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E-Payment System and Small and Medium Scale Enterprises in Amassoma, Bayelsa State

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Abstract

The study examined e-payment and small and medium scale enterprises performance in Amassoma town. The objectives of the study are to examine the relationship between point of sale (POS) and small and medium scale enterprises performance in Amassoma and to examine the relationship between mobile money transfer and small and medium scale enterprises performance in Amassoma. Based on the objectives, two research questions and two hypotheses were raised for determination. The design of the study was a survey type, and the population of the study comprised 114,469 residing in Amassoma as at the time of the study. A sample of 399 respondents were randomly selected from the population and given a questionnaire. However, 392 questionnaires were retrieved and used for data analysis. The data gathered was analysed using simple percentage, mean and chi-square statistical tool. The result of the study shows that the use of Point of Sale (POS) Terminal and mobile money transfer promotes the performance of small and medium scale enterprises in Amassoma town. The result further revealed a significant relationship exists between POS terminal, mobile money transfer and small and medium scale business performance in Amassoma town. Hence the study recommends that managers and owners of businesses in Amassoma town should adopt the use of POS terminal in their organizations as it improves businesses performance, businesses in Amassoma town that have not adopted mobile money transfer should do so in other to remain competitive in the ever-growing business world amongst others.

Keywords: *E-payment systems, SMEs, Amassoma, Bayelsa State*

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Background to the Study

Small and Medium Scale Enterprise (SMEs) has been the vehicle that drives economic growth and development globally. Small and Medium Scale Enterprises (SMEs) has contributed immensely to the economic growth in developing countries, Nigeria inclusive. SMEs occupy a place of pride in virtually every country or state. Kwabla (2015) asserted that small and medium enterprises contribute significantly to the economic development of many developing and developed countries in the area of job or employment creation and revenue generation. SMEs are estimated to incorporate 87% of all companies operating in Nigeria (Babatunde & Laoye, 2011). SMEs are said to hire over 60% of the labour force, produce up to 50 percent industrial output and they soak up about 70 percent of industrial employment (Aina cited in Akujor & Eyisi, 2020). These facts are manifestations of the significance of SMEs in Nigeria as in other economies.

The emerging mobile payments technologies have been fundamental to the growth and development of business. This has been as a result of the enhancement of the financial inclusion as a result of creation of an efficient decentralized financial supply chain (Téllez & Zeadally, 2017). In Nigeria, usage of mobile phones has been one of the latest developments within the country which has played a significant role on revolutionizing the mode of business operation especially the SMEs. Small and Medium business holder are always on the front line in embracing new technologies which are available in the market therefore being the first one to embrace changes within their business environments. Caporaso and Madeira (2014) assert that the presence of mobile payment platforms has played a fundamental role in enhancing the effectiveness of business operation, especially business and customers as well as business and banks through the utilization of mobile banking platform which encourages business growth.

However, it is observed that the impact of e-payment has not been adequately translated to the growth of SMEs. One of the main reasons for this is the reluctance and ignorance of Nigerians to use the internet for transactions due to the fear of fraud. The tech savvy nature of some payment systems also hinders the ability to capture a majority of the population. Another major issue hindering the possibilities of payment systems is the banking and finance sector's ability to capture a majority of the population on these platforms. The facilities that will be used for efficient financial transactions by the available deposit money banks in Nigeria may not be able to carry the load of the electronic system; ATM's, Point of Sales system, mobile banking and other mediums have to dramatically expand to touch at least 80% of the whole country before any efficient financial intermediation can be achieved (Rueben and Anyanwaokoro, 2019). Although, several studies (Elly, 2021; Mohammed, 2020; Akujor and Eyisi, 2020; Sokobe, 2015) have been conducted in this area, no study has been conducted to identify the relationship between e-payment system and small and medium enterprises in Amassoma. Hence, this study is being conducted to ascertain the relationship between e-payment and small and medium enterprise performance in Amassoma, Bayelsa State.

