

STUDY ON CONSUMER INTENTION TO USE E-WALLET IN MELAKA

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The thesis is submitted in partial fulfillment of the requirements for the awards of
Bachelor of Technology Management (High Technology Marketing)

Faculty of Technology Management and Technopreneurship
Universiti Teknikal Malaysia Melaka

JUNE 2019

DECLARATION

I declare that this thesis entitled “Study on Consumer Intention to Use E-Wallet in Melaka” is the results of my own research except as cited in the references. This thesis not has been accepted for any other degree.

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APPROVAL

I hereby declare that I have read this thesis and in my opinion this is sufficient in terms of scope and quality for the award of Bachelor in Technology Management (High Tech Marketing) with Honors

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DEDICATION

I dedicated this thesis to my beloved father, Mr. Mohd Shah Bin Mohd Said, mother, Mdm. Siti Ropeah Binti Mohd Kasim, and all my siblings, Mr. Mohd Shahrolnizam Bin Mohd Shah, Mr, Mohd Insyazwan Bin Mohd Shah, Mr. Muhd Syafiq Bin Mohd Shah and also my lovely family.

ABSTRACT

This research is focused on consumer intention in using e-wallet. The researcher want to identify the factor that will create the consumer intention to use this new technology. E-wallet is known as a virtual cashless service provided by several payment companies. The research problem is about the safety and ease of using this technology is still underestimated by the consumer. If the consumer will get correct understanding about e-wallet, this technology able to being simply accepted by them. Technology Acceptance Model (TAM) are being used in this study in order to anticipate the acceptance of consumer towards e-wallet. The independent variable and the dependent variables of this research have a significant relationship to ensure the suitable result of the study. In conducting this study, the researcher use explanatory research for their research design. To managing the survey method, questionnaires will be distributed to the selected respondent, which is consumer in Melaka. The respondent will being ask about their perception of using e-wallet. The establish data analysis will be use to interpret the data collected from the respondent.

ABSTRAK

Kajian ini memberi tumpuan kepada niat pengguna dalam menggunakan 'e-wallet'. Penyelidik ingin mengenal pasti faktor yang akan mewujudkan niat pengguna untuk menggunakan teknologi baru ini. 'E-wallet' dikenali sebagai perkhidmatan tanpa tunai maya yang disediakan oleh beberapa syarikat pembayaran. Masalah penyelidikan adalah tentang keselamatan dan kemudahan penggunaan teknologi ini masih dipandang ringan oleh pengguna. Sekiranya pengguna mendapat pemahaman yang betul tentang 'e-wallet', teknologi ini dapat diterima oleh mereka. Model Penerimaan Teknologi (TAM) digunakan dalam kajian ini untuk menjangkakan penerimaan pengguna terhadap 'e-wallet'. Pembolehubah bebas dan pembolehubah bergantung pada penyelidikan ini mempunyai hubungan yang signifikan untuk memastikan hasil kajian yang sesuai. Dalam menjalankan kajian ini, penyelidik menggunakan penyelidikan penjelasan untuk reka bentuk penyelidikan mereka. Untuk menjalankan kaedah tinjauan, soal selidik akan diedarkan kepada responden terpilih, yang merupakan pengguna di Melaka. Responden akan ditanya tentang persepsi mereka menggunakan 'e-wallet'. Analisa data yang dinyatakan akan digunakan untuk mentafsirkan data yang dikumpulkan dari responden.

ACKNOWLEDGEMENT

Alhamdulillah, Praise be to Allah (S.W.T) the almighty for the successful achievement for completing this thesis as through His Grace and the Prayers of my beloved ones, this dispute journey in the pursuit of my degree study has definitely reached destination. I would have ever done this alone without support of people around me.

There are number of peoples whom I incur a great deal of gratitude. I wish to bring my ultimate gratitude to Dr. Murzidah binti Ahmad Murad, my beloved and solid administrator for her encouragement, meaningful proposals and guidance amid the whole time of research. I am also grateful for her cooperative comments and support.

My earnest thanks also go to fellow friend and senior who have help me a lot during my thesis writing and find out that I am not alone facing this exploration, together inspired each other. Thank you so much.

