

# INFLUENCE OF DIGITAL PAYMENT PLATFORMS ON THE GROWTH OF SMALL AND MEDIUM SCALE ENTERPRISES (SMEs) IN ANAMBRA STATE

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## Abstract

This study examined the influence of digital payment platforms on the growth of SMEs in Anambra State. The study was guided by two research questions and four null hypotheses. The study adopted the mixed methods research design, which comprised quantitative and qualitative research design. The population of the study was 981 registered SMEs in Anambra State, which also constituted the sample as census sampling was used. The study used a Google Form questionnaire for data collection, which was on a four-point scale. Also, interviews were used to collect first-hand information from the respondents. Data collected from the respondents were analyzed using the mean and standard deviation to answer the research questions while the Independent t-test was used to test the null hypothesis at 0.05 level of significance. The study found that digital payments, such as mobile USSD and Contactless payments positively influenced the growth of SMEs in Anambra State. Also, there is a significant difference in the mean ratings of the respondents on the influence of Mobile USSD and Contactless payments on the growth of SMEs because of gender and location. The study recommended that Policymakers should establish and enforce regulations that protect SMEs and customers using digital payment platforms to ensure transparency and consumer protection. Also, government agencies and financial institutions should organize training programs to educate SME owners on the effective use of Mobile USSD and Contactless payment in their business operations.

## Introduction

Small and Medium-scale Enterprises (SMEs) play a crucial role in Nigeria's economic development, contributing significantly to employment generation, innovation and national GDP. According to the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN, 2017), SMEs account for over 90% of businesses in the country, employing millions of Nigerians across different sectors. Sustaining a stable economy in a nation, especially in a developing nation, could be difficult without sustained growth in SMEs (Obidile, Nwankwo & Opara, 2022). SMEs serve as engines of economic diversification and are instrumental in reducing poverty. However, SMEs in Nigeria face several challenges, such as limited access to credit, poor infrastructure and

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inefficient payment systems (Adebayo & Olayemi, 2020). With advancement in technology, digital payment solutions has become critical for addressing some of these challenges.

Digital payments involve carrying out monetary transactions through electronic means, eliminating the necessity for physical cash. These payments can be made using various platforms, such as Mobile wallets, online banking, Contactless payment cards and QR code systems. The widespread use of smartphones and improved internet access have significantly boosted the availability and ease of using digital payment options. In addition to streamlining the transaction process, these systems offer enhanced protection through advanced technologies like encryption and tokenization (Elad & Kinder, 2025). Mobile banking and Unstructured Supplementary Service Data (USSD) technology have emerged as key drivers of financial inclusion, enabling SMEs to conduct transactions quickly and securely.

The influence of mobile USSD technology on SME growth in Nigeria has sparked discussions among business owners, financial experts and policymakers. USSD is a mobile communication technology that allows users to interact with their banks and other service providers through short codes. Unlike mobile apps, USSD does not require internet access, making it more accessible to people using basic feature phones (Okonkwo & Nwachukwu, 2021). This technology enables users to check account balances, transfer funds, pay bills and access financial services instantly without internet service. Given Nigeria's high cell phone penetration rate, USSD has become a preferred banking solution for many SMEs operating in both urban and rural areas. One of the most significant perceived benefits of USSD for SMEs is its role in improving financial transactions. Many business owners appreciate the ease of making and receiving payments without the need for physical cash or a visit to the bank (Obi & Eze, 2022). USSD enables SMEs to conduct transactions securely and in real-time, reducing the risks associated with cash handling, such as theft and fraud. Another critical advantage is financial inclusion. Many SMEs in Nigeria are owned by individuals who may not have access to reliable internet connection. USSD bridges this gap by providing them with digital banking services without requiring an internet connection (Adebayo & Olayemi, 2020). This has allowed more SMEs, especially in rural areas, to participate in cashless transactions and improve their business efficiency using mobile USSD.

