



FINANCIAL DIGITAL PAYMENT PLATFORMS: ADOPTION, INSTITUTIONALIZATION, AND SUSTAINED USAGE IN EMERGING ECONOMIES

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Abstract

The rapid diffusion of financial digital payment platforms has fundamentally transformed economic exchange, organizational practices, and institutional arrangements across emerging economies. While prior research has largely examined digital payments through a technology acceptance or financial inclusion lens, scholarly attention to their broader institutional and managerial implications has been limited. Drawing on technology acceptance theory, institutional theory, and trust-based perspectives, this study develops a comprehensive conceptual framework to explain the adoption and sustained use of financial digital payment platforms. Using extensive secondary evidence from emerging economies, particularly India, the article theorizes how technological attributes, institutional legitimacy, trust mechanisms, and digital literacy interact to shape user behavior and organizational outcomes. The study contributes to management literature by reconceptualizing digital payment platforms as institutional infrastructures rather than mere transactional technologies. Managerial and policy implications are discussed, and directions for future research are outlined.

Keywords: Digital payment platforms, Institutional theory, Trust, Technology adoption, Emerging economies, financial technology.

1. Introduction

Digital transformation has emerged as one of the most defining forces shaping contemporary organizational and economic landscapes. Among the various manifestations of digitalization, financial digital payment platforms have assumed a particularly central role by reconfiguring how individuals, firms, and governments

conduct transactions. Platforms such as mobile wallets, real-time payment systems, and unified payment interfaces have rapidly diffused across both developed and emerging economies, altering long-established modes of financial exchange (**Gomber et al., 2018**).

In developing countries, digital payment platforms have gone beyond merely being convenient, enhancing technologies, and nowadays they are the basic infrastructures that help market participation, institutional trust, and financial inclusion (**Demirg, Kunt et al., 2018**). Governments are using these platforms as a means to formalize the economy, make it more transparent, and broaden access to financial services. Businesses use digital payments as part of their internal processes and strategies, whereas people use them for their everyday money-related activities.

Although they have become increasingly important, digital payment platforms still play multi-dimensional roles that have not been fully identified by management scholarship. Most of the existing literature is limited to adoption intention only, with an emphasis on perceived usefulness, ease of use, or perceived risk (**Davis, 1989; Venkatesh et al., 2012**). Such approaches, while useful, largely fail to consider the institutional environments in which the platforms operate, as well as the governance mechanisms that can ensure the continuance of usage over time.

Closing the gap, this work presents a fully developed conceptual paper that explores the question: How do the technological, institutional, and capability-based factors together influence the adoption and continuous usage of financial digital payment platforms in emerging economies? By bringing together different theoretical views and making use of secondary data, the paper meets the criteria for a contribution to the Journal of Management.

2. Theoretical Background

2.1 Technology Acceptance Perspective

Technology acceptance theory has traditionally been the main framework that helps us to understand how individuals adopt information systems. The Technology Acceptance Model (TAM) explains that perceiving a technology as useful and as easy to use determines most of the users' positive attitude towards the technology and their adoption behavior (**Davis, 1989**). Subsequent developments like the Unified Theory of Acceptance and Use of Technology (UTAUT) have included factors such as social influence and facilitating conditions (**Venkatesh et al., 2012**).

These models, in the case of digital payment platforms, to some extent, justify the behavior of users first-time adopting a payment technology by its capability to provide faster, more convenient, and efficient transactions. Yet, it is argued by the critics that such models do not sufficiently consider the broader environmental and institutional factors, especially in highly regulated and trust-sensitive sectors like finance (**Bagozzi, 2007**).

2.2 Institutional Theory

Institutional theory points out that the behavior of organizations and individuals is influenced not only by rational efficiency considerations but also by social norms, rules, and cultural, cognitive structures (**Scott, 2014**). Institutions give legitimacy, lower uncertainty, and form stable expectations.

