

**UNIVERSITI TEKNOLOGI MARA**

**DETERMINANTS OF E-WALLET  
ACCEPTANCE AMONG WEST  
MALAYSIAN LOW-INCOME  
GROUP: ATTITUDE AS A  
MEDIATING ROLE**

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## ABSTRACT

The popularity of electronic wallets (e-wallets) aligns with the global trend of cashless payment solutions, attracting significant attention due to their potential to enhance individual well-being and foster business growth. However, e-wallet acceptance, especially among the Malaysian low-income group, remains relatively low despite a variety of government initiatives and programmes underway to promote the use of electronic wallets. Therefore, this study aims to examine the determinants of e-wallet acceptance among the low-income West Malaysian population. Drawing on Technology Acceptance Model (TAM) and a review of previous studies, an integrated conceptual framework was developed. This framework comprises one (1) dependent variable (e-wallet acceptance), five (5) independent variables (perceived ease of use, security, government intervention, social influence, trust), with attitude serving as a mediator. Data were collected from 265 low-income earners in West Malaysia through a web-based self-administered survey. Eligible respondents possessed e-wallet experience and a household monthly income of less than RM4,850. Prior to the main data collection, a pilot survey was conducted to test the instrument's final version, and the scale reliability was assessed using the coefficient alpha ( $\alpha$ ), item-to-total correlation, and exploratory factor analysis (EFA). Before proceeding to the measurement model, a normality test, and a common method variance (CMV) test were performed. For data analysis, partial least square equation structural modelling (PLS-SEM) was applied. The findings revealed a positive relationship between perceived ease of use (PEOU), trust (TR), and attitude (ATT) towards e-wallet acceptance (eWA). In addition, it was proven the role of attitude (ATT) as a mediator for perceived ease of use (PEOU), social influence (SI), and trust (TR) with e-wallets acceptance (eWA); but not for security (SC) and government intervention (GI). In contrast, security (SC), government intervention (GI), and social influence (SI) portrays to have no significant towards e-wallet acceptance. The study offers valuable insights that can encourage both e-wallet providers and regulators to improve the quality of e-wallet services. Acknowledging the existence of certain limitations, this study suggests future research endeavours consider the provided suggestions to further enrich our understanding of this domain.

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# CHAPTER ONE

## INTRODUCTION

### 1.1 Research Background

Technology is in a constant state of development and evolution, bringing about transformative changes across various domains. This is particularly evident in the realm of business, where technological advancements have brought about a revolution. The financial sector, in particular, has been significantly impacted by technology, leading to the emergence of what is known as financial technology, or Fintech. The term "Fintech" encompasses a wide range of innovations in everyday transactions, spanning from household grocery shopping to banking activities. The advent of emerging information technologies is known as "Fintech" particularly in the financial services industry. To clarify this term, Fintech is a term that combines "finance" with "technology" (Salmony, 2014). "Fintech" is a line of business focused on the provision of financial services using technology. In general, Fintech companies are start-ups established to disrupt current financial systems and companies that are less technologically oriented (Surendra, 2017). Fintech has garnered considerable attention due to its unparalleled potential to reshape societies and economies. In addition, Fintech plays a crucial role in assisting average citizens conveniently and effectively access financial products while fostering the economic development of countries.

Fintech penetration into the financial industry began in 1886 and continued until 1967, which is referred to as Fintech 1.0 which focuses on infrastructure. During that period, the technology has been introduced into the financial sector by utilising railroads and telegraphs, which helped to reduce the time it took to transmit financial information across the international boundary. Fintech evolved into Fintech 2.0 (from 1967 to 2008), which transformed the financial sector's operations from analogue to digital. Fintech's integration into the financial industry at the time followed the digitization environment. During this time, online banking was already being introduced globally and has been evolving since 2008. Further, Fintech 3.0 is the juncture at which a new player enters the financial sector and competes with the existing system. With the boundless usage of smartphones and the internet, an e-wallet was introduced during this period. Google Wallet debuted in 2011, whereas Apple Pay debuted in 2014. The application of Fintech