

Understanding the factors influencing the adoption of e-wallets by Malaysian youth

Muhammad Naqib Mat Yunoh, Nurul Syahirah Mohamed Hashim, Zulkarami Che Musa, Mahathir Muhammad, Abd Aziz Mat Hassan, Norzalizah Bahari

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan (UMK), Kelantan, Malaysia

Article Info

Article history:

Received Jun 2, 2023

Revised Jan 15, 2023

Accepted Feb 16, 2023

Keywords:

Adoption

E-wallet

Social security

Trust

ABSTRACT

E-wallets have become increasingly popular around the world. This research was conducted to study the relationship between the factors and adoption of e-wallet. The population that involved in this research is youths at Teluk Intan, Perak. This study will investigate the relationship between independent variable with dependent variable. The independent variables for this research are social influence, perceived security and trust while the dependent variable is adoption of e-wallet. To ensure that the study purpose is archived, quantitative research was used for the analysis to analyse the result and the sampling technique. A set of 379 questionnaire will be used to collect data from the selected respondent among youths at Teluk Intan, Perak. The 379 respondents were from different age, gender and hometown. Thus, this research is to identify the factors that affecting the adoption of E-wallet among youths at Teluk Intan, Perak. The result for this research has been proven by using the reliability analysis, descriptive analysis and Pearson's correlation. All hypothesis also approved for this research. According this research, the factors of social influence, perceived security and trust were significant and it influence the youths towards the adoption of e-wallet.

This is an open access article under the [CC BY-SA](https://creativecommons.org/licenses/by-sa/4.0/) license.



Corresponding Author:

Muhammad Naqib Mat Yunoh

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan (UMK)

16100 Kota Bharu, Kelantan, Malaysia

Email: naqib@umk.edu.my

1. INTRODUCTION

Nowadays, because the advent in the current technology used world over in e-wallet, payments have grown to be one of the innovative topics in the fields of economics, finance, technology, business and retailing [1]. The development of e-wallets varies by country. For example, e-wallet services are provided by large retailers such as Starbucks in the United States (US), which allows customer to get used to them and then to influence others to start to use them [1]. E-wallets are technology apps and software that use electronic devices such as computers or mobile devices to conduct online transactions without the use of cash or money [2], [3].

Malaysia is becoming a nation that is adopting the evolution of telecommunications. 70% of the world's population owns at least one cell phone [4]. Bank Negara Malaysia (BNM) data shows that e-wallet transactions surged 131% year-on-year to RM600 million (US\$145.95 million) from RM300 million (US\$72.98 million) in 2019. In fact, e-wallet accounts for 33% of total e-payments in Malaysia, with e-wallet liabilities more than double from RM500 million (US\$121.63 million) to RM1.6 billion (US\$389.2 million) over the last five years. While the pandemic did catalyse the increase of cashless transactions, using e-wallet has been progressively growing over the last five years regardless, recording a double-digit increase over the period.

Over the last few years, the number of e-wallet applications has increased in Malaysia. According from BNM, there are about 53 e-wallets in the country that occupy 19% of the Fintech space in Malaysia. In Malaysia, this latest trend will continue to increase because it is in line with the objective of the central bank to make Malaysia a cashless society by 2020. BNM has laid out a blueprint underlining its mission [5]. People easily affected to the attitude of people around them towards the use of new technology. It is supported by [6], [7]. Alternative methods for paying for goods or services directly from a device by managing e-wallets. E-wallet is a type of e-money is not stored on the chip of the card or on the computer, but on the central server at the issuer of the e-money [8].

Users prefer to use an e-wallet when making a purchase because it is simple and easy to use. The term "e-wallet" refers to a type of digital wallet that a person can use. It is to link debit or credit cards to the digital wallet in order to conduct any transactions [9]. People are moving into cashless society rather than using the physical banknotes or coins. Different generations are different of the acceptance towards the different trends, new innovation and new technology. People are using e-wallets to replace cash. e-payment systems can be used anywhere and at any time as long as there are devices and data to support the payment system [10]. In Malaysia, the youth societies and youth development Act 2007 [11] is the principal law regulating youth activities and development. The law describes youth as an individual not less than 15 years of age and not more than 40 years [12]. Youths are the individuals that more exposed to the e-wallet and they are the person that using e-wallet in their daily life.

a. Problem statement

Aji *et al.* [8], Covid-19 allows people want to use e-wallets. Individuals are reluctant to make physical contact with others, so during this pandemic they switch into cashless payment and e-payment. In making the transaction, they plan to use the e-wallet. People are afraid to make physical contact with others so that they move into cashless payment and e-payment. World Health Organization (WHO) advises that to prevent the spread of the virus, customers can use digital money where possible? If the droplets fall on some material near an infected individual and things, novel coronavirus can be easily transmitted to other people.

Previous research already identified many factors affecting adoption of e-wallet around a world for example in Indonesia [13]-[15], Thailand [16], [17], India [18]-[21], Bahrain [22], China [7]. However, limited study about factors affection adoption by Malaysian youths to use the e-wallet services. Hence, the factors of resistance of e-wallet usage among Malaysians were examined to address the gap.

