# T Risk Tolerance, Perceived Usefulness, and Intention to Subscribe to Digital Unit Trust

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**ABSTRACT**

The online subscription intention among the individual investors in Malaysia via the Unit Trust Online Digital Service (UTODS) has not been widely investigated. Understand the inclination of the subscription intention amid rising online fraud was significant to all the industry players as it defined the market's strength and sustainability. A quantitative survey of 384 experienced online investors was conducted. Data were analyzed using Exploratory Factor Analysis (EFA) to identify key constructs, followed by Confirmatory Factor Analysis (CFA) for validation. Structural Equation Modeling (SEM) revealed significant relationships between perceived usefulness, risk tolerance, and subscription intention. The findings confirmed the moderating role of risk tolerance was influenced investors' decisions, offering practical insights for enhancing online investment platforms.

**Keywords:** Unit Trust, Unit Trust Online Digital Service (UTODS), Subscription Intention, Risk Tolerance and Perceived Usefulness

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## INTRODUCTION

Unit Trust Online Digital Service (UTODS) has been available in the industry since the year 2017, when it was licensed and governed by the Securities Commission Malaysia (SC) to the Unit Trust providers. The UTODS had enabled the individual Unit Trust investors to subscribe to the scheme online, managed their financial portfolios, and had wide access to other useful online services. UTODS providers were guided to at least offered essential features of accessibility, investment transactions, portfolio monitoring, and security (SC, 2017). The online subscription rate was drastically rose with new investors during the pandemic (FIMM SR, 2022), shown the significance of the online subscription under the UTODS. Despite the positive aspects of UTODS, a key issue in the industry was misconduct among the Unit Trust agents. Since 2012, there were reports on unauthorized online investment activities by the agents via the individual investors' Unit Trust account (FIMM AR, 2022). This raised concerned about the impact of such risks on investor intention to subscribe behaviour, potentially threatening the long-term viability of the UTODS. Therefore, the investors' risk tolerance became crucial, especially regarding how they perceived and handled these risks. Hence, the study focused on the relationship between the perceived usefulness of the UTODS and the intention to subscribed to unit trusts, with an emphasis on how risk tolerance moderated this relationship.

## LITERATURE REVIEW

The underpinning theory for this study was the Theory of Planned Behaviour (TPB) by Ajzen (1985), incorporated with models like the Technology Acceptance Model (TAM) by Davis (1989) and the COSO framework (COSO, 1985). The research framework was constructed based on these theories and models and was used to examine the investors' intention to subscribe because of UTODS usefulness while they tolerated the online risk that the UTODS exposed them with during the subscription process. The selection of theories and models was consistent with the prior scholars' recommendation Huang (2023) and Abun (2021) that attitudes were multidimensional, incorporating cognitive, affective, and conative components that required complex evaluation measures, where a single measure was insufficient. The developed research framework was shown in Figure 1. The following were further explanations of the theories and models used in this study:

According to TPB behavioural intention was the most direct driver of human behaviour, with attitude and subjective norms influenced intention (Ajzen, 1985), that linked beliefs to behaviour (Ajzen, 1991). TPB suggested that stronger intentions increased the likelihood of behaviour been carried out (Ajzen, 1991). Intentions reflected motivational factors that influenced behaviour, indicated how much effort individuals planned to exert and affecting their behaviour to accept or reject the service (Stangor et al., 2022). In this study, the motivational factor was the perceived usefulness of UTODS taken form the Technology Acceptance Model

(TAM) by Davis (1989). TAM was derived from the Theory of Reasoned Action (TRA), consists of perceived usefulness and ease of use (Davis, 1989). Perceived usefulness was the key component of the TAM, which referred to the belief that usage of a particular technology enhanced performance. Previous research showed perceived usefulness as the most critical element affecting attitudes toward technology (Yoon & Rolland, 2015).

Online fraud cases had increased in the industry and the study had to investigate other factors besides the perceived usefulness like the investors' risk tolerance. Therefore, risk tolerance was proposed as the moderation factor between perceived usefulness and subscription intention, and it was supported by previous scholars like Bunyamin & Wahab (2022) who mentioned that the investors with lower risk tolerance preferred traditional methods over digital services. In general, risk tolerance has limits in various situations, and individuals and organizations must understand these limits since taking on too much risk can result in severe losses that are difficult or impossible to recoup.

