JMM17 JURNAL ILMU EKONOMI DAN MANAJEMEN
Volume 13 No 01 – April 2026 – ISSN (Online): 2355-7435

JMM17: Jurnal Ilmu Ekonomi dan Manajemen
Sinta 3 Accredited SK No. 72/E/KPT/2024
Journal page is avaliable to
https://jurnal.untag-sby.ac.id/index.php/jmm17/index

Constructing Digital Financial Trust in SMEs within Emerging Economies: A Grounded Theory Study

Bestoon Abdulmaged Othman[1]*, Rahand Jaafar Abdalla[2], Sazan Othman Rashed[3]
[1,2]Departments of Insurance Management, College of Management and Finance, University of Raparin
[3]Department of Accounting, Technical Institute of Sulaimanyah, Sulaimani Polytechnic University, Sulaimani, Iraq.

***Corresponding Author:** bestoon.othman@uor.edu.krd

ARTICLE INFO

Article history:
Submitted: 21 Januari 2026
Revised: 30 Februari 2026
Accepted: 30 Maret 2026

Keywords:
Digital finance;
Trust construction;
SMEs; Grounded theory;
Emerging economies;
Financial inclusion

IEEE style in citing this article:
S. S. Omar and S. M. Zabri, "Constructing digital financial trust in SMEs within emerging economies: A grounded theory study," JMM17: Jurnal Ilmu Ekonomi dan Manajemen, vol. 13, no. 1, Apr. 2026.

ABSTRACT

The rapid expansion of digital financial services has transformed the financial landscape for small and medium-sized enterprises (SMEs), particularly in emerging economies. Despite increased accessibility, the issue of trust remains a critical barrier to the effective adoption and sustained use of digital financial platforms. Existing studies have largely approached trust from a quantitative or technology acceptance perspective, offering limited insight into how trust is socially constructed and experienced by SMEs in practice. Addressing this gap, this study employs a grounded theory approach to explore the processes through which SMEs construct digital financial trust within complex and often uncertain institutional environments. Drawing on in-depth interviews and iterative data analysis, this research develops a process-based theoretical model that explains how trust emerges through the interplay of experiential learning, social influence, perceived risk negotiation, and platform interaction. The findings reveal that digital financial trust is not a static attribute but a dynamic and contextually embedded process shaped by both technological affordances and socio-institutional conditions. SMEs actively negotiate trust by balancing perceived benefits with concerns over security, transparency, and reliability, while leveraging peer networks and prior experiences to reduce uncertainty. This study contributes to the literature by advancing a grounded, process-oriented understanding of digital financial trust, extending beyond dominant adoption models. It also offers practical implications for policymakers, fintech providers, and development institutions seeking to enhance financial inclusion and digital transformation among SMEs in emerging economies.

2026. JMM17: Jurnal Ilmu Ekonomi dan Manajemen (Journal of Economic and Management Science) with CC BY NC SA license.

1. Introduction

The rapid diffusion of digital financial technologies has fundamentally transformed the landscape of financial access and service delivery for small and medium-sized enterprises (SMEs), particularly within emerging economies. Digital finance—encompassing mobile payments, peer-to-peer lending, digital banking, and platform-based financial ecosystems—has been widely promoted as a catalyst for financial inclusion, operational efficiency, and entrepreneurial growth [1], [2]. For SMEs,

which traditionally face structural constraints in accessing formal financial services, digital platforms offer new opportunities to overcome barriers related to collateral, geographic limitations, and institutional inefficiencies [3], [4].

However, despite the expanding availability of digital financial services, their adoption and sustained use among SMEs remain uneven and often limited. One of the most persistent and underexplored barriers is the issue of trust. Trust plays a central role in financial transactions, particularly in digital environments characterized by uncertainty, perceived risk, and limited face-to-face interaction [5], [6]. In emerging economies, these challenges are further amplified by institutional voids, regulatory inconsistencies, and varying levels of digital and financial literacy [7], [8]. As a result, SMEs frequently navigate complex socio-technical environments in which trust is not readily given but must be actively constructed.