The impact of the Covid-19 pandemic on the way consumers makes payments remained limited and began to shift to making payments via e-wallet. Before this outbreak, cashless payment via smartphones had been popular in several developing countries [23] such as Thailand, Vietnam, and Indonesia. According to PwC [24], Thailand has a 67% or 19% increase in customers who have already engaged in a mobile payment transaction, following by Vietnam and the Middle East countries by 24% and 20%. However, in Malaysia, growth was only 17%, from 23% in 2018 to 40% in 2019. Malaysian e-wallet adoption is still in its early stages when compared to Indonesia [24].

To fight the outbreak of coronavirus pandemic, Malaysia government requests Malaysians to practice the "new normal" which emphasises on social distancing and personal sanitation. Cashless transactions through e-wallets a way to help in curbing the spread of virus through cash or bills [25]. In March, 2020, the subscribers of e-wallets and contactless payments increase substantially, during the movement control order (MCO) in Malaysia due to coronavirus outbreak and people are concerned that novel coronavirus can be spread through physical money [26].

Despite the abundance number of researches on user's acceptance towards the m-banking and m-payment, there is no comprehensive study conducted to investigate the factors influence the implementation of e-wallet in Malaysia, especially regarding to the young generation who are more familiar to e-wallet. It would be interesting to investigate these factors especially among the Malaysian youths, due to the fascinating developments of e-wallet and the prediction of its grow within the subsequent years. The main reason for focusing on the youth is that they are more willing to accept new technology than the older generation [13]. The objective of this study is to investigate the factors affecting adoption of e-wallet among Teluk Intan, Perak youths. To meet the main objective of this study, there are three variable that been chosen for this study which is social influence (SI), perceived security (PS), and trust (T).

b. Significant of the study

- Individual

This study is helpful for entrepreneurs who like to be part of the e-wallet service in Malaysia. This study offers details on the factors that affect people's use of e-wallets. It can help them assess the acceptance of the business and their prospects in Malaysia. It can help the entrepreneur develop the business. The results of this study may help entrepreneurs to understand the important factors that affect the adoption of an e-wallet that are social influence, perceived security and trust.

- Organisation

Other than that, this study can be used by an organisation such as financial institutions, developers of e-wallet and software development companies. They can use the information in this study to know and understand what they need to improve towards the e-wallet application before developing and introducing it in Malaysia. The organisation that develops an e-wallet application must make sure that their applications are suitable and fit their targeted users. They can enhance the relevant features when designing e-wallet applications to satisfy the users by using the information from this study.

- Future researcher

In addition, this study is important for students and future researchers. They will use this study as a guide to further investigate the factors that affect the adoption of the e-wallet. This analysis provides the student and potential researcher with details on the e-wallet. They can gain a better understanding of the e-wallet market in Malaysia by reading this study. As we can see, the use of e-wallets in Malaysia has increased so that it will draw more future researchers to carry out research on this related topic.

2. LITERATURE REVIEW

2.1. Technology acceptance model (TAM)

The TAM is a significant paradigm for the recognition of technology acceptance. This theory has been used in this study. Several previous studies have used this model to produce accurate results. The purpose of the TAM is to visualize the effect of external variables on internal values, behaviours and intentions [7]. TAM variables are perfectly fit for a decision to consider new variables. For this study, there are related factors identified to examine the relationship between the factors towards the adoption of e-wallet among Teluk Intan, Perak youths. TAM variables are perfectly fit for a decision to consider new variables. In technology, TAM is considered to be well-recognized extensions in academic research to study the acceptance and use purpose of emerging technologies [9]. This model is commonly used by various researchers in their analysis to understand the intention of customers to use an information system [6]. Previous studies mention that the variable which is social influence, perceived security and trust have a relationship towards TAM.

2.2. Adoption of e-wallet

Adoption theory shows the individual and their choices that they make to accept or reject an innovation [27]. People intend to adapt new inventions such as e-payment in daily life. Adoption can refer to a process; an event or situation and it is full of positive values. The term of adoption is the oldest and it is used widely by people [28]. Malaysian government launched the 'cashless society' in 2018 to make sure there is transparency in any transaction. Since e-wallets are being introduced in Malaysia, people slowly change to e-payment. E-wallet adoption is the utilization of mobile payment services using e-wallets by people. It shows that the adoption of e-wallet is influenced by factors such as trust, usefulness and security [29]. The dependent variable for this study is e-wallet adoption. The variable can be related to the independent variable and can give this research a good result. This is a good dependent variable that should be used in a study.

2.3. Social influence

Social influence refers to the level of influence that one's opinion will have an effect on the acceptance of a new technology. It is known as an important predictor in affecting the use of new technology. People depend on online social communication due to the acceptance of mobile phones. People can spot others' behaviour and search for feedback from them [30]. Social influence is the perceived influence of others who are motivating other people in the transaction that uses mobile technology [31]. People that influence others can be their families, colleagues, friends and neighbours. They are people who can influence people to use e-wallets, and they are people who can make use of e-wallets in their lives. Social factor or norm when users have the social relationship like their families or close peers that influence their beliefs to use the e-wallet transaction [32]. This study also mentions that social influence is one of the keys to give impact on the behavioural intention to use the new technology. Social influence towards young consumers refers to the influence and inspiration motivated by their peers' opinions [33]. It shows that social influence is the key motivation among young people to use the new technology which is e-wallet. Social influence is the independent variable for this study. This is the factor that will influence youths into the usage of e-wallet in their daily transactions. Social influence will have a relationship towards the dependent variable which is adoption of e-wallet. Previous research shows that the intention towards the new technology is influenced by others' voice. People can easily influence people to get involved with the new technology. It can trigger people to use e-wallet.

