**YANGON UNIVERSITY OF ECONOMICS**

**DEPARTMENT OF COMMERCE**

**MASTER OF BANKING AND FINANCE PROGRAMME**

# FACTORS INFLUENCING ON ELECTRONIC PAYMENT ADOPTION BY SMEs IN HLAING THARYAR INDUSTRIAL ZONE

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**(MBF-4th BATCH)**

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# FACTORS INFLUENCING ON ELECTRONIC PAYMENT ADOPTION BY SMEs IN HLAING THARYAR INDUSTRIAL ZONE

A thesis submitted as a partial fulfillment towards the requirements for the degree of Master of Banking and Finance (MBF)


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### ACCEPTANCE

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# ABSTRACT

This study focuses on the factors influencing on electronic payment adoption in SMEs in Yangon (Hlaing Tharyar Industrial Zone). The main objectives of the study are to identify the adoption of electronic payment system in SMEs and to evaluate factors influences on use of electronic payment system in SMEs. To meet these objectives, descriptive research method is used in the study. Primary data are also collected by questionnaires with responsible head of the industry in the zone and interviewing with Hlaing Tharyar industrial zone committee. The secondary data are collected from relevant textbooks, SMEs association, previously prepared research papers and internet websites. The randomly selected 93 respondents out of 593 SMEs in the zone were asked for the electronic payment adoption by SMEs. Structurally prepared questionnaires are used in this study. To find out the level of agreement, result data are identified through the use of 5-Point Likert Scale rating method. According to the analysis on electronic payment adoption by SMEs in Yangon, the study includes the factors as Relative Advantage, Trialability, Observability, Existing Cultures and Complexity. Result from the analysis on the electronic payment adoption and benefit of adoption by SMEs, opportunity cost of adoption electronic payment makes SMEs improvement and developed in processing. From the result data, it was found that the rate of electronic payment system is dramatically increasing in 2017-18. However, unstable government policies happens SMEs discouraged to proceed in the future. This study disclosed the adoption of electronic payment is an important and essential role in SMEs but as a suggestion, SMEs in the zone needs to focus to get the potential prospects of other segments and to evaluate what the necessity and difficulties of industries and how the adoption is effectiveness and efficiency.

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## LIST OF ABBREVIATIONS

| Symbol | Description |
|---|---|
| AEC | ASEAN Economic Community |
| ACH | Automated Clearing House |
| AYA | Ayawaddy Bank |
| B2B | Business to Business |
| B2C | Business to Consumer |
| CB | Coporate Bank |
| CGAP | Consultative Group to Assist the Poor |
| EBPP | Electronic Bill Presentment and Payment |
| EFT | Electronic Fund Transfer |
| EPS | Electronic Payment Scheme |
| FSD | Financial Sector Deepening |
| GSM | Global System Mobile |
| GEM | Global Entrepreneurship Monitor |
| ICT | Information Communication Technology |
| IT | Information Technology |
| KBZ | Kanbawza Bank |
| PEOU | Perceived Ease of Use |
| PI | Personal Innovativeness |
| POS | Point of Sales |
| PR | Perceived Risk |
| PU | Perceived Usefulness |

| | |
|---|---|
| RA | Relative Advantage |
| SMEs | Small and Medium-sized Enterprises |
| SMS | Short Messaging Service |
| SN | Social Norms |
| TEA | Total Entrepreneurial Activity |
| UNIDO | United Nations Industrial Development Organization |
| 2B2C | Name of Private Organization- Payment Network |

# CHAPTER I
# INTRODUCTION

Technology today is fast moving in every sector. Among them, SMEs are growth in every country according to change of business environment. By growing of SMEs, the smoothly cash flows are important not only between business to business but also between businesses to people. Traditionally, payments are made using payment instruments such as cash and cheques. Now, E-payments, also known as going cashless are popular among transactions of business. There are various types of E-payment that enable cashless purchases and sales for individuals and businesses. Most of the businesses and people use online shopping around the world. Besides, most of the payments of businesses and people are concerned with far distance area. Therefore, today payment system should use E-payment platforms like. Paying for goods and services by using digitally is being adopted at different rates across Asia. In Singapore, there is concerted push to go cashless, but for many SMEs cash is still king because adopting E-payments can be costly especially for SMEs and unlike other Asia countries, cashless payments have not yet become a part of every daily life. According to the recent study for online payments service provider Pay Pal, 90% of respondents still prefer cash as their primary mode of payment, compared with the regional average of 88%.

In Myanmar, the growth of cashless payment instruments, combined with the persistent use of cash, presents with an interesting environment to discuss the coexistence of several forms to carry out transactions. Such coexistence, alongside with the rapid pace of innovation in payments and digital financial services is transforming the ecosystem of payments in Myanmar. A particular country case might contribute to better understand developments witnessed in other nations.

There are several reasons why cash persists. This thesis shows the trends in payments since 2011 and argues that there are three groups of causes. The first group relates to low financial inclusion, which hinders the use of digital financial services. Low financial inclusion is related at least to two underlying factors: one is the structure and scope of the networks of payments, and the other is the presence of a large informal economy. The second group is the extent to which E-payments work as money, and consequently can substitute cash. The third is that the design of payment services still requires proving convenience and reliability to various segments of the

population, particularly those with low financial inclusion. Moreover, it cannot expect an instantaneous and even transformation of payments practices of all individuals. A change in habits will take more time. These habits evolve slowly and change of habits also differs among distinct segments of population. New instruments, product of innovation, provide more efficient and secure means for transactions, at least this is believed for certain contexts. Consequently, the persistence of cash puzzles advocates of digital payments. Myanmar people are reluctant to adopt new payment methods. For everyday purchases and for important bills, only cash is used and reliable. The preference for cash in Myanmar bears significant costs, and the costs of cash access represent billions of Myanmar Kyats and nearly hundred million hours of time annually. But the coexistence of several payment methods is a rule rather than an exception, across cultures and along history.

This thesis emphasizes that more research is needed to analyze this issue. However, no single discipline can provide complete answer because the problems at stake are at the intersection of financial inclusion, financial development, technological innovation and cultural change. There is no need to clarify that the expansion of the digital world has been a central factor in the growth of cashless payments and its blooming wave of innovation and financial inclusion is increasingly related to digital inclusion. Industries studies stress the role of technology-driven innovation. Besides, technological change is re-shaping financial services, creating new competitive pressures, and transforming the way financial intermediaries engage with their customers. However, new preferences and needs are also result of social and demographic changes in both, emerging and developed economies. Thus, financial services need to adapt to a transforming culture of how people pay.

### 1.1 Rationale of the Study

The government authority, banking industry and regular citizens all experiences a high overhead in using cash. E-payment and Mobile payment in particular is a feasible alternative to physical cash. The concept of E-payment and Mobile payment is to experience much lower overhead and offers more convenience, compatibility, comfort and loyalty. In such systems, customers will be paying for a wide range of goods and services using electronic cards and mobile phones. In today's world, electronic mobile devices are the most popularly used system for cashless

payment. Wireless and proximity technology provides a new way for implementation and working of cashless payment systems. In Myanmar, banking sector is facing challenges in the nature of the reform process form the existing banking. Most of private businesses are large amount of money paying for material, goods and services and employees' salaries. The current banking sector shows good position of their brilliant performance. Private businesses in Myanmar are put into lot of pressures due towards increase in global competition. Therefore, different strategies are used to retain their customers and compete each other is quick response to customers. Therefore, different banking products offered by private banks are as quickly matched by customers and competitors.

In recent years, Myanmar has been undergoing to have strong growth in the use of Digital payment instruments, namely the use of credits and debit cards, electronic funds transfers (EFTs) and mobile banking. Although these payment instruments have been available in the country for some time (the bank debit card was introduced in September, 2011 and credit card was introduced in the end of 2016), this rate of adoption was not remarkably fast. The recent acceleration is due to the drive of the financial industry to adopt digital innovations in payments and penetrate into new market segments, mainly moderate-income earners with little or no access to financial services, as well as growing interest from the government to encourage digital payment methods. But despite the large increase in the use of these instruments, the use of cash still persists in the Myanmar economy. Although most of the SMEs in Myanmar used E- Banking for speedy of their payments or receipts, some of the SMEs still use cash in business transactions.

Accordingly, E-Payment as an alternative to the traditional payment method of SMEs is becoming increasingly popular. However, the development of E-Payment is also closely linked to E-commerce, as this sector would generally use E-payment as is preferred payment method. SMEs have little interest in online E-payment if they are not internet capable. Other keys barriers for E-payment adoption are habits to use cash, complexity of using, lack of compelling value proposition, incentives/offers from other methods, Fraud/hidden charges, reach in hand and etc., In this thesis, identifying the adoption level of E-Payment system of SMEs in Hlaing Tharyar Industrial Zone and evaluating which factors are influenced on use of E-payment in SMEs are intended to study.

## 1.2 Objectives of the Study

The main objectives of this study are:

(1) To identify the adoption of E-Payment system by SMEs in Hlaing Tharyar Industrial Zone and

(2) To evaluate factors influencing on use of E-payment system by SMEs in Hlaing Tharyar Industrial Zone.

## 1.3 Scope and Methods of the Study

In this study, the descriptive research method was used. This study only focused on current situation of E- Payment used by SMEs. This study selected (93) SMEs out of (593) SMEs in Hlaing Tharyar Industrial Zone. Simple random sampling method was used to collect the data. The sample size 93 SMEs is 15% of the population size 593 SMEs of the industrial zone. The collected data were requested 15 % from each category of industries in the zone. Both Primary and Secondary data were used for finding out any outcome(s) which were reflected to the objectives of this study. Primary data was collected to identify of using E-Payment system and studied the factors influencing for using E-payment system. About 93 industries were requested to complete the questionnaire. After collection the required data, the data were analyzed by using the SPSS (Statistical Package for Social Sciences) software of version 22. Therefore, the structured questionnaires were used in this study. Secondary data and information were collected from official data and reports from public websites, relevant books and references, previous thesis papers and other internet sources.

## 1.4 Organization of the Study

The study was formally organized with Five Chapters. In chapter one, the introduction, rationale of the study, method of the study and organization of study were described. Chapter Two presented literature review of the study for E-payment systems used in all over the world. Current E- Payment system used by SMEs in the Hlaing Thayar Industrial Zone was mentioned in chapter three. In chapter four, the analysis of influencing factors on use of E- payment system of SMEs was presented.

Chapter five concluded the findings of E-Payment system used in SMEs and suggesting and recommendation were also prescribed.

