

# The mediating role of intention in the digital bookkeeping adoption among MSMEs in Indonesia

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## Abstract

Digital bookkeeping is a financial innovation that serves a critical function in documenting the financial transactions of businesses. The aim of this study is to predict factors that influence the intention of Micro, Small, and Medium Enterprises (MSMEs) in Cirebon, Java, Indonesia to utilize digital bookkeeping. This study uses a quantitative approach to gain the perception of 225 MSMEs that represent a wide range of industrial sectors. The valid data was analyzed using Structural Equation Modeling (SEM) through Partial Least Square. The findings show that perceived usefulness, perceived ease of use, and convenience are factors that impact the intention of MSMEs to adopt digital bookkeeping, while perceived usefulness, perceived ease of use, and convenience have no effect on continuance intention. This research has practical implications for the development of effective financial management systems for MSMEs, enabling the monitoring of business growth systematically. This study makes a valuable contribution to the advancement of knowledge concerning the adoption of technology in the financial sector and enhances the Technology Acceptance Model (TAM) through its innovative approach.

**Keywords:** *perceived usefulness, perceived ease of use, convenience, intention, continuance intention, TAM, SEM*

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## 1. Introduction

Micro, Small and Medium Enterprises (MSMEs) play an important role in Indonesia's economic growth (Ardhi, 2023; Salsabillah et al., 2023; Nursini, 2020; Tambunan, 2019). The MSMEs in the country relate to the productive businesses owned by individuals or business entities that have met the criteria of Rp1.000.000.000 to Rp10.000.000.000 capitalization and Rp2.000.000.000 to Rp50.000.000.000 annual revenue (Article 35 of GR No. 7/2021). By 2024, 30 million MSMEs in Indonesia are expected to be connected to the digital ecosystem (Ardhi, 2023; Meilariza et al., 2024). According to the World Bank (2023), Indonesia's economy is projected to grow by more than 0.1% per year in the next three years. Of which, MSMEs will drive the country's economy and are projected to reach 83.3 million businesses by 2034. Therefore, MSMEs are continuously encouraged to improve their competitiveness. This provides an opportunity for small and medium enterprises (MSMEs) to contribute to the Indonesian economy.

According to Kadin (2023), data from the Indonesian Joint Funding Fintech Association (AFPI) shows that of the 64 million MSMEs in Indonesia, around 46.6 million have not had access to capital from banks or non-bank financial institutions in 2020. Due to the difficulty in securing funds, the government offers support for additional financing facilities, such as Mekar PNM, Bank Wakaf Mikro, Ultra Micro Financing (UMi), and Kredit Usaha Rakyat (KUR). As the business level of MSMEs grows, they can also access these financing schemes according to their class. Kadin (2023) further elaborated that the development of MSMEs loans continued to increase, and NPLs remained stable at around 4%. MSMEs loans continued to increase to reach Rp1,275.03 trillion, or grew 16.75%. The challenges that MSMEs will face in the future must be addressed by all parties involved, including digital literacy (Julianti et al., 2023; Shakira, 2024; Hariyanti, & Kristanti, 2024; Anatan & Nur, 2023; Aminullah et al., 2022), innovation (Apriani et al., 2022; Raya et al., 2021; Astriani et al., 2022; Achmad, 2023; Fizzanty, 2024; Farliana et al., 2022) and productivity (Poernamasari, 2023; Shahrullah et al., 2021; Anatan & Nur, 2021). Currently, Kadin and the Indonesian government are striving to improve the performance of MSMEs across the country by implementing digitalization strategies to increase competitiveness, become global players, and focus on exports. To obtain funding sources from external parties,

reports on the financial performance of MSMEs are required. Digital bookkeeping is seen as the solution to assist businesses in conducting bookkeeping online.

