

Barriers to digital payment adoption: micro, small and medium enterprises

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Abstract *Technological developments that continue to develop make fintech applications compete to create innovations. Currently, people can transact using digital payment applications. As a result, digital payment application continues to innovate. This makes micro, small, and medium enterprises (MSMEs) adopt digital payments to run their business. This study aims to examine the adoption of digital payment systems for the digitization of MSMEs. The population in this study was 4,793 MSMEs in Blitar City, Indonesia. The sample in this study was 100 respondents using the Slovin formula. The data is processed through the SmartPLS software and analyzed using the SEM approach. The results of this study indicate that the barriers to use, value, and risk have a positive and significant effect on functional barriers. In contrast, barriers to tradition and image positively and significantly affect psychological barriers. However, the functional barrier variable is not significant for the actual use of digital payment. Furthermore, psychological barriers have a positive and significant effect on the actual use of digital payments.*

Keywords: Barriers, Adoption, Digital Payments, MSME

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Introduction

Today, technological advances are growing very rapidly and are becoming increasingly innovative. Technological innovation occurs in various sectors, including the financial sector. This encourages the emergence of innovations that impact all aspects of human life. This has an impact on consumer behavior, thus pushing them toward a society that relies heavily on smartphones (Kuisma et al., 2007; Shin et al., 2012). This is certainly an opportunity for several industries to improve service quality. These conditions change people's lifestyles in terms of transportation, lifestyle, and behavior. All transactions can be done easily and quickly with the development of technology. Internet-based, mobile,

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and application-based payment systems provided by software development companies such as OVO, LinkAja, GOPAY, and other applications have entered the market in Blitar City. However, the community has not supported the full use of the digital payment system.

The growth of Internet access and use in Indonesia is one of the fastest in the world, with current data showing that active internet users in Indonesia are 210 million. This figure represents 70% of the total population of Indonesia in 2022 (APJI, 2022). The penetration of internet users is also followed by the trend of using information technology, especially in the cash payment system, which has begun to be abandoned. This gives rise to a new trend in the payment system or financial transaction, which is often called digital payment. Digital payment is a payment method made through digital or digital money (Sagayarani, 2021).

Mobile payment is a technological innovation in the financial sector that provides non-cash payment features for buying and selling needs, paying bills, buying credit, transferring funds, paying for online transportation services, to carrying out various other types of transactions (Suhaeni, 2020). Digital payments make it easy for users to make transactions. Behind the various advantages offered by technological innovation, some companies face innovation failures Kleijnen et al. (2009), which can be associated with consumer resistance behavior, so challenges and obstacles to the acceptance of innovations that can be taken into account by mobile payments will arise (Dotzauer & Haiss, 2017). Innovation resistance to a product or service occurs not only because the innovation fails to be implemented, but also in successfully adopted innovations (Ram & Sheth, 1989).

Micro, small, and medium enterprises (MSMEs) take advantage of the ease of transactions with digital payments, thereby increasing efficiency and effectiveness in their business processes. The need for reasons for adoption is essential because digital technology in Indonesia continues to grow. However, digital technology adoption can also fail; mobile banking users significantly cause market failure in innovation (Cheng et al., 2014). This is because the marketing strategy only focuses on the benefits of mobile payments, not caring about consumer problems. So MSME actors need to know the barriers that hinder the use of digital innovation products or services (Kleijnen et al., 2009).

The Innovation Resistance Theory (IRT) model is the most widely used model in innovation resistance research and continues to be modified in different contexts (Laukkanen & Kiviniemi, 2010). This model is suitable to be applied in this study regarding digital payments. Functional and psychological barriers in the IRT model are the main focus of this research because it is based directly on technological innovation. This study aims to analyze how much influence functional and psychological barriers have on adopting digital payment services by MSME actors in Blitar City. The findings of this study are expected to contribute to the scientific field by providing strategies and practical recommendations for mobile payment service providers to increase the adoption of mobile payment services. It is used as information by all MSME actors to get ready to transform business processes, especially in the payment process, which is one of the convenience factors that consumers will appreciate. Along with the development of mobile payments in Indonesia, the barriers that cause resistance to adopting technology services are important information to increase the adoption rate (Moorthy et al., 2017).