# CHAPTER II

# LITERATURE REVIEW

This chapter mentions the definitions of SMEs, the categories of SMEs, the electronic payment system, the electronic payment adoption among SMEs, the reasons for adoption of electronic payment in SMEs, the motivation and benefits of SMEs for adoption of e-payment among the countries. Besides, some conceptual frameworks and models are expressed as a comparison to the adoption of e-payment in SMEs how to rise up the national business trend. The literature review discusses about the concepts and trends of e-payment adoption among SMEs and the reasons why SMEs adopted e-payment system in both developing and developed countries.

## 2.1 Definitions of SMEs

A common feature of various SME definitions is recognition that number of employees is the simplest indicator of whether a business is an SME (Bowman 2017). In line with this recognition, it was abstained from including the level of capital and turnover in the definition of enterprise size categories, and based them solely on the number of full-time and part-time workers, following the cut-off points proposed by the World Bank.

Unlike the Myanmar SME Development Law, international definitions of SMEs also specify the characteristics of micro- sized enterprises. For instance, the World Bank's SME Department defines micro enterprises as those with 1–9 employees, small -scale enterprises as those with 10–49employees, medium-sized enterprises as those with 50–299employees, and large Enterprises as those with more than 300 employees.

Table (2.1) Definitions of SMEs

| Country | Definition | Measure |
|---|---|---|
| Indonesia | Less than 100 employees | Employment |
| Malaysia | Less than RM 2.5 Million and Less than 75 employees | Shareholders' funds, and employment Investment and Employment |
| Singapore | Different for business enterprises<br>Micro: P 150,000 and below and 1-4 employees<br>Cottage: Above P150,000 to P 1.5 million and 5-9 employees<br>Small: Above P 1.5 million to 15 million and 10-90 employees<br>Medium: Above P 15 million to P 60 million and 100-199 employees | Fixed assets and Employment |
| Thailand | Manufacturing: Less than $12 million fixed assets | Employment and capital |
| Vietnam | Less than 200 employees for labor intensive industries<br>Less than 100 million baht for capital intensive industries | Capital<br>Employment, capital investment |
| Myanmar | Less than 5 billion Vietnam Dong of capital investment<br>Small - 50 employees (300 for labor intensive)<br>- 500 million kyats investment<br>Medium- 300 employees (600 for labor intensive)<br>- 500 to 1000 million kyats investment | |

Source: SME Development Policies in ASEAN Countries-Myanmar

## 2.2 Categories of SMEs

The categories of SMEs are classified into these sectors include trade, agro-processing and small scale manufacturing. Others include Real Estate & Construction, Clearing and Forwarding, Events Management, HealthCare Services, Metal works, Tailoring, Art, Crafts and Culture, Energy & Environment, Farming & Fishing, ICT & Telecommunications, Personal Care services, Tours and Travel Services, Catering & Food Services, Entertainment, Food Processing, Leather Products, Photography and Wood works. Despite the critical role that SMEs play in developing economies,

many SMEs still face numerous challenges including low levels of productivity, profitability, market competitiveness and limited access to information. Ugandan SMEs were grappling with inadequate IT penetration, lack of awareness of the potential of ICT to improved business performance, limited skills to use ICT to promote businesses, inadequate access to information and markets and costly telecommunications. Although 94% of SMEs had access to mobile phones, the majority of them did not use them on internet and email, for business purposes. Given the critical role SMEs was playing in economic development, there was needed to harness the potential in ICT to bring about efficiency among the SMEs.

For instance, Uganda was one of the leading entrepreneurial countries in the world with the majority of its business ventures being in the category of SMEs. The Global Entrepreneurship Monitor ranked Uganda as the highest (TEA 29.2) and second highest (TEA 32.6) entrepreneurial country in the world respectively (GEM report, 2003, 2004). This means that SMEs significantly contribute to the economy of Uganda and therefore their success was critical to the Ugandan economy. SMEs in Uganda were estimated at approximately 1 million, accounting for 90% of the private sector (UNIDO, 2008). Majority of these SMEs were located in urban places (Towns) with Kampala taking the lion's share.

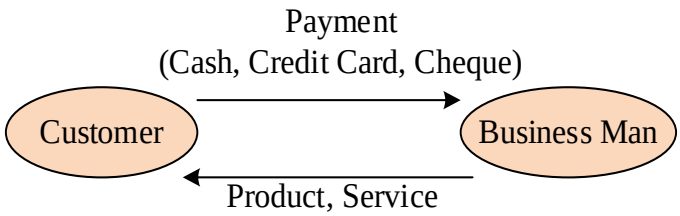
### 2.3 Electronic Payment System

The term electronic payment refers to a payment made from one bank account to another using electronic methods and forgoing the direct intervention of bank employees. Narrowly defined electronic payment refers to e-commerce —a payment for buying and selling goods or services offered through the internet, or broadly to any type of electronic funds transfer.

Issues of trust and acceptance play a more significant role in the e-commerce world than in traditional businesses as far as payment systems are concerned. An efficient national payment system reduces the cost of exchanging goods, services, and assets and is indispensable to the functioning of the interbank, money, and capital markets. A weak payment system may severely drag on the stability and developmental capacity of a national economy; its failures can result in inefficient use of financial resources, inequitable risk-sharing among agents, actual losses for participants, and loss of confidence in the financial system and in the very use of money The technical efficiency of payment system is important for a development of economy.

Traditionally, a customer sees a product, examines it, and then pays for it by cash, check, or credit card (Figure 2.1). In the e-commerce world, in most cases the customer does not actually see the concrete product at the time of transaction, and the method of payment is performed electronically.

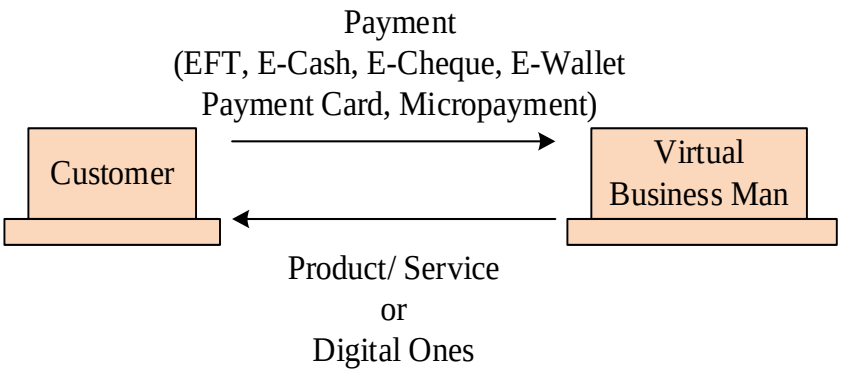
Figure (2.1) Traditional Payment Scheme




Source: Bassey, C. (2008). Digital Money in a Digitally Divided World

EPSs enable a customer to pay for the goods and services online by using integrated hardware and software systems. The main objectives of EPS are to increase efficiency, improve security, and enhance customer convenience and ease of use. Although these systems are in their immaturity, some significant development has been made. There are several methods and tools that can be used to enable EPS implementation (Figure 2.2).

Figure (2.2) Electronic Payment Scheme




Source: Bassey, C. (2008). Digital Money in a Digitally Divided World

While customers pay for goods/services by cash, check, or credit cards in conventional businesses, online buyers may use one of the following EPSs to pay for products/Services purchased online.

1. Electronic funds transfer (EFT): EFT involves electronic transfer of money by financial institutions.
2. Payment Cards: They contain stored financial value that can be transferred from the customer's computer to the businessman's computer.
3. Credit Cards: They are the most popular method used in EPSs and are used by charging against the customer credit.
4. Smart Cards: They include stored financial value and other important personal and financial information used for online payments.
5. Electronic money (e-money/e-cash): This is standard money converted into an electronic format to pay for online purchases.
6. Online payment. This can be used for monthly payment for Internet, Phone bills etc.
7. Electronic wallets (e-wallets): They are similar to smart cards as they include stored financial value for online payments.
8. Micro-payment systems: They are similar to e-wallets in that they include stored financial value for online payments; on the other hand, they are used for small payments, such as KBZ pay, CB pay in Myanmar.

Although these groups appear to be separate, there is some overlap among them. When the industry matures, this duplication in naming and function ought to be renamed. For example, e-wallets can be classified as payment cards when they are used to store credit card information or as e-money when they store electronic currency. The standardization of payment mechanisms on the internet is essential to the success of e-commerce. Business offering domestic and international services must have assurance that payment will be received, that it is secure and that it is secure and that it is valid. Addressing security issues is crucial to the acceptance of online payment standards: consumers and merchants must be able to trust that their information is kept intact and remains secure during transmission.

### 2.4 Electronic Payment Adoption among SMEs in Developing Countries

As SMEs are important for the economy of the country, it is vital to persuade e-payment adoption in SMEs as the source of competitive advantages. SMEs use e-payment for a variety of reasons, as stated by Karakaya and Shea (2008). Some

industries believe that e-business creates new options for their customers, instigates fast new product delivery and services, as well as lowering costs. Moreover, some other SMEs also adopt e-payment in order to increase sales, reduce costs, provide better customer service, gather market information, improve productivity, as well as discover and retain new customers. The study conducted by Poon and Swatman (1997) showed that e-payment could positively influence SMEs' productivity, which in turn enables them to compete against larger industries.

Electronic Payment System facilitates faster and more efficient financial transfers, increasing the volume of trade and access to finance for a large segment of the SMEs in developing countries (Maimbo, 2010). SMEs adopted e-payment system can conduct transactions wherever they have cell coverage; they need to visit a retail agent only for transaction that involves depositing or withdrawing cash (Lyman, 2006). In developing countries, E- banking may reduce the need for the rollout of higher cost financial infrastructure such as dedicated point of sale (POS) devices. The attributes include; relative advantage, compatibility, communication and trialability.

Simultaneously, the adoption of e-payment is a cost-effective tool for the SMEs to market and launch new products, improves client communications, as well as enhancing the collection of marketing knowledge and information (Hunaiti et al. 2009). Moreover, the adoption of e-payment within SMEs gives way to unique opportunities for businesses to engage international firms, which they are unable to do in the past. The adoption of e-commerce increases the productivity within SMEs via the reformation of work action and techniques; where it improves customer service and record keeping. Research conducted in Thailand also confirm that e-payment is intended to improve electronic "monetary service", facilitate and support e-commerce activities, build up e-commerce laws and rules, connect and make use of the information among the government, businesses and service sections, as well as recover the management of back office systems, service systems and transportation systems for the industrialized processes and services (MacGregor Vrazalic 2007).

