A Conceptual Framework of Continuance Intention of e-Wallet Usage by Rural Youth in Malaysia

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**ABSTRACT**

**Purpose:** The purpose of this paper is to develop a conceptual framework of the continuance intention of e-wallet by rural youth in Malaysia.

**Design/Methodology/Approach:** Based on findings induced from literature, a conceptual framework for continuance intention of e-wallet usage by rural youth in Malaysia is developed. The proposed framework is demonstrated using an integrated Unified Theory of Acceptance and Use of Technology (UTAUT).

**Findings:** The framework provided detailed guidance for the development of a continuance intention of e-wallet usage by rural youth in Malaysia. Based on findings of this study, it suggests that social influence, perceived trust, and perceived security have significant impact on continuance intention of e-wallet usage among rural youths. Gender acts as a capable moderating role in the relationship between social influence, perceived trust, and perceived security, and continuance intention of e-wallet usage among rural youths.

**Implications/Originality/Value:** This framework describes the significance of social influence, perceived trust, and perceived security with gender act as moderating variable towards continuance intention of e-wallet usage among rural youth. The study is particularly useful for practitioners by identifying advantages from suitable factors that can enhance the continuance intention among rural youths to use e-wallet and lead to a success of cashless society.

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Introduction
The massive developments in mobile technology have boosted the use of mobile devices globally, and people find that utilizing their mobile devices to carry out daily tasks is more convenient. (Islam, Ur-Rehman, Abid, Zeshan, 2020). In this regard, mobile internet has been developing rapidly across the globe together with expansion of e-wallets which act new tool in payment ecosystem (Popovska-Kamnar, 2014). E-wallets are on the verge of taking a giant leap toward a cashless society and created a new norm especially for people who consider the mobile phone as communication device (Al-Dwairi & Al-Ali, 2022). However, the shift from a cash-based economy to a cashless economy has the right to result in a positive consumer interaction strategy while guaranteeing their safety while using it (Acheampong, Zhiwen, Antwi, Anthony Otoo, Boateng & Bediako, 2017).

Despite the abundance of research on consumer acceptability of mobile payments, little research has been done to look at the variables impacting the intention to use e-wallets continuously in Malaysia, particularly among the younger generation (Teo, Law & Koo, 2020). According to research, young consumers want a quicker, more affordable technology for their regular financial activities; an e-wallet is seen as a good approach to meet this requirement (Nizam, Hwang & Valaei, 2018). The intention to use e-wallets continuously is still low in Malaysia, nevertheless. As a result, the Malaysian government has started working on a 10-year Blueprint Financial Masterplan to create a high value environment in the nation's financial sector and it will continue with the Financial Sector Blueprint in 2022 for the progress of digitalization with a more active digital financial services landscape. (Alam, Awawdeh & Muhamad, 2021).

In Malaysia, the most popular e-wallet platforms can be exemplified as Touch ‘n Go, Boost, GrabPay, and Air Asia’s Big Pay. The Malaysian government has offered eligible Malaysians an RM30 eTunai Rakyat scheme in their e-wallet account as a means of promoting the use of e-wallets (Tariq, 2020). In addition, to encourage Malaysian consumers to use e-wallets, e-wallet service providers are offering enticing promotions like cashback, vouchers, and rebates (Chawla & Joshi, 2020). However, the e-wallet industry in Malaysia is still in early stage, and it is reported that e-wallet usage is still low in Malaysia (Arumugam, 2020). Therefore, this study focuses on the continuance intention of e-wallet usage among youth from rural areas as youth who act as digital natives to achieve the Malaysian government's aim in developing the nation into a cashless society.

