

# **Diffusion of Innovations: The Case Study of Oman's e-Payment Gateway**

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## **Abstract**

In 2006 the Government of Oman has embarked on a strategy called 'Digital Oman' which, aims to make government services available electronically throughout the country, and to facilitate e-Commerce in all of its forms. Part of the e-Government initiative was to develop an e-Payments gateway to facilitate the online payments for users of different departments and services. The Information Technology Authority (ITA) of the Sultanate of Oman has taken up the strategic initiative to drive the development of e-Payments in Oman. The ePayment gateway is one of a kind in the region, and it was implemented in partnership with MasterCard's "MiGS" platform. The ITA approached the Central Bank of Oman (CBO) to get the necessary permits to establish an electronic payments processing house under the umbrella of the ITA. However, due to the laws and regulations of the Central Bank of Oman, only licensed financial institutions are permitted to collect and process payments within the country. So the ITA had to tie-up with a Local Bank to host the solution and run the operations while complying with the CBO's regulations. The project has been live for over 9 years, yet neither the number of customers nor the value of transactions is close the initial projections. The project is about to reach a dead end and get replaced with another solution created, managed, and, maintained by the Central Bank of Oman "The Regulator". There has been very limited research on the failure cases, as most of the research in electronic payment systems have focused on the successful cases, one of the reasons behind the lack of research within the failure cases is due to the difficulty in getting access into those un-successful cases. In this paper, we apply the Diffusion of Innovations Model introduced by Rogers E.M. to identify the issues & obstacles, and propose a solution for future government based initiatives.