

Exploring the Drivers of Intention to Use Electronic Money of Small and Medium Enterprises (SMEs) in Indonesia

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Abstract

Countries around the world are getting closer to going cashless, and as has been reported, Indonesia is increasing the activity of developing a cashless society. However, Indonesia is still very vulnerable to various practices of underground economy activities, which are generally carried out in cash. The reduction of cash transactions is expected to minimize criminal crime and reduce the potential loss of numbers recorded in GDP (gross domestic product). The use of non-cash payment instruments will also increase the circulation of money in the economy. The purpose of this paper is to explore the factors that influence Small Medium Enterprises (SMEs) to use electronic money (cashless) as one of the payment methods in their business. Also, to measure in-depth the readiness factors of Indonesian society related to electronic money. This qualitative study was utilized to explore all the possible and unique factors that can influence the Indonesian SMEs' intention to use electronic money through an in-depth interview method to determine the crucial factors that affect them. As a result, this study found twelve essential factors that influence SMEs' decision to use electronic money, including cashback, willingness to learn, elucidation, kinship, perceived security, education level, culture, facilities, business scale, performance expectancy, business sector, features. In conclusion, this study has successfully explored and identified drivers of intention to use electronic money, and it gives so many advantages in SMEs' business performance.

Keywords

Small and Medium Enterprises (SMEs), Cashless Society, Technology Adoption, Intention to Use Electronic Money, Indonesia Context.

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