Previous studies have demonstrated a relationship between cashless payment methods and purchasing behaviors, particularly household spending (Deb, Mahto & Deka, 2021). According to reports, youth can gauge how much they spend based on how transparent the payment methods they use are (Soman, 2003). As physical cash can resemble banknotes, therefore, the tendency of youths of not using e-wallet is higher and they want to avoid the pain of monopoly money(Gafeeva, Hoelzl & Roschk, 2018). Consumers' emotional "tune-in" to the actual amount of money paid is reduced while using e-wallets because of the system's apparent ease of use. However, consumers' self-control can have a big impact on their spending habits (Aji & Adawiyah, 2021). Therefore, the continuance intention of e-wallet usage among youth is lower as e-wallets usage correlates with their spending behaviors.

Develop a conceptual framework of the intention to use e-wallet continuously by rural youth in Malaysia is the main objective of the study. The development of framework is based on potential factors predicting the continuance intention of e-wallet usage among rural youths, to support a society without cash. In addition, this study explores the moderating variable which is gender that act as a significant segmentation variable in the model proposed. By digital marketing, it is permitted to gather a lot of clients’ information, including demographic information such as age or gender that can be used to segment the market and develop variety of marketing events based on the highlighted requirements of each market segment. Therefore, gender acts as moderator in this study which has been applied and
confirmed in studies related to the adoption of mobile wallet and intention to use mobile chat services (Chawla & Joshi, 2020; Nysveen & Pedersen, 2005). Recommendations are also given for developing additional innovations and making judgments regarding the government on the basis of the findings of this study.

**Continuance Intention of e-Wallet Usage**

A person's continuance intention of cashless system, such as an e-wallet, may be characterized as a set of characteristics that contribute to their long-term use of technology. Continuance intention of cashless usage can be stated as overt behavior toward cashless payments, resulting in the contribution of cashless usage. This study, which focuses on factors that affect continuance intention, such as social influence, perceived trust and security, and gender as a moderating variable, is one of the earlier ones into factors that determine the continuance intention of e-wallets usage. This study adopts social influence from UTAUT to examine the determinants of using e-wallet continuously in Malaysia. However, based on several studies, technology continuance theory (TCT) has been adopted but the findings are inconsistent (Daragmeh, Sagi & Zeman, 2021). Therefore, this study focuses on UTAUT by examining social influence, perceived trust, and perceived security as potential factors towards the study of intention of using e-wallet continuously, particularly among rural youths.

**Unified Theory of Acceptance and Use of Technology (UTAUT)**

An integrated Unified Theory of Acceptance and Use of Technology (UTAUT) has developed to consider as an extension of TAM model for examining the continuance intention of using e-wallet among rural youth in Malaysia (Shin, 2009). It is found that every people have their own wallets, but to perform all their banking transactions, every people need to have wallets that can provide more options to the consumers (Bhatt, Ajmera & Nayak, 2021). Due to this, it can develop positive view towards the satisfaction of using-wallet and the tendency for consumers to continuously use e-wallet is higher. Therefore, social influence has been adopted as the independent variable in this study.

**Factors of Continuance Intention of e-Wallet Usage by Rural Youth**

Most of several studies have proposed the expectation-confirmation model (ECM) that consist of service quality, perceived risk, and technology readiness in the study of intention of using mobile banking continuously. However, it turned out that through the mediation of relationship quality, which consists of contentment and trust, technology readiness and service quality has an indirect considerable influence on continuance intention (Chen, 2012). Besides that, other past studies on technical and functional service quality that adopt SERVQUAL instrument is focused only on service delivery process (Routray, Khurana, Payal & Gupta, 2019). Therefore, this study will be focused on one of UTAUT components which is social influence, together with perceived trust and perceived security to determine the impact on continuance intention of e-wallet usage.