### 2.4.1 Reasons for Adoption of Electronic Payment in SMEs

In the study, factors such as Perceived usefulness (PU), Perceived ease of use (PEOU), relative advantage (RA) and personal innovativeness (PI) were found to be positively related with the intention to adopt electronic banking services. However,

social norms (SN) were the only factors to be insignificant and perceived risk (PR) were negatively associated with the mobile banking adoption. In 2006, Consultative Group to Assist the Poor (CGAP) conducted a survey of 515 people in South Africa, in areas served by WIZZIT. The study which included the people with both mobile phones and bank accounts found that, those who took up WIZZIT's M banking services on average had a higher income, higher educational level and were more often formally employed, urban and older (Ivatury &M as, 2008). Financial service access is most consistently influenced by type and nature of organization and education.

Porteous, (2006) classified E-payment System into two; firstly, transformational Electronic banking, which is the provision of banking services using a mobile phone to reach the unbanked population. Secondly, additive Electronic banking, in which the mobile phones is simply an additional channel that is used to provide banking services to those already banked. The use of Electronic payments offers a way of lowering the cost of moving money from place to place (Donner and Tellez 2008; Anyasi & Otubu 2009). At the same time it brings more users into contact with formal financial services (Anyasi & Otubu 2009).

SMEs using E-payment are driven by the convenience that is brought about by the technology in terms of deposits, withdrawals and making payments (Porteous, 2007; Mas & Radcliffe, 2011; Masinge, 2010), Johnson, Brown, and Fouillet (2012) argues that M pesa offers a high level of reliability and convenience since agents are located even in small market centers and SMEs can undertake transactions from the comfort of their factories. This system therefore offers a great potential for formal financial providers to reach low- income rural people (FSD annual report, 2009; Ivatury & Mas, 2008).

### 2.4.2 Motivation for Adoption of Electronic Payment in SMEs

Migiro (2006) explains that the adoption of e-payment by SMEs enables them to compete in the global market, and to improve their efficiency, and also closes the relationship gap between customers and suppliers. Referring to the theory of Rogers (1995) and Migiro (2006), it can be assumed that the motivations for the adoption of e-payment in SMEs are: interaction with customers, taking orders online, increase

sales, new customers and market penetration, marketing strategies, improve quality of their information, increase internal efficiency and improved competitiveness.

### 2.4.3 Benefits to Adoption of Electronic Payment in SMEs

Furthermore, a survey related to the adoption of e-payment with SMEs in developing countries showed that the benefits of SMEs are: cost and competitiveness, sales and marketing, as well as administration and partnerships. The adoption of e-payment also reduces production costs and lead times, increases internal efficiency, and improves the quality of information and competitiveness.

In addition, the adoption of e-commerce also reduces administrative cost and improves relationships between business partners in the context of sales and marketing. It also reduces stock levels, increases sales and internal efficiency, and grants access to new customers.

However, based on further research in Bangladesh by Md. Azam and Quadddus (2009), relative advantage seems to be the best prediction for innovation, and that perceived compatibility is also an important factor influencing the acceptance of e-payment among SMEs in Bangladesh. The result of a research conducted by Chen (2004) in Taiwan shows that relative advantage, complexity, observability and government policies are the parameters that mainly influence the acceptance of electronic payment. It also shows that SMEs weigh in these factors when they decide to adopt e-payment, with cost and benefit also related to relative advantage. Based on another study by Grandon and Pearson (2004), relative advantage is an important predictor for the adoption of e-payment by SMEs in the developing countries.

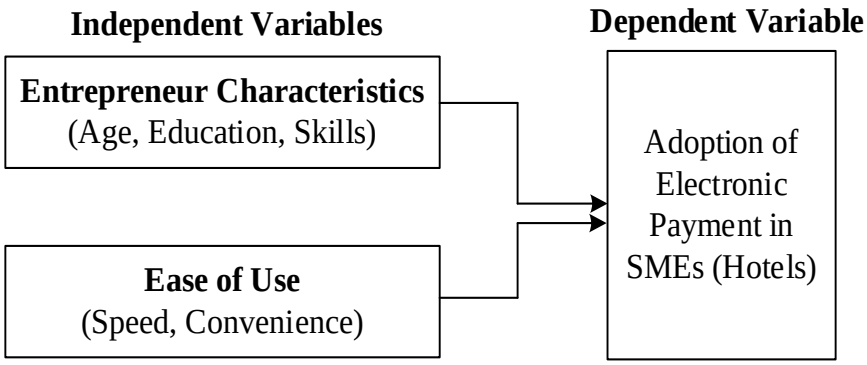
Some of the survey explains the fact that in the developed countries, the use of the Internet has created an environment that is ripe for the adoption of e-payment. Based on research, all the five factors, especially relative advantage, has a strong relationship with the adoption of e-payment in Malaysian manufacturing SMEs. Other studies conducted by Oliveira and Martins (2010) stated that organizations that use e-business strategies and applications will achieve and enjoy improvements in efficiency, increases in sales, increases and improvements in customer relationships, and the ability to expand to new markets and increased turnover. At the same time, SMEs also have an important role in the national and regional economic performance.

## 2.5 Previous Studies

Conceptual Framework for survey is a vital role and an essential aspect of the accurate outcomes. Although several types of concepts are included in framework to find out the nearest result, basically most of the conceptual frameworks are composed of similar ideas and concepts in the model.

In the conceptual framework depicted in Figure (2.3), the factors are defined as entrepreneur's attributes, ease of use, cost of investment and challenges of adoption and use of MPesa, M-Banking and e-payment using cashless money in the hotel. The framework postulates that the status of entrepreneurs' attributes, ease of use, and cost of investment and challenges of adoption in a hotel directly affects rate of payment, security, effectiveness, efficiency, production and customer satisfaction and loyalty towards the hotel. However, this relationship may be modified by politics and the external environment of the hotel as well as families from which interact.

Figure (2.3) Conceptual Framework of Adoption of Electronic Payment in SMEs (Hotels) by Ogoti Elijah Sokobe

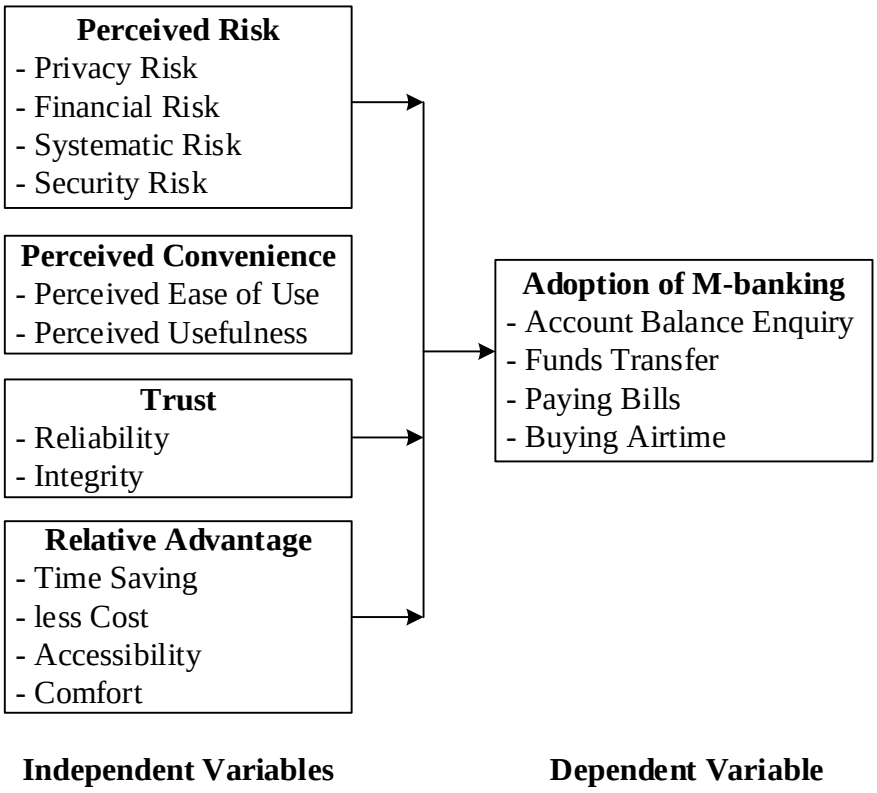



Source: International Journal of Novel Research in Computer Science and Software Engineering Vol. 2, Issue 2, pp: (5-18), Month: May - August 2015

The conceptual framework as shown in Fig (2.4) has the similar concepts and ideas of the above Fig (2.3). The independent variables include perceived risk, perceived convenience, trust and relative advantage. Privacy, financial, system and security risk indicate perceived risk. Secondly, perceived convenience is shown by perceived usefulness and perceived ease of use. Thirdly, trust is indicated by reliability and integrity of m-banking service. Lastly, relative advantage is indicated by time saving, less cost, accessibility, comfort and privacy. On the other hand, use of

paying bill, account balance enquiry, buying airtime and funds transfer service indicate adoption of M-Banking service.

Figure (2.4) Conceptual Framework of Adoption of M-Banking by Ndumba and Dr. Muturi Willy