To a large extent, digital payment platforms are part of a very institutionalized environment that comprises regulators, financial institutions, technology companies, and users. Government support, regulatory clarity, and compliance mechanisms are the most important factors that influence the degree of platform legitimacy. In the case of emerging economies, where the absence of institutions is a common phenomenon, digital platforms can take on the role of missing institutions by offering standardized rules, enforcement methods, and trust infrastructures (**Khanna & Palepu, 2010**).

2.3 Trust and Risk in Digital Financial Systems

Trust basically dictates people's behavior in online financial settings, which are often full of uncertainties and unbalanced information. Earlier studies have made a distinction between trust in technology, trust in institutions, and trust in intermediaries (**Gefen et al., 2003**). According to people, trust in digital payment platforms comes from how they perceive things such as security, reliability, transparency, and regulatory supervision.

Consumers' concerns about the privacy of their data, being scammed, or the system crashing can make them discontinue using a service even if they have adopted it. Thus, trust is the connection between perceived risk and the decision to continue using digital payment platforms.

3. Review of Literature

3.1 Digital Payment Adoption

Studies on the ground show that perceived usefulness, ease of use, and perceived security are three main factors that influence people's decision to use digital banking services (**Oliveira et al., 2016; Gupta et al., 2020**). Besides, social influence and facilitating conditions play a role in further shaping the adoption, especially in societies with a collectivist culture where the behavior of peers is considered a signal of legitimacy.

Nevertheless, the studies that are focused on adoption generally treat usage as a binary outcome, which means that they look at whether or not a person uses a product, and they ignore the post-adoption behavior and institutional embedding. The problem with this approach, especially in the context of developing countries, is that the initial adoption might be as a result of policy mandates rather than the user's voluntary choice.

3.2 Institutional and Regulatory Influences

Recent studies have shown that one of the main factors in the spread of digital payments is the influence of supportive regulations and government actions (**Arner et al., 2017**). Firstly, systems that are backed by central banks or considered as national payment infrastructures enjoy a higher level of trust and credibility, which in turn becomes their advantage.

In addition, institutional fit determines the decision of the company to adopt. Corporations usually go for digital payments only when they get the signal that the platforms have been acknowledged by regulators and trade associations, hence, a decrease in the worry about meeting regulations (**Kumar et al., 2022**).

3.3 Trust, Security, and Sustained Usage

Trust is the factor that has been proven to mediate the relationship between perceived risk and usage intention in digital financial services (Gefen et al., 2003). Continuing usage of the product or service is ultimately up to the product or service delivering on its promise, the transparency of its governance, and the effectiveness of its grievance redress mechanisms.

More and more studies point out that trust is not a fixed attribute but one that changes over time through repeated interactions and institutional reinforcement.

3.4 Digital Literacy and Capability Gaps

In particular, users' proficiency in digital literacy is a determining factor in their adoption and usage of digital payment platforms in an effective manner. When financial and digital literacy levels are low, a person's perceived risk tends to be higher while confidence is lower (**Morgan & Trinh, 2019**). From the viewpoint that is based on capabilities, it is stressed that the result of an adoption will depend on the skills of the user and the opportunities they have to learn.

4. Research Gap and Objectives

Despite numerous studies on the adoption of digital payments, there are still three major unanswered questions. The first is that the existing literature hardly theorizes the institutional role of digital payment platforms. Secondly, very little attention is paid to the issues of continuous usage and post-adoption behavior. Third, less work has been done on the study of the interactions among technological features, institutional legitimacy, trust, and user capabilities.

Therefore, the research goals of this paper include:

- To build a comprehensive theoretical model explaining the adoption and continuous usage of digital payment platforms.
- To explain the institutionalization process of the digital payment platforms in the context of the emerging economies.
- To propose theoretically based hypotheses for future empirical investigations.