**Social Influence and Continuance Intention of e-Wallet Usage by Rural Youth**

Social influence refers to the extent of individuals’ perceptions towards something that other people believe in the use of new system (Gunarto, Wibowo & Ahmad, 2018). Social influence also can be seen as the level to which an individual can be influenced by an important person to use a new system (Venkatesh, Smith, Morris, David, Davis & Walton, 2003). It is found that social influence significantly impacts continuance intention to use cashless payments such as mobile banking (Savić & Pešterac, 2019). Social influence can be divided into two aspects which subjective norms and visibility (Shih-Tse Wang & Pei-Yu Chou, 2014). Subjective norms are defined as social influences relating to consumer beliefs of what should or shouldn't be done, meanwhile, visibility is a social shape created by the state of consumer behaviors that is viewable, reflective, and impacted other consumers to perceive those behaviors (Amin, Hamid, Tanakinjal & Lada, 2006). In this study, the social influence measures the effect of environmental factors and positively impacts the intention of using e-wallet continuously among rural youth. When the most significant individuals, such as family members and close friends, believe
that utilizing an electronic wallet is a sensible decision, the likelihood that they will continue to do so rises. Therefore, it is hypothesized that:

H1: Social influence has positively influenced the continuance intention of e-wallet usage by rural youth

**Perceived Trust and Continuance Intention of e-Wallet Usage by Rural Youth**

Perceived trust can be explained as the willingness of an individual to stay with a service provider as the positive expectation clearly clarified on the service provider’s future behaviors (Zhou, 2013). Perceived trust is pivotal in associating with online transactions due the great uncertainties and risks that lead to consumers’ disadvantages (Chellappa & Pavlou, 2002). The importance of trust has been highlighted specifically for human behavioral exchanges (Lai, Singh, Alshwer & Shaffer, 2014). Consumers usually considers on either using e-wallet according to their perceptions towards trustworthy and reliable of that service provider (Ur-Rehman et al., 2020). This can be supported when trust has major impact on the continuance intention of cashless usage such as internet banking (Lu & Su, 2009). Besides that, perceived trust acts as significant attribute towards e-wallets that lead merchants to concern about privacy issues of a system and accept that the merchant and consumers on e-wallet services have been affected positively (Hayashi & Bradford, 2014). Therefore, role of perceived trust is adequately capturing youths’ behavior towards e-wallet payment and effect the continuance intention of e-wallet usage. Thus, we hypothesized that:

H2: Perceived trust has positively influenced the continuance intention of e-wallet usage by rural youth

**Perceived Security and Continuance Intention of e-Wallet Usage by Rural Youth**

Perceived security refers to the customer’s perspectives towards the system security, and the degree of protection against potential risks (Linck, Pousttchi & Wiedemann, 2006). Information security can be categorized as authentication, confidentiality, non-repudiation, and data integrity (Khoirun Nisa & Solekah, 2022). Privacy and financial security can be categorized as major barriers toward the acceptance of e-wallet usage that led to low continuance intention of consumers of using the e-wallets (Liébana-Cabanillas, Sánchez-Fernández & Muñoz-Leiva, 2014). Users tend to refuse to complete their transactions with any cashless payments if they perceived low security and in contrast, consumers who perceive highly secured cashless payments, they favor to use cashless payments more frequently than cash (Tsiakis & Stethephanides, 2005). Prior research recognized perceived security has influenced the intention to use an electronic wallet continuously because the use of cash leaves users more vulnerable to loss or theft (Garrouch, 2021). Eventually, adoption of cashless payments has been widely explored as the initial step, however, the effect of continuous intention to use e-wallets has attracted attention. Therefore, it is recommended to study on security that potentially could be strong predictors of continuous use of e-wallet among rural youths (Gao, Waechter & Bai, 2015). Thus, we hypothesized that:

H3: Perceived security has positively influenced the continuance intention of e-wallet usage by rural youth