Literature review

There has been a lot of discussion about resistance associated with technological innovation, especially in relation to consumer responses to technological innovation. This study examines the Innovation Resistance Theory (IRT) developed by Ram & Sheth (1989). This model is still relevant in current research because it is applied to research on technological innovation (Dotzauer & Haiss, 2017). According to Ram & Sheth (1989), Resistance is the typical customer response to innovation and develops into a requirement before the technology is implemented. Both successful and unsuccessful technologies encounter resistance. So, the concept of resistance distinguishes it from the idea of rejection (Kuisma et al., 2007), if the innovation is rejected, it can be said that there is passive behavior in adopting.

In contrast, if an active behavior appears in each adoption process, it can be said that there is resistance (Kuisma et al., 2007). Therefore, business actors need to identify the sources of resistance to innovation, Laukkanen & Kiviniemi, (2010). This is because, by knowing and understanding resistance to innovation, the reasons that slow down the adoption process will be known. Therefore, the IRT model was developed to explain why consumers resist innovation so that resistance can be overcome before successful adoption.

In developing a comprehensive understanding of innovation resistance, (Ram & Sheth, 1989) proposed the concept of resistance barriers consisting of functional and psychological barriers, which became known as the theory of innovation resistance. The functional barrier is divided into usage, value, and risk. In contrast, the psychological barrier consists of a traditional and image barrier.

There are two types of resistance to adoption: passive and active (Heidenreich & Handrich, 2015). Adoption obstacles result from behavioral inconsistencies linked to the use, costs, and risks of adopting an innovation. Active resistance is a response to the characteristics of innovations. For evaluating active resistance, the IRT's functional barriers are appropriate. On the other hand, passive resistance could be investigated by considering the psychological aspects of tradition and image barriers (Yu & Chantatub, 2016). Several research studies have studied the significance of obstacles to adopting technological advancements. IRT has been used as the only theoretical model and in combination with other complementing theoretical models for empirical research (Borraz-Mora et al., 2017; Moorthy et al., 2017). However, IRT has recently been used as the theoretical foundation for accepting mobile payments; hence research looking for evidence of customer resistance is still scarce (Kaur, et al., 2020).

Hypothesis development

The usage barrier is related to the incompatibility of innovation with consumer habits. Although consumer preferences for existing habits and products, innovation must also offer more value in ease of use (Ram & Sheth, 1989). The first aspect concerns whether the new product or service is easy or difficult to use. The second aspect refers to the level of change consumers need when using innovative products that are primarily against their habits (Laukkanen, 2016). The attitude of reciprocity shown by consumers occurs due to the lack of education about using a technology (Laukkanen et al., 2007). The technology referred to in this study is the Mobile Payment application. Thus, the Usage Barrier will influence the functional barrier. This statement is supported by previous research from (Sivathanu, 2019; Yu & Chantatub, 2016).

H1. Usage barrier has a significant impact on the functional barrier.

The value barrier is that innovation, in addition to offering added value in terms of performance, must also be able to offer added value in terms of price. If there is no added value, then the substitute product will be chosen by consumers (Ram & Sheth, 1989). Value barriers are resistance to using innovative products or services that do not meet user perceptions to provide added value by utilizing innovation compared to other alternative products or services (Rammile & Nel, 2012). A value Barrier is resistance to using a product or service when this product or service does not fulfill the user's perception of the performance value to a different monetary value than other substitutes (Rammile & Nel, 2012). The attitude of reciprocity shown by consumers occurs because sometimes consumers feel that the innovations offered do not provide better performance compared to the replacement products that are already available. This statement is supported by previous research from (Sivathanu, 2019; Yu & Chantatub, 2016).

H2. Value barrier has a significant impact on the functional barrier.