Mobile USSD transfers can make it easier for customers to send and receive payments, which can increase the revenue of the business (Olojede, Agboola & Okunola 2019). Similarly, Zwingle and Baumgartner (2016) asserted that USSD transfers can improve business efficiency by allowing transactions to be completed more quickly and easily for customers. Just like other platforms of digital payment, USSD transfers can help reduce costs for the business by eliminating the usage of paper-based transactions. USSD can as well ensure improved customer satisfaction by making it easier for customers to do business with the company (Msoni & Serfontein, 2018). Additionally, Mobile USSD can facilitate better record-keeping and transparency. Business owners can track their financial transactions more easily, making it simpler to apply for loans or financial support from banks (Okonkwo & Nwachukwu, 2021). By providing instant access to banking, Mobile USSD can also improve liquidity management for SMEs, allowing them to handle their finance services more effectively. There are other tools such as Contactless payment, which is also a platform for digital payments.

Contactless payments have also generated discussions among business owners, financial institutions and policymakers. Contactless payments can influence business growth by making it easier for them to accept payments from customers. With Contactless payments, customers can simply tap their cards on a card reader to make payments, which is faster than traditional methods like cash or cheques (Cadez & Novak, 2019). This can help business speed up their transactions and improve their efficiency in business operations. Additionally, Contactless payments can reduce the amount of time that business spend on accounting and record-keeping, as all the transactions are automatically recorded (Ganske, 2017). Contactless payments also reduce the cost of accepting credit cards because they usually have lower processing fees than the traditional method. Furthermore, Contactless payments can help business increase their customer base, as more and more people are using the cards (Gupta, Anwer & Siddiqui, 2016). SMEs that adopt Contactless payment can process transactions more quickly, reducing queues and improving customer experience (Obi & Eze, 2022). This is particularly beneficial for

businesses in high-traffic locations such as supermarkets, transportation services and restaurants, where fast transactions enhance service delivery. Another important benefit is financial security. Contactless payment reduces the risk associated with handling large amounts of cash, which can attract theft and fraud to SMEs.

SMEs in urban and rural areas seems to be significantly influenced by the implementation of cashless policies. The use of digital payment platforms in urban and rural areas could differ because of the varying levels of infrastructure and access to digital services. In urban areas, SMEs benefit from advanced banking services, widespread internet access and a higher adoption rate of electronic payment methods. These factors can facilitate smooth transactions and enhance business efficiency. Conversely, in rural areas, limited internet connectivity, lower level of digital literacy and fewer banking facilities could pose a challenges to adopting digital payment platforms. SMEs in these regions might rely more on cash transactions due to these constraints (Trivedi & Sanchiher, 2023). However, the use of Mobile USSD and Contactless payments are gradually bridging the gap, providing rural SMEs owners with opportunities to participate in the cashless economy, irrespective of their gender. As these efforts expand, the disparity between male and female SME owners (from urban and rural areas) adoption of cashless technologies may diminish. Male and female SMEs owners in urban and rural areas could have the same or different views about the influence of Mobile USSD and Contactless payments on their businesses. It is therefore important to ascertain whether there is a significant difference or otherwise on their opinions. Hence, there is a need to ascertain the influence of digital payment platforms (Mobile USSD and Contactless payments) on the growth of SMEs as perceived by male and female SMEs owners (Entrepreneurs) in urban and rural areas in Anambra State.

### **Purpose of the Study**

The main purpose of this study was to examine the perceived influence of digital payment platforms on the growth of SMEs in Anambra State. Specifically, the study sought to ascertain the perceived influence of:

1. Mobile USSD on the growth of SMEs in Anambra State.
2. Contactless payments on the growth of SMEs in Anambra State.

### **Research Questions**

The study was guided by the following research questions:

1. How do Mobile USSD influence the growth of SMEs in Anambra State?
2. How do Contactless payments influence the growth of SMEs in Anambra State?

### **Null Hypotheses**

The following null hypotheses were tested at 0.05 level of significance.

H01: There is no significant difference in the mean ratings of the respondents on the influence of Mobile USSD on the growth of SMEs in Anambra State as a result of location.

H02: Respondents' mean ratings do not differ significantly on the influence of Mobile USSD on the growth of SMEs in Anambra State as a result of location.

