

## Abstract

Countries can report growth and development if they are able to adopt technology that is beneficial to the citizens and the economy. Among critical technologies that have emerged in Kenya is use of cashless payment systems in the Passenger Service Vehicles (PSVs) that is meant to create efficiency, improve revenue collection, enhance tax collection and above all promote return on investment for the PSV owner. This innovation has however not been adopted much as there is a government policy in place. The purpose of the study was to find out the influence of industry size on adoption of the cashless payment system. The research used mixed method approach by employing use of exploratory research design and descriptive research design to explore the existing situation. The population was 197 registered PSV SACCOs in Nairobi. A sample size of 99 respondents (SACCO managers) was selected through systematic random sampling. The questionnaire was used for data collection and data analyzed by use of descriptive statistics. Multiple regression analysis was used to determine the relationship between variables and correlation analysis was carried out to determine the extent of relationship between variables. The ANOVA test of significance indicated that there was no significant influence of industry size (as shown by a p- value of 0.274) on adoption of cashless payment system. Other factors influenced its adoption such as: poor network failure, faulty gadgets, lack of adoption structures and use of multiple smart cards. The researcher recommends that the governments to issue one card system that can be used across all means of transport, improve information technology network, create public awareness and ensure Matatu crew are well trained.