Existing literature on digital finance adoption has predominantly relied on quantitative frameworks, such as the Technology Acceptance Model (TAM) and Unified Theory of Acceptance and Use of Technology (UTAUT), which emphasize factors like perceived usefulness, ease of use, and behavioral intention [9], [10]. While these models have provided valuable insights into adoption drivers, they tend to conceptualize trust as a static variable or a mediating factor, rather than as a dynamic, socially embedded process. Consequently, they offer limited explanatory power in capturing how SMEs in real-world contexts interpret, negotiate, and construct trust over time.

Recent scholarship has begun to call for more context-sensitive and process-oriented approaches to understanding digital financial behavior, particularly in under-researched settings such as emerging economies [11], [12]. Trust, in this regard, is increasingly viewed not merely as an outcome but as an evolving construct shaped by interactions between individuals, technologies, and institutional structures. Yet, there remains a significant gap in empirical research that unpacks the micro-level processes and mechanisms through which SMEs develop and sustain trust in digital financial systems.

Addressing this gap, the present study adopts a grounded theory approach to explore how SMEs construct digital financial trust within the complex and often uncertain environments of emerging economies. Grounded theory is particularly suited to this inquiry, as it allows for the development of theory inductively from empirical data, capturing nuanced social processes and contextual dynamics that are often overlooked in deductive research designs [13], [14]. By focusing on the lived experiences and interpretive practices of SME actors, this study seeks to move beyond static conceptualizations of trust and instead develop a process-based theoretical model that reflects the realities of digital financial engagement.

This study makes three primary contributions. First, it advances the literature on digital finance by offering a processual understanding of trust construction, highlighting the interplay between experiential learning, perceived risk negotiation, and platform interaction. Second, it contributes to SME research by providing contextually grounded insights into how businesses in emerging economies navigate digital transformation under conditions of uncertainty. Third, it offers practical implications for policymakers, fintech providers, and development agencies seeking to foster inclusive and sustainable digital financial ecosystems.

2. Literature Review and Theoretical Framework

A. Digital Finance and SMEs in Emerging Economies

Digital finance has emerged as a transformative force reshaping how SMEs access, manage, and utilize financial resources. By leveraging mobile technologies, digital platforms, and data-driven systems, digital finance reduces transaction costs, enhances efficiency, and expands financial inclusion [1], [12]. In emerging economies, where traditional financial institutions often fail to adequately serve SMEs, digital financial services offer alternative pathways to capital access and financial management [4]. However, the diffusion of digital finance among SMEs is not merely a function of technological availability. Structural constraints such as institutional voids, weak regulatory frameworks, and uneven digital infrastructure continue to shape adoption patterns [7], [11].

These conditions create environments characterized by uncertainty and risk, where SMEs must actively interpret and evaluate the reliability of digital financial systems. As a result, digital finance adoption becomes a context-dependent and socially embedded process, rather than a purely rational or efficiency-driven decision.

Moreover, recent studies emphasize that SMEs in emerging markets do not passively adopt digital financial tools but instead engage in adaptive strategies, combining formal and informal financial practices to manage uncertainty [11]. This highlights the need to move beyond deterministic models and toward more nuanced frameworks that capture the lived realities of SME actors.

B. Trust in Digital Financial Environments

Trust is widely recognized as a foundational element in economic exchange, particularly in contexts characterized by uncertainty and incomplete information. In digital financial environments, trust becomes even more critical due to the absence of physical interaction, reliance on technological intermediaries, and exposure to cybersecurity risks [5], [6]. Early research conceptualizes trust as a set of beliefs regarding competence, integrity, and benevolence of the service provider [6]. Within digital contexts, this has been extended to include trust in technological systems, platforms, and algorithms [5]. However, much of the existing literature treats trust as a predefined variable that influences adoption decisions, often measured through survey-based constructs.

Such an approach, while useful for identifying correlational relationships, fails to capture the processual and emergent nature of trust. Trust is not simply given; it is constructed through repeated interactions, experiential learning, and social validation. In emerging economies, where institutional trust may be weak, SMEs often rely on relational and network-based trust mechanisms, including peer recommendations and community experiences, to evaluate digital financial services [7]. This suggests that trust should be understood not as a static attribute but as a dynamic, negotiated, and contextually embedded process, shaped by the interplay between individuals, technologies, and institutional environments.