H03: There is no significant difference in the mean ratings of the respondents on the influence of Contactless payments on the growth of SMEs in Anambra State as a result of gender.

H04: Respondents' mean ratings do not differ significantly on the influence of Contactless payments on the growth of SMEs in Anambra State as a result of gender.

### **Methods**

The study adopted the mixed methods research design comprising quantitative and qualitative research design. The population of this study comprised 981 registered SMEs. There was no sampling for the study as the entire population was studied. A structured questionnaire was used as the instrument for data collection. The following questionnaire was titled: Influence of Digital Payment Platforms Questionnaire (IDPPQ). It has two sections, Sections A and B. Section A sought the information on the demographic data of the respondents. Section B has two options of B<sub>1</sub> – B<sub>2</sub>. It is structured on 4-point scale ranging from Strongly Agree (SA) = 4, Agree (A) = 3, Disagree (D) = 2 and Strongly Disagree (SD) = 1. The instrument was validated by three experts. The reliability of the instrument was ascertained by administering 20 questionnaires to registered SME owners in Delta State. Data for the study were collected using a Google Form questionnaire. Data collected for the research questions

were analyzed using the Mean and Standard deviation. Thematic analysis was conducted on the interview responses. The independent t-test was used to test the null hypothesis at 0.05 level of significance.

## RESULTS:

**Research Question One:** How do mobile USSD influence the growth of SMEs in Anambra State?

**Table 1:** Mean ratings of entrepreneurs on the influence of Mobile USSD on the growth of SMEs

S/ N	Item Statements	Gender						Location					
		Male= 410			Female= 431			Urban =427			Rural = 414		
		X	SD	D	X	SD	D	X	SD	D	X	SD	D
1	Mobile USSD Transfers are often cheaper than traditional banking transactions.	2.97	1.04	S A	2.90	1.01	S A	3.37	0.86	S A	3.30	0.84	S A
2	It can be done using any mobile phone, making financial transactions more accessible for SMEs in remote areas.	3.10	0.64	S A	3.10	0.61	S A	3.43	0.69	S A	3.30	0.74	S A
3	Transactions through USSD are generally faster than traditional banking methods.	3.33	0.68	S A	3.30	0.63	S A	3.20	0.62	S A	3.20	0.63	S A
4	SMEs' owners can conduct financial transactions anytime and anywhere without the need for Internet connectivity.	3.19	0.79	S A	3.20	0.76	S A	3.17	0.75	S A	3.10	0.74	S A
5	Transactions are usually secured using PIN codes, ensuring the safety of funds	3.06	0.84	S A	3.10	0.82	S A	3.29	0.71	S A	3.30	0.75	S A
6	Platforms often provide transaction histories to helping SMEs track their financial activities more efficiently.	3.89	0.34	S A	3.80	0.443	S A	3.91	0.32	S A	3.70	0.58	S A
7	It reduces the need for handling physical cash, thus minimizing security risks and administrative burdens for SMEs.	3.58	0.65	S A	3.60	0.63	S A	3.55	0.64	S A	3.50	0.78	S A
8	It can offer convenient payment options between SMEs and customers, thus enhancing satisfaction and loyalty.	3.29	0.47	S A	3.20	0.43	S A	3.04	0.26	S A	3.10	0.37	S A
9	It facilitates timely payments and business operations for SMEs.	3.76	0.62	S A	3.70	0.59	S A	3.76	0.67	S A	3.70	0.75	S A
10	The platform can be integrated with accounting software, streamlining financial	3.40	0.64	S A	3.40	0.63	S A	3.12	0.51	S A	3.10	0.68	S A

management processes for SMEs.												
Average Mean	3.3	0.6	S	3.3	0.65	S	3.3	0.6	S	3.3	0.68	S
	6	7	A	0		A	8	0	A	0		A

