

E-Wallet, Convenient or Complicated?

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ABSTRACT

Coronavirus or also known as COVID-19 has forced and encouraged the public throughout the world to avoid any activities related to physical touch that may include the payment activities. In view of the fact that during COVID-19 pandemic, the usage of e-payment activities has increased due to people worried that making direct traditional payment methods could transmit the virus through physical form of currency and ease consumers from carrying cash. The purpose of this research is to find out factors affecting the implementation of cashless payment in Chinese students by using a well-established unified theory of adoption and use of technology. The current research attaches to the body of knowledge by examining the impact of perceived risk, perceived usefulness, perceived technology security, hedonic motivation, and government support on adoption of e-wallet during the COVID-19 outbreak. Online questionnaires have been distributed to university respondents under convenience sampling method. As a consequence, the research found the effectiveness of e-wallet and e-payment among university students and the relationship between social influence and innovativeness are positively related to the adaptation of cashless payments.

Keywords: *E-wallet, COVID-19, Perceived risk, Perceived Usefulness, Perceived Technology Security, Hedonic motivation and Government support*

I. INTRODUCTION

In the present time, the development of technologies has evolved rapidly. The coronavirus outbreak has affected all industries including education industries that has caused the public to stop face to face activities in order to prevent the spread of coronavirus. According to the (World Health Organization, 2020), Coronavirus vigorously spreads out through tiny liquid subatomic particles when people who are infected with coronavirus cough, sneeze, and speak. The outbreak has given an impact to the world where it forces most industries to forge ahead on their payment systems where they have introduced the online payment systems almost totally as the public believe that the risk of coronavirus can be transmitted through physical money and to taking an extra safety measure.

Online payment or E-wallet has already existed over decades and has been evolving ever since. E-wallet is known as an application that stores users' debit and credit card details that allow consumers to make transactions using advanced devices such as smartphones and electronic devices without worrying about using physical money in numerous payment methods and webpages. Not only offering a convenient way for its users, e-wallet also makes sure that consumers experience maximum safety features as for instance face or fingerprint scanner and PIN code while doing the transactions with the biometrics systems and data encryptions. Moreover, consumers' details will not be revealed while making transactions as all information will be saved via a third party provider and secured by passwords.

There are varieties of risks regarding online payment and e-wallet as a case in point the risk of information security, application performance and the financial system as has been proven from former research. Despite the risks of online payment and e-wallet, the verdict of the risk of the research may be vary as it related to the current situation, pandemic COVID-19 whereby most consumer undoubtedly use online payment and e-wallet to prevent the spreadness of the coronavirus from the use of physical money. The consequences of the former research concerning the acceptance and adoption of online payment and e-wallet are not quite clear.

As mentioned by (Lim, 2020), China government aims to urge the citizens to use e-wallet in the view of the fact that their goals are to achieve a cashless society by just using smartphones and electronic devices. The e-wallet initiative has now been supported by the government to help prevent the spreadness of the coronavirus. In addition, in an effort to promote the use of e-wallet, China government has offered the public to use e-wallet with RM30 rewarded into consumers' e-wallet accounts. The e-wallet initiative has made a significant contribution in encouraging the public to use e-wallet and a way to achieve goals on going cashless society.

Owing to the fact that the unclear amount of research relate to the e-wallet acceptance and adoption in China, the current research provides the the impact of performance expectancy, facilitating condition, social influence, innovativeness, perceived technology security and hedonic motivation on adoption of e-wallet during the COVID-19 outbreak in China that has been conducted through online questionnaire among universities students.

II. LITERATURE REVIEW

A. Correlation of COVID-19 and e-wallets in China

COVID-19 are lethal not just to individuals, but also to businesses and economics. The globe is bracing for a massive loss as a result of epidemics and pandemics (Fan, Jamison, and Summers, 2018). Consumer behaviour is also altered by this COVID-19 pandemic. People are confined to their homes due to physical distancing as well as a self-quarantine regime. Some people attempted to do everything they could without making physical contact. Some refuse to shop at supermarkets and shopping malls. After the Movement Control Order (MCO) was implemented in China, many merchants, transportation services, and food vendors encouraged customers to use cashless payments or e-wallets to make purchases.

China's transition to a cashless society is viewed as a result of legislative orientation along with technological advancements that meet the needs of specific sectors of the economy (Kadar, Sameon, Din, & Rafee, 2018). The move away from cash is a social revolution, and the researcher must be mindful that what succeeds in one place may not succeed in another owing to infrastructure (technology) and cultural variations (behaviour). E-wallets enable for a variety of transactions to take place without the use of cash, including such credit card purchases in physical stores or e-commerce websites. Digital financial transactions and bill payments are examples of e-wallets transaction activity.