Finally, I desire to bid my most thanks to my Parents, Mr. Mohd Shah Bin Said and Mdm. Siti Ropeah Binti Kassim and not to forget my siblings to for their prayers and assistance for me to complete my journey. I wish all the best for all people who directly or indirectly commit during this exploration. May Allah reward with something great in return.

TABLES OF CONTENTS

CHAPTER	ITEM	PAGE
	DECLARATION	
	APPROVAL	
	DEDICATION	
	ABSTRACT	i
	ABSTRAK	ii
	ACKNOWLEDGMENT	iii
	TABLE OF CONTENTS	iv
	LIST OF TABLES	viii
	LIST OF FIGURES	x
	LIST OF APPENDICES	xi
	LIST OF ABBREVIATION	xii
CHAPTER 1	INTRODUCTION	1
	1.1 Introduction	1

	1.2 Research Background	2
	1.3 Research Problem	4
	1.4 Research Objectives	5
	1.5 Research Question	5
	1.6 Implication of Research	5
	1.7 Significant of Research	6
CHAPTER 2	LITERATURE REVIEW	8
	2.1 Introduction	8
	2.2 E-Wallet	9
	2.3 Consumer Intention	9
	2.4 Technology Acceptance Model	10
	2.5 Theoretical Framework	11
	2.6 Hypothesis	12
CHAPTER 3	RESEARCH METHODOLOGY	15
	3.1 Introduction	15
	3.2 Research Design	16
	3.3 Research Method	16
	3.3.1 Quantitative Method	17
	3.4 Data Collection	17
	3.4.1 Primary Data	18
	3.4.2 Secondary Data	18

3.5 Research Strategy	19
3.5.1 Survey Method	19
3.5.2 Questionnaire Design	19
3.6 Sampling Method	20
3.6.1 Sampling Technique	20
3.6.2 Sampling Size	21
3.7 Data Analysis	23
3.7.1 Descriptive Statistic	23
3.7.2 Reliability Test	24
3.7.3 Multiple Regression	24
CHAPTER 4	RESULTS AND DATA ANALYSIS
	25
4.1 Introduction	25
4.2 Reliability Test	25
4.2.1 Reliability Test for Pilot Test	27
4.2.2 Reliability Test for Actual Survey	28
4.3 Descriptive Analysis (Demographic)	29
4.3.1 Gender	29
4.3.2 Age	30
4.3.3 Race	32
4.3.4 Occupation	33
4.3.5 Monthly Salary	35
4.3.6 Are You Familiar with The	

Functionality of E-Wallet	36	
4.3.7 Where Did You Get		
Information about E-Wallet	38	
4.3.8 How Often Do You Use E-wallet	39	
4.4 Multiple Regressions	41	
4.4.1 Model Summary	41	
4.4.2 ANOVA	42	
4.4.3 Coefficients	44	
CHAPTER 5	DISCUSSION AND CONCLUSION	45
5.1 Introduction	45	
5.2 Summary of Data Analysis	46	
5.3 Discussion for Research Objective	47	
5.3.1 Objective 1	47	
5.3.2 Objective 2	49	
5.4 Limitation of The Research	50	
5.5 Recommendation	50	
5.6 Conclusion	51	
REFERENCES	52	
APPENDICES	58	

LIST OF TABLES

TABLE	TITLE	PAGE
3.1	Likert Scale of Questionnaires	20
3.2	Krejcie & Morgan Table	22
4.1	Summary Table of the Cronbach's Alpha of All Variables for Pilot Test	27
4.2	Summary Table of the Cronbach's Alpha of All Variables for Actual Survey	28
4.3	Frequency Table of Respondents Gender	29
4.4	Frequency Table of Respondents Age	30
4.5	Frequency Table of Respondents Race	32
4.6	Frequency Table of Respondents Occupation	33

4.7	Frequency Table of Respondents Monthly Salary	35
4.8	Frequency Table for Familiar with Functionality of E-Wallet	36
4.9	Frequency table for Where Did Get Information About E-Wallet	38
4.10	Frequency Table About How Often Use E-Wallet	39
4.11	Table for Model Summary	41
4.12	Analysis of Variance (ANOVA) Table	42
4.13	Table for Coefficients Regression	44
5.1	Table for Summary of Data Analysis	46