2.4. Perceived security

Perceived security is defined as online consumer perception of how they are protected from risk that related to security [34]. Perceived security is perception by the online consumer of how they protected from the risk that related to the security issue. The research also mention that e-wallet platform are fulfils the safety demands of the user in every area [34]. Security are become a vital issue when new technologies such as e-payment are adopted in our daily life. There are some people think that e-payment was insecure to be used. The usage intention towards the system would have security issue by the user. E-wallet transactions require a contactless transaction. The mobile device of the customer is held next to the receiving sensor at the point of sale and there is a wireless link between the mobile device and the sensor. People will have a problem with the security of the software they use to make the transaction [35]. Perceived security is the independent variable for this study. There will be relationship between perceived security and the adoption of e-wallet among Malaysian youths. Perceived security is one of the intentions why people use e-wallet is due to the continuous development of technologies and the effort to promote them [36]. User will be feeling safer while using it if there are any tools to protect the payment system if there are any undesired actions happen.

Electronic payment systems must follow an efficient security protocol that ensures high security for online transactions in order to be generally accepted payment method around the world. Based on the previous work of [37], two common procedures for ensuring secure e-commerce transactions have been found include security socket layer protocol (SSL) and secure electronic transaction (SET). SSL is more commonly used e-commerce transactions protocol and it works by encoding the whole session amongst computers so that it enables to provide a safer communication over the internet. SSL encrypts the online communication between web servers and a client by using public-key technology. On the other hand, SET protocol works by avoiding consumer's entire credit card number from traveling across the internet instead allows pieces of it to flow through web communication. SET also offers information integration, coding of sensitive information, and verification of all business data by using modern technologies such as digital signature and data coding. Ismaili *et al.*[38] have explored some other requirements that must be exhibited by the electronic such as:

- Payment systems, these include;
- Confidentiality of information shared by consumers
- Data integrity
- Authentication of all the participants
- Non-repudiation
- End-user requirements that include usability, flexibility, affordability, reliability, speed of transactions, and availability

One of the greatest issues facing mobile payment systems, according to Karp [39] is the rising rate of cyber-crime, which leads to data theft and cyber-attacks on financial data. Security issues related to mobile payments can also be characterised as emerging or traditional. The use of this payment channel in terrorist funding and money laundering are emerging hazards, while traditional risks include data and service theft, income loss, customer base loss, and brand reputation loss.

2.5. Trust

Trust can be defined as the willingness of a party or individual to be exposed to the actions of another party or individual bases on the expectation that the other will perform an action important to the trustor, irrespective of the ability to monitor or handle the other party [40]. Trust is the degree to which a person trusts that it is secure to use m-commerce and does not have any privacy risks [41]. To such psychological forces as beliefs, behaviours, willingness and perceived likelihood, trust is highly conducive. Previous research indicates that the trust of consumers has a positive impact on perceived usefulness and perceived ease of use. Once the user has faith in the transaction that will be used, they trust that it is secure to use and that the user has no privacy risks [42], [43] show more information that trust in e-payment is important so that the online transaction will not be uncertain and risky. In any case, if there is no trust in the form of transaction, e-payment will not achieve greater use. Bauman and Bachmann [44] showed that trust is not the only influence to give impact towards the acceptance of e-wallet. Trust will be an important role in the online environment as user are not easily trust and ready towards the online transaction. So related companies are need to develop a multilayer security system so the risk towards the new technology will be minimize and trust can be increase towards the new system [6]. Previous study showed that trust have a relationship towards the adoption of e-wallet among Malaysian young adults.

2.6. Research hypothesis

The hypothesis of this study is based on the factor of social influence, perceived security and trust that affecting the adoption of e-wallet among Teluk Intan, Perak youths. Based on the study, the hypothesis will be created and to be tested:

- H1 : There is a significant relationship between social influence and adoption of e-wallet among Teluk Intan, Perak youths.
- H2 : There is a significant relationship between perceived security and adoption of e-wallet among Teluk Intan, Perak youths.
- H3 : There is a significant relationship between trust and adoption of e-wallet among Teluk Intan, Perak youths.

2.7. Research Framework

The following conceptual framework is adapted from the TAM. It is a theory that suited for a decision regarding to accept new technology . After adjusting the related components and modified it into the suite components based on the research topic. The dependent variable of the conceptual framework is adoption of e-wallet. The independent variable of this study is social influence, perceived security and trust. The proposed conceptual framework is portrayed in Figure 1.