The MSMEs' intention to adopt digital bookkeeping is influenced by several factors such as usefulness, ease of use and convenience. The perceived usefulness relates to the extent to which a person believes that using a particular system will improve their job performance (Luo et al., 2024; Henderson & Divett, 2003; Buabeng-Andoh, 2018). Business actors tend to use new technology if they consider that the technology is more beneficial than the effort spent, including in using digital financial records (Zebua & Widuri, 2023). This is supported by studies showing that perceived usefulness affects e-wallet users (Esthiningrum & Sari, 2019; Daragmeh et al., 2021; Liébana-Cabanillas et al., 2020; Ming & Jais, 2022).

On the other hand, perceived ease of use is one of the four most important constructs of technology acceptance model (Venkatesh, 2000; He et al., 2018; Kelly & Palaniappan, 2023), and is the main factor influencing the intention to use a technology. The easier a technology is to use, the more people use it (Wibasuri et al., 2023). Hence, the ease of the system will affect a person's desire to use digital bookkeeping. Previous research shows that perceived ease of use has a positive effect on the use of e-walet (Prabawa & Aminah, 2023). The convenience of the system has a major impact on the use of digital bookkeeping as most economically active Indonesians own smartphones (Putera Kosim & Legowo, 2021). Previous research shows that perceived ease of use has a positive effect on the use of e-wallets (Daragmeh et al., 2021; Hasan & Gupta, 2020; Liébana-Cabanillas et al., 2020).

According to Khuong et al. (2022), convenience in using technology is also a factor considered by prospective users, in accordance with his research in Vietnam, which shows that convenience has a positive effect on the use of Fintech. If users find the system useful in their lives, they will be more interested in using it again. Similarly, research in Korea conducted by Jo and Bang (2023) found that digital financial record users will be more interested in using the system if they find it easy to use. Therefore, if users give a good response, they will definitely continue to use the digital bookkeeping-based financial transaction recording application. In effect, this will encourage other users to use it, which is consistent with the findings of Jangir et al. (2023) that intention to use has a positive effect on continuance usage intention towards Fintech in India.

Given the necessity to adopt digitalization of MSMEs in Indonesia, this study aims to predict the factor that influences the intention of MSMEs to utilize digital bookkeeping. This study contributes to the Sustainable Development Goals No. 8, 9, 11 in enhancing economic growth through the role of MSMEs.

## 2. Literature review

### 2.1. Theoretical framework

Technology acceptance model (TAM) is the theory used in this study. Introduced by Davis in 1989, TAM is an adaptation of the theory of reasoned action (TRA) which is specialized in modeling user acceptance of technology. It explains a causal relationship between a belief (the benefits of an information system and its ease of use) and the behavior, needs and users of an information system. A person's choice to use digital bookkeeping technology or the actual use of the system depends on the intention to use information technology (Izzah & Istiqomah, 2023).

### 2.2. Hypothesis development

**Perceived usefulness and intention to use digital bookkeeping.** Davis (1989) defines perceived usefulness as the extent to which a person believes that using a particular system will improve their job performance. If a person feels a new technology is more useful than the effort expended, they are likely to use it. Research in Indonesia conducted by Zebua and Widuri (2023) states that perceived usefulness significantly affects users' intention to use digital bookkeeping. Similarly, a study in China shows that perceived usefulness has a positive effect on the use of e-commerce systems (Esfahbodi et al., 2022). Furthermore, several studies highlighted positive influence of perceived usefulness on the intention to use new technology (Wibowo et al., 2024; Kelly & Palaniappan, 2023; Himel et al., 2022; Moura et al., 2020; Hanafia & Toolibb, 2020; Kemarauwana & Darmawan, 2020; Tahar et al., 2020) and accounting software (Syamsu et al., 2020; Pramono et al., 2023; Ilias et al., 2014; AlNasrallah & Saleem, 2022; Zebua & Widuri, 2023). Hence, this study states the null as:

H<sub>01</sub>: Perceived usefulness has no positive effect on the intention to use digital bookkeeping.

