiness to use digital payments, Innovations resistance theory to find out the resistance factor for the use of digital payments for users and non-users, and expectation confirmation theory (ECT) for the purpose of determining the level of satisfaction felt by users when using digital payments. Digital payments. Meanwhile, regulators such as the government can improve regulations that make it easier for digital payment service providers to continue to grow. Then for digital payment service providers, programs such as discounts are an attraction for buyers and SMEs. So, it is also essential for service providers to manage profitable discount programs between consumers and SMEs. In addition, service providers should also perform various integrations with other platforms such as e-commerce, digital wallets, or even banking.

ACKNOWLEDGMENT

The author would like to thank Jakarta State University for providing financial and non-financial support. We also thank the SMEs who are willing to be research respondents.

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