

## FACTORS INFLUENCING MILLENNIALS' INTENTION TO ACCEPT E-WALLET IN KLANG VALLEY, MALAYSIA

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### ABSTRACT

*The objective of the research is to study the factors affecting millennials' intention to accept e-wallet in Klang Valley, Malaysia. It would investigate the link between personal innovativeness, social influence, perceived compatibility and facilitating conditions with behavioural intention. The result of the study will contribute to the understanding of the factors that influence millennials' acceptance of e-wallet. Convenience sampling is used in this study, as samples are selected depending on the availability and willingness of respondents to provide feedback. 774 responses were collected through questionnaires distributed using google forms. This research has excellent internal consistency and dependability of the variables analysed. The result found that there are significant relationships between millennials' intention to accept e-wallets with personal innovativeness, social influences, perceived compatibility and facilitating conditions.*

**Keywords:** *e-wallet, cashless transaction, mobile payment, millennials, personal innovativeness, social influence, perceived compatibility, facilitating conditions, behavioural intention*

### 1.0 INTRODUCTION

An electronic wallet (e-wallet) is a new advanced app that has changed consumer's lifestyle and behaviour. It is the result of the development of smartphone usage technology around the world. S. O'Dea (2022) indicated the worldwide smartphone subscription figure in 2022 is about 6,567 million and the number is expected to grow from year to year. According to the Malaysian Communication and Multimedia Commission (MCMC) 2020's Internet Users Survey, 98.7% of internet users access the internet via mobile smartphones (Malaysian Communications & Multimedia Commission, 2020). This increased figure has had a significant impact on the adoption of e-wallet among consumers today (Parmar, G., & Rathod, R. M., 2018).

An e-wallet is an electronic-based device that allows sellers to receive money from customers through the internet without the need for physical cash (Uduji, J. I., Okolo-Obasi, E. N., & Asongu, S. A., 2019). A unique quick-response (QR) code is used for the consumers to make payments to sellers. Due to certain restrictions in terms of payment accepted during the Covid-19 pandemic, a lot of companies do not accept cash-based payment to reduce physical contact during this period. Furthermore, the e-payment methods have been accepted as the number of smartphone users has risen (Subaramaniam, K., et al., 2020). Consumers today choose to pay for goods and services they purchase online using e-commerce or e-wallet since it is more convenient than carrying cash.

According to Rosnidah, I., et al. (2018), the millennials is a generation that values convenience in all aspects of life, including payment method during their purchase transactions. They were

born during the technological revolution when cash payments gave way to electronic wallets (Karim, M. W., et al., 2020). As a result, the e-wallet has emerged as a viable option for sellers and purchasers to conduct business transactions more conveniently and accurately that meet today's millennials' needs. Previous studies on the factors that may influence Klang Valley millennials' acceptance of e-wallet have been limited. Therefore, the purpose of this study is to examine the factors that influence millennials' intention to accept e-wallet in Klang Valley, Malaysia.

## 2.0 LITERATURE REVIEW

Most research examined the factors or degrees of customers' acceptability of technology using the Technology Acceptance Model (TAM) (Khoa, B. T., 2020; Ming, K. L. Y., et al., 2020). According to Khoa, B. T. (2020), the consumers' acceptance of the usage of e-wallet is influenced by their skilfulness and innovation. This research is conducted using the theory of the Technology Acceptance Model (TAM) to examine the correlation between the consumers' skilfulness and innovation and the acceptance of e-wallet in today's digital era.

Social influence is another factor that has a significant role in influencing the consumers' acceptance of e-wallet usage (DO, N. B., & DO, H. N. T., 2020). Teoh Teng Tenk, M., et al. (2020), also revealed social influence could trigger the consumers to accept and use the e-wallet. Furthermore, social influence is proven as a predictor of consumers' acceptance of e-wallet.

Ming, K. L. Y., et al. (2020) and DO, N. B., & DO, H. N. T., (2020) indicated that e-wallet perceived compatibility is among the factors that have a significant relationship in influencing the consumers' behavioural intention to use it. The degree of usefulness and being user friendly are some direct factors that may influence the consumers to adopt the usage of technology including the e-wallet (Shin, J., Park, Y., & Lee, D., 2018). Pertiwi, D., Suprpto, W., and Pratama, E. (2020) revealed that perceived usefulness influences the consumers to accept e-wallet. In addition, according to Omar, P. U. (2020), convenience is the most relevant factor that influences young consumers to accept e-wallet usage. Perceived compatibility has influenced consumers' adoption of e-wallet (DO, N. B., & DO H. N. T., 2020). Previous studies indicated that the facilitation offered by the e-wallet also plays a significant role in influencing the young consumers' acceptance of e-wallet usage (Omar, P. U., 2020). Below is the research framework for this study.

## 3.0 METHODOLOGY

A quantitative research method was used in this research study. Online survey questionnaires were distributed to 800 mobile broadband millennial users aged 25 – 44 years old in Klang Valley, Malaysia. All hypotheses were analysed using SPSS. A convenience sampling technique was used to collect data.

#### 4.0 RESULT AND ANALYSIS

The overall Cronbach Alpha values are very strong, with variables ranging from 0.856 to 0.886 throughout the analysis. The findings reveal a high level of consistency and reliability among the variables.

**Table 2 Spearman's Correlation Coefficient**

		PI	SI	PC	FC	BI
PI	Personal Innovativeness	--				
SI	Social Influence	0.921**	--			
PC	Perceived Compatibility	0.929**	0.920**	--		
FC	Facilitating Conditions	0.909**	0.934**	0.916**	--	
BI	Behavioral Intention	0.916**	0.917**	0.933**	0.928**	--

N=774, \*\* Correlation is significant at the 0.010 level (2-tailed).