Table 1 reveals the mean ratings of the entrepreneurs on the perceived influence of Mobile USSD on the growth of SMEs in Anambra State. The results indicate that the mean ratings of the male entrepreneurs range from 2.97 to 3.89 with their corresponding standard deviation ranging from 0.34 to 1.04. While female entrepreneurs range from 2.90 to 3.80 with corresponding standard deviations ranging from 0.43 to 1.01. Also, urban entrepreneurs' ratings range from 3.04 to 3.91 with their corresponding standard deviation ranging from 0.26 to 0.86. While rural entrepreneurs' ratings range from 3.10 to 3.70 with their corresponding standard deviation ranging from 0.37 to 0.84. The findings indicate that both male and female entrepreneurs in the urban and rural areas agree that Mobile USSD has a positive influence on the growth of SMEs in Anambra State. However, the in-depth interview from a furniture maker in Umunze affirmed the position that Mobile USSD enhance the growth of SMEs. Thus:

"Mobile USSD transfers have simplified transactions, allowing customers and suppliers without smartphones or internet access to make cashless payments." It is quick, secure and accessible, even in areas with low connectivity. This method has improved transaction speed, expanded customer reach and made business dealings more inclusive and efficient".

Similarly, the second respondent, a shoe maker in Obosi confirmed that:

"Customers appreciate the convenience of Mobile USSD transfers, especially in areas with limited banking access." It provides a cashless payment option without requiring a smartphone. While some still favor cash, USSD transfers are gaining popularity due to their speed, security and accessibility; making transactions smoother for both customers and businesses".

The response of the shoe maker also confirmed that mobile USSD enhances the growth of SMEs. The third respondent, an event planner in Ifite Awka, agreed that

"Although, Mobile USSD transfers face barriers like limited network coverage in rural areas, transaction fees and occasional delays." Also, some customers lack familiarity with the technology, hindering its widespread adoption. Despite these challenges, its affordability and ease of use, make it a valuable tool for reaching a broader customer base and facilitating transactions".

The response of the event planner revealed that although Mobile USSD faces some challenges such as limited network coverage, transaction fees and user unfamiliarity, slowing widespread adoption, its affordability and ease of use make it a valuable tool for expanding customers' reach and facilitating transactions. This response also supports the statement that Mobile USSD enhances the growth of SMEs. In addition to this response, the forth respondent, a secretary in a block industry in Ihiala stated that;

"Mobile USSD transfers have played a crucial role in enhancing financial inclusion for SMEs by providing a simple and accessible payment option." Even without smartphones or internet access, businesses can receive payments instantly. This has helped small businesses grow by expanding their customer base and improving cash flow management".

The response of the secretary in the block industry also affirmed that Mobile USSD enhances the growth of SMEs by offering a simple and accessible payment option without requiring smartphones or internet access. This has supported small business growth by expanding customer reach and improving cash flow management.

**Research Question Two:** How do Contactless payments influence the growth of SMEs in Anambra State?



**Table 2:** Mean ratings of entrepreneurs on the influence of Contactless payments on the growth of SMEs

S/N	Item Statements	Gender						Location					
		Male=410			Female = 431			Urban area 427			Rural area = 414		
		X	SD	D	X	SD	D	X	SD	D	X	SD	D
11	It enables transactions without the need for physical contact.	2.94	1.02	SA	2.89	1.04	SA	3.36	0.66	SA	3.36	0.67	SA
12	Users can make seamless payments	3.08	0.62	SA	3.13	0.68	SA	3.36	0.66	SA	3.36	0.67	SA
13	It offers a convenient payment method that improves the overall customer experience.	3.30	0.64	SA	3.33	0.65	SA	3.36	0.66	SA	3.36	0.67	SA
14	It facilitates secure transactions	3.24	0.78	SA	3.25	0.78	SA	3.36	0.66	SA	3.36	0.67	SA
15	It reduces the wait time for payments	3.08	0.83	SA	3.09	0.84	SA	3.36	0.66	SA	3.36	0.67	SA
16	The proposed model enables fast transaction completion	3.81	0.41	SA	3.79	0.42	SA	3.36	0.66	SA	3.36	0.67	SA
17	Advanced security features to reduce the risk of fraud	3.66	0.62	SA	3.64	0.63	SA	3.36	0.66	SA	3.36	0.67	SA
18	It serves as an effective marketing tool.	3.28	0.46	SA	3.23	0.47	SA	3.02	0.18	SA	2.97	0.58	SA
19	It increases sales opportunities	3.78	0.55	SA	3.80	0.53	SA	3.66	0.66	SA	3.56	0.81	SA
20	It expands market research	3.44	0.64	SA	3.40	0.66	SA	2.73	0.73	SA	2.69	0.74	SA
<b>Average Mean</b>		<b>3.36</b>	<b>0.66</b>	<b>SA</b>	<b>3.36</b>	<b>0.67</b>	<b>SA</b>	<b>3.31</b>	<b>0.60</b>	<b>SA</b>	<b>3.21</b>	<b>0.69</b>	<b>SA</b>