A risk barrier is defined as the level of risk brought by innovation (Ram & Sheth, 1989). Uncertainty in innovation is inherent; therefore, innovation still has risks. The risk in this can be interpreted as physical risk and economic risk. Physical risk can be a loss, while financial risk, for example, is the decision to adopt an innovation because it is easier to use and cheaper. Risk is also social because it impacts concerns that others view negatively (Ram & Sheth, 1989). Risk barrier as uncertainty risk about the possible negative consequences of using a product or service (Marett et al., 2015). The attitude of reciprocity shown by consumers occurs because consumers feel that innovation from a product has many negative risks and there is no protection for consumers, so consumers tend to decide to delay or not use a product.

H3. Risk barrier has a significant impact on the functional barrier.

Tradition barriers mainly refer to innovation changes that result in routines. If the routine is essential to consumers, resistance will tend to be high. When a technological innovation changes existing customer traditions, it can become a barrier to innovation, especially if it conflicts with the values important to the customer (Ram & Sheth, 1989). If daily routines are especially important to the community, the barriers to tradition will be even stronger (Kuisma et al., 2007; Laukkanen et al., 2007). Therefore, the barrier tradition can be defined as resistance to changes in the behavior of MSME actors caused by digital-based payments. The attitude of reciprocity exhibited by consumers is a result of their reluctance to change norms, traditions, and any behavior that is contrary to the norms of family, society, or groups. Therefore, even if the innovation of a product is deemed to have a positive impact, consumers will avoid using it if it goes against tradition. This statement is supported by previous research from (Sivathanu, 2019; Yu & Chantatub, 2016).

H4. Tradition barrier has a significant impact on the psychological barrier.

The image barrier is associated with the origin of innovation, such as products and brands. Therefore, a negative perception of a product or brand will increase resistance (Ram & Sheth, 1989). According to Ram & Sheth, (1989), the Image Barrier is a perceptual problem that arises from the stereotypical thinking of consumers and makes innovation challenging to live. Image Barrier as an individual's negative thoughts towards technological tools and the perception of complications of use (Claudy et al., 2013). Image barrier as an obstacle in the adoption of mobile banking (Laukkanen, 2016). This is in line with research Kuisma et al., (2007) that some consumers react

negatively when services are moved to the Internet or in this case services are moved to mobile devices. The attitude of reciprocity shown by consumers occurs because consumers feel that the image of product innovation is unprofitable, such as difficult to use.

H5. Image barrier has a significant impact on the psychological barrier.

According to Ram & Sheth, (1989) proposed the concept of resistance barriers consisting of functional barriers, which became known as the theory of innovation resistance. The functional barrier is divided into usage, value, and risk. Therefore, the intention positively correlates with Actual Usage (Venkatesh et al., 2012). Relationship between other functional barriers and intention to adopt. in this case that the relationship between other functional barriers and the intention to adopt could be weaker. so that it will disrupt the routine (Edmondson et al., 2001). This theory is supported by previous research from (Sivathanu, 2019; Sobti, 2019; Venkatesh & Davis, 2000; Venkatesh & Hall, 2003).

H6. Functional barrier has a significant impact on the use intention of digital payment.

According to Ram & Sheth, (1989) proposed the concept of resistance barriers, namely psychological barriers. Psychological barriers in using digital payments are made by MSEs. While there are many m-wallet apps available to choose from, not all of them enjoy equal popularity among end users, mainly due to various psychological barriers such as distrust, anxiety, lack of control, discomfort, and so on. All of these mental blocks are described as mental costs by (Gibbs & Drolet, 2003). This is supported by research (Sivathanu, 2019; Sobti, 2019; Venkatesh et al., 2012; Venkatesh & Hall, 2003).

H7. Psychological barrier has a significant impact on the use intention to digital payment.