***Perceived ease of use and intention to use digital bookkeeping.*** Davis (1989) states that perceived ease of use means the extent to which a person believes that using a particular system will improve his job performance. Research conducted by Zebua and Widuri (2023) in Indonesia shows that individual tend to use new technology if they think it is more beneficial than the effort expended. Therefore, perceived ease of use significantly increases the desire to use digital bookkeeping. Research in Iran also showed that perceived ease of use affects the use of LMS (Ashrafi et al., 2020). Empirical evidence supported the assumption that perceived ease of use influences the intention to use new technology (Pramono et al., 2023; Kelly & Palaniappan, 2023; Himel et al., 2022; Moura et al., 2020; Hanafia & Toolibb, 2020; Kemarauwana & Darmawan, 2020; Tahar et al., 2020) and new accounting software (Jackson & Allen, 2024; Ilias et al., 2014; AlNasrallah & Saleem, 2022; Zebua & Widuri, 2023). Hence, this study states the null as:

H0<sub>2</sub>: Perceived ease of use has no positive effect on the intention to use digital bookkeeping.

***Convenience and intention to use digital bookkeeping.*** According to Daragmeh et al. (2021), customer's perception of how much time and effort is spent using a particular service is called convenience. Since the process is quick and easy, customers tend to feel more comfortable. The service convenience model aims to save customers time and effort, consumers also consider when choosing goods and services. Therefore, the desire to use digital bookkeeping will increase if the concept is comparable to the convenience model. The study of Khuong et al. (2022) in Vietnam showed that convenience has a positive effect on the use of FinTech. Empirical evidence provided that perceived convenience has positive influence on the intention to use new technology (Wardana et al., 2022; Thomas et al., 2024; Shankar & Rishi, 2020; Khiong et al., 2022; Apriani et al., 2023; Khairial & Ridanasti, 2023; Phonna et al., 2023) and new accounting software (Lea & Caoa, 2020). Hence, this study states the null as:

H0<sub>3</sub>: Convenience has no positive effect on the intention to use digital bookkeeping.

***Intention and continuance intention to use digital bookkeeping.*** According to Jo and Bang (2023), positive perceptions and attitudes, such as perceived usefulness, guide behavioral intentions, including intention to continue using, and top management support are key drivers

of intention to continue. Users will rate their experience with digital accounting and give their emotional reaction to the use of digital accounting. If users give a positive response, they will want to continue using digital accounting and will encourage many people to use it. In fact, Jangir et al. (2023) showed that intention has a positive effect on continuance intention to use Fintech. Hence, this study states the null as:

H0<sub>4</sub>: Intention has no positive effect on the continuance intention to use digital bookkeeping.

***Perceived usefulness on continuance intention to use digital bookkeeping mediated by intention.*** The benefits of a technology are the basis for someone deciding to use the technology. MSMEs that consider the benefits of using digital bookkeeping and have experience in using online record keeping, are more likely to have a continuing intention to use digital bookkeeping. This is consistent with previous studies that emphasize the importance of technology benefits to encourage intention to use the technology and use it in the long term. Research conducted by Esfahbodi et al. (2022) in China found perceived usefulness with a positive effect on the use of e-commerce systems. Similarly, Israr et al. (2022) concluded that the intention to use has a positive effect on continuance intention to use internet banking in Pakistan. Hence, this study states the null as:

H0<sub>5</sub>: Perceived usefulness has no positive effect on the continuance intention to use digital bookkeeping mediated by intention.

***Perceived ease of use on continuance intention to use digital bookkeeping mediated by intention.*** According to Mufarih et al. (2020), Indonesian consumers who perceive system benefits and convenience are influenced by their intention to participate in the system. The extent to which potential users expect the target system to be used without effort is called ease of use. A person considers technology easy to use or perceived ease of use based on how easy an application performs its activities. Research conducted by Ashrafi et al. (2020) in Iran showed that behavior of users to continue using digital bookkeeping is based on ease of use. Similarly, intention to use has a positive effect on continuance intention to use internet banking (Israr et al., 2022). Hence, this study states the null as:

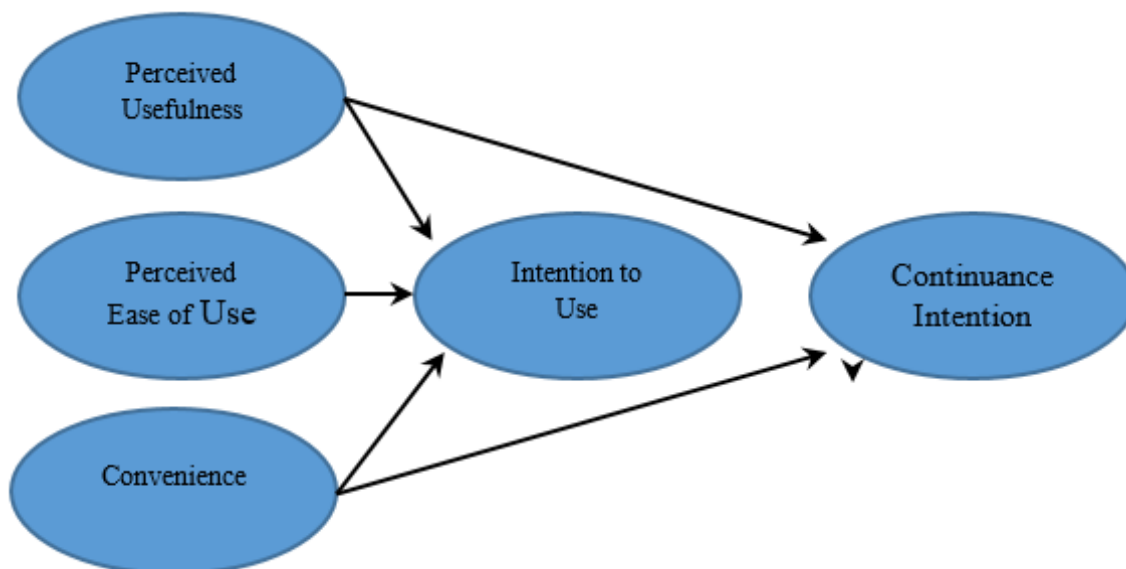
H0<sub>6</sub>: Perceived ease of use has no positive effect on continuance intention to use digital bookkeeping mediated by intention.

*Convenience on continuance intention to use digital bookkeeping mediated by intention.* The customer's perception of how much time and effort is spent using a particular service is called convenience. Since the process is quick and easy, customers tend to feel more comfortable. Research in India conducted by Chang et al. (2010) found that the service convenience model aims to save consumers time and effort. Therefore, if the concept of using digital bookkeeping is comparable to the convenience model, the desire to use it will increase. With the desire to use increasing, the user's interest in continuing to use it will also increase. Similarly, the intention to use has a positive effect on continuance intention to use internet banking (Israr et al., 2022). Hence, this study states the null as:

H0<sub>7</sub>: Convenience has no positive effect on continuance intention to use digital bookkeeping mediated by intention.

**Figure 1**

*Research model*



### 3. Methodology

This study uses a quantitative approach with data collection through questionnaires to obtain the perceptions of MSMEs regarding the use of digital bookkeeping to record financial transactions. An interval scale was used to measure respondents' answers with numbers 1 (strongly disagree) to 5 (strongly agree).

The population in this study totaled 61,234 MSMEs with various industrial sectors from Cirebon, Java, Indonesia. Based on the results of the Raosoft formula calculation, a sample size of 382 was obtained. The response rate of the questionnaire is more than 50% and 225 valid data were analyzed with Structural Equation Modeling (SEM) through PLS. Stages in data analysis include outer model analysis, inner model analysis and hypothesis testing. The result of data analysis has passed validation, reliability, and diagnostic tests for SEM analysis.