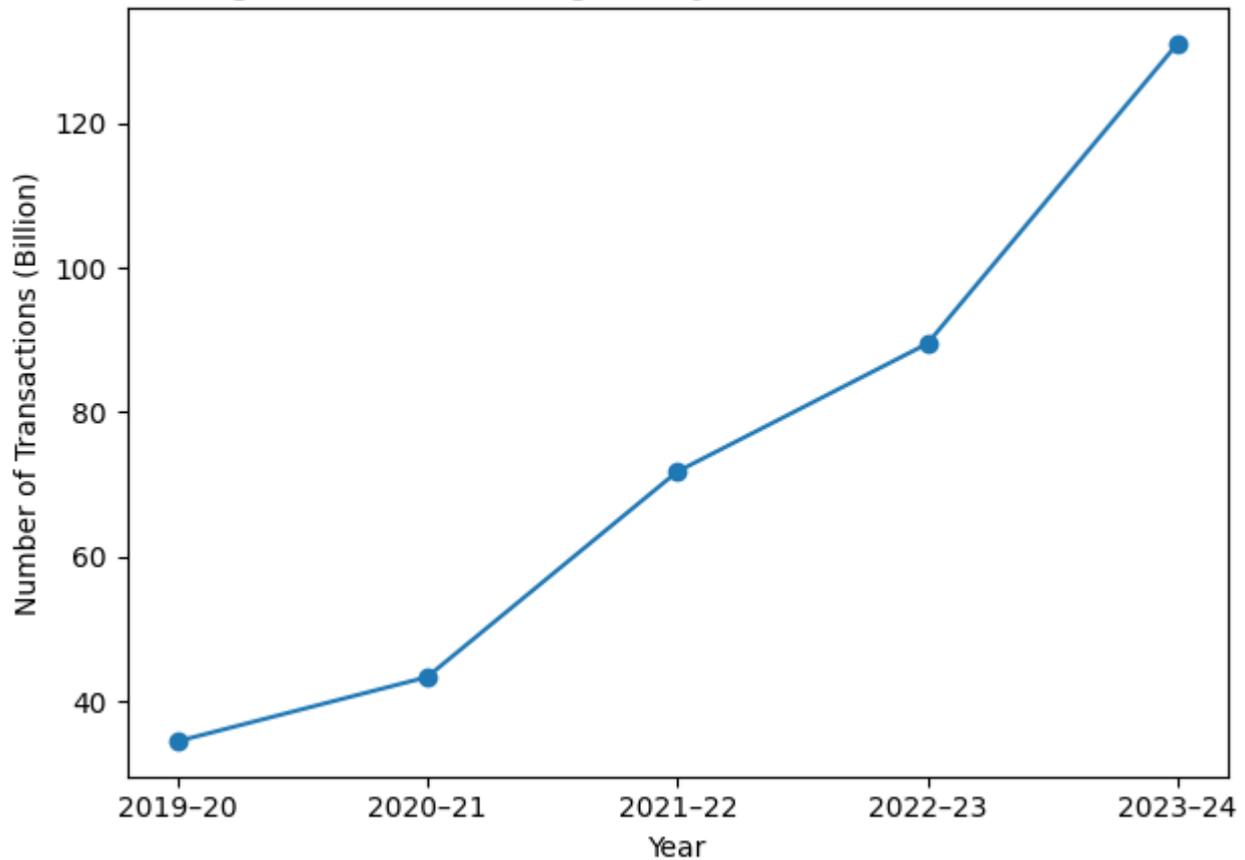
5. Secondary Data and Contextual Evidence

Secondary data from developing countries shows the institutionalization of digital payment platforms quite clearly. India is a case in point where digital payment transactions skyrocketed after policy measures ushering in cashless payments. The Reserve Bank of India (2024) states that both the number and value of transactions have steadily increased over the last five years.

Year	Transactions (Billion)	Value (₹ Trillion)
2019–20	34.5	1,623
2020–21	43.4	2,334
2021–22	71.8	3,472
2022–23	89.5	4,583
2023–24	131.0	5,842

Table 1: Growth of Digital Payment Transactions in India

Figure 1. Growth of Digital Payment Transactions in India



As shown in Figure 1, digital payment transactions in India have increased exponentially over the last five years, reflecting the transition of digital payments from optional technologies to institutionalized financial infrastructures. This evidence supports the argument that digital payment platforms have become embedded infrastructures rather than optional technologies.