**Gender Acts as a Moderating Variable**

Psychological variations can lead to gender differences (Zhang, Prybutok & Struton, 2007). Examining the influence of gender which act as moderator in the study related to intention of online shopping that revealed the gender, aligned with cashless payments, has significant role in online commerce (Zhang & Prybutok, 2003). It proves that gender is pivotal as moderating variable particularly for technology usage. There is a study stated that males are more inclined to adopt mobile banking, internet banking and any related bank technology compared to females (Chawla & Joshi, 2020). Furthermore, it is found that moderating effects of gender is significant towards the technology usage (Liébana-Cabanillas et al., 2014). Personal innovation in the use of technology, according to a mobile coupon application in China, has a more favorable effect on men’s intention to continue using technology than it does on women (Liu, Zhao, Chau & Tang, 2015). Due to this, women are more likely to have anxiety towards technology compared to men, who are more accepting the creativity of technology, particularly those related to cashless payments (Lee, Cho, Xu & Fairhurst, 2010). The following hypotheses, therefore, are derived from the preceding evidence:
H4: Gender moderates in the relationship between social influence and continuance intention of e-wallet usage by rural youth
H5: Gender moderates in the relationship between perceived trust and continuance intention of e-wallet usage by rural youth
H6: Gender moderates in the relationship between perceived security and continuance intention of e-wallet usage by rural youth

According to the literature analysis in the previous section, there are three significant elements that affected on rural youths' intentions to continue use e-wallets. This study is interested in the variables that use the suggested model with the following variables: social influence, perceived trust, and perceived security, which would then result in the continuation intention of e-wallet usage by rural youth. It is important for businesses to build an online platform or e-payment system that is user-friendly, safe, and adds value. This requires an understanding of the elements that influence the desire to continue using e-wallets. This can be done by thoroughly evaluating the variables that influence user’s behavior and then improving the system as a result. The conceptual framework can be seen in Figure 1 below.

**Figure 1 Conceptual Framework**

![Conceptual Framework](Image)

**Conclusion**

The researchers made a few significant discoveries in this study that could add to the continuing debate about the intention to continue using e-wallets, particularly among Malaysian rural youths. First, this study revealed the strategic importance of social influence, perceived trust and perceived security that play significant role in supporting cashless society in Malaysia. Although there are past studies stated the unclear evidence on perceived security towards the continuance intention of e-wallet usage, as it will be suitable determinant under post-adoption of e-wallet usage. To put it another way, these three major factors; social influence, perceived trust and perceived security must be developed to produce rural youth’s continuance intention towards e-wallet.

Other than that, although this study focused on rural youths, but it is found that there is a dissimilarity between youths from the same areas as the e-wallet usage is not solely depends on living areas. Therefore, this study utilized gender as moderating variable to examine the distinction of intention among rural youths to use e-wallet continuously. During the group interview also, each respondent is voluntarily to share their experiences specifically when the issue related to perceived trust and perceived security. Inclination of individuals to trust the e-wallet systems can be strengthen if they believe the e-wallet systems to be secure, including during transactions. Third, the researchers also discovered how crucial social influence is in determining people's long-term intentions towards the use of e-wallets.

In terms of practical implication, financial institutions like banks, microfinance organizations, and their marketing managers would find the study useful. The study offers management and marketing managers tips on how to move cash-based customers to electronic payment, particularly the popular e-wallet among young people because it works well in Malaysian retailers (Mastor, 2021). Suffice to conclude, social influence, perceived trust, and perceived security are pivotal in influencing continuance intention.
of e-wallet usage and it can benefit the financial institutions to encourage more consumers, particularly rural youths to use e-wallet for their daily transactions. Therefore, by raising a bank's level of trust with Malaysian customers, marketing managers can develop trustworthy methods by educating the public about how safe and simple to use e-wallets are across the country.

Following a review of the literature, we advise future researchers to take into account the three factors; social influence, perceived security and trust, and gender's function as a moderating variable in order to create a cashless society and lower transaction costs for quicker economic growth. Future quantitative and qualitative studies can be developed to evaluate proposed conceptual framework by the authors in this study. Further, other determinants such as perceived ease of use, perceived usefulness, and perceived cost can be employed as other factors that are also expected to explain the continuance intention of e-wallet usage among rural youths in Malaysia.

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