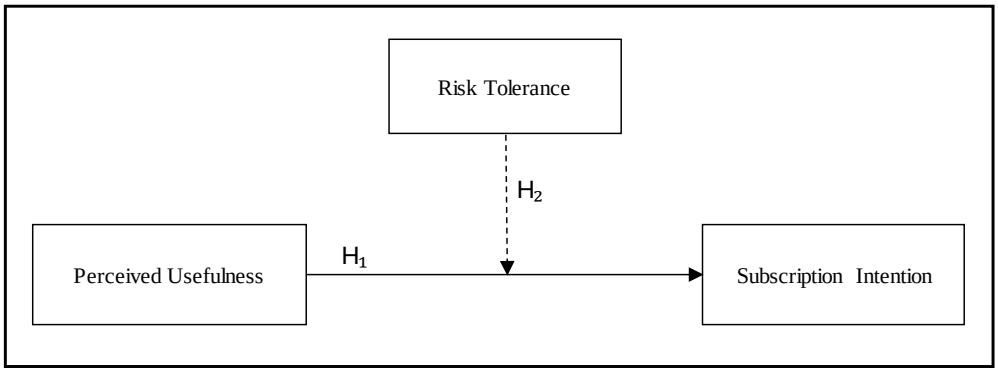


**Figure 1: Research Framework**

***Source:*** *The sources are from TPB (1985), TAM (1989), and COSO (1985).*

According to Davis (1989), in the context of technology, perceived usefulness is defined as what users expect from using the system to improve their job performance in the organization. Moreover, the definition of usability under the scope of the system of online technology refers to the benefits that users have to produce certain tasks (Madan and Yadav, 2016; Natarajan et al., 2017). Kim et al., (2010) explained that perceived usefulness impacted the trust and intention of merchants to take advantage of the wallet system. The positive useful experience will make investors feel pleasant and potentially put the effort to perform the intended behaviour to subscribe while the negative unuseful experience will cause a person to feel unpleasant and made them not to pursue with the subscription. Hence the first hypothesis ($H_1$) suggested was "Perceived Usefulness has significant effects Towards Digital Unit Trust Subscription".

According to Grable, J. E., and Rabbani (2023), transaction security is a significant factor in determining investors' risk tolerance in the digital service industry. Investors are more prepared to tolerate risks associated with perceived high-value digital services, such as online trading platforms or investing apps that offer unique features and benefits in terms of return on investment (Mustafa et al., 2020). Data privacy concerns have a big impact on the early use and acceptance of new technology. As a result, data security measures are crucial (Marsaid et al., 2020). The second hypothesis ($H_2$) suggested was "Risk Tolerance moderates the effect of Perceived Usefulness towards Digital Unit Trust Subscription Intention".

## METHODOLOGY

This study employed a deductive research approach, starting with theoretical frameworks of the TPB and the TAM. A deductive approach was appropriate as it allowed for the testing of predefined hypothesis derived from established theories. A quantitative research design was chosen, utilizing a survey-based method to collect data from the respondents. The study population comprised individual investors in Malaysia who used UTODS. A sample size of 384 was determined based on Sekaran's (2006) recommendation for ensuring the results' accuracy. The sample was selected using a stratified random sampling technique to ensure representation across different investor demographics. Data was collected using a structured, self-administered questionnaire. The questionnaire was developed based on an extensive literature review, the research model, and insights from previous studies. It included sections on demographic information, perceived usefulness of UTODS, risk tolerance, and subscription intention. Respondents rated their experiences using a 5-point Likert scale. A pilot study was conducted with 30unit trust specialists to test the reliability and validity of the questionnaire. Reliability was assessed using Cronbach's alpha, with a threshold of 0.70 indicating acceptable reliability. Feedback from the pilot study led to minor revisions in the wording of some questions to enhance clarity and relevance.

## RESULTS AND DISCUSSION

The results of this study represented the demographic profile of the respondents. Furthermore, the data was analyzed in three steps. The first step was to examine the scale using exploratory factor analysis with maximum likelihood and variance rotation in SPSS. The second stage included validating the factor structure, which was obtained from EFA and forwarded to CFA via AMOS. The final stage was to evaluate the hypotheses by analyzing the structural model using AMOS.

