

Current Research Trends in IFRS 15 Revenue from Contracts with Customers: a Comprehensive Review

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Abstract

Due to the need to provide a framework to motivate consistency, comparability and simplification of financial reporting arose a new standard IFRS 15, which intrigued the academic environment, challenged researchers to explore its implications in depth and raised the interest of the international financial community for a better understanding of how it influences accounting practices and reporting processes. Through a meticulous analysis of research available in the Web of Science database, this article discusses significant developments in the interpretation and application of IFRS 15, thus providing a comprehensive perspective on the subject. The interpretation of the data in the field was carried out using the bibliometric analysis tool Biblioshiny, thus obtaining relevant information about the current state of IFRS 15 research. This study is a useful guide for accounting professionals, researchers and practitioners in the financial and accountants field, providing an up-to-date understanding of IFRS 15 trends and the challenges associated with applying it in an ever-changing environment.

Key words: financial reporting, IFRS 15, revenue from contracts, bibliometric analysis, accounting standards

J.E.L. classification: M40, M41

1. Introduction

In a world where globalization has become necessary and indispensable, companies have been forced to comply with the complex demands of stakeholders. Transparency, standardization and comparability of entity reports have become essential to doing business in today's reality. In this context, IFRS 15 Revenue from Contracts with Customers represented a significant turning point for the financial and business community worldwide. This standard was introduced to bring clarity and consistency to the recognition of revenue from contracts with customers, emphasizing performance-based principles. In this article, we will explore the current state of research on IFRS 15, assessing its impact on companies, accountants and academia. We will look at challenges and emerging trends in the application of this standard and provide insight into how it continues to evolve.

The purpose and objectives of the research include the comprehensive analysis of the literature on IFRS 15, the systematization of scientific publications depending on their relevance, the identification of the correct database on the Web of Science, the analysis of the database by means of the bibliometric analysis tool Biblioshiny and the formulation of conclusions related to the current state of research and trends in IFRS 15 research.

The topicality of the subject resides in the fact that IFRS 15 has been adopted by most countries around the world and has become an essential standard for financial reporting. With its implementation in practice in 2018, and with a transition underway, research in this area remains vital to understand what areas and perspectives have been of interest to researchers and what future research directions can be forecast. It is worth noting that the Web of Science database still does not have a large number of publications addressing IFRS, this fact serving as another argument for the development of scientific research in the field. By offering proposals and directions for further investigation, it can improve the current state of research, enriching publication databases with new approaches, ideas and viewpoints.

2. Literature review

In order to gain a full understanding of IFRS 15, it is crucial to analyze the context and rationale behind this standard. IFRS 15 was developed to bring consistency to revenue recognition worldwide. Previous standards such as IAS 18 and IAS 11 were often interpreted differently by companies and auditors, leading to variations in revenue reporting.

The main premise for the development of IFRS 15 was the need for standards, practices and rules that could reflect the complexity of the activity of modern companies. Also, through the application of IFRS 15, answers are provided to situations of uncertainty related to revenue recognition, (Grosu, 2016, p. 105), which underwent significant changes with the implementation of the IFRS 15 standard. It improves and streamlines recognition and reporting practices of revenues, unifying the provisions in a practical model for customer contracts, while allowing comparability between companies' reports (Grigori, 2017, p. 64).

In the research carried out by Onie S., Ma L., Spiropoulos H. and Wells P. insights are provided on the process of transition to IFRS 15, with most of the companies analyzed using the retrospective and cumulative approach. Firms that experienced a significant impact had lower earnings explanatory power before the adoption of IFRS 15, which did not improve after the transition (Onie, 2022, p. 955, 970).

In the construction industry, the implementation of the new international accounting standard, IFRS 15, has been crucial for entities to understand and manage the challenges and controversies it presents. The successful implementation of IFRS 15 depends not only on its quality and provisions, but also on the ability of companies to approach, interpret and apply the standard in the context of their own enterprise (Usurelu, 2021, p. 331). IFRS 15 has a significant impact on earnings management in the telecommunications industry as well, requiring careful analysis and monitoring by regulators and managers (Marco, 2019, p. 232).