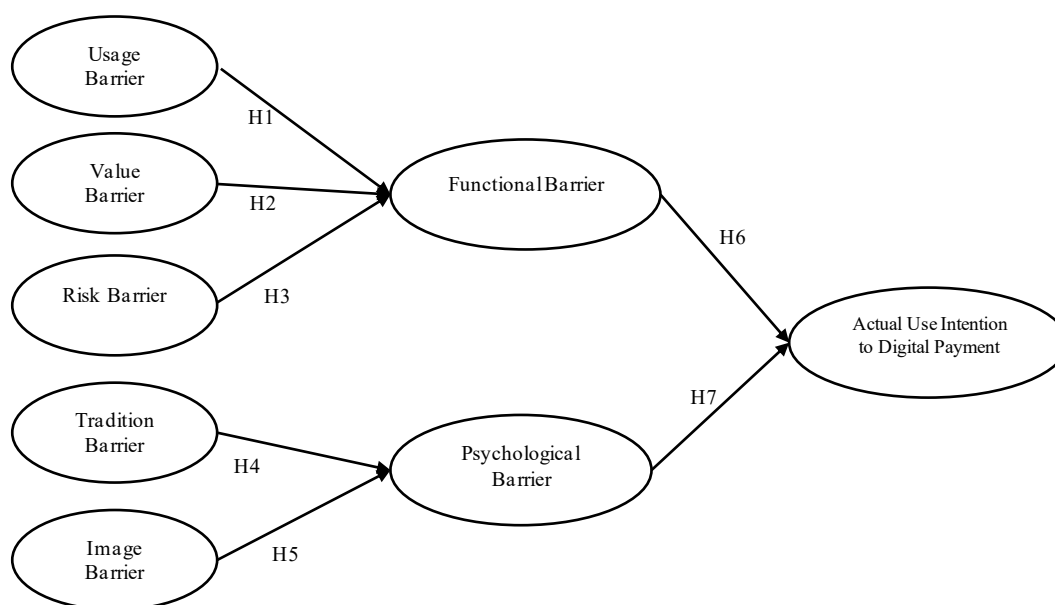


Figure 1. Conceptual Model

Source: Authors' research.

Methods

The research was conducted in Blitar, a small town in East Java Province. This study relates to the use of digital payments in buying and selling transactions, and the population is 4,793 MSMEs. Not all MSME actors in Blitar use digital payments, so the

research is only limited to MSMEs that use digital payments. The method used in this study is a sampling method with a purposive sampling technique due to time constraints in the study. Respondents were selected from the owners or staff of MSMEs.

When collecting data, a closed questionnaire was distributed. Using a Likert scale, the questionnaire was arranged in a closed-ended statement with 5 (five) alternatives. The questionnaire was developed based on the theory of innovation resistance. The questionnaire is also equipped with respondent profile questions. The respondents' profiles were collected: education level, gender, age, business, and length of business. The distribution of the questionnaire was carried out by directly visiting MSME actors.

Structural Equation Modeling (SEM) was applied. The PLS 3.0 application was used in this context. The PLS application is chosen because it can work well even on 50-100 samples (Dawn Iacobucci and Gilbert A. Churchill, 2010; Hair et al., 2011).

Result and discussions

The questionnaires were distributed directly to SME actors in Blitar City. According to the recapitulation results of the respondents who completed the questionnaire, 100 respondents submitted data. The general features of this study's respondents are given in detail in Table 1:

Table 1. Characteristics of Respondents

Characteristics of Respondents	Frequency
Gender	
female	52
Male	48
Age	
20 – 26	11
27 – 33	21
34 – 40	20
41 – 49	29
48 – 54	12
55 – 61	7
Education	
Senior High School	56
Diploma	18
Bachelor (S1)	23
Master's Degree (S2)	3
Business Length	
0 – 7	72
8 – 14	14
15 – 21	7
22 – 28	5
29 – 35	1
36 – 42	1
Employees	
0 – 6	82
7 – 13	13
14 – 20	2
21 – 27	3

Source: Authors' research.

From the research data that has been collected regarding usage barriers, value barriers, risk barriers, tradition barriers, image barriers, and actual use intentions for digital payments. Table 2 shows the reliability and validity of the items.