Table 2 illustrates the correlation coefficients ranging from 0.909 to 0.934. The analysis demonstrates that the independent and dependent variables have a high degree of correlation.

#### Coefficients a

**Table 3 Coefficients of Multiple Regression Model**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.329	0.058		5.715	<0.001
	PI	0.146	0.030	0.156	4.952	<0.001
	SI	0.091	0.029	0.099	3.151	0.002
	PC	0.340	0.032	0.358	10.598	<0.001
	FC	0.354	0.033	0.363	10.762	<0.001

a. Dependent Variable: BI

Based on Table 3, Personal Innovativeness (PI) has a significant value (p-value) of <0.001, which implies that Personal Innovativeness is predicting behavioural desire to accept e-wallet. As a result, we can conclude that hypothesis H1 is supported in this investigation. This finding aligns with the study done by Koivisto et al. (2016), where Personal Innovativeness (PI) affects millennials' intention in the context of new technology. It is aligned with the general behaviour of millennials, who are seen more open and willing to adopt new technologies. (Vogels, E. A. 2019).

Social influence has a significant value (p-value) of 0.002, implying that social influence predicts behavioural intention to accept e-wallet. Consequently, we can conclude that hypothesis H2 is supported in this research. The finding aligns with Mew, J., and Millan, E. (2021)'s paper on social influence (SI) affects behavioural intention. The study by Yeow et al. (2017) showed a strong correlation between social influence (SI) and millennials' intention to use mobile payment services (e-wallet) in Malaysia.



According to Table 3, perceived compatibility has a significant value (p-value) of  $<0.001$ , implying that perceived compatibility predicts behavioural intention to accept e-wallet. Accordingly, we can conclude that hypothesis H3 is supported in this investigation. The finding is aligned with the paper conducted by Liew (2019).

Based on Table 3, the facilitating condition (FC) has a significant value (p-value) of  $<0.001$ , which implies that the facilitating condition in predicting behavioural intention to accept e-wallet in Klang Valley, Malaysia. Therefore, we can conclude that hypothesis H4 is supported in this investigation. The FC has a beta coefficient of 0.354, implying that a standard deviation change in FC will result in a 0.354 standard deviation change in the dependent variables when the other independent variables remain constant, with a significant value of less than 0.001.

## 5.0 CONCLUSIONS

According to research findings, personal innovativeness (PI) led to millennials' intention to accept e-wallet in Klang Valley. This aligns with the findings of Nysveen et al. (2005), who discovered that acquaintances or people in the user's environment influence millennials' decision to adopt new technology, such as e-wallet. In other scenario, Russell and Bradley (1997) discovered a contradictory conclusion, claiming that individuals who lack confidence in their abilities to handle modern technology are diagnosed with technology anxiety or cyberphobia. As a result, millennials who want to make a transaction using an e-wallet experience anxiety when making purchase. This study's findings are also consistent with the Technology Acceptance Model (Davis et al., 1992).

The second objective of this research is to investigate whether social influence affects millennials' intention to accept e-wallet in Klang Valley. The result of the research has demonstrated that social influences (SI) lead to millennials' intention to accept e-wallet in Klang Valley. This outcome is aligned with the research conducted by Slade et al. (2015), which found that millennials' intention toward e-wallet is influenced by social influences. However, a conflicting result was observed in a study done by Kwateng et al. (2019) who discovered that social influence had little effect on millennials' willingness to adopt systems or technologies. Nevertheless, this study has shown social influences (SI) affect millennials' intention to accept e-wallet in Klang Valley, which is also aligned with the theory under the context of the Unified Theory of Acceptance and Use of Technology (UTAUT) (Venkatesh et al., 2003).

The third objective of this study is to ascertain if perceived compatibility affects millennials' intention to accept e-wallet in Klang Valley. According to the findings, millennials' intention to accept e-wallet in Klang Valley is influenced by perceived compatibility (PC). This is in accordance with a research by Kim et al. (2016), which found that perceived compatibility had a substantial impact on e-wallet acceptability. According to Karahanna et al. (2006), compatibility in terms of one's existing work practises might suggest that one's existing work style is extremely close to one's intended work style in some cases. Yet, this is not always the case in situations where behaviour is instructed. Hence, the outcome of this research also supports the theory under the context of the Unified Theory of Acceptance and Use of Technology (UTAUT) (Venkatesh et al., 2003). Research conducted by Zhou (2011) stated that perceived compatibility plays an important role in determining the adoption of mobile payment services as it could negatively influence millennials' intentions.

The study's fourth objective is to see if facilitating conditions have an impact on millennials' intention to accept e-wallet in Klang Valley. The study found that facilitating conditions (FC) influence millennials' intention to accept e-wallet in Klang Valley. This result is consistent with the findings of Rosnidah et al. (2018), who discovered that facilitating conditions have a positive impact on millennials' behaviour when it comes to new technologies, in contrast to

Piarna et al. (2020), who discovered that facilitating conditions have no impact on millennials' behavioural intention because this generation believes that making money transactions using an e-wallet is no longer an issue. Furthermore, the conclusion of this study is influenced by the hypothesis of the Unified Theory of Acceptance and Use of Technology (UTAUT) (Venkatesh et al., 2003).

All four hypotheses had been examined and proven to be supported. It is worth noting that the Covid-19 pandemic has accelerated the shift to e-wallet and its utilisation and acceptance rate in Malaysia during 2020. The acceleration was mainly driven by government and public bodies in addressing the transmission risk of the Covid-19 virus through physical contacts such as money notes and coins. As technology evolves, business owners and e-wallet service providers must understand the factors that affect their consumers, particularly millennials, which is critical for their business continuity and expansion.

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