The application of IFRS 15 proves to have a positive influence on companies and stakeholders by improving the quality of financial-accounting information, namely increasing the relevance and comparability of reports (Grosu, 2022, p. 368). An advantage of the implementation of IFRS 15 for large companies is the ability to attract investors, who have greater accessibility of data, as well as the option to make a more viable comparison of reports. For SMEs, especially those from the Republic of Moldova, the application of IFRS 15 represents a difficulty, because it is expensive and there are fewer accounting experts qualified in the field of IFRS. Accordingly, a revision of the standards should take into account the needs and possibilities of SMEs as well as the situation of emerging countries (Ghedrovici, 2014, p. 268).

3. Research methodology

The choice of research methodology is an important process that requires special attention in the development of a scientific study. Therefore, the research methods selected comprise qualitative analysis, including deduction, induction and comparison. At the same time, in order to identify the relevant studies in the field of IFRS 15, we carried out an exhaustive research of the literature, including articles, normative documents and other relevant sources. We thus identified primary and secondary sources that managed to outline the conceptual framework and context of IFRS 15.

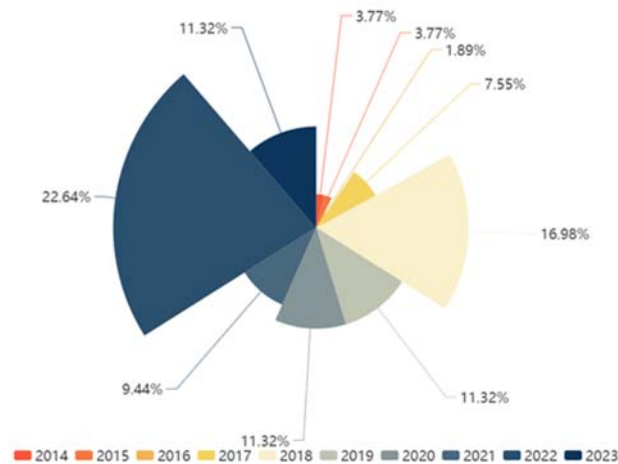
To perform the bibliometric analysis, we used the Web of Science database with the aim of identifying the most cited papers. No time frame was set, because IFRS 15 is a new standard, the beginnings of which date back to 2014. In order to find targeted scientific research on the subject, the search was set according to the criterion of content in the Title, abstract or keywords of the words "IFRS15" or "IFRS 15" or "Revenue from contracts with customers" or "Revenues from contracts with customers". As a result, a database containing 53 works published by 128 authors between 2014 and 2023 was downloaded.

After the extraction of the database, the interpretation of the data was undertaken with the help of the bibliometric analysis tool Biblioshiny, which allowed the analysis of information in relation to the year of publication of the works, the authors, the productivity of the authors, the relevance of the research, research themes, etc. This bibliometric review methodology helped us to obtain a comprehensive picture of the current state of research related to IFRS 15 and to identify significant contributions of authors, key trends and issues of interest in the area of revenue recognition from contracts with customers under IFRS 15.

4. Findings

The database of IFRS 15 papers extracted from Web of Science totaled 53 scientific publications. This total number of publications can be an argument for the topicality of the studied theme, given the fact that this field requires the undertaking of several analyzes and researches. In this context, it can be highlighted that no identified work has analyzed IFRS 15 from a bibliometric perspective, respectively this study is unique and represents a scientific novelty.

Figure no. 1. Annual scientific production



Source: prepared by the author based on Web of Science database

Figure no. 1 provides a perspective on the annual productivity of research in the field of IFRS 15. Thus, starting from 2014, a constant increase in the number of published articles is observed, suggesting a continuous interest and a growing importance of this standard. The year 2022 marked a peak, with 12 published articles, the share of the total number of articles being 22.64%.

