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## THE BEHAVIORAL INTENTION AND ADOPTION OF E-WALLET AMONG MOBILE PHONE USER IN KLANG VALLEY

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### ABSTRACT

The world's rapidly developing technology has transformed the context of industry, particularly the financial sector. Financial technology advancements into digital and electronic payment (e-payment) have ushered in the dawn of cashless society, whereby the use of currency in financial transactions is becoming less widespread. Therefore, this research seeks to understand why certain communities readily embrace mobile banking while others lag behind, considering factors such as accessibility, financial costs, trust in security, social influences, perceived effort, and expected performance in Klang Valley, Malaysia. This study employs the Unified Theory of Acceptance and Use of Technology (UTAUT) framework. The sample for this study is made up of residents from Ampang and Bandar Baru Sentul who will have to fill out a web-based questionnaire. The findings demonstrate a statistically significant association between the independent factors of performance expectancy, enabling circumstances, social influence, security, and trust and the dependent variable, which consists of behavioural intention to use the E-wallet. It is suggested that future studies investigate the factors impacting employee retention in various corporate locations and sectors.

### ARTICLE INFO

*Keywords:*  
*E-wallet,*  
*Performance*  
*Expectancy,*  
*Facilitating Condition,*  
*Social Influence,*  
*Security, Trust,*  
*Behavioral Intention.*

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## 1.0 INTRODUCTION

The rise of e-wallets has significantly impacted people's lives in the digital era. E-wallets, serving as digital payment tools, provide users with the flexibility to conduct transactions at any time and from any location through mobile applications (Sharma et al., 2018). The ease of use, minimal deposit requirements, and the option to share benefits with others contribute to the appeal of e-wallets as a financial technology solution (Leong et al., 2021). Consequently, e-wallets are gradually supplanting the use of physical currency, representing a notable advancement in financial technology (Thakur, 2013).

In Malaysia, the transition towards a cashless society is observable through initiatives such as the Financial Sector Blueprint (FSBP) 2011-2020 introduced by Bank Negara Malaysia (Alam et al., 2021). The launch of e-wallet platforms like MaybankPay further underscores the nation's dedication to adopting e-payment solutions (Alam et al., 2021). Nevertheless, challenges persist in the widespread adoption of e-wallets, with factors like increasing living expenses and a preference for cash impeding some individuals from fully utilizing their e-wallet accounts (Alhassan et al., 2020).

Studies indicate that the acceptance of mobile payment services, including e-wallets, can vary among different cultures, underscoring the necessity for further research to enhance comprehension in this domain (Agárdi & Alt, 2022). Elements such as technology readiness and the Unified Theory of Acceptance and Use of Technology (UTAUT2) are pivotal in the adoption of e-wallets in developing nations (Qu et al., 2018). Furthermore, the inclination to embrace mobile wallet technology can be influenced by various factors, including perceived ease of use and social influence (Mater et al., 2021).

In conclusion, the evolution of e-wallets signifies a significant transition towards digital payment solutions, offering users convenience and adaptability in financial transactions. While endeavors are being made to encourage e-wallet adoption, challenges persist in ensuring broad acceptance and usage, underscoring the significance of addressing cultural disparities and technological readiness to boost the global adoption of e-wallets.

## 2.0 LITERATURE REVIEW

This section describes the independent variable and dependent variable for current study, which in this case, include the performance expectancy, facilitating condition, social influence, security, trust and behavioral intention.

### 2.1 Behavioral Intention

This section describes the importance of behavioral intention for mobile phone users, and many people in the field of technology acceptance and innovation adoption are interested in the research of behavioural intention in connection to the usage of electronic financial devices such as e-wallet apps. Understanding the factors that influence people's intentions to use such apps is crucial for businesses and regulators interested in promoting financial stability and financial system modernization. This review of the literature looks at significant results and ideas on behavioural intention in relation to the setting of e-wallet uptake among mobile phone users in Klang Valley.

