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DOMINANT FACTORS BEHAVIORAL INTENTION OF THE GENERATION MILLENNIALS IN USING E-WALLETS

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Abstract. Technological advancements fueled by the internet revolution have transformed the financial services industry's image, resulting in modifications to electronic financial services. These service changes can be seen in almost all forms of financial services, such as banking, insurance, and stock trading, which are carried out using electronic media, such as E-wallets services. This study's primary goal is to discover how the Millennial generation uses digital wallet applications in terms of perceived ease of use, perceived usefulness, trust, social influence. This study utilized a quantitative method using exploratory surveys and online questionnaires, as well as a literature and field research design. This study employs the Smart PLS program with the PLS-SEM approach for data analysis. Data was collected using non-probability sampling using a purposive sampling approach, yielding a sample size of 146 respondents for this research. This research provides information about the behavior of using digital wallet applications, which are significantly controlled by perceived ease of use, trust, and social influence. Furthermore, the Perceived Usefulness factor does not significantly impact the behavior of using digital wallet applications. These findings highlight the importance of trust as a motivator for customers when utilizing an E-Wallet application. It is preferable to expand the number of study samples in order to appropriately generalize findings, as well as to include research factors that are believed to influence behavioral intention to use. This research will look at the effects of perceived ease of use, perceived utility, trust, and social influence on Generation Millennial behavior when it comes to using digital wallets.

Keywords: perceived ease of use; perceived usefulness; trust; social influence; behavioral intention

I. INTRODUCTION

The impact of fast information technology development on mobile devices has led to a rise of Fintech users who utilize digital wallets to make easy payments (Halim et al. **[1]**). E-Wallet is an outstanding instance of mobile banking as a breakthrough in the financial industry that may enable consumers to carry out financial transactions autonomously as one of the most inventive and newest technologies (Alalwan et al. **[2]**). A virtual wallet that accepts e-money features a real card that looks and functions similarly to a regular debit or credit card. E-money differs in that it can only be used to make non-cash payments and cannot be used to withdraw cash (Welly et al. **[3]**). Unlike the virtual e-money wallet, which retains the physical form of a wallet, the e-wallet is one step more complex since it lacks the physical form of a wallet, instead taking the shape of a network (Rembulan & Firmansyah **[4]**). Users need not be concerned since this service is quite secure. This is because, on average, e-wallet apps utilize three payment platforms: QR Code, Near-Field Communication (NFC), and One-Time Password (OTP), all of which need user authentication for each transaction.

A mobile payment app called E-Wallet enables users to transact without using actual money **[5]**. Consumers, particularly generation Z, will profit from this new technology, which is expected to make user transactions easier and more straightforward. The internet generation also relies on social media as a source of knowledge due to technological advancements (Nana Triapnita Nainggolan, Munandar et al. **[6]**). Today, social media has evolved into a significant public reporting platform and news source. With a specific age range, the typical millennial generation may use the internet for more than seven hours each day. Second, the millennial generation has a low level of loyalty. When a superior product is available, millennials will readily reject it. According to research conducted by Isrososiawan **[7]**, millennials in Jakarta are interested in using the Go-Pay app due of its benefits and simplicity of use. Another research was conducted (Purwanto et al. **[8]**), Millennials' views and intends to use Go-Pay were favorably impacted by perceived utility, perceived ease of use, pleasure, and enthusiasm. Furthermore, investigated the usage of digital wallets and discovered that Pekanbaru's Generation Y and Z were heavy users of digital wallets.

The phenomena of e-wallet development across the globe has a variety of origins. In India, via the PayTM digital wallet, e-wallet is one of the local government initiatives promoting a cashless lifestyle (Amoroso & Magnier-Watanabe **[9]**). While in Indonesia, e-wallets were initially offered to customers by private businesses involved in online transportation services, rather than the government, as in India (Madan & Yadav **[10]**). Indonesians who were acquainted with purchasing cars online at the time were encouraged to pay for them online as well. GOPAY and OVO can entice customers to utilize digital wallets to make cashless payments (Rembulan & Firmansyah **[4]**). According to research by, Financial news starting to emerge may be ascribed to fast developing technological components, and improvements in

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the non-cash financial transaction sector are anticipated to boost the value of societal financial transactions.