Table 2. Reliability and validity measurement

Instrument Items	Loading Factor	Cronbach Alpha	AVE	Composite Reliability
Usage Barrier		0.922	0.762	0.941
The mobile Payment service is challenging to use	0.883			
The use of mobile payment services is challenging	0.900			
The mobile payment service is unreliable or inefficient	0.828			
The Mobile Payment Service received a minor update	0.894			
Changing the PIN code via the mobile payment service is difficult	0.858			
Value Barrier		0.869	0.794	0.920
The Mobile Payment application is a service that charges fees	0.826			
When compared to other payment services, mobile payment services do not offer any clear advantages	0.914			
The ability to manage one's finances does not improve with the use of mobile payment services	0.930			
Risk Barrier		0.897	0.709	0.924
Concerns about the internet connection cutting out in the middle of the payment procedure arise from using the mobile payment service	0.762			
Mobile payment proof of transactions that can be trusted and verified is printable proof of payment transactions.	0.888			
The potential for inaccurate billing information when using the mobile payment service raises certain worries	0.861			
The adoption of mobile payment services prompts worries about the PIN code list getting lost or otherwise getting into the wrong hands	0.842			
Mobile payment services raise questions about unauthorized parties having access to personal data.	0.853			
Tradition Barrier		0.893	0.758	0.926
Mobile Payment service users are impatient.	0.882			
Users favor actual payment methods	0.870			
When making payments, users prefer to interact in person.	0.833			
Users favor using computers to make payments.	0.896			
Image Barrier		0.806	0.720	0.885
Mobile Payment Service has a terrible reputation.	0.852			
A new method, mobile payment service, is frequently challenging to use.	0.870			

Instrument Items	Loading Factor	Cronbach Alpha	AVE	Composite Reliability
Mobile Payment Services Are Generally Thought to Be Complex	0.823			
Actual Use Intention to Digital Payment		0.891	0.755	0.925
Using the Mobile Payment service	0.901			
Account management via the Mobile Payment service	0.883			
Make purchases with the mobile payment service.	0.831			
Register for financial services that are created explicitly for Mobile Payment Services.	0.858			

Source: Authors' research.

The purpose of convergent validity is to determine if the dimensions are valid in measuring variables. The size of the loading factor reflects the convergent validity of each measurement in measuring variables. From the SEM-PLS output results in Table 1, all constructs have a loading factor value above 0.70 (2nd column) and value Average Variance Extracted (AVE) > 0,5 (4th column). Thus, based on the calculation, these indicators are declared valid.

Construct reliability can be calculated using *composite reliability*. According to the test criteria, if the aggregate reliability value is more significant than 0.70, or 0.60 in exploratory research, then the construct is deemed trustworthy. Construct reliability tests can then be calculated using *Cronbach's Alpha*. Again, the test criteria are if the Cronbach's Alpha value is more significant than 0.7 or, in exploratory research, 0.60 is still acceptable, then the construct is declared reliable (Hundleby & Nunnally, 1968). All constructs have composite reliability and Cronbach's alpha values above 0.70 (Hundleby & Nunnally, 1968). Thus, based on the calculation, all indicators are announced as reliable.

Table 3. R-square result

Factors	R Square	Adjusted R Square
Actual intention to use digital payment	0,929	0,928

Source: Authors' research

The R-square value is used to calculate the variability of changes in the independent variable. The required R-square values are 0.67 (high), 0.33 (moderate), and 0.19. (weak). According to Table 3, the real use intention for digital payments has an R-square value of 0.929. Functional and psychological restrictions have a 92.9% effect on actual use intention for digital payments. The remaining 7.1% is affected by other factors. On the whole, the

The bootstrap test used in this study is used to test the hypothesis that has been determined by the researcher and to show the magnitude of the relationship between the variables. The influence of these variables is explained in terms of the research concept in Figure 1 below:

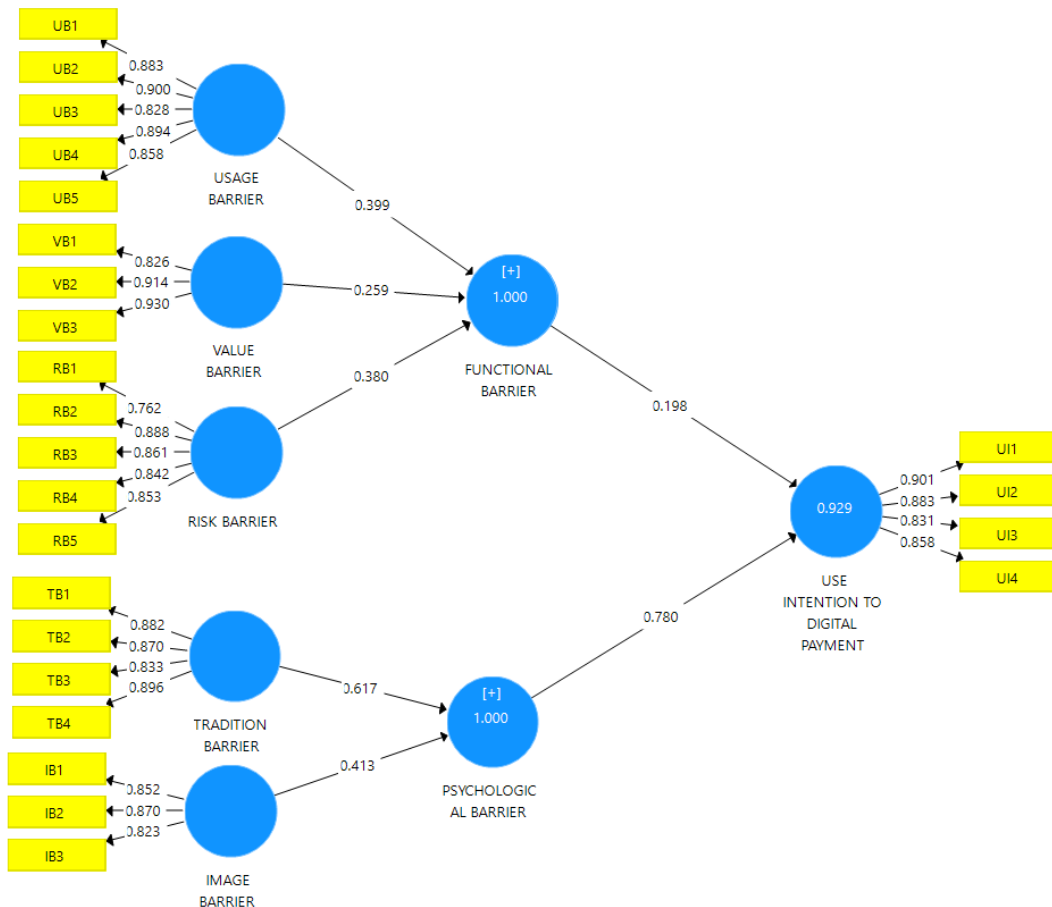


Figure 2. SmartPLS Results

Source: Authors' research.

Smart-PLS has issued a p-value to perform each evaluation and compare it with a predetermined alpha (0.05). The hypothesis is accepted if the output has a p-value <0.05. Table 4 shows the hypothetical decisions.

Table 4. Research Hypothesis Testing Results

Hypothesis	Path Coefficient	T Statistics	P Values	Description
Usage Barrier (UB) → Functional Barrier	0,399	25,428	0,000	Accepted
Value Barriers (VB) → Functional Barrier	0,259	17,006	0,000	Accepted
Risk Barrier (RB) → Functional Barrier	0,380	35,875	0,000	Accepted
Tradition Barrier (TB) → Psychological Barrier	0,617	39,270	0,000	Accepted
Image Barriers (IB) → Psychological Barrier	0,413	28,473	0,000	Accepted
Functional Barrier → actual use intention to digital payment	0,198	1,281	0,201	Rejected
Psychological Barrier → actual use intention to digital payment	0,780	5,099	0,000	Accepted