**Table 1**

*Operationalization of research variables*

Variable	Description
Perceived ease of use (independent variable)	Measured by 9 items (Almajali et al., 2022; Ashrafi et al., 2020; Esfahbodi et al., 2022; Kasilingam, 2020; Liébana-Cabanillas et al., 2020)
Perceived usefulness (independent variable)	Measured by 4 items (Ashrafi et al., 2020; Kasilingam, 2020)
Convenience (independent variable)	Measured by 4 items (Prabawa & Aminah, 2023)
Intention to use (mediating variable)	Measured by 4 items (Mohamad Zain et al., 2023)
Continuance intention (dependent variable)	Measured by 3 items (Jangir et al., 2023).

*Source:* Previous studies

The respondents of the study were the owners or employee-representative assigned in the accounting section of the MSME. Based on the demographic characteristics, the highest age range of respondents comprises: 21-30 years (56%), 31-40 years (32.1%), 41-50 years (10.7%), <20 years (6.7%), >50 years (3.5%). Based on the age of the business, the majority of them are less than 5 years old with 133 respondents (59.1%), 5-10 years with 77 respondents (34.2%), and 11-20 years with 5 respondents (6.7%). With regards to the educational qualifications, majority of the respondents have high school education (47.6%) while some of them have bachelor's degree (29.3%), junior high school (12.9%), elementary diploma (6.2%) and diploma degree (2.7%). Most of the respondents are from the food sector (72.00%) followed by beverage sector (5.33%), goods sector (16.89%), and service sector (5.78%).



#### 4. Findings and Discussion

The results of the descriptive analysis in table 2 show that respondents' intention to use digital bookkeeping received the highest score. This indicates that MSMEs agree that digital bookkeeping can help them to record finances practically and systematically. This encourages the intention to immediately use digital bookkeeping compared to using manual financial records. In addition, a high perception was also given to the benefits perceived by MSMEs in implementing digital bookkeeping. Meanwhile, the lowest perception of MSMEs among the variables in this study is technology anxiety with a mean value of 3.21.

**Table 2**

*Descriptive analysis*

Constructs	Item	M	SD	Loading	Cronbach Alpha	CR (>0,7)	AVE (>0,5)
Intention to Use (IU)	IU1	3.94	0.884	0.840	0.882	0.919	0.738
	IU2			0.895			
	IU3			0.858			
	IU4			0.843			
Perceived Usefulness (PU)	PU1	3.93	0.928	0.869	0.910	0.937	0.788
	PU2			0.902			
	PU3			0.900			
	PU4			0.879			
Perceived Ease of Use (PEOU)	PEOU1	3.86	0.938	0.779	0.942	0.951	0.684
	PEOU2			0.835			
	PEOU3			0.822			
	PEOU4			0.847			
	PEOU5			0.887			
	PEOU6			0.860			
	PEOU7			0.774			
	PEOU8			0.814			
	PEOU9			0.819			
Convenience	C1	3.94	0.854	0.835	0.895	0.927	0.762
	C2			0.904			
	C3			0.863			
	C4			0.888			
Continuance Intention (CI)	CI1	3.89	0.851	0.876	0.865	0.917	0.787
	CI2			0.897			
	CI3			0.887			

*Source:* Author's Computations

The Cronbach alpha values of the five main variables ranged from 0.882 to 0.947, greater than the 0.7 level. In addition, the Composite Reliability (CR) values of all variables ranged from 0.919 to 0.958, greater than 0.7. These results indicate that the constructs in this study meet reliability. There are two measurement models, convergent validity shown through

question reliability, construct composite reliability (CR), and construct variance extracted. A good reliability value is that the loading value must be higher than 0.70. The average variance extracted (AVE) value has been used to test convergent validity, and the value should be higher than 0.50.