## Demographic Profile

The demographic profile of 384 respondents for this study is shown in Table 1. These respondents were among the individual investors in the unit trust scheme who had been exposed to UTODS for different lengths of time. Fifty percent used UTODS for more than five years, almost thirty percent for six to ten years, fifteen percent for two to four years, and five percent for less than one year. In terms of their source of investment, sixty-six percent of the respondents relied on their employee provident fund (EPF); the other twenty-five percent relied on their salaries; and the other nine percent used their savings to invest in the unit trust scheme. Referring to the demographic profile, over four percent of the respondents performed transactions greater than RM10,001 through UTODS. Around ten percent of the respondents used UTODS to purchase funds worth RM5,001 to RM10,000. Another forty-five percent of the respondents transferred an average amount of RM1,001 to RM5,000 via UTODS, while the rest of the forty percent spent an average of RM500 to RM1,000 for purchased funds through the UTODS.

**Table 1: Demographic Profile**

| Respondents' Demographic Profile | | | | |
|---|---|---|---|---|
| | Less than 1 year | More than 1 year | More than 5 years | More than 10 years |
| Duration Using UTODS | 19 | 58 | 115 | 192 |
| | Salary | EPF | Saving | |
| Souce of Investment | 96 | 253 | 35 | |
| | RM500 to RM1,000 | RM1,001 to RM5,000 | RM5,001 to RM10,000 | RM10,001 and above |
| Average fund subscription per transaction | 157 | 173 | 38 | 15 |

Note: The sources are from the survey.

## Exploratory Factor Analysis

The factor structure and correlation between items included in the scale were analyzed using exploratory factor analysis with the maximum likelihood approach and Promax rotation. The Tables below show the results of the rotated factor matrix. According to Kaiser (1974), the minimal Kaiser-Meyer-Olkin statistic score was 0.5. Other values were classified as mediocre (0.5-0.7), good (0.7-0.8), fantastic (0.8-0.9), and superb for scores greater than 0.9. Table 2 shows that the KMO value was more than 0.50, which showed that the sample adequacy standards had been met. The Bartlett test of sphericity was significant ($P<.05$), indicating that our correlation matrix differed from an identity matrix, as expected.

**Table 2: KMO and Bartlett's Test**

| KMO and Bartlett's Test | | |
|---|---|---|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .848 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 4350.904 |
| | df | 36 |
| | Sig. | .000 |

Note: The sources are from IBM SPSS Statistics, Version 28.0.0.0 (190)

A commonality score is useful for determining how much an item corresponds with all other objects because a high communality value implies that a considerable portion of the variation in a variable has been extracted by the factor solution, Hair et al. (2010) proposed that, in general, all items should have a commonality score of at least 0.5 to be included in the analysis. The communality values in this study were extracted using the maximum likelihood method. Table 3 shows that all items had commonalities above 0.5.

**Table 3: Communalities**

| Communalities[a] | | |
|---|---|---|
| | Initial | Extraction |
| UTODS Availability | 0.791 | 0.769 |
| High Quality | 0.835 | 0.865 |
| Consistent Quality | 0.884 | 0.891 |
| Up-to-date Quality | 0.828 | 0.864 |
| Fund Performance Analysis | 0.885 | 0.916 |
| Real-time Fund Redemption | 0.890 | 0.924 |
| Real-time Fund Switching | 0.852 | 0.866 |
| Fraud Deterrence | 0.872 | 0.999 |
| Monetary Compensation | 0.845 | 0.797 |
| Extraction Method: Maximum Likelihood. | | |

Note: The sources are from IBM SPSS Statistics, Version 28.0.0.0 (190)

Convergent validity refers to the high correlation of variables within a single factor, as demonstrated by factor loadings. Regardless of sample size, Hair et al. (2010) recommended that factor loadings be greater than 0.5, with an average loading for each component greater than 0.7. Table 4 shows the factor loading for all variables was between the range of 0.837 to 0.976. Discriminant validity refers to distinct and uncorrelated elements. Discriminant validity requires that a variable strongly load on just one component. Table 4 also displays the pattern matrix of this study as retrieved from the SPSS output. The table clearly showed that there was no cross-loading between the three factors.