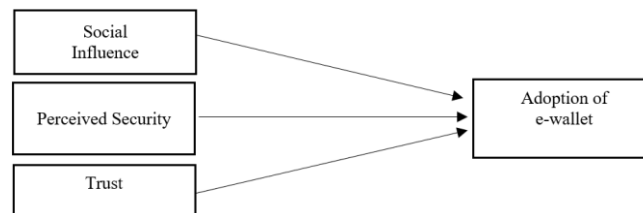


Figure 1. Conceptual framework

3. METHODS

3.1. Construct measurement

Quantitative approaches are being used in this study. Using this technique, the relationship between the variables was analysed. By using specialized methodologies and techniques, quantitative analysis quantifies relationships between multiple variables [45]. Convenience sampling is the most effective technique for this analysis. In general, respondents were selected at the right time as they were in the right place. There are three measurement of the variable which is nominal scale, interval scale and ordinal scale. Nominal scale is the scale that most often used with the qualitative variables. Interval scale is measured in the quantitative attributes. 5-point Likert scale is designed to examine how strongly the statement are agree or disagree. Ordinal scale had been used in this research for the question 2 in section a (demographic profile). 30 sets of questionnaires are being distributed among target respondents for the purpose of pilot test. Pilot test will test on subgroups within the sample that needed for the research.

3.2. Data collection

Data collection is the process of collecting and measuring information on variables of interest. One of the key data tools for this analysis is the questionnaire. Primary data are new data that will be obtained and used for particular research purpose. Methods for data collection for this study are primary data. Each set of questionnaires will consist of 25 questions in total and the survey questionnaire will be separated into two main sections. In section A, the questions are mainly related to demographic information which includes the usage of smartphone. Section B includes 15 questions, 5 questions will be tested for each independent variable. The research target demographic is youth between the ages of 15 and not more than 40 years of age who live in Teluk Intan, Perak. The reason for choosing this population is because youths are the person that always with their smartphone so they intend to use e-wallet. A part from that, according to [25], the youth group are more willing to accept new technology as compared to the older generation. Sampling size is the total samples in research. For this study, the population was drawn from the city population website. It listed a total of 23,504 youths in Teluk Intan, Perak. The sample size from Krejcie and Morgan's table, the number of at least 379 will be suggested for this study. The total sample size use is 379.

3.3. Data analysis

Data analysis refer to the process of transforming and interpreting the data in order to find the useful information which could provide helps in making conclusion and support the decision making. Statistical package for social sciences (SPSS) was used for this study. The questionnaire that already collected would be analysed and explained by using descriptive analysis, reliability analysis and pearson correlation analysis.

4. DATA ANALYSIS AND FINDINGS

4.1. Descriptive Analysis

Table 1 showed the overall descriptive statistics for the respondent's demographic. There are five questions for the demographic section. There are 379 respondents through Google form that are successfully collected from the youths at Teluk Intan, Perak. The number of respondents that using smartphone was 100% and they also 100% consider of using e-wallet. The highest gender female with 71.2%. The highest number of age respondents was under category between 21-30 years old with the total of 231 from 379 respondents. The highest number of respondents for the hometown was from Kampung Bahagia with the total 27.2% of the respondents.

Table 1. The demographic characteristic of the respondents

| Demographic characteristics | Category | Frequency | Percentage (%) |
|-----------------------------|------------------------|-----------|----------------|
| Using smartphone | Yes | 379 | 100 |
| | No | 0 | 0 |
| Consider of using e-wallet | Yes | 379 | 100 |
| | No | 0 | 0 |
| Gender | Male | 109 | 28.8 |
| | Female | 270 | 71.2 |
| Age | 15-20 | 35 | 9.2 |
| | 21-30 | 231 | 60.9 |
| | 31-40 | 113 | 29.8 |
| Hometown | Kampung Bahagia | 103 | 27.2 |
| | Kampung Padang Tembak | 85 | 22.4 |
| | Kampung Selabak | 81 | 21.4 |
| | Kampung Batak Rabbit | 30 | 7.9 |
| | Kampung Banjar | 28 | 7.4 |
| | Kampung Sungai Tungku | 19 | 5.0 |
| | Kampung Sungai Kerawai | 16 | 4.2 |
| | Kampung Pasir Berdamar | 12 | 3.2 |
| | Kampung Sungai Suli | 5 | 1.3 |

Table 2 showed descriptive statistics for variables which including adoption of e-wallet, social influence, perceived security and trust. Descriptive statistics was using five points for Likert scale. It calculates and summarize depend on data. Table 2 showed that the mean values range between 3.6311 to 4.3367. Therefore, trust reflects the highest level of acceptance for factor that affecting the adoption of e-wallet while social influence was the lowest mean towards the adoption of e-wallet.

Table 2. Overall means analysis

| Item | N | Mean | Standard deviation |
|--------------------------|-----|--------|--------------------|
| DV: Adoption of e-wallet | 379 | 4.3367 | 0.7938 |
| IV 1: Social influence | 379 | 3.6311 | 1.13084 |
| IV 2: Perceived security | 379 | 3.6517 | 1.05424 |
| IV 3: Trust | 379 | 3.7625 | 0.96619 |

4.2. Reliability analysis

Table 3 gives the results of reliability analysis for the study variables. As illustrated above, the Cronbach's alpha for adoption of e-wallet is 0.907 (dependent variable), social influence is 0.898, perceived security is 0.897 and trust is 0.907 (independent variable). Adoption of e-wallet is the dependent variable in this study, since calculated value is 0.907, the variables used were good and able to measure the factors affecting adoption of e-wallet. Two independent variable obtained acceptable values because the score result was over 0.70, which is social influence is 0.898 and perceived security is 0.897 while and trust is good with 0.907 As a conclusion, the Cronbach's alpha reliability coefficients of variables in this study were approximates to acceptable and positively correlated one to another.