**Table 3**

*Result of discriminant validity - by Fornell Larcker Criterion*

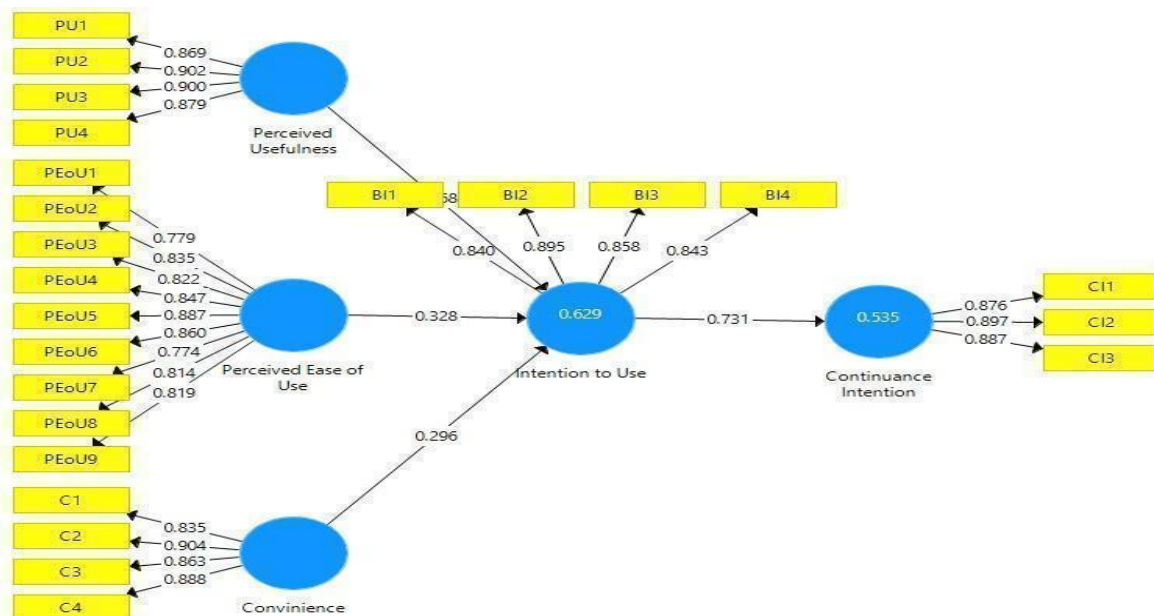
Constructs	Continuance Intention	Convenience	Intention to Use	Perceived Ease of Use	Perceived Usefulness
Continuance Intention	0.887				
Convenience	0.728	0.873			
Intention to Use	0.731	0.655	0.859		
Perceived Ease of Use	0.644	0.629	0.742	0.827	
Perceived Usefulness	0.614	0.567	0.714	0.847	0.888

*Source:* Author's Computations

Using the Fornell Larcker criterion, the linear validity of the indicators has been assessed. AVE square roots that are greater than the correlation values between constructs meet the linear validity requirements.

**Figure 2**

*The structural model evaluation and hypothesis testing*



The structural model evaluation and hypothesis testing are illustrated in figure 2, table 4 and table 5. Both  $H_{01}$  and  $H_{02}$  are supported by the data ( $\beta = 0.268$ ,  $t = 2.661$ ,  $p < 0.008$  and  $\beta = 0.328$ ,  $t = 2.701$ ,  $p > 0.007$ ), to suggest that perceived usefulness and perceived ease of use have stronger impact on the intention to use digital technology-based bookkeeping software. Hypotheses  $H_{03}$  and  $H_{04}$  are corroborated by ( $\beta = 0.296$ ,  $t = 3.054$ ,  $p < 0.002$ ) and ( $\beta = 0.731$ ,  $t = 15.543$ ,  $p > 0.000$ ), which indicate that convenience and continuance intention significantly influence the intention to use digital technology-based financial recording applications, especially bookkeeping.  $H_{05}$  is not supported by the data ( $\beta = 0.196$ ,  $t = 2.687$ ,  $p > 0.007$ ), indicating that there is no evidence to suggest that perceived usefulness increases the impact of continuance intention through intention in terms of using digital recordkeeping applications.  $H_{06}$  is not supported by the data ( $\beta = 0.240$ ,  $t = 2.788$ ,  $p < 0.006$ ), indicating that there is no evidence to suggest that perceived ease of use increases the impact on continuance intention through intention.  $H_{07}$  is not supported by the result ( $\beta = 0.217$ ,  $t = 2.714$ ,  $p > 0.007$ ), which indicates that convenience has no impact on the continuance intention towards the use of digital-based bookkeeping through intention.