Over the years, scientific output has been variously distributed. However, the years 2018 and 2019 were particularly productive, accounting for 16.98% and 11.32%, respectively. In this sense, the application in 2018 of the new standard and the need for changes in companies can be an explanation for the increase in the number of published articles.

In recent years, scientific output has remained relatively stable, with approximately 6-12 articles published annually. The share of 11.32% of articles from the year 2023 is a premise to predict the surpassing of the result of the previous year, considering the annual growth rate of 12.98%.

Table no. 1. Top 5 research areas related to IFRS 15

Research areas	Record count	The percentage of the total
Business Economics	47	88,68%
Mathematics	2	3,77%
Science Technology	2	3,77%
Automation Control Systems	1	1,89%
Computer Science	1	1,89%

Source: prepared by the author based on Web of Science database

The results regarding the research area assigned to IFRS 15 studies provide a clear insight into the predominant area of research related to the IFRS standard. Business Economics represents the most important research field, representing 88.68% of all published works. Most research and interest from the academic and professional community focuses on the impact of IFRS 15 on the economy and business environment.

Although the field of Business Economics obviously dominates, there are also some studies that fall into fields such as Mathematics, Science Technology, Automation Control Systems and Computer Science. Thus, it can be emphasized that IFRS 15 has implications and interest in various contexts and fields, including from the perspective of mathematics, technology and systems control.

The presence of diverse fields indicates a degree of interdisciplinarity and a cross-cutting impact of research related to IFRS 15. This aspect can provide a more comprehensive perspective on the impact of the standard and help to approach the recognition of revenue from contracts with customers from several angles.

Table no. 2. Most Relevant Sources

Sources	Articles
International Journal of Disclosure and Governance	3
Issues in Accounting Education	3
Comptabilite Controle Audit	2
Proceedings of the International Conference on Business Excellence	2
Revista Ambiente Contabil	2

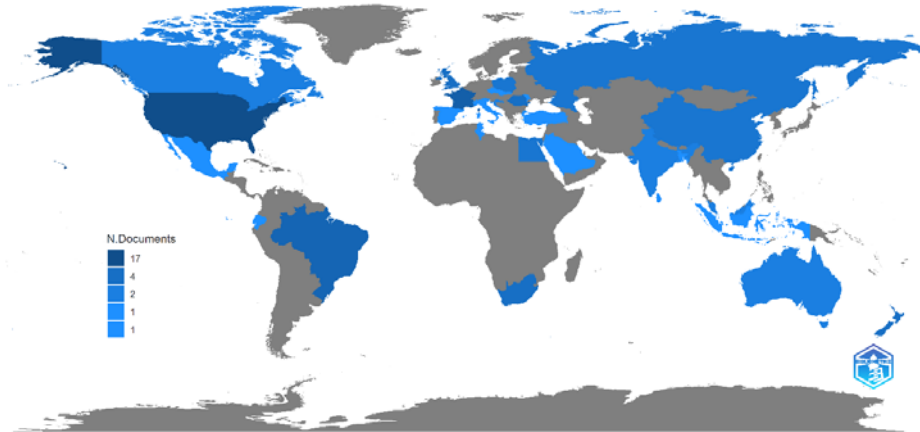
Source: prepared by the author based on Web of Science database

To identify credible and important sources for the IFRS 15 study, the Most Relevant Sources table was generated. It lists the journals and conference proceedings that are significant in determining where researchers' efforts are focused and in which journals or publications the most relevant studies are found.

The magazines International Journal of Disclosure and Governance and Issues in Accounting Education registered an equal score of 3 published works that focused on the analysis of IFRS 15. In this sense, it can be concluded that these magazines can serve as a source of knowledge and inspiration for researchers investigating this topic.

The three sources Comptabilite Controle Audit, Proceedings of the International Conference on Business Excellence and Ambiente Contabil Magazine presented to the public 2 researches each, this fact demonstrating the interest of researchers regarding IFRS 15 in various directions and fields.