**Table 4: Pattern Matrix**

| Pattern Matrix[a] | | | |
|---|---|---|---|
| | Factor | | |
| | 1 | 2 | 3 |
| UTODS Availability | 0.848 | | |
| High Quality | 0.853 | | |
| Consistent Quality | 0.838 | | |
| Up-to-date Quality | 0.915 | | |
| Fund Performance Analysis | | 0.954 | |
| Real-time Fund Redemption | | 0.962 | |
| Real-time Fund Switching | | 0.837 | |
| Fraud Deterrence | | | 0.976 |
| Monetary Compensation | | | 0.878 |
| Extraction Method: Maximum Likelihood. Rotation Method: Promax with Kaiser Normalization.[a] a. Rotation converged in 5 iterations. | | | |

Note: The sources are from IBM SPSS Statistics, Version 28.0.0.0 (190)

In conclusion the outcomes of the exploratory factor analysis demonstrated that the solution was based on three factors, as expected, and that all elements loaded onto their respective factors. The three-factor answer accounted for 87.8% of the total variance. The results of the exploratory factor analysis indicated that our components had a high degree of validity. The study employed confirmatory factor analysis (CFA) for additional confirmation, which will be addressed more below.

## Confirmatory Factor Analysis

The IBM SPSS AMOS Statistics, 28 Graphic was employed to conduct the Confirmatory Factor Analysis (Arbuckel, 2009). The model was evaluated for its reliability, convergent validity, and discriminant validity. Figure 2 shows the CFA with loading.

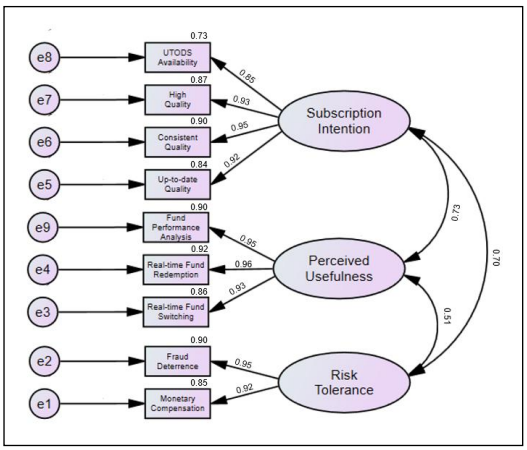


**Figure 2: Confirmatory Factor Analysis with Loading**

*Source: IBM SPSS AMOS, 28.0.0.*

Hair et al. (2010) stated, "a good rule of thumb is that standardized loading estimates should be 0.5 or higher, and ideally 0.7 or higher" (p. 678). This suggested that the construct for each component is highly significant and represents the latent factor, according to Hair et al. (2010). Table 5 shows the study's standardized regression weights.

**Table 5: Standardized Regression Weights**

| Items | | | Estimate |
|---|---|---|---|
| UTODS Availability | <--- | Subscription_Intention | 0.854 |
| High Quality | <--- | Subscription_Intention | 0.931 |
| Consistent Quality | <--- | Subscription_Intention | 0.950 |
| Up-to-date Quality | <--- | Subscription_Intention | 0.915 |
| Fund Performance Analysis | <--- | Perceived_Usefulness | 0.950 |
| Real-time Fund Redemption | <--- | Perceived_Usefulness | 0.959 |
| Real-time Fund Switching | <--- | Perceived_Usefulness | 0.929 |
| Fraud Deterrence | <--- | Risk_Tolerance | 0.950 |
| Monetary Compensation | <--- | Risk_Tolerance | 0.923 |

Note: The sources are from IBM SPSS Statistics, Version 28.0.0.0 (190)

Correlations describe the co-vary among the variables and conclude the strength of the relationship as either strong, moderate or weak based on the context of the variables in the study. According to Cohen (1988), the values strength is presented: Strong Relationship (r = ±.5); Moderate Relationship (r = ±.3); Weak Relationship (r = ±.1). As shown in Table 6 the correlation scores for this study were from 0.508 to 0.728.

**Table 6: Correlation**

| Items | | | Estimate |
|---|---|---|---|
| Risk_Tolerance | <--> | Perceived_Usefulness | 0.508 |
| Risk_Tolerance | <--> | Subscription_Intention | 0.699 |
| Perceived_Usefulness | <--> | Subscription_Intention | 0.728 |

Note: The sources are from IBM SPSS Statistics, Version 28.0.0.0 (190)

All the measurement scales were subjected to confirmatory analysis (CFA) based on the following thresholds: Comparative Fit Index (CFI), Incremental Fit Index (IFI), Tucker-Lewis Index (TLI) > 0.95; $x^2/df < 3.0$; Standardized Root Mean Squared Residual (SRMR) < 0.08, and Root Mean Square Error of Approximation (RMSEA) < 0.06 (Hu & Bentler, 1999). Table 7 shows the Model Fit Analysis for the confirmatory analysis. The result of CFA showed that model had good fit statistics including x2/df=15.519, CFI=0.923, IFI=0.923, TLI=0.855, TLI=0.855

and RMSEA of 0.187. The recommended values are provided in the bracket based on the guidelines of Hu and Bentler (1999) and Browne and Cudeck (1992) (RMSEA<.08, RMR<.05, CFI>.90).