**Table 4***Hypothesis testing results  $H_{01}$ - $H_{04}$* 

Hypothesis	Original Sample (O)	Sample Mean (M)	Standard Deviations (STDEV)	T Statistics (O STDEV)	P Value	Decision
$H_{01}$ : PU $\Rightarrow$ INT	0.268	0.225	0.101	2.661	0.008	Reject
$H_{02}$ : PEOU $\Rightarrow$ INT	0.328	0.325	0.122	2.701	0.007	Reject
$H_{03}$ : C $\Rightarrow$ INT	0.296	0.313	0.097	3.054	0.002	Reject
$H_{04}$ : INT $\Rightarrow$ CI	0.731	0.372	0.047	15.543	0.000	Reject

*Source:* Author's Computations

**Table 5***Hypothesis testing results of mediating effect H0<sub>5</sub>-H0<sub>7</sub>*

Null hypothesis	Original Sample (O)	Sample Mean (M)	Standard Deviations (STDEV)	T Statistics (O STDEV)	P Value	Decision
H0 <sub>5</sub> : PU ⇒ INT ⇒ CI	0,196	0,186	0,073	2,687	0,007	PU ⇒ CI 0,196 PU ⇒ INT 0,268 (Direct)  (0,196 X 0,268) = 0,052 (Indirect)  Fail to Reject H0 <sub>5</sub>
H0 <sub>6</sub> : PEOU ⇒ INT ⇒ CI	0,240	0,236	0,086	2,788	0,006	PEOU ⇒ CI 0,240 PEOU ⇒ INT 0,328 (Direct)  (0,240 X 0,328) = 0,078 (Indirect)  Fail to Reject H0 <sub>6</sub>
H0 <sub>7</sub> : C ⇒ INT ⇒ CI	0,217	0,232	0,080	2,714	0,007	C ⇒ CI 0,217 C ⇒ INT 0,296 (Direct)  (0,217 X 0,296) = 0,064 (Indirect)  Fail to Reject H0 <sub>7</sub>

*Source:* Author's Computations**Table 6***The association between IU and CI*

Hypothesis	R Square
Continuance Intention	0,535
Intention to Use	0,629

*Source:* Author's Computations

R Square continuance intention is 0.535, as shown in table 5. This indicates that all research variables explain 53.5% of the variance, leaving 46.5% influenced by other factors studied. Conversely, the R Square intention to use value of 0.629 indicates that the collective contribution of all research variables is 62.9%, leaving the remaining 37.1% influenced by other factors not studied.

**Hypothesis 1.** Perceived usefulness has a positive effect on the intention of MSMEs to adopt digital bookkeeping (reject  $H0_1$ ). Digital bookkeeping can help MSMEs record financial transactions and increase productivity. Digital bookkeeping can also help small and medium businesses be more efficient. MSMEs in Cirebon believe digital bookkeeping can help them complete financial records faster. Previous research in China proved that the benefits perceived by MSMEs from using digital-based financial records will affect their intention to utilize it (Esfahbodi et al., 2022). This study is in line with the TAM, which states that if a system is easy to use and offers benefits to its users, people's interest in using it will increase. This study shows MSMEs in Indonesia consider that digital bookkeeping that offers benefits will be more likely to adopt this application.

**Hypothesis 2.** Perceived ease of use has a positive influence on the intention to use digital bookkeeping by MSMEs in Cirebon (reject  $H0_2$ ). MSMEs found digital-based financial recording as easy to learn. They do not hesitate to use this application because of its clarity and ease of use. To assess the progress of their business, digital-based financial record is very important. This is also consistent with the research of Ashrafi et al. (2020), showing that perceived ease of use affects the use of digital bookkeeping in Iran. According to TAM, digital bookkeeping can help MSMEs save time by speeding up transaction recording. The study found that this would encourage people to use the system. As a result, MSMEs think that digital bookkeeping offers benefits enabling them to likely adopt this application.