Furthermore, use of electronic currency and advancements in information technology have influenced societal lifestyle changes). Before, there was a study that looked at the use of digital wallets, commonly known as E-Wallets, The results revealed that, thanks to the innovations provided by various E-Wallet platforms in Jakarta, the millennial generation has accepted the usage of digital payment applications extremely successfully. Customers were intended to profit from this new technology, which was designed to make customer transactions more convenient and simpler. Specific resources and infrastructure are needed to allow the efficient utilization of financial non-cash transactions at the present level of technological advancement (Alalwan et al **[2]**). This study was conducted in Medan, North Sumatra, Indonesia, because there are several unsolved problems regarding acceptability of technology in the field of financial services using E-Wallet, whether it can be well received by users in the Generation Millennial category, and other factors that led to the conduct of this study. The study concerns the use of an E-Wallet as a tool for performing non-cash transactions that is not yet perfect in terms of perceived ease of use, perceived usefulness, trust, and social effect. This research will look at the effects of perceived ease of use, perceived utility, trust, and social influence on Generation Millennial behavior when it comes to using digital wallets..

II. RESEARCH METHODS

The researchers combined quantitative techniques with an exploratory survey approach for this study. In order to collect useful data, the researchers represented each study variable with indicators. The results of the research were based on both primary and secondary data. The original data comes from an online poll that included an online questionnaire. The data for this research was gathered entirely via online questionnaires, which can be accessed at the Google Form link. Meanwhile, secondary data was generated in an indirect way from previously collected findings. The participants in this research were all Medan E-Wallet users who belonged to the Millennial generation. Regrettably, no exact figures on the number of Medan's active E-Wallet users were available. This is due to a number of factors, including the fact that one person may have several active E-Wallets and the E-Wallet provider does not give information on the same number. The number of samples needed to accurately represent Pematangsiantar City's population of E-Wallet users was established by the researchers. The sample for this research was chosen using non-probability sampling and purposeful selection. In this analysis, there were 146 samples total. This non-probability purposive sampling technique was chosen since there are no statistics that define the population's size. The researchers stipulated a number of requirements, including that the sample had an E-Wallet account and have used it for at least one month. estimating and evaluating research model-derived hypotheses, the Partial Least Square Structural Equation Mode was used **[11]**. This approach was chosen since the analysis only needs a limited number of samples, and Smart PLS analysis does not always have a normal distribution. PLS is an effective analytical technique since it can be used with any data scales and doesn't necessitate many assumptions. Furthermore, the operational definition of this variable includes the Behavioral Intention variable which consists of 4 indicators adapted from research. The Perceived Ease of Use variable consists of 4 indicators adapted from research. the perceived usefulness variable consists of 4 indicators adapted from research (madan & yadav **[10]**). then for the trust variable, it consists of 5 indicators adapted from research (Chawla & Joshi **[12]**). furthermore, the social influence variable consists of 3 indicators adapted from research.

III. RESULTS AND DISCUSSION

General Profiles Of The Respondents

The survey was circulated via WhatsApp and Telegram, two popular social media platforms. Due to the fact that a large portion of the target respondents use social media in daily life, it was chosen as the medium. Only 146 (76.04 percent) of the 192 replies received were deemed genuine for the research. Samples who had an E-Wallet account and had at least one month of continuous use were required in this study. Table 1 contains the basic profiles of the respondents in this study, and it will be used to explain their features.