Literature Review

Electronic Payment Systems (e-payment)

Electronic Payment systems refer to the automated processes of exchanging monetary value among parties in business transactions and transmitting this value over the ICT networks (Nnaka, 2009 as cited in (Ayo and Ukpere, 2012). In the Nigeria, e-payment is affecting payment from one end to another end through the medium of the computer without manual intervention beyond inputting payment data, it is the ability to pay the suppliers, vendors and staff salaries electronically at the touch of a computer button (Asaolu et al, 2011). Humphrey, Kim and Vale cited in Akujor and Eyisi (2020) described e-payment as money and related transactions implemented using electronic means. Characteristically, it includes the use of computer networks such as the internet and digital stored value systems. This system permits bills to be paid without delay from financial institutions barring the use of writing and mailing cheques. Guttman (2003) defined e-payment as credit card details, or some other electronic means, as opposed to payment by means of cheque and cash. It is also described as a payer's transfer of financial claim on a party acceptable to the beneficiary (Worku, 2010).

Development of Electronic Payment System in Nigeria

Nigerian banks and financial services industry in particular over the past few years have keyed into concept of e-money. This emergence has given birth to increasing the hope and expectations of efficient and quality customer services in the Nigerian financial landscape. After the introduction of the scheme with six (6) banks in Nigeria, it was later extended to nineteen by the approval of the Central Bank of Nigeria (CBN). The All-State Trust Bank Plc introduced a closed system e-package known as ESCA smart Card which was followed by Diamond Bank introducing a product called "Diamond Pay Card" in February 1997. The scheme received a boost when a consortium of more than 20 banks obtained the Central Bank of Nigeria (CBN) approval to introduce the "Smartpay" scheme under the auspices of Gemcard Nigeria Limited in November 1999.

Additional approval was granted to a number of banks by the Central Bank of Nigeria to introduce international money transfer products, mobile banking and online banking via the internet but on a limited scale. However, banks have introduced electronic bill payment services, the use of Automated Teller Machines (ATM) and had gradually facilitated the use of cards. The evolution of electronic money provides an ample opportunity for banks to reduce the resort to cash transactions. Understandably the electronic payment scheme is still at a relatively early stage of development in Nigeria.

Features of Electronic Payment Systems

Basically, there are two generic ways of making payments. First, is the Account Transfer System which focuses on customers issuing instructions to banks to debit the account of the individual affecting the payment, and credit the account of the individual receiving it. The following falls into payment categories; Debit cards, Cheques, Telephone banking and Credit Cards. The second method of making payments is the token system or direct transfer which involves the direct transfer of money from one individual to another without the direct

involvement of any bank. The most widespread example of the token system is Phone Cards, Cash and Gift Token.

Electronic Payment and Performance of SMEs

According to Tanwongsval and Pinvanichkul cited in Akujor and Eyisi (2020), the motive why SMEs maintain information of their transactions, in particular the medium of payment on transactions is to investigate the profitability of the firms. Ezejiofor, Emmanuel and Olise (2014) asserted that proprietors of SMEs consider income maximization as the most essential financial objective. This has led to the argument that SME owners pay interest to know how accountable the firm is and what comes in as income when they are evaluating their firm's performance.

The extent of accountability in SMEs particularly in the area of remittance of income earned depends on a number of elements such as age of business, size of the business, and the method of payment adopted. They further pointed out that most SME owners and managers employed public accountants to put together required data which these professionals have additionally recommended e-payment as an internal control measure for accountability and income generation (Ezejiofor, Emmanuel, & Olise, 2014). The development of sound e-payment systems in SMEs hinge on owner's level of accounting, technological knowledge and competencies.

Theoretical Literature

Diffusion of innovation (DOI) Theory: is a theory that is adopted in this study. The theory clarifies the reasons for and the degree to which a novel concept or technological advancement affects people or institutions within a social structure. Rogers originally proposed the spread of innovation hypothesis in 1962. Rogers conducted study on breakthroughs prior to this. According to the theory, an idea pertaining to the nature of the product and how it is viewed provides the fundamental impetus for innovation initiatives and permits the diffusion and spread of ideas, which are subsequently embraced by a particular population or associated social structure (Rogers, 1995). Since individuals are a component of the social system, the diffusion activities really have the effect of motivating people to embrace new ideas.