6. Conceptual Framework Development

Conceptual Framework Diagram

Figure 2. Conceptual Framework for Adoption and Sustained Usage of Digital Payment Platforms.

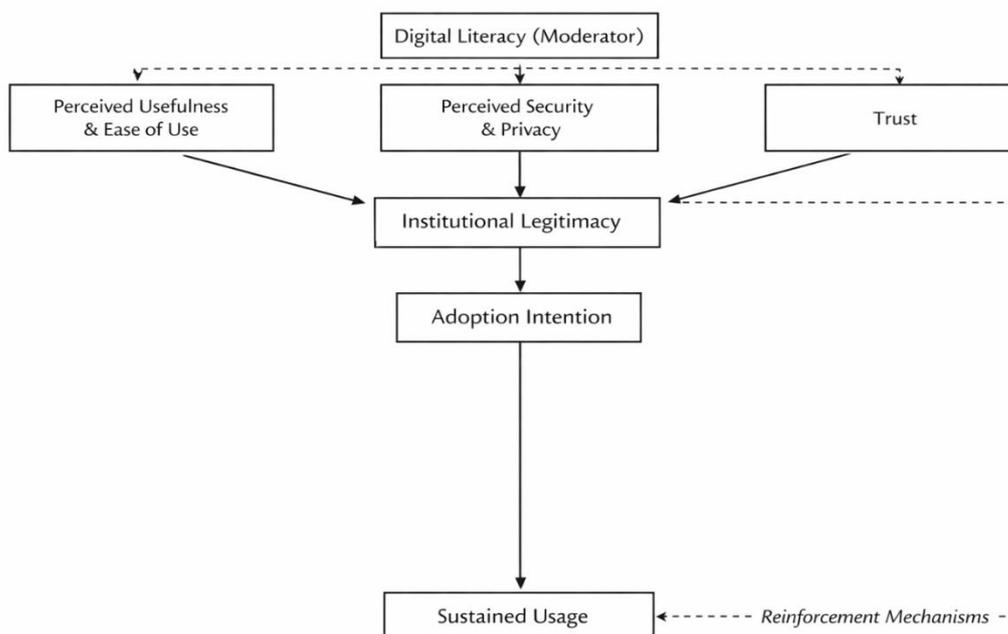


Figure 2 depicts the integrative conceptual framework that the authors of this paper have formulated. The framework demonstrates the effect of technological attributes on adoption via institutional legitimacy and trust formation. At the same time, digital literacy acts as a moderator in the link between technological perceptions and adoption intention. This model combines personal-level perceptions with the impact of the institutional level and the role of capability-based moderators.

7. Theoretical Contributions

By utilizing platform theory in regulated financial environments, the authors of this paper add to the existing management literature.

Based on the combination of technological acceptance and institutional theory, the paper reinterprets digital payment systems as institutional infrastructures, and it creates trust as a means of multi-level governance.

8. Managerial Implications

This implies that management should not only facilitate technological changes but, at the same time, build trust, comply with regulations, and train users. Digital payment platforms should be used as a part of a well-thought, out plan and not only seen as little extras to the everyday operation.

9. Policy Implications

Regulators will need to ensure clear policies, set cybersecurity standards, and provide inclusive digital literacy programs to keep up with the trend of adoption, and at the same time avoid the risk of digital exclusion.

10. Limitations and Future Research

Empirical studies based on multi-level and longitudinal designs should be used to test the framework. Also, comparative studies between countries would contribute to deepening the understanding.

11. Conclusion

Financial digital payment platforms have become key infrastructures, changing the economic as well as organizational behavior patterns in developing economies. Bringing together technology, institution, and capability perspectives, this research not only furnishes the adoption and continuous use with a strong theoretical foundation but also paves the way for scholars, managers, and policy makers to derive the benefits from the study.

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