LIST OF FIGURES

FIGURE	TITLE	PAGE
1.1	Research Framework of Customer Intention to Use E-Wallet	11
4.1	Pie Chart of Respondents Gender	29
4.2	Pie Chart of Respondents Age	31
4.3	Pie Chart of Respondents Race	32
4.4	Pie Chart of Respondents Occupations	34
4.5	Pie Chart of Respondents Monthly Salary	35
4.6	Pie Chart for Familiar with Functionality of E-Wallet	37
4.7	Pie Chart for Where Did Get Information About E-Wallet	38
4.8	Pie Chart for How Often Use E-wallet	40

LIST OF APPENDICES

NO	TITLE	PAGE
1	Set of Questionnaire	58
2	PSM Gantt Chart	64

LIST OF ABBREVIATIONS

ATM	-	Automated Teller Machine
TAM	-	Technology Acceptance Model
TRA	-	Theory of Reasoned Action
TPB	-	Theory of Planned Behavior
DPTB	-	Decomposed Theory of Planned Behavior
MPCU	-	Model of PC Utilization
MM	-	Motivational Model
SCT	-	Social Cognitive Theory
SPSS	-	Statistical Package for the Social Sciences
ANOVA	-	Analysis of Variance

CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

This research show the study about the customer intention of using E-wallet in Melaka people daily life One of the biggest development sectors in the IT industry is mobile communication (Phuah Kit Teng, 2018). Cash notes can be replaced with an electronic wallet which is defined as a virtual cashless service (Madhu Chauhan, 2017). E-wallet is a type of electronic card which is used for transactions made online through a computer or a smartphone, which also known as Digital Wallet. It is a type of prepaid account in which a user can place his/her money for any future online service. Its service is same as a credit or debit card. The person do not have to rush to ATMs or banks to withdraw cash for purchasing anything, rather transaction can be done there in a fraction of seconds. An E-wallet needs to be linked with the individual's bank account to make payments.

In Malaysia, the arrival of global electronic wallet (e-wallet) providers is believed to shift the payment system landscape. Mobile-based applications are influencing lifestyles including the daily purchase of goods and service said by the Government in report (The Star, 2017). The disclosure of e-wallet commit to the further evolution of e-commerce and build up retail payments systems by provide fast, easy and secure payment processes. It carries the global move towards cashless societies. The Government added that the digitisation of money will magnify financial inclusion as it is more functional to deliver infrastructure for e-wallet accessibility in remote areas (The Star, 2017).

Less than three decades ago, it seemed odd for the proposition of sending or receiving money using a mobile device. In our society, the utilize of a mobile device for money transfer is not only accepted but turning out to be the norm today (Angela Scott-Briggs, 2016). The electronic payment is view as the backbone of e-commerce and one of its most pivotal aspects (Zlatko Bezhovski, 2016). The central bank also pushed to become a cashless society for Malaysia by 2050, but this could happen initially if the mobile wallet trend continues on its present trajectory (Nathaniel Sario, 2018).

1.2 RESEARCH BACKGROUND

Nowadays, the stage of our technology is on the next level. Almost everything in this world have an element of the modern technology. One of the activity that have the modern technology in it is E-wallet. It is still in the early stage to explore and conquer the world. Almost every business activity are be done in electronic ways in nowadays. In

order to keep catching update the latest technology, the seller or the buyer need to always update with the trend to avoid from left behind.

Busy in catching the latest trend of doing business activity, do not overlooked to the user of the technology. It will cause the failure in the adoption of the technology if the environment is not ready to accept and use the E-wallet. The buyer or the seller will choose to doing in traditional ways if they feel difficult in using it. Acceptance of the new technology also depends on the economics of the country either it suitable to adopt the use of E-wallet.

This new technology is more focusing on the young generation. Based on Trivedi, J (2016) International Journal of Applied Marketing and Management said 'Nowadays generation has accepted the latest technology and is constructing these technologies in their life'. If the acceptance of E-wallet was encouraging for the young generation in using it, it shows that the technology have a bright future in the market.

'A digital wallet enables users to make electronic commercial transaction swiftly and securely' (Majid Taghiloo, 2010) International Journal of UbiComp. One of the importance element in accepting of new technology is their security. Bring cash everywhere we want to go in the wallet is having highly potential of being robbed. With E-wallet will decreasing the potential of being robbed because it is the cashless payment.