Table 3. Reliability statistics of independent variable and dependent variables

| Item | Cronbach's alpha | Number of items |
|--------------------------|------------------|-----------------|
| DV: Adoption of e-wallet | 0.907 | 5 |
| IV 1: Social influence | 0.898 | 5 |
| IV 2: Perceived security | 0.897 | 5 |
| IV 3: Trust | 0.907 | 5 |

4.3. Pearson correlation coefficient analysis

Based on the Table 4, it shows the correlation between the social influence and adoption of e-wallet in Teluk Intan, Perak. The r value of social influence is 0.484. The result indicates there is low positive correlation between social influence and adoption of e-wallet. Besides that, the table shows the correlation between perceived security and adoption of e-wallet. The r value is higher compare to social influence which is 0.612. This indicates that perceived security has moderate positive correlation. Lastly, the table shows the correlation between the trust and adoption of e-wallet in Teluk Intan, Perak. The r value for trust is the higher compare to social influence and perceived security. Youths are really concern regarding the application e-wallet before and while using it. The result indicates there is moderate positive correlation.

Table 4. Summary of pearson correlation

| | | Social influence | Perceived security | Trust | Adoption of e-wallet |
|----------------------|---------------------|------------------|--------------------|--------|----------------------|
| Social influence | Pearson correlation | 1 | .584** | .535** | .484** |
| | Sig. (2-tailed) | | .000 | .000 | .000 |
| | N | 379 | 379 | 379 | 379 |
| Perceived security | Pearson correlation | .584** | 1 | .820** | .612** |
| | Sig. (2-tailed) | .000 | | .000 | .000 |
| | N | 379 | 379 | 379 | 379 |
| Trust | Pearson correlation | .535** | .820** | 1 | .624** |
| | Sig. (2-tailed) | .000 | .000 | | .000 |
| | N | 379 | 379 | 379 | 379 |
| Adoption of e-wallet | Pearson correlation | .484** | .612** | .624** | 1 |
| | Sig. (2-tailed) | .000 | .000 | .000 | |
| | N | 379 | 379 | 379 | 379 |

**Correlation is significant at the 0.01 level (2-tailed)

5. DISCUSSION AND RECOMMENDATION

The main aim for this research is to examine the factors that effecting adoption of e-wallet among youths at Teluk Intan, Perak. There are three variable that been using as the factors which is social influence, perceived security and trust. The final result for this study is there are relationship between social influence, perceived security and trust towards the adoption e-wallet among Teluk Intan, Perak youths. Nowadays, the number of users for e-wallet become increasing. This study uses three factors which is social influence, perceived security and trust to see the relationship between those factors towards the adoption of e-wallet. There is positive effect for social influence that make it as an effect that influence the adoption of e-wallet among youths. Social effect is the perceived power of others using mobile devices to inspire consumers in the transaction. Families, friends, co-workers and neighbors are the group of people who might be control the users of e-wallets. E-wallet is one of the new technologies around us so the social influence is one the effect to youths to use e-wallet.

Besides that, there are positive relationship between perceived security and adoption of e-wallet among youths at Teluk Intan, Perak. Consumers are believing that all their personal information is secure and safe while using the platform. People believe that the platform is secure to use and people are aware of the security. Data analysis shows that perceived security has a positive relationship towards the adoption of the e-wallet. Next, there are positive relationship between trust and adoption of e-wallet among youths at Teluk Intan, Perak. Consumer started to trust the e-wallet system as it is secure to use and the platform system also trustworthy. Any transaction that involved with the online payment and the Internet will be have trust issue to the people. Trust is important for a vendor to influence consumer to their products or services. If there is no trust in each people towards the system by e-wallet, the number of the consumer will not increase.

There are some limitations occurs throughout the process of study. Added more generations in the future research can make the results more to representing all stages of age. Youths not the only target respondent that suitable for this topic. There will be no limit regarding the selected respondents. All generation might be the one who is using the e-wallet. There are many improvements that future researcher needs to take place regarding the choosing of variable for the research. Future researcher can consider other factors adoption of e-wallet other than social influence, perceived security and trust. There are many previous researches that using other variable such as behavioural intention, perceived usefulness, ease of use and others. Other factors might have a good relationship towards the adoption of e-wallet. So, by added and include more variable in the future research, the research can be different compare to the previous research. Last recommendation is to add some demographic questions in the questionnaire. Income and education background can influence people to use e-wallet as their transaction. The higher income and education can make the individuals can accept the benefits of being cashless.

6. CONCLUSION

In conclusion, youths at Teluk Intan, Perak are using cashless system while making a transaction. They are using e-wallet because of their social influence, perceived security and trust. E-wallet is one of a good digital transaction that they choose while making a payment and any transaction. Total 379 questionnaire have been using for this research and have been distributed to the selected population. All the data of the research was analysed by using descriptive analysis and pearson correlation analysis. The objectives of this research are to investigate the independent variable which is social influence, perceived security and trust towards the adoption of e-wallet. Youth was chosen in this research because based on previous study, youth was the person that accept the new technology and new service in their life. So, researcher choose youth as the population of this study. This research was using a model to support the information regarding this topic. The model that has been used is TAM.