Figure no. 2. Most Cited Countries



Source: prepared by the author based on Web of Science database

Another important aspect of the research is the analysis of the works from the perspective of the geographical location of the researchers, thus it is possible to create an image of the globalization of the interest in studying and applying IFRS. The United States of America stands out as the country with the largest number of published papers, with a total of 17 studies. This can be attributed to the fact that the United States of America is a global financial center and is home to many financial institutions and organizations that are affected by the IFRS 15 standard.

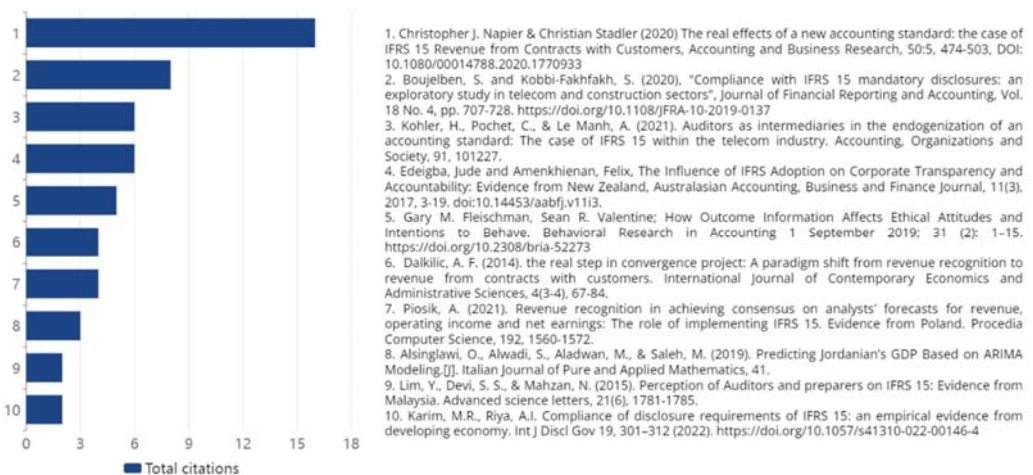
France ranks second in terms of the number of studies, with a total of 8 publications, reflecting the interest of French researchers in the field of IFRS 15, but also an opportunity to increase the impact of the research carried out.

Brazil ranks third, publishing 6 articles related to IFRS 15. Brazilian research such as De Souza P., Silva D., Dias A. addressed IFRS 15 from the perspective of its impact on the quality of revenue management, the approach to IFRS 15 in companies telecommunications and the effects and correlation between IFRS 15 and the national standard CPC 47.

New Zealand, Romania, Great Britain and South Africa each contributed 4 studies in the field of IFRS 15. Researchers from these countries being classified as researchers with an impact on the academic community, having made relevant contributions to the development of the IFRS 15 study.

In the context of geographical analysis, it can be seen that the global impact of IFRS 15 is confirmed and this standard has implications for researchers and practitioners on different continents.

Figure no. 3. Most Global Cited Documents



1. Christopher J. Napier & Christian Stadler (2020) The real effects of a new accounting standard: the case of IFRS 15 Revenue from Contracts with Customers, *Accounting and Business Research*, 50:5, 474-503, DOI: 10.1080/00014788.2020.1770933
2. Boujelben, S. and Kobbi-Fakhfakh, S. (2020). "Compliance with IFRS 15 mandatory disclosures: an exploratory study in telecom and construction sectors", *Journal of Financial Reporting and Accounting*, Vol. 18 No. 4, pp. 707-728. <https://doi.org/10.1108/JFRA-10-2019-0137>
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Source: prepared by the author based on Web of Science database

The figure above provides a table of the most cited and relevant articles that addressed and analyzed IFRS 15. Among the listed articles, the research carried out by Napier C.J. and Stadler C. is highlighted, which managed to have a significant impact on researchers in the field, citing the article 16 times. The importance of the research can be argued through the current topic and the results obtained, the authors identifying a minimal impact of IFRS 15 on the largest European companies, but highlighting its usefulness in finding solutions for several questions related to the recognition of revenue from contracts (Napier, 2020, p. 500).

