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“I hereby declare that I have read this thesis and in my opinion, this thesis is sufficient in terms of scope and quality for the purpose of awarding The Faculty of Technology Management and Technopreneurship, Bachelor of Technopreneurship (BTEC)”

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**FACTORS DETERMINING CONSUMERS' ACCEPTANCE OF MOBILE  
PAYMENT IN FOOD AND BEVERAGES (F&B) INDUSTRY**

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**A report submitted  
In fulfilment of the requirement for the degree of  
Bachelor of Technopreneurship**

**Faculty of Technology Management and Technopreneurship  
Universiti Teknikal Malaysia Melaka**

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## DECLARATION

“I declared that this research entitled **“Factors Determining Consumers’ Acceptance of Mobile Payment in Foods and Beverages Industry”** is the result of my own research expect as cited in the references. The research has not been accepted for any degree and is not concurrently submitted in candidature of any other degree.”

Signature .....

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Date .....

## **DEDICATION**

This research is exclusively dedicated to my parents, Md Yusof Bin Jaffar and Rohaidah Binti Pardi, who have been my source of inspiration and endless support, motivation and also concern with my studies. I would like to express my gratitude to my supervisor, Encik Isma Addi Bin Jumbri, who guided and supported me through this final year project. Finally, I also would thank to all my friends who have lend their helping hand along through this journey. Thank you.



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## ABSTRACT

The purpose of this research is to identify the relation between usage of mobile payment in Foods and Beverages industry (F&B) with the consumers' acceptance. Within this research, the consumers' acceptance variables are performance expectancy, effort expectancy, social influence and facilitating conditions. First, researcher will determine the factors influencing consumers' acceptance of mobile payment. Secondly, the research will investigate the relationship between factors that influencing consumers to use mobile payment with their acceptance. Thirdly, the scope is to identify the most significant factor influencing consumers' acceptance of mobile payment. The research method used in this research is by using quantitative approach where sample 329 questionnaires will be distribute to consumers around Melaka. In discovery of this study, all the factors will be analysed by using Pearson Correlation Simple and Multiple Regression. To complete this research, researcher utilized the Unified Theory of Acceptance and use of Technology (UTAUT) as the main theory to be adopted.

**Keywords:** consumers' acceptance, facilitating condition, performance expectancy, effort expectancy, social influence

## ABSTRAK

Tujuan kajian inia adalah untuk mengenal pasti hubungan antara penggunaan pembayaran mudah alih dan penerimaan pengguna dalam industri makanan dan minuman. Dalam kajian ini, pemboleh ubah penerimaan pengguna adalah jangkaan prestasi, jangkaan usaha, pengaruh sosial dan keadaan yang memudahkan. Pertama sekali, pengkaji akan menentukan faktor yang mempengaruhi penerimaan pengguna terhadap pembayaran mudah alih. Kedua, pengkaji akan menyiasat hubungan antara faktor yang mempengaruhi pengguna untuk menggunakan bembayran mudah alih dengan penerimaan mereka. Ketiga, skop kajian ini adalah untuk mengenalpasti faktor yang paling mempengaruhi penerimaan pengguna terhadap pembayaran mudah alih. Kaedah kajian yang digunakan dalam kajian ini adalah melalui pendekatan kuantitatif dimana sebanyak 329 sample soal selidik akan diedarkan kepada pengguna di sekitar Melaka. Dalam penemuan kajian ini, semua faktor yangf digunakan akan dianalisis dengan menggunakan Regrasi Mudah Korelasi Pearson. Untuk melengkapkan kajian ini, pengkaji menggunakan Perpaduan Teori Penerimaan dan Penggunaan Teknologi (UTAUT) sebagai teori utama untuk diadaptasi.

**Kata kunci:** penerimaan pengguna, jangkaan prestasi, jangkaan usaha, pengaruh sosial, keadaan memudahkan



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**LIST OF ABBREVIATIONS**

M-Payment	Mobile Payment
UTAUT	Unified Theory of Acceptance and Use of Technology
TAM	Technology of Planned Model
TPB	Theory of Planned Behavioral
TRA	Theory of reasoned Action
ITD	Innovation Diffusion Theory
MPCU	Model of PC Utilization
F&B	Foods and Beverages
PE	Performance Expectancy
EE	Effort Expectancy
SI	Social Influence
FI	Facilitating Condition



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## CHAPTER 1

### INTRODUCTION

#### 1.0 Background of Study

Nowadays, the revolutions of innovation of mobile phone make everyone too depend on their mobile phone from time to time. I have altered the ways people connect with the environment and how they interact. The revolution of technology innovation has given new ways to buy goods and services by only using the mobile phone. The revolution encourages the increasing the usage of mobile payment which includes debit and prepaid transaction and it is indirectly enhancements consumption and Gross Domestic Product (GDP). In the other hand, mobile payment ease consumers in making their daily payment by enabling them to do the process at everywhere and anytime without going to the formal bank institution (Zandi et al., 2016).