**Table 7: Model Fit Analysis for CFA**

| Measure | Threshold (Hu & Bentler, 1999) | This Study Results |
|---|---|---|
| Chi-square/df (cmin/df) | < 3 good; < 5 permissible | 15.519 |
| p-value for the model | > 0.05 | 0.000 |
| CFI | > 0.95 great; > 0.90 traditional; > 0.80 permissible | 0.923 |
| IFI | ≥ 0.95 | 0.923 |
| TLI | ≥ 0.95 | 0.855 |
| RMSEA | < .05 good; 0.05 – 0.10 moderate; > 0.10 bad | 0.187 |

Note: The sources are from IBM SPSS Statistics, Version 28.0.0.0 (190)

All items standardized factor loading was above 0.60 and AVE was also above 0.50 so it was an indication of good convergent validity (Hair, Sarstedt, Ringle, & Gudergan, 2017). Another evidence of convergent validity is that Maximum Shared Variance is less than respective Average Variance Extracted for all variables. The Cronbach alpha and composite reliability for all variables were above 0.70 so it showed that our variables had good reliability. Table 8 shows the reliability and validity of the CFA model.

**Table 8: Reliability and Validity of the CFA Model**

| Measure | | | Reliability | Reliability | Convergent Reliability | Discriminant Validity |
|---|---|---|---|---|---|---|
| Variables/ Constructs | Items | Standardized Factor Loadings | Cronbach Alpha | Composite Reliability | Average Variance Extracted | Maximum Shared Variance |
| **Threshold** | | | **α ≥ 0.6** | **CR > 0.7** | **AVE > 0.5** | **MSV < AVE** |
| Subscription Intention | UTODS Availability | 0.85 | 0.952 | 0.953 | 0.834 | 0.530 |
| | High Quality | 0.93 | | | | |
| | Consistent Quality | 0.95 | | | | |
| | Up-to-date Quality | 0.92 | | | | |
| Risk Tolerance | Fund Performance Analysis | 0.95 | 0.933 | 0.935 | 0.877 | 0.489 |
| | Real-time Fund Redemption | 0.96 | | | | |
| | Real-time Fund Switching | 0.93 | | | | |
| Perceived Usefulness | Fraud Deterrence | 0.95 | 0.958 | 0.962 | 0.895 | 0.530 |
| | Monetary Compensation | 0.92 | | | | |
| *Model Fitness:* *X2=387.986; df=25; X2/df=15.519; NFI=0.912; RFI=0.873; IFI=0.917; TLI=0.880; CFI=0.917; RMSEA=0.195* | | | | | | |

Note: The sources are from IBM SPSS Statistics, Version 28.0.0.0 (190)

The validity of the model fit was measured by the Chi-square, which was 387.986 with 25 degrees of freedom, where the p-value associated with this result was 0.000. As the sample size in this study was high at 384, the p-values were expected to easily lead to zero (Lin, Lucas & Shmueli, 2013). All the comparative fit statistics (CFI, IFI, NFI, TLI) showed that the model fit the data (< 0.90), but the relative chi-square/ df test and RMSEA showed a rather poor fit.

## Structural Equation Modeling (SEM)

Structural Equation Modelling is a statistical model that provides explanations of the pattern of interrelated dependence relationships between a set of latent variables. Moreover, it analyses the causal links between the latent variables measured by one or more observed variables (Hair et al, 2010; Reisinger & Turner, 1999). Therefore, this study intended to test the following hypotheses:

- Hypothesis $H_1$: Perceived Usefulness significantly affects Digital Unit Trust Subscription Intention.
- Hypothesis $H_2$: Risk Tolerance moderates the effect of Perceived Usefulness towards Digital Unit Trust Subscription Intention.

## Structural Model Assessment

A structural equation model generated through AMOS was used to test the relationships. A good-fitting model is accepted if the value of the CMIN/df, the goodness-of-fit (GFI) indices (Hair et al., 2010); the Tucker and Lewis (1973) index (TLI); the Confirmatory fit index (CFI) (Bentler, 1990) is > 0.90 (Hair et al., 2010). In addition, an adequate-fitting model was accepted if the AMOS computed value of the standardized root mean square residual (RMR) < 0.05 and the root mean square error approximation (RMSEA)was between 0.05 and 0.08 (Hair et al., 2010). The fit indices for the model as shown in Table 9 fell within the acceptable range: CMIN/df=15.519, TLI=0.880, CFI=0.917, and RMSEA=0.195.