Although the E-wallet is very new to us, it also have a few advantages that may makes our daily life get more easier. The transaction through this new technology can be done anywhere in this world. Not only for make our daily life get more easier, instead its security is more guaranteed. We need to exposed the benefits of using E-wallet to the

our people out there. The study about the acceptance of E-wallet need to done in order to know the readiness of the people on the new technology.

1.3 RESEARCH PROBLEM

Initially, this type of technology we do not how many people out there are capable to use it. We need to exposed them to this new type technology in order to make their live is more secure and easier. The main focus and existence of this technology, E-wallet is to make quick transactions thereby discouraging people to make use of cash. In this stage, the technology is in early stage which is the E-wallet is not known by everyone and the popularity of this technology is increasing swiftly.

Safety is one of the main important element of technology. There are many crime cases that involving stealing cash like snatching and pick pocket. Consumer will change their daily way of payment in order to avoid from having probability being robbed. But this problem also can be happened through online or electronic transaction. It can be fraud by the scammer when doing the electronic transaction. With all the security and convenience implemented by mobile electronic system, we can assume extension of mobile payments worldwide even surpassing payments made by credit and debit cards (Zlato Bezhoski, 2016).

To convince the consumer to change the way of making payment and acceptance the e-wallet need to considered a few factors. Payment companies must ensure the transaction environment is easy to be adopted and use by the consumer. Bank group continue to encourage the use of debit cards given its high penetration among Malaysians to reduce the usage of cash (Lee Zhi Wei et al., 2018).

1.4 RESEARCH OBJECTIVE

- To determine the factors will influencing consumer intention to use e-wallet.
- To measure the most significant factor influencing consumer intention to use e-wallet.

1.5 RESEARCH QUESTION

- What are the factors influencing consumer intention to use e-wallet?
- Which is the most significant factor influencing consumer intention to use e-wallet?

1.6 IMPLICATION OF RESEARCH

Our main objective in this research is to determine the most significant factor of using the e-wallet in people daily life. To forecasting the future is always tricky. There are many opportunities for the e-wallet technology to penetrate in the developing country. With this new technology, it will relieve the banking regulations with the transformation on the technology front keeping up with the rest of the world. Here lies the opportunity for e-wallet to participate and complement by clarify major problems on the banking front and also on the technology front.

This forecast could be calculated based on the evidence from this research. The data that will get from this research will show what people perception and the usage of this new technology. This technology has a huge potential for being a main use and it lies in the hands of the millennials. We can figure out the acceptance of E-wallet in our daily life if the study show the good result. E-wallet will be like a internet, means it will be the daily use technology or it is must to have by everyone in nowadays.

From this research, it will show that the readiness to accepting this e-wallet. It will demonstrate the relationship, trust and knowledge between the technology acceptance and the customer intention to use it. The result from this research will indicate and determined the technology acceptance about this technology. If the respondent in this study shows the positive feedback about e-wallet in terms of knowledge and using it, means that today business activity should need new improvement and evolution in the payment way.

1.7 SIGNIFICANT OF RESEARCH

The finding of doing this research is to show that the acceptance of this technology is encouraging the people to use e-wallet in doing payment in their daily payment activity. Through this research study, we can provide the consumer to have awareness about e-wallet. We cannot forced people to accept and start doing something new. They supposed to have knowledge about the technology that they want to use it.

Actually, there are many term that let people will feel more secure when using E-wallet compared to the traditional payment. If the usage of this technology can make their payment activity get more easy, the development of this technology need to be accelerated to ensure their user does not having problem in using it. They also need to be more exposure about the caution when using the E-wallet.

It is generally simple to bring the significant of the research towards people. Still, the research sometime founding another new problems such as facing technological difficulties and unsustainable. This is because of the technology is very new and there is not many analysis of E-wallet that will help the customer to use it.

CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

The objective of writing this literature review is to provide the reader with a general overview about the E-wallet technology acceptance and the factors that will influence to use it. Recently, this technology has become a popular type of payment. Cashless payment still make up a adequately small portion of total payments. Our neighbourhood, Singapore recognized to be technologically experienced, cash endure the current choice when it comes to paying for stuff. This chapter gives a brief description about the E-wallet technology usage.