Another article with a total of 8 citations is by the authors Boujelben S. and Kobbi-Fakhfakh S. The authors analyzed 22 annual reports from 2018 and found that the sampled groups do not fully comply with IFRS 15 requirements, with varying degrees of conformity between the two sectors (Boujelben, 2020, p. 725). The number of citations can be motivated by the originality of the study, which is the first to explore the degree of compliance with IFRS 15 in a cross-country sample of EU listed groups.

A research group led by Kohler H. studied auditors as intermediaries in the endogenization of accounting standards, focusing specifically on the IFRS 15 draft. The study suggests that auditors act as intermediaries between the IASB and representatives of the telecommunications industry, contributing to the endogenization of the draft standard (Kohler, 2021, p. 92). In accordance with the diversity of research topics, the multiple exploration of the IFRS 15 topic can be highlighted, which denotes the interest and creativity of the academic environment in the analysis of IFRS 15, as well as the current trends and challenges that researchers are addressing to bring new perspectives to the field accounting and financial reporting.

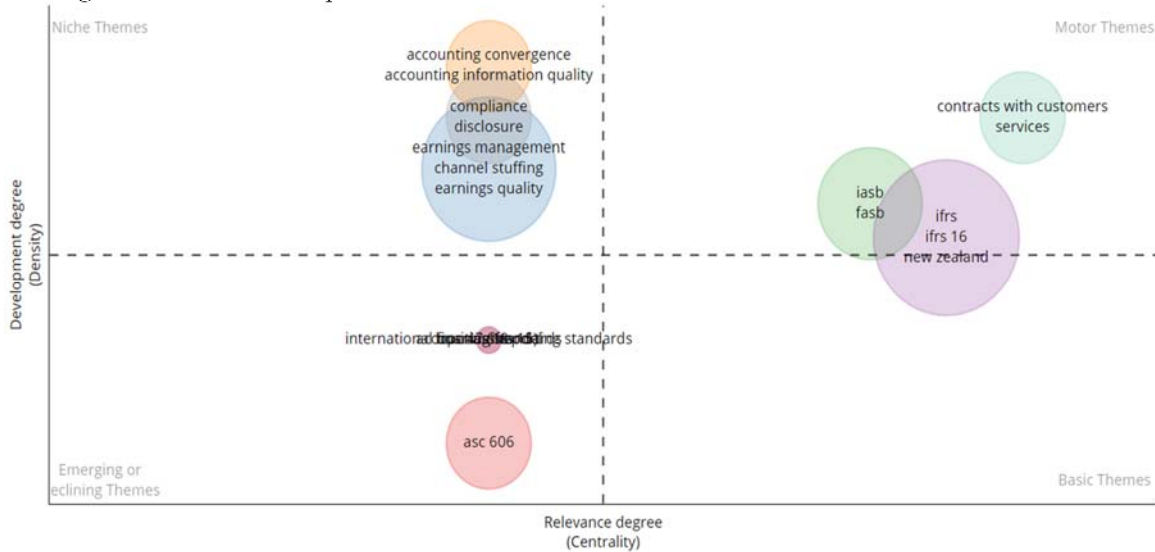
Figure no. 4. WordCloud related to IFRS 15 research



Source: prepared by the author based on Web of Science database

The figure above is a graphical representation of the keywords most frequently used by article authors, providing a simplified and intuitive picture of the research priorities and interests related to IFRS 15. Based on this data, the most frequently applied keyword can be highlighted is ASC 606, this term being associated with the US revenue recognition standard and reflecting interest in this standard in the context of research related to IFRS 15. Other keywords with a relatively high weight are Earnings management, IFRS 16, Accounting convergence, Accounting information quality, terms that reflect key topics and aspects of IFRS 15 research.