**Table 9: Model Fit Analysis for Hypothesized Structural Model**

| Measure | Threshold (Hu & Bentler, 1999) | This Study Results |
|---|---|---|
| Chi-square/df (cmin/df) | < 3 good; < 5 permissible | 15.519 |
| p-value for the model | > 0.05 | 0.000 |
| CFI | > 0.95 great; > 0.90 traditional; > 0.80 permissible | 0.917 |
| IFI | $\geq$ 0.95 | 0.917 |
| TLI | $\geq$ 0.95 | 0.880 |
| RMSEA | < .05 good; 0.05 – 0.10 moderate; > 0.10 bad | 0.195 |

Note: The sources are from IBM SPSS Statistics, Version 28.0.0.0 (190)

## Hypotheses Testing (Structural Model)

To examine the relationship subscription intention, and perceived usefulness, this study used the structural equation modelling using the AMOS path analysis by imputing the Factor Score from CFA using AMOS. As part of hypotheses testing, the study tested the risk tolerance as a moderator. Following is the graphical representation of the structural model followed by the results. Figure 3 shows the structural relationships of the study. Table 10 shows the summary of structural path

estimates, and Table 11 shows the summary of structural path estimates and hypothesis tests.

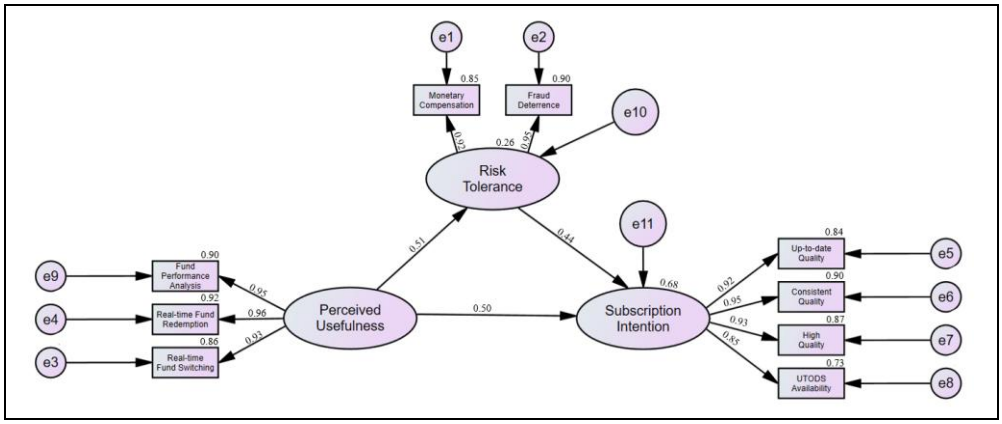


**Figure 3: Hypothesized Structural Model**
*Source: IBM SPSS AMOS, 28.0.0.*

**Table 10: Summary of Structural Path Estimates**

| Structural Relationship | | | Regression Weights (Estimate) | Standard Error (S.E.) | Critical Ratio (CR) t-value | P Label |
|---|---|---|---|---|---|---|
| Risk Tolerance | <------- | Perceived Usefulness | 0.390 | 0.036 | 10.686 | *** |
| Subscription Intention | <------- | Perceived Usefulness | 0.489 | 0.038 | 12.752 | *** |
| Subscription Intention | <------- | Risk Tolerance | 0.560 | 0.050 | 11.209 | *** |
| ***p < 0.001 | | | | | | |

Note: The sources are from IBM SPSS Statistics, Version 28.0.0.0 (190)

**Table 11: Summary of Structural Path Estimates and Hypothesis Tests**

| Relationships | | Hypothesis | Regression Weights (Estimate) | Standard Error (S.E.) | Critical Ratio (CR) t-value | Result |
|---|---|---|---|---|---|---|
| Perceived Usefulness ----▶ Subscription Intention | Hypothesis $H_1$ | Perceived Usefulness has significant effects towards Unit Trust Subscription Intention | 0.489 | 0.038 | 12.752 | Significant Positive |

Note: The sources are from IBM SPSS Statistics, Version 28.0.0.0 (190)

## Moderation Testing

The moderation analysis was conducted by treating Perceived Usefulness as the independent variables Subscription Intention as dependent variable, and Risk Tolerance as the moderator variable. The results were calculated by creating interaction terms from standardized score of variables using SPSS. The study assessed the moderating role of Risk Tolerance on the relationship between Perceived Usefulness and Subscription Intention. The results revealed a positive and significant moderating impact of Risk Tolerance on the relationship between

Perceived Usefulness and Subscription Intention (b=0.089, t=2.023). The supporting moderation analysis summary is presented in Table 12.