C. Limitations of Dominant Adoption Theories

The dominant theoretical frameworks used to explain digital finance adoption—such as TAM and UTAUT—have provided important insights into user behavior, particularly in terms of perceived usefulness and ease of use [9], [10]. However, these models are inherently positivist and reductionist, focusing on individual cognition while overlooking broader socio-cultural and institutional dynamics. In the context of SMEs in emerging economies, such frameworks exhibit several limitations. First, they assume a level of rational decision-making that may not reflect the realities of resource-constrained environments. Second, they treat trust as an antecedent variable rather than as an outcome of social processes. Third, they fail to account for institutional voids and informal practices, which are central to understanding economic behavior in these contexts [7]. Consequently, there is a growing recognition of the need for alternative theoretical approaches that can capture the complexity, dynamism, and contextuality of digital finance adoption.

D. Toward a Socio-Technical and Process-Oriented Perspective

To address these limitations, this study draws on a socio-technical perspective, which views technology adoption as the outcome of interactions between social actors, technological systems, and institutional structures. From this perspective, digital financial trust is not solely a function of technological design or individual perception but emerges through ongoing interactions and negotiations within specific contexts. This aligns with recent calls in the literature to conceptualize financial inclusion and digital transformation as processes rather than outcomes, emphasizing the role of agency, learning, and adaptation [11], [12]. Within this framework, SMEs are seen as active agents who interpret, experiment with, and reshape digital financial technologies based on their experiences and constraints. Trust, therefore, is constructed through multiple mechanisms, including (a) Experiential learning (trial-and-error use of digital platforms); (b) Risk negotiation (balancing perceived

benefits and uncertainties); (c) Social validation (peer influence and network effects); and (d) Platform interaction (interface design, transparency, and reliability) These mechanisms are not isolated but interact dynamically, forming a processual pathway through which trust evolves over time.

E. Grounded Theory as an Analytical Lens

Given the complexity and contextual nature of digital financial trust, this study adopts grounded theory as its primary methodological and analytical approach. Grounded theory enables the development of theory inductively from empirical data, making it particularly suitable for exploring under-theorized phenomena and uncovering hidden social processes [13], [14]. Unlike deductive approaches that test predefined hypotheses, grounded theory allows for the identification of emergent categories, relationships, and processes that reflect the lived experiences of participants. This is especially important in the context of SMEs in emerging economies, where existing theories may not fully capture local realities. Through iterative coding and constant comparison, grounded theory facilitates the construction of a substantive theory that explains how digital financial trust is formed, maintained, and transformed. This approach not only addresses the limitations of existing models but also contributes to the development of context-sensitive and process-oriented knowledge.

F. Conceptual Positioning of the Study

Building on the preceding discussion, this study departs from dominant variance-based and adoption-centric perspectives by advancing a processual and constructionist view of digital financial trust. Rather than treating trust as a pre-existing determinant or a static psychological state, this research conceptualizes trust as an emergent, continuously negotiated outcome of socio-technical interactions within the everyday practices of SMEs. Specifically, this study positions digital financial trust at the intersection of three interrelated dimensions. First, it adopts a processual perspective, emphasizing that trust is not formed instantaneously but evolves through iterative cycles of engagement, reflection, and adjustment. This perspective challenges linear adoption models by foregrounding temporality and transformation in SME behavior. Second, it embraces a socio-technical lens, recognizing that trust is co-constructed through the interaction between human actors, digital platforms, and embedded technological features such as interfaces, algorithms, and security mechanisms. Third, it situates trust within a contextually embedded framework, where institutional conditions, regulatory environments, and informal networks shape how SMEs interpret and respond to digital financial systems.

Crucially, this study advances the argument that SMEs are not passive recipients of digital financial technologies but active agents who interpret, contest, and reconstruct trust through situated practices. In environments characterized by institutional uncertainty and informational asymmetry, SMEs rely on a combination of experiential learning, peer validation, and risk negotiation to make sense of digital financial offerings. Trust, therefore, emerges as a relational and practice-based construct, rather than a purely cognitive or technology-driven variable. By integrating these perspectives, this study contributes a grounded, mid-range theoretical framework that explicates the mechanisms through which digital financial trust is constructed in emerging economies. This positioning not only extends existing literature beyond static and decontextualized models but also responds to recent calls for more process-oriented, context-sensitive, and empirically grounded theories of digital transformation [11], [12]. In doing so, the study offers a more nuanced and realistic account of SME engagement with digital finance, capturing both the opportunities and the frictions inherent in these evolving ecosystems.