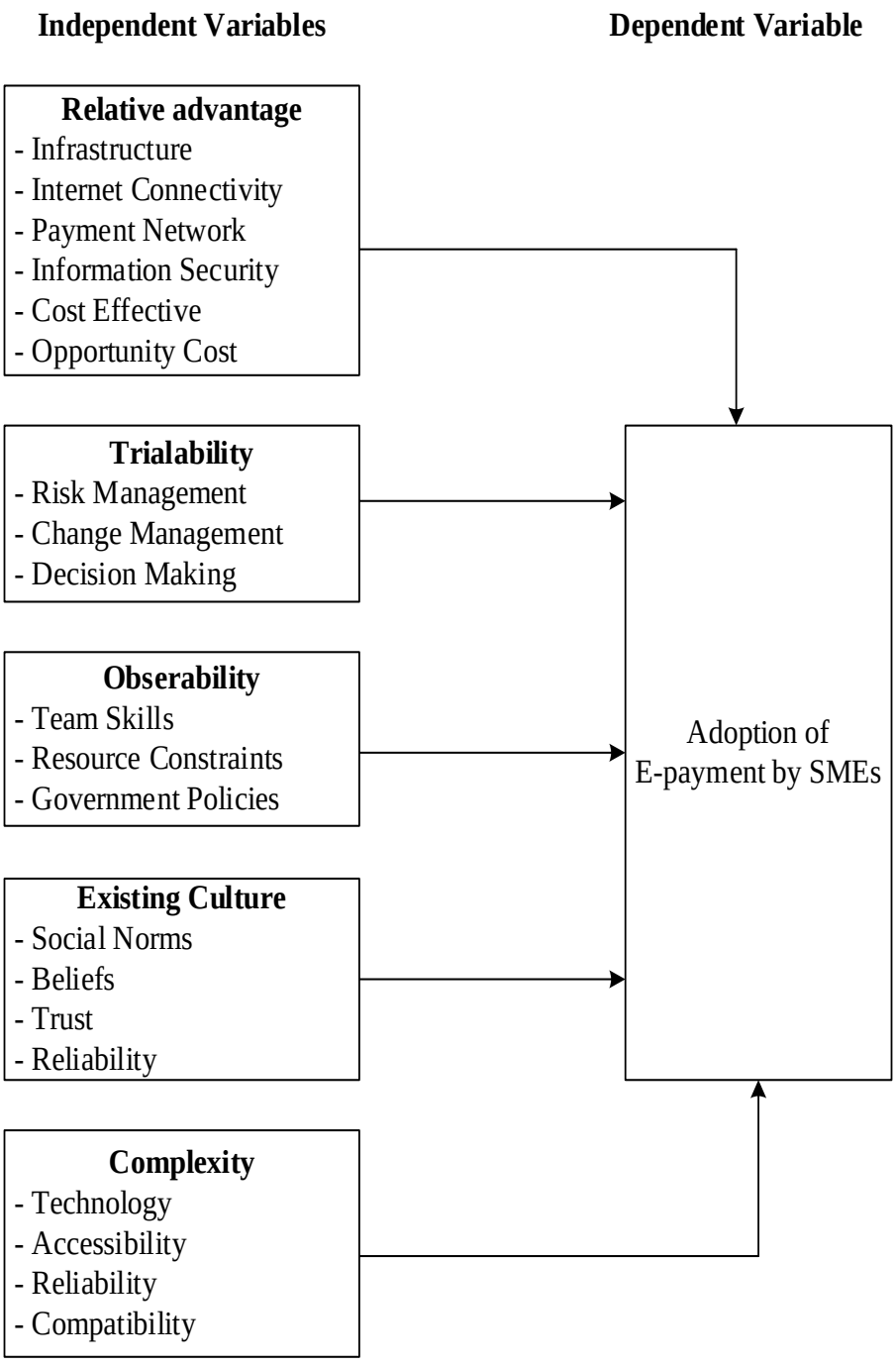

Source: African Economic Research Consortium (AER)

## 2.6 Conceptual Framework of the Study

The conceptual framework used for adoption of electronic payment system by SMEs included all feasible issues and it was created a compilation of all concepts and ideas in the conceptual framework seen in Fig (2.5).

Based on the model of the conceptual framework for the adoption of e-payment by SMEs, the survey questions that are being posed are: whether the relative advantages of innovation can increase the speed of e-payment adoption process in SMEs, whether trialability and observability in the adoption of e-payment can increase the confidence level of management to continue the adoption process,

Figure (2.5) Conceptual Framework of the Study




Source: Own Compilation

whether the compatibility of e-payment adoption processes through its effect on firms existing culture can decrease the degree of employee resistance against e-payment adoption, and whether complexity reduce the rate of adoption of e-payment among Myanmar SMEs.

Thus, the majority of the available literature was based on both developing and developed nations. Many SMEs had not adopted e-payment even when its adoption would increase their efficiency, profitability and reduce failure rate among SMEs. This conceptual framework explained why SMEs adopted electronic payment adoption to be effective and efficient in their operations and business trend electronically which could be achieved the intended objectives.

# CHAPTER III

# CURRENT STATUS OF SMEs AND ELECTRONIC PAYMENT SYSTEM IN MYANMAR

This chapter presents the definitions of SMEs in Myanmar, categories of SMEs in relation to markets and resources, development for SMEs and industrial zones in Myanmar and number of SMEs in Hlaing Tharyar industrial zone in Yangon. Moreover, electronic payment adoption in SMEs, reasons for adoption, benefits to adoption of electronic payment in Hlaing Tharyar Industrial zone are also expressed as the current status of SMEs in Myanmar.

## 3.1 Definitions of SMEs in Myanmar

According to the Law on the Development of Small and Medium Businesses (Pyidaungsu Hluttaw Law No. 23/2015), small and medium enterprises (SMEs) are defined based on their number of employees, type of activity, capital invested, or level of turnover. The classification is illustrated in Table (3.1).

Table (3.1) Legal Definitions of SMEs According to the 2015 SME Development Law

| Classification | Number of employees | Capital (million kyats) | Turnover (million kyats) |
|---|---|---|---|
| **Small** | | | |
| Manufacturing | Up to 50 | Up to 50 | |
| Labour-intensive | Up to 300 | Up to 500 | |
| manufacturing | Up to 30 | | Up to 100 |
| Wholesale | Up to 30 | | Up to 50 |
| Retail | Up to 30 | | Up to 100 |
| Service | Up to 30 | | Up to 50 |
| Other | | | |
| | 50-300 | 500-1000 | |
| **Medium** | 301-600 | 500-1000 | |
| Manufacturing | 31-60 | | 100-300 |
| Labour intensive | 31-60 | | 50-100 |
| manufacturing | 31-10( | | 100-200 |
| Wholesale | 31-60 | | 50-100 |
| Retail | | | |
| Service | | | |
| Other | | | |

Source: SME Development Law (Government of Myanmar 2015)

Compared to the 1990 version of the law, the maximum number of employees has been increased for labor-intensive activities, as have the limit values for capital and turnover. Four measurements or criteria for classification, namely number of employees, capital investment, production volume and electrical usages are applied to distinguish different sizes of Myanmar private firms. No distinction in size is made for enterprises under the trade and service sectors or cottage and handicraft industries.

### 3.2 Categories of Industries in Myanmar

SMEs in Myanmar run business based on the regulations of ASEAN Economic Community (AEC) and plays as an Export-oriented and Domestic-oriented Market Economy. These categories are shown in Table (3.2). SMEs in Myanmar lead to do four pillars of AEC Blue Print: the goal-fully integrated into the global economy, single market and production base, highly competitive economic region, and equitable economic development as SME development.

Table (3.2) Categories of Industries in Myanmar

| | Resourced based Industries | Non-resourced based Industries |
|---|---|---|
| Export-Oriented | - Oil and Gas<br>- Agro-based Ind.<br>- Sugar Manufacturing<br>- Canned Fruits/Vegetables<br>- Wood Based Ind<br>- Rubber Products Ind.<br>- Copper Fabrication<br>- Other EOI | - Garments<br>- Light Manufacturing electrical appliance, etc.<br>- Textiles/Apparel Ind. Foot ware Ind<br>- Other EOI |
| Domestic Market-Oriented | - Agro-based Ind.<br>- Food and beverages (rice, Oil, Sugar mills etc.,)<br>- Agro supportive Ind.<br>- Farming tools, bullock carts,threshing machine, etc.<br>- Chemical fertilizer | - Cement,<br>- Simple Electronic and Machinery components.<br>- Plastic wares<br>- Agro supportive Ind.<br>- Tractor, water Pumps<br>- Packaging Ind. |

Source: SME Development Law (Government of Myanmar 2015)

### 3.3 Development for SMEs in Myanmar

As one of the developing countries, Myanmar needs to promote SMEs industries and support financial issues to SMEs as SMEs Loans provided by SMIDB (Small and Medium Industry Development Bank). 344 enterprises of 13 groups are supported by government out of 200,000 SMEs which are still running included registered and non-registered.

What needs for SMEs development are SMEs agencies, SMEs incubators and Private Institutions, effective Financial Support for Export-oriented SMEs, technical training and set up new machineries and full-fledged infrastructures which might be hard and soft. The government provide on obtaining cash investments, main infrastructure requirements of electrical power and obtaining loans without collateral. Businesses can submit the current facing difficulties to the authorities. According to a research conducted by Central Statistics Organization, 98 per cent of the more than 120,000 businesses registered in Myanmar are SMEs. In the employment sector, of the 21.9 million workers, 83 per cent are working in un-registered SMEs. Besides, the government encouraged entrepreneurs to take advantage of the newly enacted Myanmar Companies Law, which guarantees to consider a company with a 35 per cent share of foreign investment as a citizen-owned company. To support the export and import sector, the Central Bank of Myanmar has allowed export financing and related banking services for export financing services.

### 3.4 SMEs in Hlaing Tharyar Industrial Zone in Yangon

Hlaing Tharyar Industrial Zone in Yangon was established since 1995. The industrial zone is over 23 years life-time in Yangon. The purpose of Hlaing Tharyar Industrial Zone is; to develop the country's economy via industrial sectors, to have the chance of employment in country and improve individual income and to develop regional economy and social affair. This zone is the very first industrial zone in Myanmar. The other industrial zones appeared one by one after the implementation of Hlaing Tharyar Industrial Zone according to the nation economy demand and development of SMEs in Yangon. Now there are 27 industrial zones in nationwide of Myanmar.

The Industrial Zone area is 1087.98 acre wide and running with 60585 employees in 593 industries. There are 13 different types of industries in the zone mentioned in Table (3.3).

Table (3.3) Different Types of Industries in Haling Tharyar Industrial Zone-Yangon

| Types of Industry | Number of Existing Industries |
|---|---|
| Garment | 61 |
| Foodstuff | 83 |
| Consumer Products | 122 |
| Construction Materials | 25 |
| Electric Appliances | 10 |
| Wood & Furniture | 13 |
| Chemicals | 23 |
| Cart box & Stationary | 13 |
| Machinery | 12 |
| Fishery | 17 |
| Export & Import | 49 |
| Garage | 139 |
| Others | 26 |
| Total | 593 |

Source: Listed Industries of Hlaing Tharyar Industrial Zone Committee, 2016-2017

### 3.5 Electronic Payment Adoption by SMEs in Hlaing Tharyar Industrial Zone

The data was collected through personal interview and the advantage of this method was that the responses gathered were standard.

SMEs use e-payment for a variety of reasons in different ways in Hlaing Tharyar industrial zone, Yangon. Some SMEs preferred to use Card System for employee salary payment while some used internet banking and mobile banking for transactions to collect credits, to receive payment from clients, to make supplier payment. All SMEs had to use e-payment system at least for money transfer from own account to other business partner account. Some SMEs believe that e-business creates new options for their customers, instigates fast new product delivery and services, as well as lowering costs. It can be clearly seen in Garment and Wood & Furniture industries which need to have fast delivery & services after purchased by e-payment system.