According to the theory, there are basic elements that contribute to the adoption of new ideas. These include people's perceptions of the new concept and how their collective conduct affects the spread and acceptance of new innovations (Rogers, 1995). According to Rogers (2003), the 1940s and 1950s saw a surge in research on the dissemination of innovation as educational scholars examined the transmission of novel teaching concepts and techniques, while rural sociologists examined the dispersion of agricultural advances to farmers. When Rogers (1962) released his first book, "The Diffusion of Innovation," the DOI hypothesis gained popularity in the early 1960s. Since then, several research traditions have continuously updated and reapplied the DOI hypothesis. For instance, the theory is applied in ICT management to explain the dissemination of e-commerce and in marketing and management to explain the diffusion of new products (Kilangi, 2007).

Knowledge the dynamics at work in connection to the performance of SMEs and the adoption of electronic payment systems requires a knowledge of the diffusion of innovations technique used in our study. Adoption by both people and organisations is the subject of some discussions. After all, the owner-manager makes a lot of the important choices in SMEs. The owner-manager's personal views and attitudes on the technology become entangled with the organization's choice to employ electronic payments (Akkeren and Cavaye, 1999). Interpersonal and interfirm networks have a major role in diffusion in SMEs.

Empirical Literature

Joan (2018) carried out a study to establish the association between usage of M-banking services and SME performance. He applied a descriptive type of survey design aimed at finding out the effects of M-banking adoption on performance of SMEs in Nairobi County. The population targeted in this research study was 176 SMEs in Nairobi County. He made use of primary data. The study revealed that cost effectiveness, convenience; security of the service, accessibility and diversity have enabled SMEs to continue the use of mobile banking services. The study also revealed that mobile banking has increased customer base because of easy methods of payments, more time to carry out other business activities, easy access to funds in the bank, increased business transactions, increased profits and increased business efficiency. The study made a conclusion that mobile banking adoption positively influences SME performance for mince in the county of Nairobi.

A research on the effect of mobile money on the financial performance of MSMEs in Douala, Cameroon, was carried out by Talom and Tengeh (2020). A qualitative/descriptive research approach was used for this study. To allow for interpretations and debates, the gathered data was condensed. It was also crucial that the study's goals not be neglected in any manner during the investigation. Examining how mobile money services affect small and medium-sized businesses (MSMEs) was the main goal of the study. MSMEs in Limbe, Blantyre, Malawi, make up the research sample. The selection for MSMEs in Limbe was made, and it fit the researcher's budget. This municipality is located in the centre of Blantyre. The information gathered was not sorted in any manner to make the study more favourable to one network than another because the purpose of this study was not to compare the mobile carriers that the majority of respondents subscribed to. Convenience, service dependability, and security issues were among the issues raised by the study that influenced the majority of the suggestions and findings that were sent to both study participants.

A research on the impact of money transfers via mobile phones on the financial performance of small and medium-sized businesses in Nairobi County was conducted by Mutinda (2018). The research used a descriptive survey approach. Over 50,000 fully registered MSMEs were the target market, and 460 respondents made up the overall sample size, which was chosen as representative and included a 20% margin of safety in case any respondents did not reply. The advice of Mugenda and Mugenda (2003) was used to determine the appropriate sample size. One of the probability strategies employed to guarantee that different kinds of MSMEs were represented in the survey was stratified sampling. Self-administered questionnaires and an interview guide were used to gather data. Software called the Statistical Package for Social

Scientists was used to analyse the data that was gathered. Descriptive and inferential statistics were used to analyse the study's findings, which were then shown in tables and figures. According to the study's findings, MSMEs' financial success is positively correlated with their company development, service delivery efficiency, information accessibility, convenience, and dependability. The market's growth is influenced by the development of mobile money transfer services; these services improve business service delivery efficiency; information access in these services is dependent on the environment; and they are dependable and convenient.