3. Method

A. Research Design

This study adopts a constructivist grounded theory approach to explore how SMEs construct digital financial trust within the dynamic and often uncertain contexts of emerging economies.

Grounded theory is particularly appropriate for this research as it enables the development of theory inductively from empirical data, especially in areas where existing theoretical explanations remain limited or insufficiently contextualized [13], [14].

Unlike positivist approaches that seek to test predefined hypotheses, the constructivist grounded theory perspective emphasizes the co-construction of meaning between researchers and participants. This approach acknowledges that social reality is interpretive and context-dependent, making it particularly suitable for capturing the nuanced and evolving nature of trust in digital financial environments.

B. Research Context and Sampling Strategy

The study focuses on SMEs operating within emerging economies, where digital financial adoption is rapidly expanding but remains unevenly distributed. These contexts are characterized by institutional voids, regulatory inconsistencies, and varying levels of technological readiness, all of which influence how trust is formed and negotiated [7], [11]. A theoretical sampling strategy was employed to select participants. Rather than aiming for statistical representativeness, theoretical sampling prioritizes the selection of cases that can best inform the development of emerging theoretical categories [13]. Initial participants were SMEs that had experience using digital financial services (e.g., mobile payments, digital lending platforms). Subsequent sampling was guided by emerging insights, allowing the researcher to refine, expand, and saturate conceptual categories. Sampling continued until theoretical saturation was achieved—that is, when additional data no longer provided new insights into the core categories or their relationships [14].

C. Data Collection

Data were collected through in-depth, semi-structured interviews with SME owners and managers who actively engage with digital financial platforms. This method allows for the exploration of participants' lived experiences, perceptions, and interpretations in a flexible yet focused manner. The interview protocol was designed to capture (a) Experiences with digital financial services; (b) Perceived benefits and risks; (c) Trust-related concerns and expectations; (d) Decision-making processes in adopting digital finance; and (e) Influence of social networks and external actors. Each interview lasted approximately 45–90 minutes and was conducted either face-to-face or via digital communication platforms. All interviews were recorded (with consent) and transcribed verbatim to ensure data accuracy. To enhance depth and contextual richness, interviews were complemented by field notes and reflective memos, which documented observations, emerging ideas, and analytical reflections throughout the research process.

D. Data Analysis

Data analysis followed the systematic procedures of grounded theory, involving iterative coding and constant comparison [13], [14]. The process consisted of three main stages:

1. Open Coding: In the initial stage, data were broken down into discrete units and examined line-by-line to identify significant concepts. Codes were assigned to capture actions, interactions, and meanings expressed by participants.
2. Axial Coding: In the second stage, relationships between codes were explored to form higher-level categories. This involved identifying conditions, interactions, and consequences associated with emerging themes, particularly those related to trust formation and digital financial engagement.
3. Selective Coding: In the final stage, a core category was identified, and all other categories were integrated around it to form a coherent theoretical framework. This process resulted in the development of a process-based model explaining how SMEs construct digital financial trust.

Throughout the analysis, the constant comparative method was applied, whereby data were continuously compared across interviews, codes, and categories to refine conceptual clarity and theoretical coherence.

E. Ensuring Trustworthiness

To ensure the rigor and credibility of the findings, this study employed multiple strategies aligned with qualitative research standards:

a. Credibility: Achieved through prolonged engagement with participants and iterative data analysis
b. Dependability: Ensured by maintaining a clear audit trail documenting all research decisions and analytical steps
c. Confirmability: Supported through reflexive memos that acknowledge potential researcher bias
d. Transferability: Enhanced by providing rich, contextual descriptions of the research setting and participants

Additionally, data triangulation was applied by comparing insights across different participants and contexts, strengthening the robustness of the findings.

F. Ethical Considerations

Ethical standards were strictly observed throughout the research process. Participants were informed about the purpose of the study, and their consent was obtained prior to data collection. Confidentiality and anonymity were ensured by removing identifiable information from transcripts and reports.