As SMEs are important for the economy of the country, it is vital to persuade e-payment adoption in SMEs as the source of competitive advantages. Moreover, some other industries such as Foodstuff SMEs, Consumer Products SMEs, Electrical

Appliances SMEs, and Construction Materials SMEs also adopt e-payment in order to increase sales, reduce costs, provide better customer service, gather market information, improve productivity, as well as discover and retain new customers. Particularly, e-payment adoption made SMEs' productivity increased, which in turn enables them to compete against larger industries.

In Hlaing Tharyar industrial zone, Export & Import Industries had adopted Electronic Payment System which facilitates faster and more efficient financial transfers, increasing the volume of trade and access to finance for a large segment of SMEs in developing countries. SMEs used e-payment can conduct transactions wherever they have cell coverage; they need to visit a retail agent only for transaction that involves depositing or withdrawing cash.

Most SMEs accepted that the infrastructure such as facilities, network installations and other expenses for e-payment adoption were cost effective for operations. Especially medium-sized enterprises which invested more than 500 million kyats were preferable the current infrastructures to adopt electronic payment system in the zone. Besides, internet connectivity within 2-3 years was very faster than that in the last 5 years. The transactions running in SMEs were quick so that information and security was safety for operations and business extension. Payment Network was easily to choose as convenient due to the nationwide payment gateway of electronic payment system. Moreover, using electronic payment system encouraged to SMEs time savings, energy savings and cost saving. Opportunity cost was easily covered by adoption electronic payment system in the industrial zone.

However, only a few SMEs received to take risk for electronic payment adoption in the industrial area. Most of SMEs were difficult for risk taking and quite hard to handle change management to adopt the system. Even decision makers hardly decide whether it was worth to change form the old physical cash payment to the electronic payment system. Shortly, Most SMEs could not easily change and adapt to the e-payment system in the Hlaing Tharyar Industrial Zone.

Additionally, team work tried hard to solve any problems for adoption of electronic payment system and all the staffs had to try to catch up how the processes went in the system. IT staffs of the SMEs were the key players to train the operating staffs and to maintain to be accurate the transactions in the payment system. However, Government Polices should be more stable than in the past. Changing financial rules

and regulations time in time made SMEs operations sluggish and discouraged to new investment.

Existing Cultures was also a big disturbance for adoption of electronic payment system in Hlaing Tharyar Industrial Zone. Based on Customers behaviors, customers were not willingly to change from the old system to the new one. Customers always thought about social norms, beliefs, trustworthy and reliability. These are very critical points to adopt the e-payment system in the industrial area.

Besides, Technology Complexity caused SMEs alleged and confused transactions due to unskilled man-power in adoption of electronic payment system. Anyway all SMEs believed that Technology must be solved and handled by practicing unfamiliar guidelines in the SMEs industries. Technology could rise up SMEs in existing conditions to business extensions for adoption of electronic payment system in the industrial zone.

### 3.6 Reasons for Adoption of Electronic Payment in SMEs

Financial service access is most consistently influenced by type and nature of organization and education level of employees and owner. In some SMEs running with less than 50 employees and invested around 100 million kyats, e-payment system is adopted smoothly to operate and extend their business in Hlaing Tharyar Industrial Zone. It can be clearly found in Chemical, Machinery and Fishery SMEs of Hlaing Tharyar zone in Yangon.

All SMEs using E-payment in the industrial zone are the card system user as MPU, Master, Visa and Credit cards. Those SMES were driven by the convenience that is brought about by the technology in terms of deposits, withdrawals and making payments. MPU union including 13 banks associations offers a high level of reliability and convenience since agents are located even in small market centers and SMEs can undertake transactions from the comfort of their factories. This system therefore offers a great potential for formal financial providers to reach low- income rural people. Hence, these are the main reasons for adoption of electronic payment in SMEs-Hlaing Tharyar Industrial Zone, Yangon.

SMEs in Haling Tharyar Industrial Zone, Yangon had currently several motivations for the adoption of e-payment. Export and Import, Fishery, Wood & Furniture and Garment SMEs enable them to compete in the global market, and to

improve their efficiency, and also close the relationship gap between buyers and suppliers. It can be assumed that the motivations for the adoption of e-payment in SMEs in the zone are to have good interaction with customers, taking orders online, increase sales, new customers and market penetration, marketing strategies, improve quality of their information, increase internal efficiency and improved competitiveness. Another motivation for SMEs in the industrial zone is financial support- SME loans provided by SMIDB in Myanmar.

# CHAPTER IV

# ANALYSIS OF THE FACTORS INFLUENCING ON ELECTRONIC PAYMENT ADOPTION BY SMEs IN YANGON

This chapter highlights the analysis of primary data collected through questionnaire. The analysis helps the study to describe the various factors influencing adoption of electronic payments in SMEs in Yangon (Hlaing Tharyar Industrial Zone). Data analysed was presented in tables and figures. This chapter is outlined into survey design including population and sampling techniques, data collection procedure, demographic characteristics and data analysis of factors influencing on electronic payment adoption by SMEs-Hlaing Tharyar Industrial Zone, Yangon.

## 4.1 Research Design

This study assessed the factors influencing on electronic payment adoption by SMEs in Yangon (Hlaing Tharyar Industrial Zone). To support the assessment, the required data were collected through sample survey. As a survey instrument, a structured questionnaire was used. The questionnaires instrument included two main parts. They were demographic factors of the respondents and the factors influencing on electronic payment adoption by SMEs in Yangon (Hlaing Tharyar Industrial Zone). Each factor influencing on electronic payment adoption by SMEs was rated with five point Likert Scale ranging from “1” strongly disagree to “5” indicated strongly agree. The study’s target population was all SMEs in Hlaing Tharyar Industrial Zone in which are 593 SMEs. The sampling size was 93 which are 15% of each category out of all SMEs in the zone. Statistical package for social sciences (SPSS V 22.0) was used for data analysis.

Questionnaire was used to collect primary data and was given to the head of industry in each of the 93 SMEs. Each item in the questionnaire was developed to address a specific objective, beginning with the respondents/SMEs demographic characteristics. The data was collected through personal interview. The questionnaire comprised of 2 parts. Part-1 comprised of the background information of the respondents. Part-2 comprised questions on factors influencing adoption of electronic payments in SMEs in Yangon.

## 4.2 Demographic Characteristics of SMEs in Hlaing Tharyar Industrial Zone

The survey study goal was to analyze the following demographic characteristics: type of industries, number of employees, level of established years and level of investment.

### Number of Industries

The respondents include 13 types of industries. Table (4.1) shows the types of respondents.

Table (4.1) Number of Respondents by Industries

| Types of Industries | Number of Respondents |
|---|---|
| Garment | 10 |
| Foodstuff | 13 |
| Consumer Products | 19 |
| Construction Materials | 4 |
| Electric Appliances | 2 |
| Wood & Furniture | 2 |
| Chemicals | 4 |
| Cart Box & Stationary | 2 |
| Machinery | 2 |
| Fishery | 3 |
| Export & Import | 7 |
| Garage | 21 |
| Others | 4 |
| Total | 93 |

Source: Survey data, 2018

As shown in Table (4.1) the sample consists of 10 Garment, 13 Foodstuffs, 19 Consumer Products, 4 Construction materials, 2 Electric Appliances, 2 Wood & Furniture, 4 Chemicals, 2 Cart Box & Stationary, 2 Machinery, 3 Fishery, 7 Export & Import, 21 Garage and 4 Other industries. The population size is 593 and 15 percent of population is sample size which is 93 industries. Out of 13 types of industries, the number of Garment, Foodstuff, Consumer Products and Garage are most influenced in the industrial zone.

### Number of Employees

Table (4.2) shows the frequency distribution of number of employees in persons. The numbers of employees are grouped into five classes which are below 50,

51 to 100 , 101 to 200 , 201 to 500 and above 500. From Table (4.2), respondents 54 are the most of industries working with below 50 employees. The percent of the number of industries working with 101 to 200 employees and with 201 to 500 employees are nearly the same, 11 percent and 10 percent respectively. However, only 5 percent of the respondents are the industries working with above 500 employees.

Table (4.2) Number of Respondents by Employees (in person)

| No. of Employees | Number of Respondents | Percent |
|---|---|---|
| Below 50 | 54 | 58 |
| 51 to 100 | 15 | 16 |
| 101 to 200 | 10 | 11 |
| 201 to 500 | 9 | 10 |
| Above 500 | 5 | 5 |
| Total | 93 | 100 |

Source: Survey data, 2018

**Operating Year**

Table (4.3) shows the frequency distribution of Operating Year in year. The Operating year of industries are grouped into three classes which are under 10 years, 11 years to 20 years and over 20 years. From Table (4.3), the percent of respondents 11 years to 20 years and over 20 years are nearly the same percent 48 percent and 45 percent respectively. Only 7 percent of the respondents are the least life-time industries.

Table (4.3) Number of Respondents by Operating Year

| Operating Year | Number of Respondents | Percent |
|---|---|---|
| Under 10 | 6 | 7 |
| 11 to 20 | 45 | 48 |
| Over 20 | 42 | 45 |
| Total | 93 | 100 |

Source: Survey data, 2018

**Investment**

Table (4.4) presents the frequency distribution of Investment of SMEs in million kyats. The levels of investment of industries are grouped into five classes which are below 100 million kyats, 101 to 300 million kyats, 301 to 500 million kyats, 501 to 800 million kyats and 801 to 1000 million kyats respectively. From

Table (4.4), respondents 33 percent is the most number of industries invested 301 to 500 million kyats. The least percent is 12 percent which represents respondents of industries invested 501 to 800 million kyats respectively. The rest three respondents' percent are definitely the same as 19 percent respectively below 100 million kyats, 101 to 300 million kyats, and 801 to 1000 million kyats. From the findings, majority respondents 33 percent had invested 301 to million kyats so that majority was the small enterprises in the industrial zone.

Table (4.4) Number of Respondents by Investment (Million kyats)

| Investment (Million Kyats) | Number of Respondents | Percent |
|---|---|---|
| Below 100 | 17 | 18 |
| 101 to 300 | 17 | 18 |
| 301 to 501 | 31 | 33 |
| 501 to 800 | 11 | 12 |
| 801 to 1000 | 17 | 19 |
| Total | 93 | 100 |

Source: Survey data, 2018

### 4.3 Factors Influencing on Adoption of Electronic Payment System

In this section, there are 5 factors to measure the influences adoption of electronic payment system in SMEs in Yangon (Hlaing Tharyar Industrial Zone). The first factor was about relative advantage including infrastructure, internet connectivity, payment network, information security, cost effective and opportunity cost. The second factor was trialability consisting of risk management, change management and decision making. And Obserability composing of team skills, resource constraints and government police is the third factor. As the fourth factor, it make up of social norms, beliefs, trust and reliability in existing cultures. Then, the fifth factor included complexity containing technology, accessibility and compatibility.