Ogunsuyi and Tejumade (2017) investigates the influence of POS terminal services on the performance of the SMEs in Lagos state, Nigeria. Employing a survey research design, the study population comprised of 69,865 registered merchants in Nigeria. 400 questionnaires were administered using a Taro Yamane formula. The data gathering tools were structured questionnaires designed by the researcher to gather data from the respondents on the influence of the POS terminal service on the performance of their businesses. Frequency distribution, percentages, and regression analysis were used for data analysis. The result indicates that POS terminal services has helped increase the sales volume, reduce queues for payment, and increase the income of the business owners.

Harelimana (2018) examined Equity Bank Ltd. between 2012 and 2016 for his paper, "The Role of Electronic Payment Systems on the Financial Performance of Financial Institutions in Rwanda." Questionnaires were employed to gather data for the study, and descriptive statistics and linear multiple regression analysis were used to analyse the results and show them in statistical tables. According to the findings, easy loan application processes accounted for 33.5 percent of the factors impacting access to electronic payments. Following this were minimal collateral requirements, 20% low financing expenses, and 20% low interest rates, which were 4.5 percent. This demonstrates that respondents deemed all electronic payment factors significant while using the electronic payment system. 21.9 percent of the participants indicated that meeting expenses was another function of electronic payments made by Equity Bank Ltd. The performance of Equity Bank Ltd. was shown to be modestly predicted by the four independent factors. This indicates that 68.6% of the variation in Equity Bank Ltd.'s performance can be explained by the model.

Haras (2017) in his empirical study tried to describe the effects of accounting information system (AIS) on the accounting performance of small and medium enterprises (SMEs). The formulation of the problem examined in his study was based on the following question: "What is the impact of AIS on the accounting performance of SMEs? According to Haras, Accounting performance plays an important role in the development and growth of SMEs to survive. An efficient accounting information system ensures that all levels of management get sufficient, adequate, relevant and true information for planning, increases control and enhances the accounting performance in SMEs. He further posits that empirical testing is needed to the expansion of literature on improving accounting performance in SMEs while recommending that subsequent research to expand this survey should include other variables such as accounting practices, in evaluating the adoption of accounting information system in SMEs on the performance of equity bank Ltd.

The works of Ezeagba (2017) on financial reporting in Small and Medium Enterprises (SMEs) in Nigeria: challenges and options. The research was carried out to determine the challenges facing Small and Medium Enterprises (SMEs) in adopting effective financial accounting reporting in Nigeria and to ascertain the contribution of poor credit facilities to inadequate accounting records in SMEs in Nigeria. Survey methods and time series were used and data were collected through the use of questionnaire and CBN statistical bulletin. Data generated were analyzed with simple percentage table. The study found that the challenges facing SMEs in preparation and presentation of financial reports are inadequate accounting books and records, manpower, accounting system and non-running their transactions through the banking system. The study recommends among others that since keeping proper books of account and preparation of financial records can only be done by professional accountants, the two main bodies in Nigeria: ICAN and ANAN should encourage their members to offer free professional services to SMEs in Nigeria.

Afaha (2019) studied the relationship between electronic payment systems and economic growth using monthly data covering the period of 2012 to 2017. The Autoregressive Distributed Lagged Regression (ADLR) method was used in the analysis. The results indicate a significant positive relationship between electronic payment system and economic growth in terms of real gross domestic product (GDP) growth. The study suggests efforts be made to design or improve the internet security framework to check online fraud, adequate legislation on all aspects of the operations of e-banking and cashless operations as well as an increase in public enlightment and awareness programmes to entice the unbanked people in the banking systems and thereby double the real GDP growth.

Methodology

Research Design and Population of the Study

Descriptive research design was utilized in this study. The researcher made use of this form of design because it is valuable in enabling the researcher analyse how the independent variables (Point of Sale and mobile transfer) influenced the dependent variable (performance of small and medium enterprises). The population of the comprised all residents of Amassoma Town, Southern Ijaw Local Government Area. The 2016 projected population of Amassoma according to Ojile cited in Michael-Olomu and Imbazi, (2021) is 114,469.