Behavioural intention is commonly defined as an individual's likelihood of taking action or a consumer's readiness to use a new system (Venkatesh, Brown, Maruping, & Bala, 2008). It may be defined as a type of purchasing intention used to forecast customer behaviour. The consumer's behavioural intention to use e-wallet services measures an individual's desire to buy goods and services through digital channels. Emotions and ideas, whether positive or negative, tend to stimulate human attributes or actions. Furthermore, the same variables that drive e-wallet intention, such as perceived utility, perceived ease, perceived trust, and perceived security, may be used to evaluate customers' behavioural intention to technological adoption. The outbreak's interconnected provisions impacted internal and external digital payment users, as well as users' perceptions (Zhao & Bacao, 2021).

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## 2.2 Theory

This study employs the Unified Theory of Acceptance and Use of Technology (UTAUT) framework. The approach was chosen because it has gone through empirical evaluation and has been demonstrated to be both comprehensive and superior to other models. UTAUT is also widely considered as the best practise framework for evaluating customer acceptability, with an emphasis on individuals rather than organisations. As an outcome, it is more adapted to interpreting studies impacted substantially by human factors. The UTAUT framework has been updated to serve as a guidance for identifying essential aspects influencing e-wallet acceptability in Klang Valley's cashless culture. The proposed research model consists of six constructs: behavioural intention, performance expectation, facilitating condition, social influence, security, and trust.

## 2.3 Performance Expectancy

According to Venkatesh et al. (2003) in UTAUT, performance expectation is frequently used to assess the extent to which consumers believe a technology, such as a new mobile device, will benefit their daily lives. They discovered that performance expectancy is the best predictor of intention to use in the original model. In the context of mobile payments, the effect of performance expectancy on behavioural intention has been demonstrated as well (Thakur, 2013; Wang & Yi, 2012). It is similar to the TAM concept of perceived utility. Users can make payments using mobile payment systems regardless of their location or time limitations. It is an alternative method for effortless transactions because every transaction may be done using a mobile device with no extra restrictions. As a result, in recent years, it has grown in popularity. It has a higher potential to be a significant component in adoption since it gives various benefits to customers (Slade, Dwivedi, Piercy, & Williams, 2015). Morosan and DeFranco (2016) also observed a significant association between performance expectancy and behavioural intention to use internet banking.

## 2.4 Facilitating Condition

The physical surroundings and resources required to appropriately accept and use any product or service are examples of facilitating conditions. The belief that a customer has a minimum amount of resources to utilise technology is known as an enabling condition, and it is a significant variable in estimating the anticipated usage of mobile financial services or mobile purchasing (Madan & Yadav, 2016). In addition, Tusyanah et al. (2021) propose that enabling conditions and experience impact intents to use an e-wallet. In addition, Havidz, Aima, Ali, and Iqbal (2018) discovered advantageous conditions and a preference for WeChat mobile payment amongst Indonesian citizens in China. This matched with the findings of the Chan, Saodah, Sari, and Abd Muben (2021) study, which found that enabling conditions were substantially connected to the desire to utilise the Covid-19 monitoring application. Moreover, See and Goh (2020) discovered that enabling variables affected restaurant customers' propensity to adopt mobile payment considerably.

## 2.5 Social Influence

Researchers have long acknowledged social influence as a key factor in buyer behaviour, and in this context, no one can completely ignore the effect of others. People modify their attitudes and behaviours to meet the standards of a social group (Haderi & Aziz, 2015). This is caused by a person's conviction in the need to act in a certain way in order to meet societal pressure. According to Stockman (2017), people would choose to engage in a behaviour even if the effects are negative if they believe one or more important referents believe they should use the new system, motivating them to comply with the referents. Social influence, according to Zhang et al. (2016)'s social suggestion model, may be classified as local or global. Many aspects of human conduct, including goods and services that we consumption, are influenced by social factors. Individuals in a particular social group behave similar to one another, according to a particular field of social influence research, the social transmission theory, and consumers tend to follow whatever those closest to them chose (Herrera, Armelini, & Salvaj 2015).

## 2.6 Security

Cliquet et al. (2015) describe privacy as the ability of an individual to independently monitor self-relevant information. Everybody is aware of the importance of this factor. According to (Soodan et al., 2020), one of the factors influencing e-wallet adoption is security and confidentiality, which is more suggestive. A lack of security and privacy is one of the barriers that purchasers face while purchasing items (Milberg, Smith, & Bruke, 2000). Payment via e-wallet, on contrary, may result in illegal access to confidential information and a lucrative opportunity for cybercriminals to steal the personal information (Kaur et al., 2018). According to Marimuthu and Roseline (2020), e-wallets have grown in popularity due to their convenience of use, but there is still a lack of knowledge and awareness among users, as well as a fear of conducting transactions due to security concerns.