4. Results and Discussion

A. Overview of the Emergent Theoretical Model

The analysis reveals that digital financial trust in SMEs is not an initial condition but an emergent, iterative, and socially constructed process. Rather than being determined solely by technological features or individual perceptions, trust evolves through a series of interactions, interpretations, and adjustments embedded within specific socio-technical contexts. At the center of this process lies the core category:

"Iterative Trust Construction through Experiential and Socially Mediated Engagement"

This core category captures how SMEs gradually construct trust by engaging with digital financial platforms, reflecting on their experiences, and validating their interpretations through social networks. The grounded analysis identifies four interrelated mechanisms that collectively shape this process (a) Experiential Learning; (b) Risk Negotiation; (c) Social Validation; and (d) Platform Interaction. These mechanisms are not linear stages but mutually reinforcing dynamics that evolve over time.

B. Experiential Learning: Trust as an Outcome of Use

The findings indicate that SMEs rarely rely on abstract evaluations when adopting digital financial services. Instead, trust begins to form through direct and repeated usage experiences. Participants described initial engagement as cautious and exploratory, often involving low-risk transactions to "test" the system. Positive experiences—such as successful transactions, speed, and convenience—gradually reduce uncertainty and reinforce confidence. Conversely, negative experiences (e.g., transaction failures or delays) can significantly disrupt trust formation. This suggests that trust is practice-based, emerging through "learning by doing," rather than pre-existing attitudes. This finding challenges traditional adoption models that treat trust as an antecedent variable [9], [10], and instead positions it as an outcome of iterative interaction.

C. Risk Negotiation: Balancing Opportunity and Uncertainty

A central theme across interviews is the continuous negotiation of perceived risks and benefits. SMEs operate in environments where digital finance offers clear advantages—efficiency, accessibility, and scalability—but also introduces concerns related to security, fraud, and data privacy. Trust is constructed through a process of risk calibration, where SMEs could (a) Assess potential losses; (b) Compare digital vs. traditional financial options; and (c) Adjust usage behavior based on perceived safety. Importantly, risk is not eliminated but managed and normalized over time. SMEs develop coping strategies, such as limiting transaction sizes or using multiple platforms, to mitigate uncertainty. This finding aligns with the view that trust in digital environments is inherently tied to risk management rather than risk elimination [5], [6], extending prior research by showing how this negotiation unfolds dynamically in SME contexts.

D. Social Validation: Trust as a Relational Construct

Beyond individual experience, trust is strongly shaped by social and relational influences. SMEs frequently rely on peer networks, business communities, and informal recommendations to evaluate digital financial services. Participants reported that (a) Recommendations from trusted peers significantly accelerate adoption; (b) Negative experiences shared within networks can quickly erode trust; and (c) Collective experiences shape perceptions of platform reliability. This highlights that trust is not purely individual but socially mediated, constructed through shared narratives and collective sense-making. In contexts characterized by institutional uncertainty, such as emerging economies, these informal trust mechanisms often substitute for formal institutional guarantees [7]. Thus, trust emerges as a relational phenomenon, embedded within networks rather than confined to individual cognition.

E. Platform Interaction: The Role of Technological Affordances

The design and functionality of digital financial platforms play a critical role in shaping trust construction. SMEs evaluate platforms based on (a) Transparency of transactions; (b) Ease of use and interface clarity; (c) Responsiveness and reliability; and (d) Perceived security features. These technological affordances influence how SMEs interpret platform credibility and reliability. Importantly, trust is not determined solely by objective system quality but by how these features are experienced and interpreted by users. This reinforces a socio-technical perspective, where trust emerges from the interaction between human actors and technological systems, rather than from either domain alone.

F. Process Model of Digital Financial Trust Construction

Integrating these findings, this study proposes a process model in which digital financial trust evolves through continuous interaction between four mechanisms (a) Experiential Learning builds initial familiarity; (b) Risk Negotiation shapes decision boundaries; (c) Social Validation reinforces or challenges perceptions; and (d) Platform Interaction provides ongoing feedback. These mechanisms operate within a broader context of institutional uncertainty, where formal structures are weak or inconsistent. Over time, repeated cycles of interaction lead to the stabilization—or breakdown—of trust. This model extends prior research by (a) Moving from static to dynamic conceptualizations of trust; (b) Integrating individual, social, and technological dimensions; and (c) Providing a processual explanation grounded in empirical data.