Sample Size

As a result of the large size of the population, the Taro Yamane formula was used to determine the sample size of the study. The formula is stated as follows.

$$n = \frac{N}{1+N(e)^2} \quad . \quad . \quad . \quad 1$$

Where: n = sample size
N = population size
e = Margin of error
1 = constant

Therefore, $n = \frac{114469}{1+ 114469\,(0.05)^2}$

$$n = \frac{114469}{1 + 114469\,(0.0025)}$$

$$n = \frac{114469}{1 + 286.2}$$

$$n = \frac{114469}{287.2}$$

$$n = 398.7$$

$$\cong 399$$

From the calculation above, the sample of the study is put at 399. The sample of the study was drawn from residents and business in Amassoma Town.

Source of Data Collection

The source of data collection for this study was a primary source. The instrument for data collection was a structured questionnaire designed by the researcher. The questionnaire contained two sections – A and B. Section A contained questions that elicit response on the biodata of the respondents such sex, age, academic qualification etc. Section B contained items designed to elicit response that were used to achieve the objectives of the study and answer research questions and hypotheses that lead to a logical conclusion.

Data Analysis Technique

For the purpose of the study, the method of data analysis used is the mixed method. In other words, the simple percentage was used to analyse demographic data, while the mean method was used to answer the research question and Chi-square statistics was used to test the hypotheses. The Statistical Package for Social Sciences was deployed to analyse the data obtained from the respondents.

Results and Discussions

Demographic Data Presentation

In this section, the biodata of the respondents is presented and analysed.

Table 1: Distribution of Respondents Background Variables

Gender	Frequency	Percentage
Male	202	51.5
"Female"	190	48.5
"Total"	**392**	**100**

Source: Field Survey 2024

Table 1 indicates that 202 (51.5%) of the respondents were male while 190 (48.5%) were female. This implies that males were more represented in the study than their female counterpart. This could be attributed to the fact female often shy away from participating in survey of this nature.

Table 2: Distribution of Respondents by Age

Age	Frequency	Percentage
Below 30	44	11.2
31 – 35	79	20.2
36 – 40	151	38.5
41 and above	118	30.1
Total	**392**	**100**

Source: Field survey, 2024

Moreover, 44 (11.2%) of the respondents were aged below 30 while 79 (20.2%) respondents were in the age bracket of 31 – 35 years, 151 (38.5%) of the respondents were within the age bracket of 36 – 40. Also 118% of the respondents were 41 years and above. The implication of the age distribution of participants is that they are people with vital experience in terms of age, who can contribute meaningfully to the study and enable the researcher reach a better conclusion.

Table 3: Educational Qualification of Respondents

Educational Qualification	Frequency	Percentage
Non-formal Education	3	0.8
Primary school certification	29	7.4
Secondary school certification	66	16.8
NCE/OND	110	28.0
University education	184	47.0
Total	**392**	**100**

Source: Field survey, 2024

Table 3 revealed that of the 392 respondents that participated in the study, 3 (0.8%) had no formal education while 29 (7.4%) had primary school certification. Also, 66 respondents (14.6%) hold secondary school certification. For holders of NCE/OND, they were found to be 110 respondents, representing (28.0percent) of the sample. Finally, 184(47.0%) had university education. The implication of the above table is that participants in the study cut across people with varying education backgrounds. This is vital for a level playing field for all shades of opinion and suggestions. Also, both the educated and the uneducated have various roles to play in bringing development to society.

Research Question 1: What is the relationship between point of sale (POS) and small and medium scale enterprises performance in Amassoma?