Meanwhile, Ikram Dastan and Cem Gurler (2016) stated that mobile technologies transformation not only turns into worldwide rapidly, but it recently gives so many advantages of reaching the customers for firms. The growth of the internet and mobile payment applications have increased global awareness and driven the ability for the firms to better manage the technology advancement (Tan & Eze, 2010). As the increased of awareness many firms and companies struggle to improve their services in order to give full satisfaction and a great experience to their service's consumers. Firms and companies play vital roles in efforts to enhance the consumers' reputation and usage of mobile payment, Achord et.al, (2017) said in their research that social media was still in infancy stage a decade ago while smartphones were rarely and internet access was odd for most people.

As a developing country, Malaysia needs to catch the trend which is to go cashless so that will not be left behind. Director Tan Nyat Chuan stated in *The Edge Malaysia*, the necessary infrastructure and regulation framework had been established by Bank Negara to ensure the transition from cash-based to cashless-mobile payments running smoothly (Wong Ee Lin, 2017). According to Visa, a statement in *The Edge* he said that Malaysian are getting more optimistic that mobile payment will take place cash and card usage in one fine day due to the excessive penetration rate and about 71% of the adult population in Malaysia owning at least one smartphone, (Wong Ee Lin, 2017). This is because Malaysian now has recognized the advantages provided by cell payment method.

Due to various benefits and advantages of using mobile payment has driven consumers' intention to just accept the cellular fee service in their daily expenses and utility bills. The most popular factors that make consumers used mobile payment is because of its mobility and convenience. Recently, a traveller Tan Chee Ming told in *News Straits Times*, he registered for the card because it offers a very convenient way of spending while abroad while not having to carry a number of a foreign money notes around (Muhammad Najman Ahmad Puat, 2018).

As we can see that smartphone usage has been on-going rising from time to time, Mobile Payment System (MPS) will take over the conventional price system and will also be future of payment system because of its features. Thus, this study take a look at investigates the factors that influence the consumers' acceptance of mobile payment, to analyse the relationship between the factors that influencing consumers to use mobile payment and their acceptance and to identify the most significant factors that influencing the consumers' acceptance towards mobile payment.

This study makes a few contributions to principle and practice. Firstly, the elements that affect the consumers' acceptance of mobile payment a good way to realize their preference in making payment, investigation on the relationship is to know the relationship between the factors that influencing consumers to use mobile payment and their acceptance toward mobile payment and to determining the most significant factor that influence consumers' mobile payment usage.

Secondly, from a realistic perspective, understanding the factors that influence consumers' acceptance of mobile payment would trigger a community service company to acquire competitive advantages and drives Malaysian to head cashless very soon. The results of this study should assist network service provider in Malaysia to become more effective to invest an appropriate time, effort, and money within the development of mobile payment services. This research also could give contribution to the business organization in Malaysia because the companies now can access to a database of consumer trends and behaviour, while instantaneously having marketing platform to reach out the customers.

### **1.1 Mobile Payment (MP)**

In the previous study, (Tan & Eze, 2010) stated, Mobile payment can be described as a wireless-primarily based electronic payment for m-commerce to renovate point-of-sale or point-of-service (POS) charge operation on consumers' mobile devices. For the reason of this study, description of MP is the functionality of a smartphone user to start, empower, and executed a financial transaction, where in cash or finances are transferred over the mobile network or via the wireless communiqué technology to the receiver through using a smartphone or different electronic devices (Humbani & Wiese, 2018).

However, they might be not essentially being linked to any bank or financial institution; these payments are known as digital transaction (Joao, Eduardo & Adrian, 2014). Joao, Eduardo, and Adrian, (2014) stated that Mobile payment contains the operation of payments that connected to other concepts such as mobile transaction and mobile money which it has the advantage of being more neutral and general. According to Ikram Dastan and Cem Gurler (2016) posited, that MPS in a simple word is a payment and it is conducted with such as phone and tablets. MPS is such a kind of digital payment system when it comes with the mixture of many definitions.

There are various definitions of mobile. It is also known as an online transaction which means consumers paid their purchasing by online banking. There are more than a few models for mobile payment that are presently employed worldwide. A payment which might be achieved or made possible over digital mobility technologies, via handheld devices, whichever with or without use of mobile telecommunication network are involved in mobile payment.

This definition are appropriate for this research since it alludes particularly to the completion of payment and exchange between three main parties for example, bank, versatile system specialist co-op and consumers itself to feel the experience of purchasing and making payment in a quick, helpful, sheltered and straightforward way at whenever and anyplace by utilizing a mobile device.

