

The Impact of Digital Payment Systems on Small Businesses

Sajgeen Bade, Noorin Ghalte, Zoya Kadu

Department of Commerce

Anjuman Islam Janjira Degree College of Science, Murud-Janjira, Raigad, MS, India

Corresponding author: badesajgeen25@gmail.com

Abstract: *The rapid adoption of digital payment systems has transformed the financial landscape for small businesses. This study explores the impact of digital payment technologies on small enterprises, focusing on their advantages, challenges, and overall influence on business growth. Digital payments enhance operational efficiency, reduce transaction costs, and improve customer convenience, leading to increased sales and profitability. Additionally, they contribute to financial inclusion by enabling small businesses to access formal banking services and credit opportunities. However, challenges such as cybersecurity risks, high transaction fees, and technological barriers hinder widespread adoption. This research examines the role of government policies, fintech innovations, and consumer behaviour in shaping the digital payment ecosystem. By analysing real-world case studies and survey data, the study provides insights into how small businesses can optimize digital payment adoption to enhance competitiveness. The findings suggest that while digital payments present significant benefits, addressing security concerns and ensuring accessibility are crucial for sustainable implementation. The study concludes with recommendations for policymakers, financial institutions, and small business owners to foster a secure and inclusive digital payment environment.*

Keywords: Digital Payment Systems, Small Businesses, Financial Inclusion, Business Growth, Fintech Innovation