Figure no. 5. Thematic Map



Source: prepared by the author based on Web of Science database

Figure no. 5 provides insight into the key concepts and topics associated with IFRS 15 investigations. The results show that there are several thematic clusters covering various sub-areas of the accounting standard. For example, the cluster called Earnings management indicates significant interest in earnings management issues in IFRS 15 research, supported by centrality metrics. Studying earnings management, the authors correlated this term with two other terms, channel stuffing and earnings quality. The results of the research were controversial as some authors found out a negative impact of IFRS 15 application on earnings managements in specific sectors (Souza, 2022, p. 687), while others detected that „IFRS 15 may accelerate the timing of revenue recognition and provide managers a strong incentive to engage in channel stuffing earnings management” (Kuo, 2022, p. 360).

In the list of specialized themes there are also two other clusters that present topics of interest in the research regarding IFRS 15: Accounting convergence and accounting information quality; Compliance and disclosure. Certain research outcomes appear to support and reinforce earlier investigations in this domain, indicating that the macroeconomic impacts encompass a rise in foreign direct investment, notably in regions characterized by robust investor safeguards and minimal corruption levels, subsequent to the implementation of IFRS. These results also imply secondary stock market advantages arising from the obligatory adoption of IFRS (Usurelu, 2018, p. 999).

In the category of key themes there are 3 clusters: Contracts with customers and services; IASB and FASB; and last but not least IFRS, IFRS 16 and New Zealand. The authors concerned about these topics identified that the adoption of IFRS aims to enhance financial statement transparency, but it is unclear how this is achieved (Edeibga, 2017, p. 15). On the other side, researchers Bubnovskaya et. al. confirmed that the implementation of IFRS 15 helps improve revenue recognition and mitigate customer risks (Bubnovskaya, 2022, p. 470)

Based on the information provided in Figure 5, it is evident that there are two distinct thematic clusters marked by the keywords ASC 606 and CPC 47. These clusters may suggest emerging or diminishing areas of interest within the context of IFRS 15 research. It is essential to closely monitor these evolving themes to understand the shifting dynamics and priorities in the field of international financial reporting standards.

5. Conclusions

Adapting to changes has never been easy, migrating from one standard to another is an arduous process for both accounting experts and companies. The implementation of the IFRS 15 standard has been a challenge for many, and for researchers the last few years have been an interesting field for investigating the course of companies in this adventure.

The bibliometric analysis carried out revealed a significant increase in interest in IFRS 15, but the number of annual publications is still small, reflecting the need to study the field further to be able to provide relevant information to both academics and practitioners. At the same time, the research by fields highlighted Business Economics as the field with the highest weight, but other fields were also identified, a fact that allows the interdisciplinary analysis of IFRS 15 to be mentioned.

Also, the journals International Journal of Disclosure and Governance and Issues in Accounting Education turned out to be the most relevant in studying IFRS 15, having the most publications. From the perspective of the countries involved, the USA is the country with the greatest impact, carrying out a series of important studies in the field. The analysis carried out through the Biblioshiny tool also highlighted the most cited articles, which were concerned with such topics as the impact of IFRS 15 on the largest European companies, the compliance of companies with the standard, the role of auditors as intermediaries in the endogenization of the standard, etc.

The generated keyword cloud illustrated the most frequent keywords including ASC 606, Earnings management, IFRS 16, Accounting convergence, Accounting information quality. They highlight themes of previous research and provide insights for potential themes of investigation.

Future research directions could be the evaluation of the impact of modern technologies in the implementation of IFRS, as the use of modern technologies would contribute to greater accuracy in the application of IFRS standards and, in the current situation, without the application of modern technologies, the implementation of IFRS is practically impossible.

Another relevant topic could be the assessment of how the implementation of IFRS 15 influences the perspectives and decisions of investors, as investors are very important stakeholders for the development of companies.

At the same time, the experience of IFRS 15 adoption in different countries and continents could be analyzed to compare and highlight distinctive elements. Also, when carrying out this research, Hofstede's cultural dimensions and their impact on the application of IFRS 15 could be addressed.

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