G. Theoretical Implications

This study makes several important theoretical contributions. First, it advances the literature by conceptualizing trust as a processual and emergent construct, rather than a static determinant of adoption. This challenges dominant variance-based models such as TAM and UTAUT [9], [10]. Second, it contributes to socio-technical theory by demonstrating how trust is co-constructed through interactions between users and digital platforms, reinforcing the need for integrative frameworks that bridge technological and social perspectives. Third, it extends research on SMEs in emerging economies by highlighting the role of informal networks and experiential learning in shaping digital financial behavior, addressing gaps identified in prior studies [11], [12].

H. Practical Implications

The findings of this study provide several actionable implications for key stakeholders involved in the development and governance of digital financial ecosystems, particularly in emerging economies. First, for policymakers, the results underscore the importance of strengthening institutional frameworks to reduce uncertainty and enhance trust in digital financial systems. This includes improving regulatory clarity, enforcing consumer protection mechanisms, and establishing transparent dispute resolution processes. Given that SMEs operate within environments often characterized by institutional voids, targeted interventions aimed at enhancing regulatory reliability and systemic transparency are essential. In addition, policymakers should invest in financial and digital literacy programs tailored specifically to SMEs, enabling them to better assess risks and engage confidently with digital financial platforms.

Second, for fintech providers, the study highlights that trust is not solely a function of technological capability but is actively constructed through user experience and interaction. Therefore, fintech firms should prioritize platform transparency, intuitive interface design, and consistent system reliability. Clear communication regarding transaction processes, fees, and security features is critical in reducing user uncertainty. Moreover, incorporating trust-building mechanisms, such as real-time notifications, visible security certifications, and responsive customer support, can significantly enhance user confidence and long-term engagement.

Third, for SME development programs and support institutions, the findings emphasize the pivotal role of social validation and peer networks in accelerating trust formation. Programs that facilitate knowledge sharing, peer learning, and community-based training can serve as effective channels for disseminating positive experiences and reducing perceived risks. Encouraging the formation of SME digital communities or clusters may further strengthen collective trust and accelerate the diffusion of digital financial practices.

Overall, these implications suggest that building trust in digital finance requires a coordinated, multi-actor approach that integrates institutional support, technological design, and social engagement. Efforts to promote digital financial inclusion among SMEs will be most effective when they address not only access and infrastructure but also the processes through which trust is constructed and sustained over time.

5. Conclusions

A. Concluding Remarks

This study set out to explore how SMEs construct digital financial trust within the complex and uncertain environments of emerging economies. Moving beyond dominant variance-based and adoption-centric frameworks, the findings demonstrate that trust is not a precondition for digital

financial engagement but an emergent and iterative process, shaped through continuous interaction between SME actors, digital platforms, and their broader socio-institutional contexts.

By employing a grounded theory approach, this research develops a process-based theoretical model centered on the core concept of *iterative trust construction*. The model reveals that trust evolves through the dynamic interplay of experiential learning, risk negotiation, social validation, and platform interaction. These mechanisms operate within environments characterized by institutional uncertainty, where SMEs actively interpret, adapt, and negotiate their engagement with digital financial systems.

B. Theoretical Contributions

This study contributes to the literature in several significant ways. First, it advances the conceptualization of trust by reframing it as a processual and socially constructed phenomenon, rather than a static determinant of technology adoption. In doing so, it challenges the dominance of traditional models such as TAM and UTAUT, which tend to reduce trust to a measurable variable. Second, the study introduces a socio-technical perspective that integrates individual experiences, technological affordances, and institutional conditions into a unified analytical framework. This provides a more holistic understanding of digital financial behavior, particularly in contexts where formal institutions are weak or evolving. Third, the research contributes to the SME and emerging economy literature by highlighting the importance of informal networks, experiential practices, and adaptive strategies in shaping digital financial engagement. These insights extend existing knowledge by grounding theoretical development in the lived realities of SME actors.