Besides, confident level of management derived from a combination result of trialability and observability. And resistance of employee was also imitative to existing cultures. Thus, there were only four main factors for adoption of electronic payment by SMEs.

The study's main aim was to investigate the influences which Relative Advantage, Trialability, Obserability, Existing Cultures and Complexity affected

adoption of Electronic payments system by SMEs in Yangon (Hlaing Tharyar Industrial Zone).

### 4.3.1 Relative Advantage

The following Table (4.5) shows Relative Advantage on adoption of electronic payment system is classified into six categories. Overall mean is 3.64 and standard deviation is 0.729.

Table (4.5) Relative Advantage

| Relative Advantage | Mean | Standard Deviation |
|---|---|---|
| Infrastructure:<br>Facilities and other expenses of e-payment are cost effective for operations.<br>Installations of network are easily available. | <br>3.86<br>3.91 | <br>0.685<br>0.702 |
| Internet Connectivity:<br>Internet Connection is very good to adopt e-payment system.<br>Internet operators can provide package cheaply. | <br>3.99<br>3.94 | <br>0.715<br>0.749 |
| Payment Network:<br>Payment Network is very easily to choose e-payment system.<br>Payment Network is wide and communicated each other so that e-payment system is very effective for running transaction processes. | <br>4.00<br>3.89 | <br>0.737<br>0.714 |
| Information Security:<br>Privacy is fully guaranteed and confidential by adoption of e-payment system.<br>Transactions are accurate and not complicated in the system. | <br>3.89<br>3.90 | <br>0.714<br>0.723 |
| Cost Effective:<br>Costing is saved compared with not using e-payment system.<br>Time saving, Energy saving can be seen adopting e-payment system. | <br>3.99<br>4.00 | <br>0.730<br>0.752 |
| Opportunity Cost:<br>Opportunity Cost is easily covered by using e-payment system.<br>Business can be extended by adoption e-payment system. | <br>4.03<br>4.13 | <br>0.773<br>0.755 |
| Overall | 3.64 | 0.729 |

Source: Survey Data, 2018

From the above Table opportunity cost is easily covered by using e-payment system and adoption e-payment system makes industries the business extension which mean was 4.08 and standard deviation was 0.764, respondents that the opportunity cost to adoption of e-payment. Besides, SMEs believed that time saving, energy saving, and cost saving can be seen by adopting e-payment. Some industries prefer wide payment network to get quick and accurate transaction and fast internet connectivity which mean was 3.945 and standard deviation was 0.726.

### 4.3.2 Trialability

The following Table (4.6) illustrates Trialability on adoption of electronic system is classified into three categories. Overall mean is 2.90 and standard deviation is 0.532.

Table (4.6) Trialability

| Trialability | Mean | Standard Deviation |
|---|---|---|
| Risk Management: | | |
| Taking risk is worth to adopt e-payment system. | 3.42 | 0.538 |
| Risk can be handled while using system. | 3.43 | 0.540 |
| Change Management: | | |
| Changing to e-payment system is easy in operating business. | 2.66 | 0.500 |
| Change management can be solved by the organization. | 2.62 | 0.569 |
| Decision Making: | | |
| Making Decision is easy to adopt e-payment system. | 2.62 | 0.550 |
| Decisional Businessmen are willing to use e-payment system. | 2.67 | 0.496 |
| Overall | 2.90 | 0.532 |

Source: Survey Data, 2018

The finding is risk management is the major issue for e-payment adoption. Moreover, decisional is also important to use e-payment in SMEs. According to the bove Table respondents, risk management is stronger than change management which mean is 3.43 and standard deviation is 0.539.

### 4.3.3 Observability

The following Table (4.7) expresses Observability on adoption of electronic system is classified into three categories. Overall mean is 3.05 and standard deviation is 0.625.

Table (4.7) Observability

| Observability | Mean | Standard Deviation |
|---|---|---|
| Team Skills: | | |
| Team work can be easily solved any problem of e-payment system. | 3.56 | 0.541 |
| All the staffs can catch up the process of adoption e-payment. | 3.34 | 0.814 |
| Resource Constraints: | | |
| Training can be handled to smooth adoption e-payment. | 3.15 | 0.625 |
| Skilled IT staffs can be easily hired to solve the problem and to lead the team. | 3.13 | 0.769 |
| Government Policies: | | |
| Government Policies are stable on financial laws. | 2.57 | 0.498 |
| Even if Policies change in time and time, no effects on operations. | 2.55 | 0.500 |
| Overall | 3.05 | 0.625 |

Source: Survey Data, 2018

Above the table (4.7), problem solving of teamwork or team skills became more effective by trainings. Most SMEs are worried about the government polices changing in time and time which mean is 2.56 and standard deviation is 0.50. The findings are training and skilled IT staffs are the main keys to adopt e-payment in SMEs. Besides Government Polices are the most vital role in adoption e-payment system.

### 4.3.4 Existing Cultures

There are four categories in Existing Cultures for adoption electronic payment system. Overall mean is 3.29 and standard deviation is 0.655.

Table (4.8) Existing Cultures

| Existing Cultures | Mean | Standard Deviation |
|---|---|---|
| Social Norms:<br>Traditional System is easily abandoned to adopt e-payment system.<br>Customers' behaviors never change on using e-payment. | <br><br>3.40<br>3.24 | <br><br>0.678<br>0.632 |
| Beliefs:<br>Adoption e-payment can be raised up business trend.<br>Updated business trend needs to be survived. | <br>3.27<br>3.30 | <br>0.709<br>0.719 |
| Trust:<br>Adoption e-payment cannot be confused in transaction.<br>Banks are mostly trustworthy to do business. | <br>3.16<br>3.56 | <br>0.613<br>0.634 |
| Reliability:<br>Adoption e-payment is reliable in smooth run.<br>Adoption e-payment is more reliable than running by man-power. | <br>3.10<br>3.26 | <br>0.627<br>0.624 |
| Overall | 3.29 | 0.655 |

Source: Survey Data, 2018

From the above table, social norms are the priority for SMEs due to the customers' behavior and traditional system which are not easily abandoned. Most industries have trust on banks and reliable on adoption e-payment which means were 3.36 and 3.18, and standard deviations were 0.624 and 0.626. And human resources can be replaced by adoption e-payment due to the shortage and high hiring rate of man-power. Survey indicates that trust is the major issues and social beliefs is the most difficult to adopt e-payment system for SMEs in Yangon.

### 4.3.5 Complexity

Electronic payment adoption on Complexity is classified into three categories in the below Table (4.9). Overall mean is 3.17 and standard deviation is 0.742.

Table (4.9) Complexity

| Complexity | Mean | Standard Deviation |
|---|---|---|
| Technology: | | |
| Technology in e-payment is a must by SMEs. | 3.59 | 0.726 |
| Technology in e-payment is easily grabbed in the organization. | 3.41 | 0.797 |
| Accessibility: | | |
| Adoption e-payment system is accessible to SMEs. | 3.32 | 0.768 |
| All the workers will be accessed in a short period. | 3.29 | 0.842 |
| Compatibility: | | |
| No problems or No conflicts will be appeared to adoption e-payment by SMEs. | 2.74 | 0.674 |
| Operations and adoption e-payment will work together without any disturbances. | 2.69 | 0.642 |
| Overall | 3.17 | 0.742 |

Source: Survey Data, 2018

From Table (4.9), technology in e-payment easily grabbed by the industry is intended by the user mean is 3.5 and standard deviation is 0.762 and no disturbances while adoption on electronic payment system in operations mean is 2.72 and standard deviation is 0.658 because the standard deviation is less than others. The findings are: technology has ensured fast and efficient services to SMEs for adoption e-payment.

Summarizing all these factors of Mean value and Standard Deviation, Table (4.10) shows the level of Standard Deviation on Relative Advantage, Trialability, Observability, Existing Cultures and Complexity.

Table (4.10) Overall Factors Influencing on Electronic Payment Adoption by SMEs.

| Factors | Mean | Standard Deviation |
|---|---|---|
| Relative Advantage | 3.64 | 0.729 |
| Trailability | 2.90 | 0.532 |
| Observability | 3.05 | 0.625 |
| Existing Cultures | 3.29 | 0.655 |
| Complexity | 3.17 | 0.742 |

Source: Survey Data, 2018

Based on the overall factors influencing on electronic payment adoption by SMEs, Relative Advantage which mean is 3.64 and standard deviation 0.729 is more effective than the other factors. SMEs in the zone didn't have such difficulties in infrastructure and facilities, becoming fast internet connectivity day by day, growing wide payment network, safe information security and cost effective. Moreover, Existing Cultures and Complexity means and standard deviations are quite close in the data respectively 3.29 and 3.17, and 0.655 and 0.742. The lowest score in overall factors is Trialability which mean is 2.90 and standard deviation is 0.532. It means that Risk taking makes SMEs discouraged and not able to change the management to adopt electronic payment adoption. Therefore, it can be concluded that all the factors are not quite different mean value each other and effect on individually on adoption of electronic payment by SMEs in the Hlaing Tharyar Industrial Zone.

### 4.3.6 Adoption of Electronic Payment System

The following Tables (4.11) and (4.12) show adoption of electronic system and benefits of adoption of electronic system. Based on Table (4.11), overall mean and standard deviation is 3.44 and 0.706.

Survey obviously states that most SMEs are familiar with ATM services and quite unfamiliar with oversea money transfer for SMEs in the zone which mean is 2.60 and standard deviation is 0.534. However, electronic fund transfer which is preferred in most industries is adopted more than mobile banking. The using rate of mobile wallets is not far from the rate of using internet banking.

Table (4.11) Adoption of Electronic Payment System

| Adoption of Electronic Payment System | Mean | Standard Deviation |
|---|---|---|
| SMEs have adopted an electronics fund transfer system. | 3.78 | 0.845 |
| SMEs have adopted mobile banking application to carry out money transfer. | 3.41 | 0.797 |
| SMEs have adopted internet banking for transactions. | 3.32 | 0.768 |
| SMEs have adopted ATM(MPU, Visa, Master) | 4.13 | 0.755 |
| SMEs have adopted mobile Wallets( Wave Money/OK$) | 3.42 | 0.538 |
| SMEs have adopted Overseas Money Transfer (Western Union, Money Gram) | 2.60 | 0.534 |
| Overall | 3.44 | 0.706 |

Source: Survey Data, 2018

### 4.3.7 Benefits of Adoption of Electronic Payment System

According to Table (4.12), Overall mean and standard deviation is 3.16 and 0.632. The benefits of adoption of electronic payment are shown in the following table.

