



Factor Affecting Adoption of E-Wallet in Sarawak

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Abstract

E-wallet was an innovative payment instrument that arises under financial technology. E-wallet helps to ease the user's daily life, in which users can make their daily transactions without using the notes or coins. Indirectly, E-wallet also helps to reduce risk of cash being stolen. Undeniably, E-wallet brings more benefits than disadvantages. The primary aim of this study is to examine the factors affecting the adoption of E-wallet services in Sarawak. The questionnaire, which consisted of 26 questions were distributed to the respondents and successfully collected 450 feedbacks. Firstly, this study applied factor analysis to construct all the variables. Also, Cronbach's coefficient was computed to determine internal consistency reliabilities. Then, this study used regression analysis to test the relations between the variables. The results of the regression analysis showed that the users would adopt E-wallet when they perceive that the E-wallet is useful and easy to be used. Meanwhile, the findings of this study also showed that rewards tend to attract users to use E-wallet. Besides that, this study also found that higher perceived risk may act as a barrier to users from using E-wallet. These results help the E-wallet service providers to identify the significant factors that influence the user's intention to use E-wallet services. Lastly, this study recommended the E-wallet service providers to take the security systems and rewards into consideration for the enhancement of their payment system.

Key words

E-wallet, Technology Acceptance Model, Theory of Planned Behaviour, Perceived Risk, Rewards

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1. Introduction

FinTech, a short form of financial technology, refers to the innovative sector that incorporates the technology with the finance industry (Ion & Alexandra, 2016). Financial innovation is needed to reduce costs and risks of the users since the financial industry owns a vital role in facilitating the economic growth (Frame & White, 2014). In addition, FinTech enhances the transparency and efficiency of the financial process and brings convenience to the users (Zavolokina *et al.*, 2016). FinTech companies also expand their business scope into smartphones as smartphones are the popular tools used by the consumers for banking, payments, budgeting, shopping, or even stock trading. The technology advancement also contributes to the increment in the smartphone users to subscribe for FinTech services (Ryu, 2018).

The emergence of the smartphone completely transforms the way how a person communicates and stay connected with others over the past decade. By connecting to the internet, the smartphone able to perform multiple tasks, such as online shopping, purchasing cinema tickets, sending documents, etc. These features also make the user's life more comfortable and feeling stress-free (Punwatkar & Verghese, 2018). In the aspect of the business, the seller also utilized the smartphone to change their distribution channel and selling network. Meanwhile, banks also developed several applications or products that fit in the smartphone to enhance their competitiveness in this technology era (Yen, 2017). Figure 1 shown that the