**Table 12: Moderation Analysis Summary**

| Relationship | Beta | C.R | P-value |
|---|---|---|---|
| Si <--- Pu | 0.551 | 14.874 | **** |
| Si <--- RT | 0.455 | 10.550 | **** |
| Si <--- Pu*Rt | 0.089 | 2.023 | **** |

***Note*:** The sources are from IBM SPSS Statistics, Version 28.0.0.0 (190)

Figure 4 shows that Risk Tolerance strengthened the positive relationship between Perceived Usefulness and Subscription Intention.

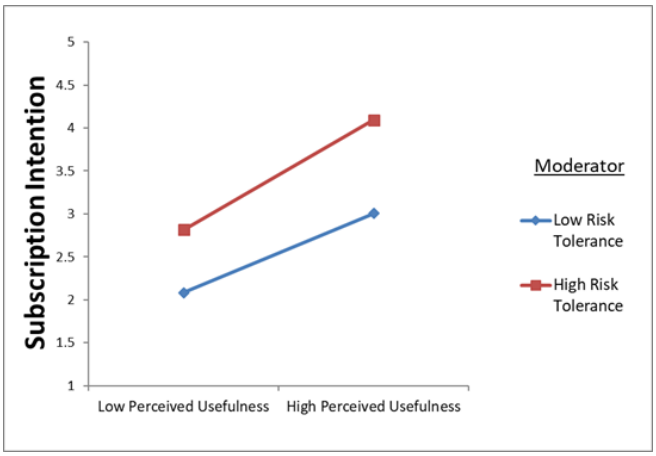


**Figure 4: Risk Tolerance as Moderator between Perceived Usefulness and Subscription Intention**
*Source: IBM SPSS AMOS, 28.0.0.*

Based on the analysis result, it was concluded that both hypotheses, $H_1$ and $H_2$ were supported. Therefore, the Perceived Usefulness had significant effects towards Digital Unit Trust Subscription Intention. The Risk Tolerance moderating the effect of Perceived Usefulness towards Unit Trust Subscription Intention.

## UTODS Subscription Intentions Among the Individual Investors

The findings of this study showed that individual investors in the unit trust market in Malaysia were drawn to unit trust companies that offered technological base services like UTODS with high quality, consistent quality, and up-to-date quality. These findings are consistent with earlier research. According to Haruthai and Taweesak (2023), at this age, unit trust investors were already familiar with financial self-service platforms and had access to a variety of high-quality technological service platforms, such as stock and gold trading.

The findings of this study also revealed that individual investors in Malaysia preferred companies that prioritized UTODS with exceptional features, provide a seamless and efficient experience with consistent quality assurance, and are proactive in improving and upgrading the quality of their UTODS. This demonstrated a commitment to staying current and fulfilling changing investor needs, ensuring their experiences remain favourable and reliable over time. These findings aligned with those of prior scholars like Attaran (2020), who highlighted that companies must differentiate themselves by creating innovative value propositions, leveraging digital tools, and gaining a competitive edge in an environment characterized by constant evolution.

The findings of this study were further clarified by previous researchers, Kin and Kim (2020), who emphasized content superiority, system quality, and service differentiation as the three key selection attributes for products or services delivered to consumers as a form of digital platform-based subscription services.

## Perceived Usefulness has Significant Effects on Digital Unit Trust Subscription Intention

The findings of this study supported the first hypothesis and confirmed that perceived usefulness had significant effects on digital unit trust subscription intention. The findings also elaborated on the three criteria of Perceived Usefulness under UTODS that sparked the individual investors' intention to subscribe to the scheme, namely the availability of data on funds' performance analysis, real-time redemption, and real-time switching functions, and these findings are consistent with previous research.