**Hypothesis 3.** Convenience has a positive effect on the intention to use digital bookkeeping (reject  $H0_3$ ). The results show that new application systems, especially digital bookkeeping, are acceptable to MSMEs. However, MSMEs are fair when assessing that they prefer to record by hand rather than using digital accounting. Research in India conducted by Chang et al. (2010) found that convenience involves spending less energy for customers. This is also in accordance with the findings of Khuong et al. (2022). According to TAM, an individual's intention to use the system will increase if the system provides convenience to

MSMEs as it makes the process easy and fast. Therefore, there is a greater likelihood that MSMEs finding digital bookkeeping offers advantages will use the application.

**Hypothesis 4.** Hypothesis testing results show that intention has a positive impact on the continuance intention of MSMEs in Cirebon to use digital business bookkeeping (reject  $H_{04}$ ). As a result, most MSMEs agree that using digital accounting to record finances is a wise choice. This is supported by Jangir et al. (2023) that intention has a positive effect on continuance intention to use a specific system. The study is also in line with TAM, which states that individuals will be more interested in using the system if they see a good response from users. In this sense, users encourage other users to use digital bookkeeping.

**Hypothesis 5.** The result showed that intention has no mediating effect on the relationship between perceived usefulness and continuance intention to use digital bookkeeping (fail to reject  $H_{05}$ ). This contradicts the findings of Israr et al. (2022) that intention to use has a positive effect on continuance intention to use internet banking in Pakistan. This shows that through the mediation of MSMEs intention to use digital bookkeeping, perceived usefulness does not affect the continuance intention to use digital bookkeeping.

**Hypothesis 6.** The result showed that intention has no mediating effect on the relationship between perceived ease of use and continuance intention to use digital bookkeeping (fail to reject  $H_{06}$ ). This contradicts the findings of Ashrafi et al. (2020) and Israr et al. (2022). This shows that through the mediation of MSMEs intention to use digital bookkeeping, the perceived ease of use does not affect continuance intention to use digital bookkeeping.

**Hypothesis 7.** The result showed that intention has no mediating effect on the relationship between convenience and continuance intention to use digital bookkeeping (fail to reject  $H_{07}$ ). This contradicts the findings of Khuong et al. (2022) and Israr et al. (2022). Although the MSMEs found convenience in the use of digital bookkeeping, it does not affect their intention to adopt digital bookkeeping in the long run.

## 5. Conclusion

Perceived usefulness, perceived ease of use, convenience, and intention are factors that influence the continuance intention of MSMEs to utilize digital accounting applications. As

reflected in the results, all the factors influence MSMEs towards the adoption of digital accounting applications. However, the intention has no mediating effect on the relationship between perceived usefulness, perceived ease of use, and convenience and the continuance intention to use digital bookkeeping. The results provide empirical evidence that MSME players agree that digital bookkeeping applications simplify their financial recording process. In addition, MSME players find digital bookkeeping applications easy and comfortable to use.

With the challenges faced by the MSMEs on financial management, the use of digital and mobile-based applications is becoming imperative for them. The continuous innovation of the digital products allows the MSMEs to choose the appropriate features they need for their accounting records. Given the results of this study, MSMEs in Cirebon can further scrutinize available digital accounting services that suits their budget and needs. While the results show that they are positive with the adoption of digital bookkeeping, it is also recommended to increase their knowledge on the latest development and proper usage of new technologies. Given the limits of formal education of the MSME owners, as reflected in the demographic characteristics, it is highly recommended to give them proper orientation and training on the proper use of the digital bookkeeping. In addition, further research is recommended on the practices and experiences of MSMEs on the use of digital bookkeeping.

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