C. Practical Implications

The findings offer several implications for key stakeholders. For policymakers, the study underscores the importance of strengthening regulatory clarity, consumer protection, and digital infrastructure to reduce uncertainty and enhance trust in digital financial systems. Policy interventions should also support financial and digital literacy programs tailored to SMEs. For fintech providers, the results highlight the need to design platforms that prioritize transparency, usability, and reliability, while actively addressing user concerns related to security and data privacy. Building trust requires not only technological robustness but also effective communication and user engagement strategies. For SME development agencies, the study suggests leveraging peer networks and community-based learning as mechanisms to accelerate trust formation and digital adoption. Facilitating knowledge sharing among SMEs can significantly reduce perceived risks and barriers.

D. Limitations

Despite its contributions, this study has several limitations that should be acknowledged. First, as a qualitative study based on grounded theory, the findings are context-specific and not intended for statistical generalization. While the study provides rich and in-depth insights, its applicability may vary across different geographical and institutional settings. Second, the reliance on interview-based data introduces the possibility of subjective bias, both from participants and the researcher. Although measures were taken to ensure rigor and trustworthiness, such as triangulation and reflexivity, these limitations cannot be entirely eliminated. Third, the study focuses primarily on SMEs as a relatively homogeneous group, potentially overlooking variations across sectors, firm sizes, or levels of digital maturity.

E. Directions for Future Research

Building on these limitations, several avenues for future research emerge. First, future studies could adopt comparative or cross-country designs to examine how different institutional environments

influence the process of digital financial trust construction. Such research would enhance the generalizability and robustness of the proposed framework. Second, there is an opportunity to integrate mixed-method approaches, combining qualitative insights with quantitative validation to test and refine the process model developed in this study. Third, future research could explore the role of emerging technologies, such as artificial intelligence and blockchain, in shaping new forms of trust and risk in digital financial ecosystems. Finally, further investigation is needed into the heterogeneity of SMEs, examining how factors such as industry, firm size, and digital capability influence trust dynamics.

6. References

[1] World Bank, *Digital Financial Services*, Washington, DC, USA: World Bank, 2022.

[2] OECD, *Financing SMEs and Entrepreneurs 2021: An OECD Scoreboard*, Paris, France: OECD Publishing, 2021.

[3] T. Beck, "Financial inclusion: Measuring progress and progress in measuring," *Financial Stability Review*, vol. 20, pp. 37–41, 2016.

[4] A. Demirgüç-Kunt, L. Klapper, D. Singer, S. Ansar, and J. Hess, *The Global Findex Database 2017: Measuring Financial Inclusion and the Fintech Revolution*, Washington, DC, USA: World Bank, 2018.

[5] D. Gefen, E. Karahanna, and D. W. Straub, "Trust and TAM in online shopping: An integrated model," *MIS Quarterly*, vol. 27, no. 1, pp. 51–90, 2003.

[6] D. H. McKnight, V. Choudhury, and C. Kacmar, "Developing and validating trust measures for e-commerce," *Information Systems Research*, vol. 13, no. 3, pp. 334–359, 2002.

[7] J. Mair, I. Martí, and M. J. Ventresca, "Building inclusive markets in rural Bangladesh: How intermediaries work institutional voids," *Academy of Management Journal*, vol. 55, no. 4, pp. 819–850, 2012.

[8] Y. Chen and C. Bellavitis, "Blockchain disruption and decentralized finance: The rise of decentralized business models," *Journal of Business Venturing Insights*, vol. 13, p. e00151, 2020.

[9] F. D. Davis, "Perceived usefulness, perceived ease of use, and user acceptance of information technology," *MIS Quarterly*, vol. 13, no. 3, pp. 319–340, 1989.

[10] V. Venkatesh, M. G. Morris, G. B. Davis, and F. D. Davis, "User acceptance of information technology: Toward a unified view," *MIS Quarterly*, vol. 27, no. 3, pp. 425–478, 2003.

[11] D. Gabor and S. Brooks, "The digital revolution in financial inclusion: International development in the fintech era," *New Political Economy*, vol. 22, no. 4, pp. 423–436, 2017.

[12] P. K. Ozili, "Impact of digital finance on financial inclusion and stability," *Borsa Istanbul Review*, vol. 18, no. 4, pp. 329–340, 2018.

[13] B. G. Glaser and A. L. Strauss, *The Discovery of Grounded Theory: Strategies for Qualitative Research*, Chicago, IL, USA: Aldine, 1967.

[14] K. Charmaz, *Constructing Grounded Theory*, 2nd ed., London, U.K.: Sage Publications, 2014.