B. Adoption of e-wallet

An e-wallet is a programme that stores a user's card details and enables them to do mobile transactions. E-wallet is currently among the most popular payment systems since electronic transactions utilising a digital wallet offer convenience, flexibility, and security (Uddin , et al., 2014). E-wallets are also known for their revolutionary features including personalization and real-time interaction (Osakwe, et al., 2016). As the amount of contactless payment methods grows, e-wallet has already made a name for itself by offering a wide variety of facilities in the transportation industry, food delivery, and bill payment (Rosnidah et al., 2019). It is not just beneficial to purchasers; merchants are adopting e-wallet as a form of payment due to its quick transaction procedure, easy business banking, and lower labour costs (Hayashi , et al., 2014). Users scan the (QR) code with their smartphone to verify the transaction, and this form of transaction is prevalent in physical stores (Lu, 2018). According to the research, the usage of an e-wallet by college students is mostly due to its adaptability, flexibility, and user-friendly transactions conducted via connected phones.

C. Perceived risk on adoption of e-wallets

The perceived risk in a retailing context is characterised as the feelings of uncertainty (Im et al., 2008). Perceived risk, as per the literature, has become a multi-dimensional model. It also has a number of variables that differ based on the products (or service) category (Kassim & Ramayah, 2015). As a result, using an e-wallet is indeed the safest way to avoid the possibility of spreading COVID-19. Using an e-wallet is one of the ways to prevent making physical contact. There are people who freak out to even touch things in public. In this case, they are worried and not confident about whether it is safe or not for them to touch and take the balance of the money from the seller. Thus, that is why some people would be more likely to adopt e-wallets in this pandemic of COVID-19. This is because it is convenient. As a result, the hypothesis is:

H1: Perceived risk influences the decision to use e-wallets in a positive manner.

D. Perceived usefulness on adoption of e-wallets

Perceived usefulness refers to someone's belief that adopting a specific system may improve their career development (Ahasanul et al., 2020). Perceived usefulness can indeed be described as the level of trust that users have in the ability to enhance their efficiency by using a new style. Essentially, the e-wallet application is a really powerful mode of payment that is suitable and following the Standard Operating Procedure (SOP) that have been implemented in our country during the pandemic of COVID-19. Furthermore, e-wallets are being used as an alternate financial tool to assist the governments in eliminating the potential of spreadness of COVID-19. Multiple findings suggest that perceived usefulness is a key determinant of desire for using e-wallets (Aji & Dharmmesta, 2019) and also in demonstrating why customers adopt an innovation of an application technology (Beldad & Hegner, 2017). Thus, it can conclude that the hypothesis is:

H2: Perceived usefulness influence the adoption of e-wallets in a positive way

E. Perceived technology security on adoption of e-wallets

Perceived technology security is the development of programs built to securely protect user data (Mahfuzur et al., 2020). Most research provides recommendations for emphasising different antecedents as well as devising effective strategies for influencing the acceptance of e-wallets (Mukhopadhyay, 2016; Ozturk, 2016). Market acceptance of e-wallets may be boosted by technological protection. Businesses would be able to use the knowledge to create products and services associated with the introduction of e-wallets if perceived technology protection is secure. As a result, the research hypotheses is put forth:

H3: Users' acceptance of e-wallets is positively influenced by their perception of technology security.

F. Hedonic motivation on adoption of e-wallets

Hedonic motivation relates to a customer's willingness to accept emerging innovations and their enjoyment in doing so (Kim & Hall, 2019). Hedonic motivation is defined as the enjoyment and satisfaction of users derived from using technology, resulting in a pleasant feeling among them (Tamilmani, Rana, Prakasam, & Dwivedi, 2019). According to Boonsiritomachai and Pitchayadejanant (2017), the most significant parameter inspiring people to accept e-wallet is their hedonic motivation. Hedonic motivation has been identified as a significant influence for individuals in technological innovation as proved in a research on mobile commerce (Zhang, Zhu, & Liu, 2012). The researcher also conducted a survey in order to identify the impact of hedonic motivation on users' adoption of e-wallets. As a result, it is leading to the following hypothesis:

H4: Users' willingness to accept e-wallets is positively influenced by hedonic motivation.

