INFLUENCING FACTORS TO E-WALLET ADOPTION AMONG GENERATION Z

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1.   INTRODUCTION

E-wallet usage is very popular and advancing in recent years, especially in Malaysia. Users have shifted from cash to electronic payment methods due to the advancement of technology as well as to adapt to the new lifestyle because of pandemic Covid-19. The enforcement of the Movement Control Order due to the Covid-19 outbreak has changed users liking to the ease of contactless payment and it increases the usage of an e-wallet (Izwan Ismail, 2021). E-wallet or electronic wallet is one type of payment that allows users to send or receive payment online through any digital device to buy or sell products. This method of payment is widely accepted at the physical store as well as an online store. By using an e-wallet, users do not have to bring a lot of cash when shopping and they just need to store money in an e-wallet at the same time they can decrease the number of interactions with others.

The increasing demand for electronic payment in Malaysia can be seen through the development of various kinds of e-wallet by digital market service providers such as Touch n Go e-wallet, boost, GrabPay, and Lazada wallet. Many e-wallet providers offer interesting benefits such as vouchers and cashback to attract users from different ranges of ages to use the e-wallet. Generation Z is known as a generation with most particularly savvy with technology as they grew up with technology and the internet. Generation Z refers to the generation that was born between 1997 and 2012 (Dimock, 2019) and the oldest among this generation is just turning 24 in 2021. Using an e-wallet is incredibly convenient; however, there are always risks for users especially young buyers. Despite the risk, this young generation always wants to explore and experience this new payment method and its convenience, and security (Wood, 2013). This study will look at the factors that influence this young generation in adopting e-wallet.

Several past studies have been conducted on e-wallet, Karim et al. (2020) examined the adoption of e-wallet factors among young adults in Klang Valley and found that perceived usefulness, perceived ease of use, and privacy and security have a positive and significant relationship with behavioral intention to use an e-wallet. The issue of security awareness among Malaysians in the online environment was highlighted by Shah, Peikari, and Yasin (2014) and security features affect users' online behaviour and purchase decision-making process. In the research conducted by Chern et al. (2018) revealed that social influence, convenience, and speed have significant relationships towards the adoption of e-wallet among undergraduates in a university in Kampar. Ming et al., (2020) revealed that factors perceived usefulness and perceived ease influence the users to adopt e-wallet services. Singh, Sinha, and Francisco (2020) explored the factors influencing the adoption of mobile wallets in India. Various factors may influence the adoption of e-wallet among Generation Z. Thus, this study aims to explore the influential factors to the adoption of e-wallet among Generation Z. To achieve the objective of this study, four factors are included which are security, convenience, social

influence, and speed. The hypotheses for this study are:

H1: There is a significant influence between convenience and adoption of e-wallet.
H2: There is a significant influence between social influence and adoption of e-wallet.
H3: There is a significant influence between social security and the adoption of e-wallet.
H4: There is a significant influence between speed and adoption of e-wallet.

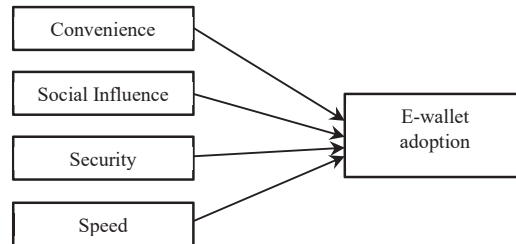The conceptual framework for this study is shown in Figure 1.

Figure 1: Conceptual Framework of e-wallet Adoption

2. METHODOLOGY

This study involved a random sample of 384 undergraduates from Universiti Teknologi MARA Negeri Sembilan, Seremban Campus. A survey was carried out to respondents age 19 to 24 years old with distributing questionnaire that was adapted from research by Chern et al. (2018). The questionnaire included three sections which are demographic background, independent variables (are security, convenience, social influence, and speed), and dependent variable (adoption of e-wallet). The independent and dependent variables were measured using a five-point Likert-type scale and ranging from 1 for strongly disagree to 5 for strongly agree. The reliability of the questionnaire was confirmed by calculating the Cronbach alpha coefficient. The model adequacy checking was confirmed before performing the analysis. The data were analyzed using SPSS to determine descriptive statistics, Pearson correlation, and multiple linear regression analysis.

3. RESULTS AND DISCUSSION

The total respondents in this study consisted of 384 respondents. The analysis begins with measures of the reliability of the questionnaire, checking normality assumption, summarization of data using descriptive statistics, Pearson correlation, and multiple linear regression.

3.1 Reliability and Normality Assumption Analysis

Table 1 shows the results of the reliability analysis for this study. The results show that the Cronbach's alpha coefficients for all items are more than 0.7 which indicates that it is reliable. The Shapiro Wilk test was used to check the normality assumption for multiple linear regression and the p-value is more than 0.05. Thus, the null hypothesis of residuals is normally distributed was failed to reject at 5% level and indicates that the distribution of error terms is normal.