Individual investors in Malaysia desire the comprehensive and transparent performance of various funds that contain historical returns, risk measures, comparative performance against benchmarks, and other pertinent analytics so that they understand their investments' potential risks and benefits, allowing them to make more educated decisions. Individual investors in Malaysia are also drawn to real-time redemption, which allows them to redeem investments swiftly and effectively at any time, giving them freedom and control over their assets. They also used real-time switching, which allows them to swap investments between different funds instantly, allowing them to respond quickly to market developments or adapt their investment strategies to avoid catastrophic losses and improve return on investment (ROI).

This finding was supported by scholars Haruthai and Taweesak (2023), who confirmed technology acceptance due to the perceived usefulness of the digital platform offered by Unit Trust Fund Brokers, which allows investors to reach all investment aspects on a real-time source basis through a single tool, as well as easy access to massive information about the investment.

Previous scholars, such as Omol et al. (2023), noted in their research that technological advancement has moved the financial services industry into an era in which organizations are adopting digital tools while radically changing how they function, compete, and generate value for users.

## Risk Tolerance Moderated the Effect of Perceived Usefulness Towards Digital Unit Trust Subscription Intention.

The research findings supported the second hypothesis, confirming that Risk Tolerance moderated the effect of Perceived Usefulness Towards Digital Unit Trust Subscription Intention. Additional findings from this study revealed that individual investors in Malaysia would tolerate the risk of UTODS if the online service included a variety of fraud deterrents. The individual investors want assurances regarding the security of UTODS and fraud prevention procedures and compensation for any losses caused by misleading material on the digital investment platform.

This finding is supported by prior research that indicated a person's risk-taking propensity was counterbalanced by perceived risk and trust, which have a major effect on the person's behavioural intention (Hansen et al., 2018).

This study discovered that individual investors in Malaysia were willing to tolerate UTODS risks if there was strong cybersecurity included, such as encryption, secure login procedures, regular security audits, and anti-fraud systems for suspicious activity, followed by transparent operations to verify the authenticity of transactions and services offered. This finding is supported by previous research that also found a critical need for robust cybersecurity measures and stringent data protection procedures to prevent breaches, unauthorized access, and misuse of sensitive information, as data privacy and security are crucial for organizations dealing with massive data (Nambisan et al., 2019).

Individual investors would also consider UTODS risks if there was financial compensation for losses caused by misleading information by UTODS with clear terms and conditions outlining the company's responsibility for misleading information leading to monetary loss; a compensation policy that specifies the criteria and process for claiming compensation; and assurance of any misleading information caused by errors or intentional.

## CONCLUSION

There are four important factors that influence the intention of individual investors to subscribe to the Malaysia Unit Trust industry. Individual investors intend to subscribe to the funds when the company provides UTODS. They also intend to subscribe to the funds when the unit trust providers offer them the outstanding quality of UTODS. What attracts them more to the subscription via UTODS is when

the quality of UTODS is remarkably outstanding. The group is also concerned with unit trust providers' persistence and commitment to upgrading their UTODS quality. This study discovered that it is important for unit trust providers in Malaysia to adopt technology and offer UTODS to their investors, especially to the group of individual investors since they are no longer interested in the traditional way of performing their investment. They are even aware of how useful the technology application is for their investing activities.

This study concluded that three significant usefulness factors of UTODS drove individual investors' intention to subscribe to the digital unit trust fund. The first feature of UTODS is the display of useful information about the funds' past and recent performance, which enables individual investors to select potential funds without relying on agents. The second useful feature of UTODS is that it allows investors to redeem the return on investment at a better rate. The third usefulness of UTODS is to increase investors' return on investment by switching underperforming funds whenever necessary.

Despite the three significant features of UTODS that the group of individuals found useful in their investing activities, like compact analytical information, redemption, and switching for a higher ROI, the group of individual investors remained concerned about the unit trust agents' breach of fiduciary duty, which poses a risk to the Malaysia unit trust industry. As a result, two aspects moderated individual investors' intentions to subscribe: the UTODS providers' capacity to include various fraud deterrence mechanisms in UTODS and the unit trust providers' ability to compensate for any losses caused by misleading UTODS. These factors may either encourage or discourage more fund subscriptions.

This study contributes to the body of knowledge, a novel discovery of risk tolerance among the community of individual unit trust investors in Malaysia. The contribution also benefited the industry players like unit trust providers, financial technology intermediaries, and regulators. It is suggested that future researchers conduct a study on constructing the fiduciary duties of unit trust agents in UTODS, which will assist the industry in preventing fraud and misconduct, securing the industry, and better understanding the challenges and constraints that unit trust providers face.

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