G. Government support on adoption of e-wallets

User adoption of technologies is affected by various factors, such as by the internal factor, perceived risk and the external factor, government support (Haderi, 2014; Hai & Kazmi, 2015). When it comes to online payments, government support plays a big part in deciding whether or not people choose to use it. Government support for e-wallets may come in the form of internet services, regulatory programs, accessibility, and guaranteeing of security in online payments. WHO encouraged people to use contactless payments to reduce bodily contact in order to "flatten the curve" (Brown, 2020; Huang, 2020). Throughout the battle against SARS-Cov2, the governments' support towards e-wallet payments became beneficial. As a result, when people perceive government support, people are more likely to trust and use e-wallets. Therefore, it can be hypothesize that:

H5: Government support has a positive impact on e-wallet adoption.

III. METHODOLOGY

H. Data collection and sampling technique

The researcher carried out a survey to determine the factors that inspire people to adopt various e-wallets platforms and also to analyze the factors influencing the adoption of e-wallets. The researcher used a five point Likert scale, the study sought to determine the respondents' rate of agreement/disagreement in order to assess the effect of behavioural factors (e.g. perceived risk, perceived usefulness, perceived technology security, and hedonic motivation) on the adoption of e-wallets in China. The survey was conducted among university students in China who mostly are up to date with new technology inventions and would rather choose the simplest way to make a payment. They also were categorized in adulthood, who tend to love shopping. Due to this Movement Control Order (MCO) that was implemented in China during this pandemic COVID-19, those who love shopping tend to use online platforms to shop. Some of them may use e-wallets. Thus, that is why the researcher chose university students as the sample respondents. A convenience sampling technique is used in this study by distributing online questionnaires among them. The researcher distributed this questionnaire to our friends who are in the same and different universities. Our respondent reached 152 students coming from 22 different universities and colleges.

I. Item measurement

Most of those items used to evaluate the structures in this research came from existing scales tests. Section A asked about demographic information such as age, gender, race, which universities are they from, level of education, year of education, a question on whether they use e-wallet or not and payment method they are currently in use. On the other hand, Section B consisted of five-point. Likert scale survey questions to evaluate university students' acceptance towards e-wallets. In this study, nine items are implemented to evaluate the perceived risks (4 items) and perceived usefulness (5 items). For hedonic motivation

(3 items) and government support (4 items), a sum of seven items are used. Last but not least, another three items are used to evaluate the adoption of e-wallets. Table 1 shows the items and measurements in detail.

Table 1: Items measurement

Items	Code	FL	CR	AVE
I am worried to get infected by coronavirus when using physical cash	PR1	0.929	0.927	0.762
I am afraid to get infected by coronavirus when using physical cash	PR2	0.908		
I am not comfortable making payment using physical cash	PR3	0.812		
I am worried there is a coronavirus droplet in physical cash	PR4	0.836		
During COVID-19 pandemic, using e- wallet is effective	PU1	0.900	0.948	0.785
During COVID-19 pandemic, using e-wallet makes payment easier	PU2	0.905		
During COVID-19 pandemic, using e- wallet may increase productivity	PU3	0.896		
During COVID-19 pandemic, using e- wallet may improve performance	PU4	0.901		
During COVID-19 pandemic, e-wallet are beneficial for my jobs	PU5	0.827		
I feel completely secure operating with e-wallet	PT1	0.913	0.908	0.762
E-wallet is a secure means for sharing sensitive information	PT2	0.868		
My safety concerns are only with online payment site	PT3	0.837		
Using e-wallet is fun	HM1	0.884	0.888	0.727
Depending on cash to make a payment is stressful	HM2	0.723		
E-wallet makes me feel good	HM3	0.937		
During COVID-19 pandemic, the government encourages payment transaction using e-wallet	GS1	0.924	0.960	0.858
During COVID-19 pandemic, the government ensures e-wallet server facilities	GS2	0.945		

IV. CONCLUSION

This study has limitations as it focuses entirely on how independent and dependent structures interact. Customers' e-wallet systems may be assessed using the mediating and moderating influence of manufacturing services, as well as industry performance, in future study. The research was conducted using structured questionnaires and a likert scale. Future research may combine survey and interview approaches to collect customers' impressions of the cashless society and boost the study's robustness. The data for this study was gathered from city and village residents. Although an e-wallet may not perform as effectively in rural regions as it does in cities, where people are more dependent on cash and have poorer financial literacy, further research with rural individuals may be undertaken to better understand their perspectives on e-wallet usage.

However, one of the study's limitations is that our model does not include the notion of security assurance or attitudes that influence consumer ethical behaviour. During the COVID-19 epidemic, this research aimed to capture the comfortability and security concerns of e-wallet users. The significance of this study was tested using an unique multi-method technique that used bootstrapping in addition to the traditional p-value technique. Hence, regardless of the forced adoption of e-wallets due to the COVID-19 epidemic, hedonic incentive and government backing are dominating and, on the rise, according to this report. The findings of this study are partially consistent with those of prior studies.

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