Table 1: Cronbach's Alpha Coefficients for Variables and Normality Result

Variable	Number of items	Cronbach's alpha coefficient	Reliability	Shapiro-wilk	p-value
Convenience	5	0.854	Good	E-wallet adoption	0.053
Social influence	5	0.893	Good		
Security	5	0.850	Good		
Speed	5	0.902	Excellent		

3.2 Descriptive Statistics

The results of descriptive statistics are summarized in Table 2. From 384 responses, the results show that the respondents were predominantly female with 63.8%. It is also observed that 54.17% of respondents were 21- 22 years old. The minimum age of respondents is Z is 19 years old while the maximum age is 24 years old. Moreover, 56.3% were from the Faculty of Administrative Science and Policy Studies (FSPPP), 29.2% were from the Faculty of Computer Mathematical Sciences (FSKM), and 14.6% were from the Faculty of Sport Science and Recreation (FSR).

Table 2: Summary of Descriptive Statistics

Variable	Item	Frequency	Percentage
Gender	Male	139	36.2
	female	245	63.8
Age	19 – 20	111	28.91
	21 – 22	208	54.17
	23 – 24	65	16.93
Faculty	FSKM	112	29.2
	FSPPP	216	56.3
	FSR	53	14.6

3.3 Correlation Analysis

The analysis of Pearson correlation was employed to measure the relationship of four independent variables such as convenience, social influence, speed, and security with the dependent variable which is the adoption of e-wallet. The obtained results are summarized in Table 3. Based on the result, it can be said that there is a significant relationship between the independent variables and dependent variables. Specifically, by looking at the correlation coefficient, factor convenience, security and speed have a strong relationship and social influence has a moderate relationship.

Table 3: The Correlation Coefficient between Dependent and Independent Variables

Variables	The correlation coefficient, ρ	p-value	Result
Convenience	0.892	0.000	Strong
Social influence	0.613	0.000	Moderate
Security	0.726	0.000	Strong
Speed	0.760	0.000	Strong

3.4   Multiple Regression Analysis

Multiple linear regression was employed to examine the four independent variables, which are convenience, social influence, security, and speed significantly explain the adoption of e-wallet. Tables 5 and 6 show the results of regression analysis. From Table 4, 82.4% of the variance in measuring the factors that influence the adoption of e-wallet was explained by convenience, social influence, security, and speed while the remaining 27.6% are from other factors that are not included in this study. For the result of the test for the significant regression model, F-value for the model is 428.474 (p-value = 0.000) indicated that this model is fit.

Table 4: Multiple Linear Regression Summary Model

R	R Square	Adjusted R Square	Std. Error of the estimate	F significant level
0.908	0.824	0.822	1.15687	0.000

Table 5: Coefficient of the Variable of Regression model

Model	Unstandardized coefficient, β	t	p-value	Tolerance	VIF
Constant	1.939	4.360	0.000		
Convenience	0.629	16.674	0.000	0.320	3.122
Social influence	0.045	2.233	0.025	0.548	1.825
Security	0.124	4.347	0.000	0.419	2.388
Speed	0.118	3.734	0.000	0.386	2.589

As in Table 5, all four factors were found to have a significant influence on the adoption of an e-wallet (p-value < 0.05). The absolute value of β indicates the order of importance of independent variables. Interestingly, the factor convenience is the most influential factor towards the adoption of e-wallet since it has the highest value of beta (β = 0.629) as compared to the other factors. This indicated that most of the respondents feel that an e-wallet is convenient to adopt. Specifically, if an e-wallet is convenient to the users, it can increase their adoption. This study is successful in examining the influential factors to the adoption of e-wallet among Generation Z in a university in Negeri Sembilan. All four factors significantly influence e-wallet adoption. Interestingly, the factor convenience is the most significant factor for generation Z to use an e-wallet.

Table 6: Summary Hypotheses Testing Results

Hypothesis	Significant value	Conclusion
H1: There is a significant influence between convenience and adoption of e-wallet	0.000	Significant
H2: There is a significant influence between social influence and adoption of e-wallet	0.000	Significant
H3: There is a significant influence between security and adoption of e-wallet	0.025	Significant
H4: There is a significant influence between speed and adoption of e-wallet	0.000	Significant

4. CONCLUSION

This study explores factors that influence generation Z to adopt e-wallet. Based on the findings, it can be stated that factor convenience, social influence, speed, and security significantly influence the adoption of e-wallet among Generation Z. Specifically, e-wallet service providers have to pay attention to the user's convenience in using e-wallet as well as other factors in improving the e-wallet service as this will increase user's adoption especially for Generation Z. Future studies should address the individuals' perceived convenience in e-wallet adoption and may consider the other factors such as risk control, features, function, and reward that make people use an e-wallet and focus on Generation X and Y.

5. ACKNOWLEDGMENT

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