Table 2 reveals the mean ratings of the entrepreneurs on the perceived influence of Contactless payments on the growth of SMEs in Anambra State. The results indicate that the mean ratings of the male entrepreneurs' range from 2.94 to 3.81 with their corresponding standard deviation ranging from 0.41 to 1.02. While the female entrepreneurs' range from 2.89 to 3.80 with corresponding standard deviations ranging from 0.42 to 1.04. Also, urban entrepreneurs' ratings range from 2.73 to 3.66 with their corresponding standard deviation ranging from 0.18 to 0.73. While, the rural entrepreneurs' ratings range from 2.69 to 3.56 with their corresponding standard deviation ranging from 0.58 to 0.81. The findings indicate that both male and female entrepreneurs in urban and

rural locations agree that Contactless payments have positive influence on the growth of SMEs. More so, the in-depth interview with a caterer in Uga confirmed the following:

“Contactless payments have made transactions quicker and more efficient.” Customers enjoy the speed and convenience of tap-and-go payments, reducing wait times. Suppliers also benefit from faster settlements. This technology has improved cash flow, minimized cash handling risks and enhanced overall business operations, making transactions smoother and more secure”.

The response of the caterer agreed that Contactless payments have streamlined transactions by offering speed, convenience and reduced wait times for customers. This technology benefits suppliers with faster settlements, improves cash flows and enhances security by minimizing cash handling risks. Also, the second respondent, a restaurant owner in Onitsha supported that

“Customers increasingly prefer Contactless payments over cash payments due to speed, convenience and hygiene benefits.” Transactions are quicker, reducing wait times and enhancing customer satisfaction. While some still use cash, most appreciate the seamless experience of tap-and-go payments. Overall, Contactless payments have improved the efficiency and increase customers’ engagement”.

The response of the restaurant owner confirmed that customers like Contactless payments because of their speed, convenience and hygiene benefits, leading to quicker transactions and greater satisfaction. While some still use cash, the seamless tap-and-go experience has enhanced efficiency and increased customer engagement. Similarly, the third respondent, a supermarket salesman in Nnewi affirmed the following:

“One major barrier to adopting Contactless payments is the fees charged, which reduce the profit margins.” Additionally, some customers are not hesitant to trust digital transactions. The cost of upgrading payment terminals also poses a challenge. Despite these hurdles, the benefits of speed and efficiency make Contactless payments valuable platforms”.

The response of the supermarket sale man agreed that transaction fees and the cost of upgrading payment terminals hinder Contactless payment adoption, while some customers were not hesitant about digital transactions. However, the speed and efficiency of Contactless payments make them worthwhile platforms for business. Additionally, the forth respondent, a school manager in Awka, averred that the following:

“The role of Contactless payments is significant, as it provides SMEs with a modern, efficient way to conduct transactions.” It reduces cash-handling risks, speeds up sales and helps businesses build a credit history. Although some barriers exist, digital payments are creating new opportunities for SMEs to thrive”.

The response of the school manager confirmed that contactless payments play a vital role in financial inclusion by offering SMEs a fast, secure and efficient transaction method while reducing cash-handling risks. Despite some challenges, digital payments help businesses build credit histories and unlock new growth opportunities.