Source: Authors' research

Effect of usage barrier on the functional barrier

Based on testing the first hypothesis (H1), it can be stated that the usage barrier variable has a positive and significant effect on the functional barrier variable. This follows the

results of the path coefficient of 0.399. These results are consistent with the theory put forward by Ram & Sheth, (1989) that the usage barrier arises due to the incompatibility of innovation with consumer habits in using existing services. Furthermore, these results indicate that the perception of MSME actors on the difficulty of using, the slowness of use, and the inconvenience of using services are significant factors influencing respondents to use digital payments.

In addition, these results support the research conducted by (Laukkanen & Kiviniemi, 2010; Sivathanu, 2019; Yu & Chantatub, 2016). Even the study by Laukkanen & Kiviniemi (2010) shows that the usage barrier is the most significant obstacle to functional barriers in resistance to digital payment innovation.

Effect of value barrier on the functional barrier

Based on the second hypothesis testing (H2), it can be stated that the value barrier variable has a positive and significant effect on the functional barrier variable for implementing digital payments. This follows from the results of the path coefficient of 0.259. Regarding the results of testing the value barrier variable, (Ram & Sheth, 1989) argue that innovation, in addition to offering added value in terms of performance, must also be able to offer added value in terms of price. If not, then the substitute product will be chosen by the consumer. These results indicate that the perception of MSME actors on the economic value and advantages of digital payments is the most significant factor influencing MSME actors to adopt mobile banking or not. The functional barriers shown by MSEs occur because they think the offered innovations do not perform better than the previous payment methods. This agrees with the research (Sivathanu, 2019; Yu & Chantatub, 2016).

Effect of risk barrier on functional barrier

Based on the third hypothesis testing (H3), it can be stated that the risk barrier variable has a negative and significant effect on the innovation resistance variable for using mobile payment applications. According to the results of the path, the coefficient is 0.380. The results of hypothesis testing on the risk barrier variable support the theory stated by Ram & Sheth, (1989) that uncertainty in innovation is inherent; therefore, innovation always carries a certain level of risk perception. In the context of digital payments, the perceived risk of MSME actors can be in the form of failed payment transactions due to the possibility of decreasing battery power or disconnected cellular connections. In addition, the security risk is an essential issue for MSME actors using digital payment services.

The attitude shown by MSME actors is because they are worried that innovation from using digital payments has many negative risks and there is no protection, so MSME actors tend to decide to postpone or not use mobile payments for now. The results imply that MSME actors in Blitar City have security, privacy, and confidentiality issues when using digital payment systems; this is in line with the opinions (Sivathanu, 2019; Yu & Chantatub, 2016).

Effect of tradition barrier on psychological barrier

Based on the fourth hypothesis testing (H4), it can be stated that the tradition barrier variable has a negative and significant effect on the innovation resistance variable for using mobile payment applications. The results of the path coefficient of 0.617. Similar results to this study were shown by research conducted by (Sivathanu, 2019; Yu & Chantatub, 2016). According to Ram & Sheth, (1989), the tradition barrier mainly refers

to changes in innovation resulting from routine. If the way is important to consumers, then resistance tends to be high. Based on this opinion about digital payments, this study shows that face-to-face transactions, printed transaction evidence, or the tradition of interacting with MSME actors during transactions do not affect the possibility of respondents making digital-based payments. This is possible due to the variety of products and services offered the banking sector, such as ATMs, mobile banking, e-wallet and Internet Banking; as well as those offered by the business world in collaboration with the banking sector such as e-commerce have shifted the conventional transaction pattern of MSME actors.