As stated in finding, the reliability analysis was excellent for the independent variables and dependent variables. The reliability analysis for social influence, perceived security, trust and adoption of e-wallet were 0.898, 0.897, 0.907 and 0.907 respectively. The results show it was excellent in strength of association according to the rules of thumb about Cronbach's alpha coefficient size. This shows that the result could be accepted. This research also can define the real way to analyse the data. Some of limitation of the study can give chance to researcher to give more recommendation to improve the quality of the research. The results obtained from this research can be used in future for further studies and helps to justify that the factors did influence youths towards the adoption of e-wallet and hopefully will have new studies over time about the subject.

This study will help e-wallet users and providers, marketers, and policymakers understand the key characteristics, opportunities, and challenges so that they can improve the e-wallet system's service quality. The findings will benefit policymakers and e-wallet service providers in developing effective strategies for e-wallets to grow in Malaysia. Efforts of policy makers are to make this system technologically integrated and financially more resilient so that it can continue to contribute to economic growth. Synergies will result in a significant advancement in e-wallet with the co-competitive endeavour of all participants in an e-wallet ecosystem.




REFERENCES

- [1] H. Yeh, "Factors in the Ecosystem of Mobile payment affecting its use: From the customers' Perspective in Taiwan," *Journal of Theoretical and Applied Electronic Commerce Research*, vol. 15, no. 1, pp. 13–29, 2020, doi: 10.4067/S0718-18762020000100103.
- [2] K. Subaramaniam, R. Kolandaisamy, A. Bin Jalil, and I. Kolandaisamy, "The impact of E-wallets for current generation," *Journal of Advanced Research in Dynamical and Control Systems*, vol. 12, no. 1 Special Issue, 2020, doi: 10.5373/JARDCS/V12SP1/20201126.
- [3] J. I. Uduji, E. N. Okolo-Obasi, and S. A. Asongu, "The impact of e-wallet on informal farm entrepreneurship development in rural Nigeria," *Electronic Journal of Information Systems in Developing Countries (EJISDC)*, vol. 85, no. 3, pp. 1–21, 2019, doi:10.1002/isd2.12066
- [4] M. A. Osman, A. Z. Talib, Z. A. Sanusi, T. Shiang-Yen, and A. S. Alwi, "A Study of the Trend of Smartphone and its Usage Behavior in Malaysia," *International Journal on New Computer Architectures and Their Applications (IJNCAA)*, vol. 2, no. 1, pp. 275–286, 2012.
- [5] Anis, "Ultimate Guide To E-wallet In Malaysia 2020 – Which Should You Get?," *CompareHero*, 2020.
- [6] A. Malik, S. Suresh, and S. Sharma, "An empirical study of factors influencing consumers' attitude towards adoption of wallet apps," *International Journal of Management Practice*, vol. 12, no. 4, 2019, doi: 10.1504/IJMP.2019.102534.
- [7] C. Y. Xian, K. S. Yien, L. V. Ai, L. S. Yi, and O. C. Ping, "Moving into Cashless Society: Factors Affecting Adoption of E-wallet," (Doctoral dissertation, UTAR), no. August, 2018.
- [8] H. M. Aji, I. Berakon, and M. Md Husin, "COVID-19 and e-wallet usage intention: A multigroup analysis between Indonesia and Malaysia," *Cogent Business and Management*, vol. 7, no. 1, 2020, doi: 10.1080/23311975.2020.1804181.
- [9] M. W. Karim, A. Haque, M. A. Ulfy, M. A. Hossain, and M. Z. Anis, "Factors Influencing the Use of E-wallet as a Payment Method among Malaysian Young Adults," *Journal of International Business and Management*, vol. 3, no. 2, pp. 1–12, 2020, doi: 10.37227/jibm-2020-2-21.
- [10] I. S. M. Shafie, Y. L. M. Yusof, A. N. Mahmood, N. I. M. Ishar, H. Z. Jamal, and N. H. A. A. Kasim, "Factors Influencing the Adoption of E-Payment: An Empirical Study in Malaysia," *Advances in Business Research International Journal*, vol. 4, no. 2, 2020, doi: 10.24191/abrij.v4i2.10009.
- [11] "Laws Of Malaysia Act 668 (Youth Societies And Youth Development Act 2007)," 2007. [Online] Available: https://www.youthpolicy.org/library/wp-content/uploads/library/2007_Laws_Malaysia_Youth_Societies_Development_Eng.pdf
- [12] A. L. Yeon, S. A. J. Abdullah, R. Arshad, Z. A. Ayub, A. Azhar, and S. Suhaimi, "Youth Knowledge on the Law of Youth Development in Malaysia," *International Journal of Social Science and Humanity*, vol. 6, no. 5, 2016, doi: 10.7763/ijssh.2016.v6.668.
- [13] E. Laywilla, J. S. Kartar Singh, and B. C. Yin Fah, "Drivers of Intention to Adopt Mobile Wallet: A Quantitative Study Among Females in Jakarta," *International Journal of Academic Research in Business and Social Sciences*, vol. 10, no. 11, pp. 804–820, 2020, doi: 10.6007/ijarbs/v10-i11/8061.
- [14] M. Yang, A. Al Mamun, M. Mohiuddin, N. C. Nawi, and N. R. Zainol, "Cashless transactions: A study on intention and adoption of e-wallets," *Sustainability (Switzerland)*, vol. 13, no. 2, 2021, doi: 10.3390/su13020831.
- [15] A. Prasasti, F. I. Aulisaina, and M. A. Rahman Hakim, "Does Discount Matter in Indonesia e-wallet Race? A Qualitative Study on Generation Z e-wallet Preferences During Pandemics," *The Winners*, vol. 22, no. 1, 2021, doi: 10.21512/tw.v22i1.7019.
- [16] P. Intarot and C. Beokhaimook, "Influencing Factor in E-wallet Acceptant and Use," *International Journal of Business and Administrative Studies*, vol. 4, no. 4, pp. 167–175, 2018, doi: 10.20469/ijbas.4.10004-4.