### **Test of Hypotheses**

**H01: There is no significant difference between the mean ratings of the respondents on the influence of Mobile USSD on the growth of SMEs in Anambra State as a result of location.**

**Table 3:** Summary of the t-test analysis on the influence of Mobile USSD on the growth of SMEs based on location

<b>Variable</b>	<b>N</b>	<b>X</b>	<b>SD</b>	<b>df</b>	<b>T</b>	<b>Sig. (2-tailed)</b>	<b>Decision</b>
Urban	427	3.264	.2181	839	3.424	.001	Sig.
Rural	414	3.315	.2100				

The results in Table 3 reveal the summary of the t-test analysis on the perceived influence of Mobile USSD on the growth of SMEs. The results indicate that the independent t-test is 3.424 with a p-value of 0.01. Based on this, the null hypothesis was rejected. Thus, there is a significant difference in the mean ratings of the respondents on the influence of Mobile USSD on the growth of SMEs as a result of location.

**H02: Respondents' mean ratings will not differ significantly regarding the influence of Mobile USSD on the growth of SMEs.**

**Table 4:** Summary of the t-test analysis on the influence of mobile USSD on the growth of SMEs based on gender.

Variables	N	X	SD	df	t	Sig. (2-tailed)	Decision
Female	431	3.3652	.22525	839	2.397	.017	Sig.
Male	410	3.4024	.22517				

The results in Table 4 reveal the summary of the t-test analysis of male and female entrepreneurs' perceived influence of Mobile USSD on the growth of SMEs. The results indicate that the independent t-test was 2.397 with a p-value of 0.017. Based on this, the null hypothesis is rejected. Thus, there is a significant difference in the mean ratings of male and female entrepreneurs on the influence of mobile USSD on the growth of SMEs based on gender.

**H03: There is no significant difference between the mean ratings of the respondents on the influence of Contactless payments on the growth of SMEs in Anambra State as a result of location.**

**Table 5:** Summary of t-test analysis on influence of contactless payments on growth of SMEs because of location

Variable	No.	X	SD	df	t	Sig. (2-tailed)	Decision
Urban	427	3.268	.2129	839	3.227	.001	Sig.
Rural	414	3.315	.2100				

The results in Table 5 reveal the summary of the t-test analysis on the perceived influence of Contactless payments on the growth of SMEs. The results indicate that the calculated independent t-test was 3.227 with a p-value of 0.01. Based on this, the null hypothesis was rejected. Thus, there is a significant difference in the mean ratings of respondents on the influence of Contactless payments on the growth of SMEs as a result of location.

**H04: Respondents' mean ratings do not differ significantly on the influence of Contactless payments on the growth of SMEs in Anambra State.**

**Table 6:** Summary of t-test analysis on influence of contactless payments on growth of SMEs in Anambra State as a result of gender

Variable	No.	X	SD	df	t	Sig. (2-tailed)	Decision
Female	431	3.2673	.21882	839		0.048	Sig.
Male	410	3.2380	.208030		-1.983		

The results in Table 6 reveal the summary of the t-test analysis on the perceived influence of Contactless payment on the growth of SMEs. The results indicate that the independent t-test is -1.983 with a p-value of 0.048. Based on this, the null hypothesis is rejected. Thus, there is a significant difference in the mean ratings of respondents on the influence of Contactless payments on the growth of SMEs as a result of gender.

**Discussion of the findings**



In research question one, the findings indicated that both male and female entrepreneurs in the urban and rural locations strongly agreed that Mobile USSD has a positive influence on the growth of SMEs in Anambra State. This result revealed that mobile USSD transfers are often cheaper than traditional banking transactions, it can be done using any mobile phone, making financial transactions more accessible for SMEs in remote areas and enables quicker business operations. It reduces the need for handling physical cash, thus minimizing security risks for SMEs. The findings from the in-depth interviews confirmed that Mobile USSD enable cashless transactions for customers and suppliers who lack smartphones or internet access, providing a fast, secure and convenient payment solution. This method improves transaction speed, broadens customer reach and fosters inclusivity in business interactions. Customers appreciate the convenience of USSD transfers, particularly in areas with limited banking access, as they allow digital payments without the need for a smartphone. While some still prefer cash, the growing popularity of USSD transfers is driven by their efficiency, security and ease of use, benefiting both businesses and customers. However, challenges such as limited network coverage, transaction fees and a lack of familiarity among some users hinder its wider adoption. Despite these obstacles, their affordability and accessibility make USSD transfers a crucial tool for expanding customer reach and simplifying transactions. Additionally, they play a key role in enhancing financial inclusion for SMEs by providing straight forward and widely accessible payment option. This has contributed to small business growth by increasing customer engagement and improving cash flow management.