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**2.7 Trust**

Trust is defined as the proclivity to be devoted to a provider of services based on positive predictions about the provider's future behaviour (Zhou, 2013). In terms of e-wallets, trust is described as someone's positive expectation, showing that they have faith and confidence in using such a service. According to Pham and Ho (2015), in recent years, perceived trust has been emphasised as a critical driver for the development of several new technologies, with a significant relationship observed between considered trust and behavioural intention to use e-wallets. Tang et al. (2002) indicate that a sense of confidence is a strong determinant of adoption intentions. Perceived trust is related to mobile phone users' behavioural intention to use ewallets (Mohd Sah et al., 2021; Chresentia & Suharto, 2020).

**3.0 RESEARCH FRAMEWORK**

Conceptual framework, adapted from Leihl & Smith (1999), to determine the relationship between independent variable and dependent variable towards using e-wallet apps that influence the perception and adoption of mobile phone users in Klang Valley, is depicted in Figure 1.

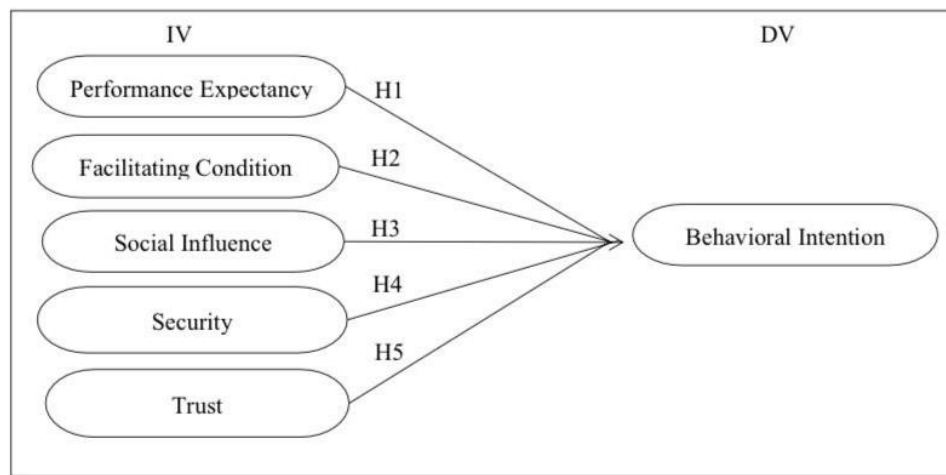


Figure 1: This conceptual framework has been adapted from Leihl & Smith (1999).

**4.0 SIGNIFICANCE STUDY**

The study's title focuses on the variables influencing E-Wallet adoption among mobile phone users. The researcher will examine and determine the response of dependent variables, which are elements that impact the community's intention to use the E-Wallet. Performance expectancy, enabling situation, social influence, security, and trust are examples of independent factors. The goal of this study is to examine the community's impression of E-Wallet mobile phone users' adoption. However, the research also wishes to explore how the E-Wallet effects the people in Klang Valley's use of any transaction in daily life. This research will help future academics who want to study the uptake of E-Wallets. Individuals could find out more regarding E-Wallets and the elements that impact their adoption in Klang Valley areas.

**7.0 CONCLUSION**

E-wallet adoption is influenced by various factors such as trust, usability, social influence, and compatibility. Understanding these determinants is crucial for promoting wider acceptance of e-wallet services and transitioning towards a cashless society. Studies have shown significant relationships between innovative behavior, technological readiness, customer awareness, and e-wallet adoption AlRefai et al. (2022). Perceived usefulness, ease of use, consumer trust, and perceived risk are key factors influencing the intention to adopt e-wallets (Apriani & Wuryandari, 2022). Additionally, factors like perceived ease of use,

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perceived social influence, and perceived trust play significant roles in determining the intention to use e-wallets (Janteng & Dino, 2022).

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