- [17] A. K. Nag and B. Gilitwala, "E-wallet- Factors Affecting Its Intention to Use," *International Journal of Recent Technology and Engineering*, vol. 8, no. 4, pp. 3411–3415, 2019, doi: 10.35940/ijrte.d6756.118419.
- [18] R. Seranmadevi, D. D. W. Praveenraj, and M. L. Natarajan, "E-wallet – A technological revolution in digital India," *International Journal of Innovative Technology and Exploring Engineering*, vol. 8, no. 11, 2019, doi: 10.35940/ijitee.18932.0981119.
- [19] R. Singhal and A. Gupta, "Impact of COVID-19 on Digital Payment Services at Towns and Villages," *International Journal of Creative Research Thoughts (IJCRT)*, vol. 09, no. 5, pp. 7352–7363, 2021, Accessed: Jun. 19, 2022.
- [20] S. Chakraborty and D. Mitra, "A Study on Consumers Adoption Intention for Digital Wallets in India," *International Journal on Customer Relations*, vol. 6, no. 1, 2018.
- [21] G. Parmar and R. M. Rathod, "A Study on Factors Affecting E-wallet Usage," *ELK Asia Pacific Journal of Marketing & Retail Management*, vol. 9, no. 4, pp. 1–14, 2018, doi: 10.16962/EAPJMRM.
- [22] M. M. AlKubaisi and N. Naser, "A quantitative approach to identifying factors that affect the use of E-wallets in Bahrain," *Journal of Siberian Federal University - Humanities and Social Sciences*, vol. 13, no. 11, 2020, doi: 10.17516/1997-1370-0687.
- [23] M. Andrieu, "The future of e-money: Main trends and driving forces," *Foresight*, vol. 3, no. 5. 2001. doi: 10.1108/14636680110416779.
- [24] PwC, "Global Consumer Insights Survey (2019): It's time for a consumer-centred metric: introducing 'return on experience'," 2019.
- [25] S. C. Teo, P. L. Law, and A. C. Koo, "Factors Affecting Adoption of E-wallets Among Youths in Malaysia," *Journal of Information System and Technology Management*, vol. 5, no. 19, pp. 39–50, Dec. 2020.
- [26] N. H. Ahmad and P. -S. Seet, "Dissecting Behaviours Associated with Business Failure: A Qualitative Study of SME Owners in Malaysia and Australia," *Asian Social Science*, vol. 5, no. 9, pp. 98–104, 2009, doi: 10.5539/ass.v5n9p98.
- [27] I. Tirosh and N. Barkai, "Comparative analysis indicates regulatory neofunctionalization of yeast duplicates," *Genome Biology*, vol. 8, no. 4, pp. 0–33, 2007, doi: 10.1186/gb-2007-8-4-r50.
- [28] E. T. Straub, "Understanding technology adoption: Theory and future directions for informal learning," *Review of Educational Research*, vol. 79, no. 2, 2009, doi: 10.3102/0034654308325896.
- [29] M. M. Alfina, "From Physical to Digital: Consumer Adoption Process to E-wallet," pp. 2352-5428 2020. doi: 10.2991/aebmr.k.200606.003.
- [30] K. C. P. Yi, and S. Perera, "Addressing E-wallet Adoption among Malaysians," *Taylor's Business Review*, vol. 8, no. 2, pp. 41–57, 2019.
- [31] T. T. Teoh, Melissa, C. Y. Hoo, and T. H. Lee, "E-wallet Adoption: a Case in Malaysia," *International Journal of Research in Commerce and Management Studies*, vol. 2, no. 4, 2020.
- [32] P. Sarika and S. Vasantha, "Effect Of Social Influence On Intention To Use Mobile Wallet With The Mediating Effect Of Promotional Benefits," *Journal of Xi'an University of Architecture & Technology*, vol. XII, no. II, pp. 3003–3019, 2020.
- [33] O. K. Tan *et al.*, "E-wallet Acceptance among Undergraduates in Malaysia," *Test Engineering and Management Co., Inc.*, vol. 83, no. 2020, 2020.
- [34] N. N. Mohd Razif, M. Misiran, H. Sapiri, and Z. M. Yusof, "Perceived risk for acceptance of E-wallet platform in Malaysia among youth: Sem approach," *Management Research Journal*, vol. 9, 2020, doi: 10.37134/mrj.vol9.sp.1.2020.
- [35] J. L. Pinchot, S. Mishra, K. L. Paille, and F. G. Kohun, "Exploring Barriers to Adoption Of Mobile Payments For University Students: Lack of Awareness, Lack of Availability, and Perceived Security Risks," *Issues In Information Systems*, vol. 17, no. 3, pp. 20–30, 2016, doi: 10.48009/3_iis_2016_20-30.
- [36] K.-L. Chan, C.-M. Leong, and B. L. C. Yiong, "Sharing economy through e-wallet: Understanding the Determinants of User Intention in Malaysia," *Journal of Marketing Advanced and Practices*, vol. 2, no. 2, 2020.
- [37] A. Koponen, "E-Commerce, Electronic Payments," *Proceedings of the Research Seminar on Telecommunications Business*, pp. 1–6, 2006.
- [38] H. El Ismaili, H. Houmani, and H. Madroumi, "A Secure Electronic Transaction Payment Protocol Design and Implementation," *International Journal of Advanced Computer Science and Applications*, vol. 5, no. 5, pp. 172–180, 2014, doi: 10.14569/ijacsa.2014.050527.
- [39] N. Karp, "Biometrics: the Future of Mobile Payments," *U.S. Economic Watch*, no. July, pp. 34–36, 2015.
- [40] S. Y. Yousafzai, J. G. Pallister, and G. R. Foxall, "A proposed model of e-trust for electronic banking," *Technovation*, vol. 23, no. 11, 2003, doi: 10.1016/S0166-4972(03)00130-5.
- [41] L. Zhang, J. Zhu, and Q. Liu, "A meta-analysis of mobile commerce adoption and the moderating effect of culture," *Computers in Human Behavior*, vol. 28, no. 5, 2012, doi: 10.1016/j.chb.2012.05.008.
- [42] E. T. Lwoga and N. B. Lwoga, "User acceptance of mobile payment: The effects of user-centric security, system characteristics and gender," *Electronic Journal of Information Systems in Developing Countries*, vol. 81, no. 1, 2017, doi: 10.1002/j.1681-4835.2017.tb00595.x.
- [43] T. Zhou, "The effect of initial trust on user adoption of mobile payment," *Information Development*, vol. 27, no. 4, 2011, doi: 10.1177/0266666911424075.
- [44] A. Bauman and R. Bachmann, "Online consumer trust: Trends in research," *Journal of Technology Management and Innovation*, vol. 12, no. 2, 2017, doi: 10.4067/S0718-27242017000200008.
- [45] K. Khalid, H. Hilman, and D. Kumar, "Get along with quantitative research process," *International Journal of Research in Management*, vol. 2, no. March, 2012.