Table (4.12) Benefits of Adoption of Electronic Payment System

| Benefits of Adoption of Electronic Payment System | Mean | Standard Deviation |
|---|---|---|
| E-payments allow SMEs to pay for bills and other transactions such as mobile wallets, cards and mobile phones. | 3.30 | 0.749 |
| Fast turnaround time for payments is benefits for SMEs. | 3.16 | 0.719 |
| Quick Accessibility and information are benefits for SMEs. | 2.55 | 0.613 |
| E payments assist much more effective transactions for SMEs. | 3.40 | 0.500 |
| Improved settlement process is also benefits for SMEs. | 3.40 | 0.678 |
| Overall | 3.16 | 0.632 |

Source: Survey Data, 2018

The findings are: The benefits of industries for adoption of electronic payment are gained as effective transactions and improvement in running operations and process due to adoption of e-payment such as money transfer, cards, mobile banking and others in SMEs.

### 4.3.8 Analysis of the Factors Influencing on Electronic Payment Adoption in SMEs by Regression

In this study, regression analysis is used in order to analyze the electronic payment adoption in Hlaing Tharyar Industrial Zone. The dependent variable is Adoption of Electronic Payment and the independent variables are Relative Advantages, Trialability, Observability, Existing Cultures and Complexity. The multiple linear regression model is expressed as follows:

$$Y_i = \beta_o + \beta_1 X_{1i} + \beta_2 X_{2i} + \beta_3 X_{3i} + \beta_4 X_{4i} + \beta_5 X_{5i} + \boldsymbol{e}_i$$

Where: Y = Adoption of Electronic Payment

$\beta_0$ = Constant

$X_{1i}$ = Relative Advantage

$X_{2i}$ = Trialability

$X_{3i}$ = Observability

$X_{4i}$ = Existing Cultures

$X_{5i}$ = Complexity

$e_i$ = Error term

$\beta_1$, $\beta_2$, $\beta_3$, $\beta_4$ and $\beta_5$ are regression coefficients.

Table (4.13) Summary Results of Regression Model

| Model | R | R Square | Adjusted R Square | Standard Error of the Estimate |
|---|---|---|---|---|
| 1 | 0.815 | 0.6645 | 0.645 | 1.32376 |

Source: Survey Data, 2018

The fitness of the model was ascertained by the use of coefficient of determination as seen in Table (4.13). The adjusted coefficient of determination ($R^2$) was 64.5% of the variation in adoption of electronic payment by SMEs in the zone is

explained by Relative Advantage, Trialability, Observability, Existing Cultures and Complexity.

The ANOVA results are shown in Table (4.14). In this Table, the F value is 34.468, p value = 0.000 < 0.01 which is significant at 1% level. Thus, the regression model is statistically significant with Adoption of Electronic Payment System in SMEs.

Table (4.14) Analysis of Variance- ANOVA

| Model | | Sum of Squares | df | Mean Square | F | Sig |
|---|---|---|---|---|---|---|
| 1 | Regression | 301.998 | 5 | 60.400 | 34.468 | 0.000 |
| | Residual | 152.454 | 87 | 1.752 | | |
| | Total | 454.452 | 92 | | | |

Source: Survey Data, 2018

The results of regression coefficients are presented in the Table (4.15) below. It describes regression results among dependent variable (Adoption Electronic Payment) and independent variables (Relative Advantages, Trialability, Observability, Existing Cultures and Complexity). These results show that Relative Advantage is significant at 10% level and Observability and Complextiy are significant at 1% level.

Table (4.15) Regression Model Coefficients

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std.Error | Beta | | |
| 1 | (Constant) | 5.950 | 1.422 | | 4.184 | 0.000 |
| | Relative Advantage | 0.068 | 0.034 | 0.198 | 1.974 | 0.052 |
| | Tribality | 0.056 | 0.098 | 0.053 | 0.572 | 0.569 |
| | Observability | 0.184 | 0.066 | 0.254 | 2.790 | 0.006 |
| | Existing Cultures | 0.047 | 0.041 | 0.077 | 1.150 | 0.253 |
| | Complexity | 0.321 | 0.041 | 0.514 | 7.829 | 0.000 |

Source: Survey Data, 2018

These results suggest that three variables have significantly explained 64.5% of the variance in Electronic Payment Adoption in SMEs. The regression coefficient of Relative Advantage is 0.068 at 10% significance level. The regression coefficient of Observability is 0.184 at 1% significance level. The regression coefficient of Complexity is 0.321 at 1 % significance level.

In summary, this study shows that the Relative Advantage, Observability and Complexity are related to the adoption of electronic payment adoption among SMEs. The two factors: Trialability and Existing Cultures are not influenced in the main objectives of electronic payment adoption. The existing cultures of SMEs are capable of decreasing the level of employee's resistance against the adoption of electronic payment by SMEs. Consequently, all above mentioned factors are related each other to develop and motivate the Hlaing Tharyar Industrial Zone in Yangon between SMEs and electronic payment adoption by SMEs.

# CHAPTER V
# CONCLUSION

This chapter summarizes the study in two main sections which are findings and suggestions. The findings section highlights all the aspects of electronic payment system adoption in regards to the various SMEs in the Hlaing Tharyar Industrial Zone. The suggestions derive a believed perception form the findings of the study.

## 5.1 Findings

The overarching objective of this thesis was to identify the adoption of electronic payments by SMEs in Yangon and was to evaluate factors influences on use of electronic payments system by SMEs in Yangon-Hlaing Tharyar Industrial Zone. In fulfilling these objectives, two specific objectives were identified that guided this thesis project. In particular, these thesis objectives included: assessing the extent to which SMEs in Yangon have adopted electronic payments, determining the factors affecting the adoption of electronic payment systems by SMEs in Hlaing Tharyar Industrial Zone. Through the series of statistical analyses, a number of key findings were identified that helped to address this study's objectives.

Firstly, it was noted that SMEs in Yangon-Hlaing Tharyar Industrial Zone used a several type of electronic payment systems. The various electronic payment systems identified included; electronic fund transfer systems, mobile banking applications, internet banking, mobile wallets and ATMs. Of all these systems, ATMs were found to be the most widely adopted closely followed by electronic fund transfer systems. The use of Electronic payments offers a way of lowering the cost of moving money from place to place. At the same time it brings more users into contact with formal financial services. Most SMEs in the industries deliberated operation cost as priority.

Secondly, it was found that the adoption of electronic payment system by SMEs in Yangon is influenced by the following three main factors; (i) Relative Advantage such as Infrastructure, Internet Connectivity, Payment Network, Information Security, Cost Effective and Opportunity Cost , (ii) Observability such as Team Skills, Resource Constraints and Government Policies and (iii) Complexity such as Technology, Accessibility and Compatibility. In other words, a unit

improvement of these factors results to a corresponding increase in the uptake level of government policies. However, the other two factors don't influence in (i) Trialability, and (ii) Existing Cultures.

Based on these findings, it is clear that embracing new technologies regardless of their anticipated benefits, may be marked by hindered by multiplicity of factors before becoming widely adopted. The result of the study shows that according to relative advantage, SMEs preferred nationwide payment network which could provide effective and efficient operations especially in transactions using fast internet connectivity which can be easily installed with developing infrastructure. Further, SMEs believed that information is secured by adoption electronic payment system and the business can be extended and covered by opportunity cost. Therefore, Relative advantages influence and relate to the adoption of electronic payment among SMEs. On the other hands, the factor Trialability doesn't affect SMEs to adopt electronic payment system. Risk taking and change management is related each other and SMEs are difficult to consider trialability factor. Particularly, SMEs are hard to decide to adopt electronic payment system in the Hlaing Tharyar Industrial Zone. The variables Observability, via the adoption of electronic payment, could increase the level of confident level of business managers in order to continue with the adoption process. These can be obviously observed in Garment SMEs, Foodstuffs SMEs, Consumer Products SMEs and Electrical Appliances SMEs. SMEs running with above 200 employees in the industrial zone can be seen such these benefits of observability for adoption of electronic payment. However, Government should be more stable more than the previous years. Unstable polices discourage SMEs to run operations and happen a lot of discomfort in processing in the industrial zone. The existing cultures of SMEs are capable of decreasing the level of employee's resistance against the adoption of electronic payment by SMEs. This thesis proves that the existing cultures are not influenced to the adoption of electronic payment by SMEs. Another factor as complexity effects the adoption of e-commerce among Hlaing Tharyar SMEs even though today high technology is unfamiliar within the internal industry. All SMEs accepted that technology encourage and strongly support SMEs to operate the industries and to make new investment as business extension.

### 5.2 Suggestions

This study purposed to investigate the uptake of electronic payment system by SMEs by focusing on two objectives as mentioned in above findings. From this study, it is clear that SMEs are not certain on the right direction, which is maintained their old cash-using system. However, it is evident that ICT has made it possible for any type of SMEs to adopt electronic payment system. The adoption of electronic payments has made operations and work easier at the SMEs. SMEs have even been able to cut on costs, increased clients outreach, improved security and simpler and effective transactions systems. The more information that the management possesses on electronic payment adoption, the higher their level of confidence will be with regards to it. This study suggests that the in-charges and managers of SMEs should have an important role in encouraging the growth of innovation because they are familiar with the organizational system and the characteristics of SMEs. Managers must realize that they can have a positive influence on the adoption of technology by training their employees, and also trust technologies advantages.

In conclusion, this study suggests that the increase in the adoption of e-commerce by SMEs in Hlaing Tharyar Industrial zone is supportively related to the management team, instead of the employees. The lack of security and reliability regarding electronic payment adoption is significant barrier to the adoption of electronic payment. Also, the lack of knowledge regarding the advantages of electronic payment adoption forms an important barrier that needs to be circumvented in the process of adopting e-payment into business.

## 5.3 Need for Further Study

Since there had a limitation of time and cost, the sample size of the study based on 93 industries and the survey was done all categories of each industry in Hlaing Tharyar Industrial Zone. As conclusion, further study should be done with larger sample size and expended survey on all industrial zones which included in Hlaing Tharyar Industrial Zone, Shwe Pyi Thar Industrial Zone, Mingalardon Industrial Zone, Shwe Lin Pann Industrial Zone, and etc., to get better results. Further studies could therefore, be conducted in other SMEs of the country, their operations and money transfer procedure, local and international money transfer, effective and efficient on cost, easy and safety procedure, staff capacities improvement program

and awareness upon electronic payment adoption. Furthermore, IT staffs and Managers should study the adoption e-payment system and give monthly training to staffs for improvement of industry. It can be concluded that staffs are always trying to fulfill and catch up always changing technology based on electronic payment system. On the contrary, the existing cultures will be adaptable to the update global payment system for SMEs.