### **1.1.1 Mobile Payment and food and beverages industry**

With the growth of smartphone, iOS and Android mobile application development organization have designed super user-friendly apps. With the technology having an important role in reclassifying the restaurant ventures, now consumers do not have to make plans to dine out every single day or month with their family or companions. These user-friendly applications have helped plentiful food and beverages businesses in attracting uncountable customers in a recent couple of years (Anurag, 2019).

The uses of food delivery mobile apps have turned out to be extremely mainstreams among today's millennial customer-base. The meals are delivered to the customers with the assistance of the apps. It avoids the customers from driving on a busy traffic and instead of receiving their meal delivered to their doorsteps.

Thus, food delivery services is growing fast and gaining fame as people are ordering food to be delivered to their place. In this case food and beverage business can be launched easily. All that is needed a mobile Apps to leverage the service. Luckily, new payment solutions are enabling easy improvement and innovation in all

of these areas. They are helping food and beverage establishments offer faster and more convenient service, ensure Europay, Mastercard, and Visa (EMV) compliance, strength the security, accept all payment methods and the most important is improve server and operational performance (Ingenico Group, 2017).

According to Joel Neoh Eu-Jin, (2018), mobile and cashless payment methods are the next stage of growth for cashlite companies observing to tap into a larger consumer database, while lessen the hidden cost of handling physical tender. Mobile payment adoption among retail and food and beverage (F&B) players remain low, while by 2012 over 30 billion US dollar in mobile payment are projected in South-East Asia. About 95% of payments in the retail and F&B segments in Malaysia are conducted offline, while not more than 5% is done via e-commerce platform, (Joel Neoh Eu-Jin, 2018).

This mobile payment give so much benefits to consumers where they can pay via specific platform and get a better deal and so many discounts at the same time, then business drive more volume in both payment and promotions as they work in tandem. Stated in (Food & Beverages - Malaysia | Statista Market Forecast,” 2019), income in the nourishment and refreshment area sums to 268 US Dollar in 2019 and user infiltration is about 19.5% in 2019 and is expected to hit 22.6% by 2023 because of the mobile payment strategy that numerous nourishment and drinks organizations have applied.

Overall, mobile payment have shown positive impact on food and beverage business growth, indicating that complementarity among different payment means can boost retail or food and beverage traffic and indirectly attract new customers.

### **1.1.2 The birth and rise of mobile payment**

According to Etzo and Collender, (2010), mobile payment begin begins in 1987 when the first call was made in Zaire, Africa which now is known as the Democratic Republic of Congo (DRC), where the advertise advancement in a few nations code in the late 1990s and mid 2000 has successfully contributed to the fast development in mobile phone users. Currently, China is now the leader of digitalization of economic has adopted mobile payments perhaps faster than anyone else. The two of China's internet giant including Wechat Pay and Alipay has driven the shift.

Coca Cola is the main organization and leading company that presented mobile purchasing in 1997 when the organization set up vending machines that let their client buy drink through instant messages. Besides, ExxonMobile began offering their client the decision of contactless payment around the same time and this whole occasion began the early long period of content and RFID Mobile payment choices (NFC, 2017).

## **1.2 Type of Mobile Payment**

Digital payment technology is relating to cashless payment which is still something new and foreign in Malaysia. Because it is still new, understanding this concept will help people to use mobile payment wisely. Payment usually is done by using payment tools, for example, cash or cheque. In this case, digital payment is not an instrument but it is rather a general term that covers different payment instruments. There are various mobile payment instruments, such as Samsung Pay, Alipay, Paypal, CIMB Pay, WeChat Pay, GrabPay, Boost and Touch n Go.

### **1.2.1 Samsung Pay**

The payment method of Samsung Pay is Magnetic Field Transfer (NFC). Samsung Pay stores payment card data and perform as a kind of additional layer between the two. The uniqueness of Samsung Pay is its restrictive MFT technology which it is grants customers' smartphone or savvy to impersonate the magnetic strip on a MasterCard that enabling it to work with no additional investment from a vendor. The MFT technology allows Samsung Pay to aid loyalty card from Aeon and that means those can be put away just inside the application.

### **1.2.2 GrabPay**

GrabPay uses QR code and in-app Payment per their payment method. TeaLive, Inside Scoop and Manhattan Fish market, are notable merchants for this app. GrabPay has the benefit of being part of the Grab Platform surrounding which is it basically enabling it to be utilized for calling a Grab or utilizing it to order from Grab Food. Besides, GrabPay has coordinate effort with Maybank for cross-platform use with merchants that accept Maybank Pay. Everybody ought to be noticed that while GrabPay is accessible crosswise over Southeast Asia it does not change over credits to local currencies which are implies purchasers should manually top up their credit when traveling.