BIOGRAPHIES OF AUTHORS






Muhammad Naqib bin Mat Yunoh    received the bachelor degree in Business Administration from the University Utara Malaysia, Malaysia, in 2007, and the master's degree in International Business from same university, in 2013. He is currently a lecturer in faculty of entrepreneurship and business, University of Malaysia Kelantan, Malaysia. He has been in academic at UMK for 13 years. He has worked with students at the institution as a mentor to help them launch a business. He has expertise working with startups and business incubators. He can be contacted at email: naqib@umk.edu.my.






Nurul Syahirah Mohamed Hashim    received the Diploma in Business Studies at Politeknik Seberang Perai (PSP), Pulau Pinang in 2016. Now, she is a student pursuing a bachelor degree in Entrepreneurship (Commerce) With Honours from University of Malaysia Kelantan. She is currently a senior student in faculty of entrepreneurship and business, University of Malaysia Kelantan. She can be contacted at email: syahirah.a17b0602@siswa.umk.edu.my






Zulkarami Che Musa    received the bachelor's degree in accounting from the International Islamic University, Malaysia, in 2010, and the master's degree in accounting from the National University, Malaysia, in 2014. He is currently a lecturer in faculty of entrepreneurship and business, University of Malaysia Kelantan, Malaysia. His current research interests include accounting, entrepreneurship & information system. He can be contacted at email: zul@umk.edu.my.






Mahathir Muhamad    received the bachelor degree in information technology from the Universiti Kebangsaan Malaysia, in 2004, and the master's degree in Information Technology from the Universiti Kebangsaan Malaysia, in 2011. He is currently a lecturer in faculty of entrepreneurship and business, University of Malaysia Kelantan, Malaysia. He is also experienced for more than 15 years in education field. His current research interests include digital entrepreneurship, information technology and e-commerce. He can be contacted at email: mahathir.m@umk.edu.my.



Abd Aziz Mat Hassan    received the bachelor degree in sociology from the University of Malaya, Malaysia, in 1995, and the master's degree in business administration from the University of Mara, Kuala Lumpur, Malaysia, in 2013. He is currently a lecturer in faculty of entrepreneurship and business, University of Malaysia Kelantan, Malaysia. He is also experienced for more than 15 years in logistics and supply chain management practices with Japanese company. His current research interests include entrepreneurship, logistics and supply chain. He can be contacted at email: abdaziz.mh@umk.edu.my.



Norzalifah Bahari    received the Bachelor of Business Administration from International Islamic University Malaysia, in 2004. She received her master's degree in Business Administration and holds a Doctoral degree in Entrepreneurship from Technical University of Malacca Malaysia. She is currently a senior lecturer at Faculty of Entrepreneurship and Business, University of Malaysia Kelantan, Malaysia. Her current research interests include entrepreneurship, business and management. She can be contacted at email: norzalifah.b@umk.edu.my.