Table 4: Mean Score Response on POS Terminal and SMEs in Amassoma

S/n	Items	SA	A	D	SD	X	Decision
1	Use of POS terminal(s) increased the number of customers that patronize us	199	99	42	52	3.1	Agreed
2	Serving customers with POS terminal is faster and fun filled	144	122	71	45	2.9	Agreed
3	Customer buys and spend more when POS terminal is available and functional	141	131	69	41	2.9	Agreed
4	When POS terminal(s) is available and functional, the problems of searching for cash is removed.	128	159	50	45	2.9	Agreed
5	The use of POS terminals for transactions reduces queues for payment.	176	151	30	35	3.2	Agreed
6	Businesses are more likely to make high income when POS terminal(s) is available and active than when it is not.	142	116	77	47	2.8	Agreed
7	The volume of sales often increases due to the use of POS terminal(s).	147	121	81	43	2.9	Agreed
8	The burden and risk of moving around with cash is eliminated with use of POS.	138	137	74	43	2.9	Agreed
	Grand Mean					**3.0**	**Agreed**

Source: Field survey 2024 N = 392 criterion value = 2.50

The data presented in Table 4, is response on the relationship between point-of-sale terminals and small and medium enterprises in Amassoma Town. The result indicated that item 1 – 8 had mean score which is greater than the criterion means. The mean scores for item were 1- 8 was 3.1, 2.9, 2.9, 2.9, 3.2, 2.8, 2.9 and 2.9 respectively and were all greater than the criterion value of 2.5. This shows POS terminals increases the performance of small and medium scale enterprises in Amassoma town. Overall, the grand mean score of 3.0 was also greater than the criterion value of 2.5. The implication is that it was generally agreed by respondents that POS play a vital role in the performance of small and medium scale businesses in Amassoma town.

Research Question 2: What is the relationship between mobile money transfer and small and medium scale enterprises performance in Amassoma?

Table 5: Mean Score Response on Mobile transfer and SMEs in Amassoma

S/N	Items	SA	A	D	SD	X	Decision
1	Mobile money transfer is cost effective and cheap to manage.	151	151	51	39	3.1	Agreed
2	Mobile money transfer is convenient for buying and selling irrespective of distance.	158	147	56	31	3.1	Agreed
3	Mobile money transfer facilitates transaction between buyers and sellers.	144	121	67	50	2.9	Agreed
4	Mobile money transfer removes the time barrier for payment of goods and services.	165	137	45	45	3.1	Agreed
5	Mobile money transfer promotes a wide range of transaction with face-to-face contact between sellers and buyers.	148	140	57	47	3.0	Agreed
6	Mobile money transfer enhances easy and timeless accessibility of financial services and transaction.	143	160	68	21	3.1	Agreed
7	Mobile money transfer reduces theft perpetuated by sales representatives.	166	149	53	24	3.3	Agreed
8	Mobile money transfer enhances the detection of business fraud	163	145	65	19	3.1	Agreed
	Grand Mean					**3.1**	Agreed

Source: Field survey 2024 N = 392 Criterion value = 2.5

The data presented in Table 5 contained a response on the relationship between mobile money transfer and small and medium enterprises' performance. The result indicated that item 9 mean score was 3.1; item 10, 3.1; item 11, 2.9; item 12, 3.1, item 13, 3.0; item 14, 3.1; item 15, 3.3 and item 16, 3.1 which are all greater than the criterion value of 2.5. Furthermore, the grand mean score of 3.1 was also greater than the criterion value of 2.5. This implies that the respondents generally disagree that mobile money transfer contributes to the performance of small and medium enterprises in Amassoma Town.

Test of Hypotheses

Hypothesis One:

H_{o1}: There is no significant relationship between point of sale (POS) and small and medium scale enterprises performance in Amassoma.

Table 6: Chi-Square result on the relationship between POS and SMEs

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	332.271[a]	28	.000
Likelihood Ratio	256.737	28	.000
Linear-by-Linear Association	2.808	1	.094
N of Valid Cases	3136		

a. 7 cells (20.0%) have expected countless than 5. The minimum expected count is 3.71.