In agreement with these findings, Ibrahim and Adeoye (2021) found that one major advantage of Mobile USSD is its affordability compared to traditional banking transactions, making it an accessible financial tool for SMEs with limited resources. Additionally, Obiora and Uche (2022) findings confirmed that the ability to conduct transactions without internet connectivity ensures financial inclusivity, particularly for businesses operating in remote areas with poor internet access. In the same vein, Eze and Chukwuemeka (2020) also acknowledged that the strength of Mobile USSD transaction speed, enhances the efficiency of business operations by allowing SMEs to process payments quickly. Okeke and Nwankwo (2021) added that there is a security features such as PIN authentication, which add an extra layer of protection, reducing the likelihood of unauthorized transactions. Furthermore, Adigun and Adeola (2020) findings revealed that it reduces reliance on physical cash, minimizes security risks associated with cash handling and makes it a safer option for businesses.

In research question two, the findings indicated that both male and female entrepreneurs in the urban and rural locations strongly agreed that Contactless payment has an influence on the growth of SMEs in Anambra State. This result revealed that it enables transactions without the need for physical contact, allows users to make seamless payments, offers a convenient payment method that improves the overall customer experience, enables secure transactions, reduces wait times in payments, enables fast completion of transactions, has advanced security features to reduce risk of fraud, serves as an effective marketing tool, increases sale opportunities and expands market research.

The in-depth interview confirmed that Contactless payments have improved transaction efficiency by providing speed, convenience and shorter wait times for customers. This technology also benefits suppliers by enabling faster settlements, improving cash flows and reducing security risks associated with cash handling. Customers prefer Contactless payments due to their speed, ease of use and hygiene advantages, which enhance transaction efficiency and overall satisfaction. While some still rely on cash, the seamless tap-and-go experience has increased customer engagement and business productivity. However, transaction fees and the cost of upgrading payment terminals remain obstacles to wider adoption, along with some customer hesitation toward digital payments. Despite these challenges, the advantages of speed and efficiency make Contactless payments a valuable

investment for businesses. Additionally, they play a crucial role in financial inclusion by providing SMEs with a secure and efficient payment method while minimizing cash-related risks. Although barriers exist, Contactless payments support business growth by helping SMEs build credit history and access new financial opportunities. In line with the findings of this study, Eze and Chukwuemeka (2020) revealed that the convenience and speed of Contactless payments, which facilitate transactions without physical contact, streamline the payment process for customers and improve their overall experience. Ibrahim and Adeoye (2021) findings also revealed that in a region where cash transactions have traditionally been dominant, the shift to digital payment methods can also improve operational efficiency and enhance the financial inclusion of SMEs in those areas. Moreover, the findings of Obiora & Uche (2022) acknowledged that the reduction in transaction wait times and faster payment completion are beneficial for businesses with high customer turnover, as these features directly contribute to increased customer satisfaction and retention.

### **Conclusion**

The study concluded that digital payment platforms such as Mobile USSD and Contactless payments enhance the growth of SMEs in Anambra State as both male and female entrepreneurs in urban and rural locations agree on their positive impact, emphasizing improved transaction efficiency, security and financial management.

### **Recommendations**

Based on the study findings, the following recommendations were made;

1. Awareness programs should be conducted by the Ministry of Commerce and industry to educate SME owners and consumers on the advantages of digital payments (Mobile USSD and Contactless payments) and how they contribute to financial inclusion and economic growth.
2. Policymakers should establish and enforce regulations that protect SMEs and customers using digital payment platforms to ensuring transparency and consumer protection.
3. Government agencies and financial institutions should organize training programs to educate SME owners on the effective use of Mobile USSD and Contactless payment in their business operations.

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