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# APPENDIX

## THE FACTORS INFLUENCING ON ELECTRONIC PAYMENT ADOPTION BY SMEs IN YANGON
## (HLAING THARYAR INDUSTRIAL ZONE)
## SURVERY QUESTIONNAIRE

Any data obtained in connection with this survey that can be identified with your organization will remain confidential and all the data will be only used in this survey.

**PART- ONE**

Name of Industry ……

Type of Industry
- ◯ Garment
- ◯ Export/Import
- ◯ Consumer Products
- ◯ Foodstuffs
- ◯ Chemicals
- ◯ Cardboard Box
- ◯ Machinery
- ◯ Fishery
- ◯ Garage
- ◯ Construction Materials
- ◯ Electrical Appliances
- ◯ Wood & Furniture
- ◯ Others …….

Established Year
- ◯ Under 10 yrs
- ◯ 11-20 yrs
- ◯ Over 20 yrs

No. of Employees
- ◯ Below 50
- ◯ 51 - 100
- ◯ 101 - 200
- ◯ 201- 500
- ◯ Above 500

Investment Amount (kyats)
- ◯ Below 100 millions
- ◯ 101- 300 millions
- ◯ 301-500 millions
- ◯ 501 - 800 millions
- ◯ 801 - 1000 millions

Does the organization (SMEs) use Electronic Payment System?
- ◯ Yes
- ◯ No

Which issues are used for e-payment system in SMEs?

- ◯ Supplier Payment
- ◯ Receiving Credits
- ◯ Receiving from Clients
- ◯ Employee Salary Payment
- ◯ Money Transfer

Which e-payment service do you know out of the followings? Please select more than one.

- ◯ Internet Banking
- ◯ Mobile Banking
- ◯ ATM(MPU,Visa,Master)
- ◯ Mobile Wallet (Wave Money/ OK$)
- ◯ Oversea Money Transfer (Western Union, Money Gram)
- ◯ Cardless System

**PART- TWO**

**This part contains the issues and items concerning influencing factors of Electronic Payment Adoption by SMEs in Yangon (Hlaing Tharyar Industrial Zone).**

**Please indicate in the following table, the level of agreement/disagreement you did consider why the organization (SMEs) adopts (or) doesn't adopt Electronic Payment System.**

**5 = Strongly Agree ; 4 = Agree ; 3 = Neutral ; 2 = Disagree ; 1 = Strongly Disagree**

| Factors & Items | 5 | 4 | 3 | 2 | 1 |
|---|---|---|---|---|---|
| **Factor 1 : Relative Advantage** | | | | | |
| **(i)Infrastructure** | | | | | |
| (a) Facilities and other expenses for adoption of e- payment is cost effective for operations. | ◯ | ◯ | ◯ | ◯ | ◯ |
| (b) Installations of network is easily available. | ◯ | ◯ | ◯ | ◯ | ◯ |
| **(ii) Internet Connectivity** | | | | | |
| (a) Internet connection is very good to adopt e-payment system. | ◯ | ◯ | ◯ | ◯ | ◯ |
| (b) Internet operators can provide package cheaply. | ◯ | ◯ | ◯ | ◯ | ◯ |
| **(iii) Payment Network** | | | | | |
| (a) Payment Network is very easily to choose e-payment system. | ◯ | ◯ | ◯ | ◯ | ◯ |
| (b) Payment Network is wide and communicated each other so that e-payment system is very effective for running transaction processes. | ◯ | ◯ | ◯ | ◯ | ◯ |
| **(iv) Information Security** | | | | | |
| (a) Privacy is fully guaranteed and confidential by adoption of e-payment system. | ◯ | ◯ | ◯ | ◯ | ◯ |
| **(b)** Transactions are accurate and not complicated in the system. | ◯ | ◯ | ◯ | ◯ | ◯ |
| **(v) Cost Effective** | | | | | |
| (a) Costing is saved compared with not using e-payment system. | ◯ | ◯ | ◯ | ◯ | ◯ |
| (b) Time saving, Energy saving can be seen adopting e-payment system. | ◯ | ◯ | ◯ | ◯ | ◯ |
| **(vi)Opportunity Cost** | | | | | |
| (a) Opportunity Cost is easily covered by using e-payment system. | ◯ | ◯ | ◯ | ◯ | ◯ |
| (b) Business can be extended by adoption e-payment system. | ◯ | ◯ | ◯ | ◯ | ◯ |

| **Factor 2 : Trialbility** | **5** | **4** | **3** | **2** | **1** |
|---|---|---|---|---|---|
| **(i)Risk Management** | | | | | |
| (a) Taking risk is worth to adopt e-payment system. | ○ | ○ | ○ | ○ | ○ |
| (b) Risk can be handled while using system. | ○ | ○ | ○ | ○ | ○ |
| **(ii) Change Management** | | | | | |
| (a)Changing to e-payment system is easy in operating business. | ○ | ○ | ○ | ○ | ○ |
| (b)Change management can be solved by the organization. | ○ | ○ | ○ | ○ | ○ |
| **(iii)Decision Making** | | | | | |
| (a)Making Decision is easy to adopt e-payment system. | ○ | ○ | ○ | ○ | ○ |
| (b)Decisional Businessmen are willing to use e-payment system. | ○ | ○ | ○ | ○ | ○ |
| | | | | | |
| **Factor 3 : Obserability** | | **4** | **3** | **2** | **1** |
| **(i)Team Skills** | | | | | |
| (a) Team work can be easily solved any problem of e-payment system. | ○ | ○ | ○ | ○ | ○ |
| (b) All the staffs can catch up the process of adoption e-payment. | ○ | ○ | ○ | ○ | ○ |
| **(ii)Resource Constraints** | | | | | |
| (a)Training can be handled to smooth adoption e-payment. | ○ | ○ | ○ | ○ | ○ |
| (b)Skilled IT staffs can be easily hired to solve the problem and to lead the team. | ○ | ○ | ○ | ○ | ○ |
| **(iii)Government Policies** | | | | | |
| (a)Government Policies are stable on financial laws. | ○ | ○ | ○ | ○ | ○ |
| (b)Even if Policies change in time and time, no effects on operations. | | | | | |
| | | | | | |
| **Factor 4 : Existing Culture** | | **4** | **3** | **2** | **1** |
| **(i)Social Norms** | | | | | |
| (a)Traditional System is easily abandoned to adopt e-payment system. | ○ | ○ | ○ | ○ | ○ |
| (b)Customers' behaviours never change on using e-payment. | ○ | ○ | ○ | ○ | ○ |

| | | | | | |
|---|---|---|---|---|---|
| **(ii)Beliefs** | ◯ | ◯ | ◯ | ◯ | ◯ |
| (a)Adoption e-payment can be raised up business trend. | ◯ | ◯ | ◯ | ◯ | ◯ |
| (b)Updated business trend needs to be survived. | | | | | |
| **(iii)Trust** | ◯ | ◯ | ◯ | ◯ | ◯ |
| (a)Adoption e-payment cannot be confused in transaction. | ◯ | ◯ | ◯ | ◯ | ◯ |
| (b)Banks are mostly trustworthy to do business. | | | | | |
| **(iv)Reliability** | ◯ | ◯ | ◯ | ◯ | ◯ |
| (a)Adoption e-payment is reliable in smooth run. | ◯ | ◯ | ◯ | ◯ | ◯ |
| (b)Adoption e-payment is more reliable than running by man-power. | | | | | |
| **Factor 5 : Complexity** | **5** | **4** | **3** | **2** | **1** |
| **(i)Technology** | | | | | |
| (a) Technology in e-payment is a must by SMEs. | ◯ | ◯ | ◯ | ◯ | ◯ |
| (b) Technology in e-payment is easily grabbed in the organization. | ◯ | ◯ | ◯ | ◯ | ◯ |
| **(ii)Accessibility** | | | | | |
| (a)Adoption e-payment system is accessible to SMEs. | ◯ | ◯ | ◯ | ◯ | ◯ |
| (b)All the workers will be accessed in a short period. | ◯ | ◯ | ◯ | ◯ | ◯ |
| **(iii)Compatibility** | | | | | |
| (a)No problems or No conflicts will be appeared to adoption e-payment by SMEs. | ◯ | ◯ | ◯ | ◯ | ◯ |
| (b)Operations and adoption e-payment will work together without any disturbances. | ◯ | ◯ | ◯ | ◯ | ◯ |

| **Adoption of Electronic Payments** | | **5** | **4** | **3** | **2** | **1** |
|---|---|---|---|---|---|---|
| (i) | SMEs have adopted an electronics fund transfer system. | ◯ | ◯ | ◯ | ◯ | ◯ |
| (ii) | SMEs have adopted mobile banking application to carry out money transfer. | ◯ | ◯ | ◯ | ◯ | ◯ |
| (iii) | SMEs have adopted internet banking for transactions. | ◯ | ◯ | ◯ | ◯ | ◯ |
| (iv) | SMEs have adopted ATM(MPU, Visa, Master) | ◯ | ◯ | ◯ | ◯ | ◯ |
| (v) | SMEs have adopted mobile Wallets( Wave Money/OK$) | ◯ | ◯ | ◯ | ◯ | ◯ |
| (vi) | SMEs have adopted Overseas Money Transfer (Western Union, Money Gram) | ◯ | ◯ | ◯ | ◯ | ◯ |

| **Benefits of Adoption of Electronic Payments** | | **5** | **4** | **3** | **2** | **1** |
|---|---|---|---|---|---|---|
| (i) | E-payments allow SMEs to pay for bills and other transactions such as mobile wallets, cards and mobile phones. | ◯ | ◯ | ◯ | ◯ | ◯ |
| (ii) | Fast turnaround time for payments is benefits for SMEs. | ◯ | ◯ | ◯ | ◯ | ◯ |
| (iii) | Quick Accessibility and information are benefits for SMEs. | ◯ | ◯ | ◯ | ◯ | ◯ |
| (iv) | E payments assist much more effective transactions for SMEs. | ◯ | ◯ | ◯ | ◯ | ◯ |
| (v) | Improved settlement process is also benefits for SMEs. | ◯ | ◯ | ◯ | ◯ | ◯ |

**OTHER RECOMMENDATIONS**

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……

……

**MYO THANT**
**Roll-2**
**MBF-4th Batch**