Source: Author's Computation, 2024 using SPSS 22

$\chi^2 = (28, N = 3136) = 332.271, \rho = .000$

From the top row of the output table (Table 6) it was observed that the Pearson Chi-Squared statistic, $x^2 = 332.271$, degrees of freedom 28, corresponding to p = 0.000. The decision rule is to accept the null hypothesis if calculated chi-square (x^2)value is greater than the critical value, otherwise reject it. In other words, accept null hypothesis if *p-value* is greater than 0.05 alpha levels. Therefore, since the p-value, 0.00 < 0.05, the null hypothesis is rejected. This means that there is a statistically significant relationship between POS terminal and SMEs performance in Amassoma town. This is an indication that the use of POS terminal(s) increases the number of customers patronage, serving customers with POS terminal is faster and fun filled, when POS terminal(s) is available and functional, the problems of searching for cash is removed, use of POS terminals for transactions reduces queues for payment, Businesses are more likely to make high income when POS terminal(s) is available and active than when it is not, the volume of sales often increase due to the use of POS terminal(s) and the burden and risk of moving around with cash is eliminated with use of POS. The study is in tandem with Ogunsuyi and Tejumade (2017) who established that POS terminal services help increase the volume of sales and reduce queues for payment, thereby increasing the income of the business owners. In the same vein, Afaha (2019) reported that electronic payment enhances economic growth.

Hypothesis Two

H_{o2}: There is no significant relationship between mobile money transfer and small and medium scale enterprises performance in Amassoma.

Table 7: Analysis of Hypothesis Two on Mobile money transfer and SMEs

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	129.147[a]	28	.000
Likelihood Ratio	133.359	28	.000
Linear-by-Linear Association	4.458	1	.035
N of Valid Cases	3136		

a. 6 cells (20.0%) have expected countless than 5. The minimum expected count is 1.67.

Source: Author's Computation, 2024 using SPSS 22

$\chi^2 = (28, N = 3136) = 129.147, \rho = .000$

Table 7 above revealed that the Pearson chi-square statistic is x^2 = 129.147, and the degrees of freedom is 28, this corresponds to p = 0.000, which is less than the Alpha level of 0.05. Therefore, the null hypothesis is rejected. This indicates that mobile money transfer has a significant with relationship with small and medium enterprises performance in Amassoma town. The import of the finding is that mobile money transfer is cost effective and cheaper to manage, is convenient for buying and selling irrespective of distance, it facilitates transaction between buyers and sellers, it removes time barrier for payment of goods and services, it promotes a wide range of transaction without face-to-face contact between sellers and buyers, it enhances easy and timeless accessibility of financial services and transaction, reduces theft perpetuated by sales representatives and enhances detection of business fraud. Joan (2018) reported that mobile banking has increased customer base because of easy method of payments, more time to carry out other business activities, easy access to funds in the bank, increased business transactions, increased profits and increased business efficiency. Also, Muganda and Muganda (2003) noted that mobile money transfer services influence the development of market; enhance efficiency in service delivery in business; and mobile money transfer services are convenient and reliable.

Conclusion and Recommendations

The study investigated e-payment system and small and medium scale enterprises performance in Amassoma Town. The findings indicated that the use of point-of-sale terminals and the adoption of mobile money transfer enhances the performance of small and medium scale enterprises in Amassoma Town. In other words, based on the findings of the study, there exists a significant relationship between e-payment systems and small and medium scale enterprises performance in Amassoma Town. The study therefore concludes that e-payment system enhances the financial performance of small and medium scale enterprises in Amassoma Town.

Amongst the findings, the following recommendations are expected to strengthen the e-payment system to sustain and improve the performance of small and medium scale enterprises in Amassoma Town and beyond.

1. The government should look towards creating policies and initiatives that will increase e-payment adoption in the country which will increase the number of banked citizens and capture more of the population into the formal sector as well as contribute towards increased efficiency and efficacy in trade and business which will lead to increased performance of small and medium scale enterprises.
2. Managers and owners of businesses in Amassoma Town should adopt the use of POS terminal in their organizations as it improves businesses' performance.
3. Businesses in Amassoma Town that have not adopted mobile money transfer should do so in other to remain competitive in every growing business world.
4. Business owners should be abreast and always adopt new security measures to escape financial fraud that can be carried out through point-of-sale terminal of through mobile money transfer.

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