Effect of image barrier on psychological barrier

Based on the fifth hypothesis testing (H5), it can be stated that the tradition barrier variable has a negative and significant on the innovation resistance variable for using mobile payment applications. Following the results of the path coefficient of 0.413. These results are not from the research conducted by (Kuisma et al., 2007; Laukkanen et al., 2007). In theory proposed by Ram & Sheth, (1989), the image barrier is associated with the origin of innovation, such as product class and company brand. Negative perceptions of the company's brand can also increase psychological barriers to MSME actors. These results imply that whether or not the decision to use the service, the positive perception of MSME actors on the use and added value of digital payment services can overcome respondents' negative perceptions of the service image. These results support research (Sivathanu, 2019; Yu & Chantatub, 2016).

Effect of functional barrier on actual use intention to digital payment

Based on the sixth hypothesis testing (H6), it can be stated that the psychological barrier variable has a positive and insignificant effect on the actual use intention of the digital payment variable. Following the results of the path coefficient of 0.198. The functional barriers to innovation in digital payments do not have an impact. This is not following research (Barati & Shahriar, 2009; Chemingui & Lallouna, 2013).

Effect of psychological barrier on actual use intention of digital payment

Based on testing the first hypothesis (H7), it can be stated that the psychological barrier variable has a positive and significant effect on the actual use variable for using digital payment applications. According to the results of the path coefficient of 0.780. Psychological barriers in the use of digital payments made by MSEs, both merchant employees who serve as digital payment application operators and merchant owners who can operate digital Payment applications in running a business. The efforts made by MSEs are trading businesses and service businesses that adopt digital payment applications. This is supported by research (Sivathanu, 2019; Sobti, 2019; Venkatesh et al., 2012; Venkatesh & Hall, 2003).

Conclusions

The discussion above shows that there are significant functional barriers for MSMEs in Blitar City in digital payments. It is measured in terms of three dimensions of functional constraints: barriers to use, value, and risk. The barrier-to-use dimension has the lowest average value indicating that MSME actors are innovating in the use of digital payments. Meanwhile, risk barriers is the dimension with the highest average value, which interprets innovation resistance to uncertainty in using digital payments. The indicator with the highest average score on the risk barrier dimension overcomes the fear of

spreading personal data when using digital payments. Meanwhile, psychological barriers in using digital payment services are measured from two dimensions, namely Tradition Barrier and Image Barrier. Traditional barriers to the use of mobile payments have a significant effect. Therefore, they are used to doing transactions in the traditional way. These results are in line with research (Kaur, et al., 2020) in the context of using mobile payments. This study shows that barriers to use, value, and risk have a positive and significant impact on functional barriers. On the other hand, traditional and image barriers have a positive and significant effect on psychological barriers. However, the functional barrier variable is not significant to the actual use of digital payments. In addition, psychological barriers have a positive and significant effect on the actual use of digital payments.

Another obstacle faced by MSMEs is risk. This is supported by (Migliore et al., 2022), which strengthens the impact of risk by increasing the security and privacy of electronic banking. However, research (Gerrard et al., 2006) shows that the perceived risk effect is lower now than a few years ago. This interprets that people in Blitar City tend to have the intention to adopt digital payment services because they want to increase convenience when making transactions. This study shows no significant effect between functional barriers on adopting digital payments in Blitar City. Instead, psychological barriers significantly influence the adoption of digital payments by MSME actors.

The findings of this research contribute to the scientific field by providing practical strategies and recommendations for mobile payment service providers to increase the adoption of mobile payment services. This is done by identifying barriers to mobile payment adoption. This is used as information by all MSME actors to get ready to transform business processes, especially in the payment process, which is one of the convenience factors that consumers will appreciate. Does not demand the possibility of mobile payment adoption being carried out by everyone, both MSME players, the public, the baby boomer generation to generation Z.

In future studies, it is expected to be able to develop a model of the innovation concept of resistance to the use of mobile payments. One of the limitations of this study is that only resistance to technology acceptance was observed. Attitudes play an important role in influencing behavior has not been observed. For future research, attitudes should be included to provide insight into user resistance to digital payments. Another limitation is that the research scope is still small, only in one city. The following studies can be carried out with a wider object.

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