Table 1. General Profiles of The Respondents

Category	Details	Number	Percentage (%)
Sex	Male	61	41.78
	female	85	58.22
Age	14-16 years	10	4.21
	17-19 years	18	33.72
	20-22 years	52	51.05
	23-25 years	66	11
Occupation	Student	14	10.77
	College Student	35	74.2
	Employee	72	11.7
	Entrepreneur	16	1.4
	Others	9	1.85

Outer Model Measurement

The values of each loading factor and AVE on the variable markers for perceived ease of use, perceived usefulness, trust, social effect, and behavioral intention were above 0.5 for the AVE and above 0.7 for the loading factor in the validity test shown in Tables 2 and Figure 2. Furthermore, each study variable received a composite reliability value of above 0.7, which may be described as follows: perceived ease of use received 0.982, perceived usefulness received 0.889, trust received 0.963, social impact received 0.933, and behavioral intention received 0.883. Furthermore, each variable's Cronbach's alpha score was higher than 0.60, suggesting that all study variables were very reliable. Further testing can be done using these excellent results to determine

Volume 07, Number 01, March 2023, Page 092-096
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whether the variable-variable link is similarly in great condition.

Table 2. Validity, reliability and R-Square test

Notes	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Perceived Ease of Use	0.975	0.982	0.932
Perceived Usefulness	0.844	0.889	0.668
Trust	0.896	0.924	0.712
Social Influence	0.943	0.963	0.897
Behavioral Intention	0.824	0.883	0.656

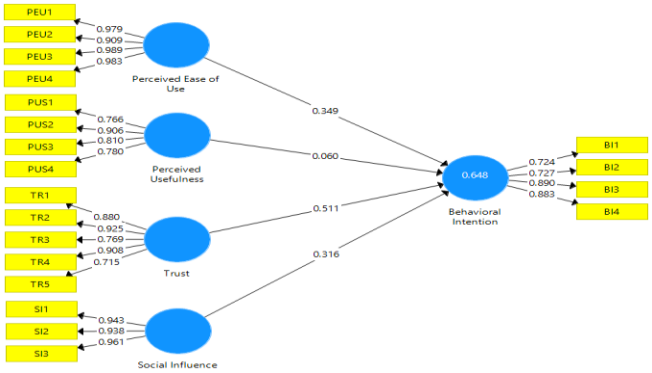

Figure 1. Loading Factor Model Display

Hypotheses Test

In the matter to establish the association between the exogenous and endogenous variables, a significance test was also used to show the validity of the hypothesis testing. The p-value revealed the threshold of significance. When the significance level is 5% and the p-value between the exogenous factors and the endogenous variable is less than 0.05, the exogenous variables have a substantial impact on the endogenous variable. Exogenous influences do not significantly affect the creation of the endogenous variable if the value is greater than 0.05. In the table 3 below, the test's findings are shown:

Table 3. Hypotheses Result

Path Between Variables	Coefficient	t-count	P-Value	Conclusions
Perceived ease of use >> Behavioral intention	0.349	5.545	0.000	Significant
Perceived usefulness >> Behavioral intention	0.060	1.091	0.276	Not Significant
Trust >> Behavioral intention	0.511	5,750	0.000	Significant
Social influence >> Behavioral intention	0.316	6.299	0.002	Significant

The study's findings revealed that perceived ease of use seems to have a favorable as well as a substantial impact regarding E-Wallet interest. It revealed that its simplicity, which consumers used E-Wallet influenced not just their usage patterns but also their sentiments of trust, the consequences of these emotional experiences influencing behavior to use this same product again. The findings of it are consistent with those of numerous earlier studies, which found that the presence of a simple system influenced the behaviors that drive its usage. **[13]** & **[14]**. Moreover, **[15]**, discovered that easiness seems to have a significant and positive impact on involvement for using E-Wallet assistance. A study by **[16]**, The favorable and substantial the effects of perceived usability on behaviour intention to utilize a certain technology were also reported. The findings of this study, on the other hand, are incongruent. According to the **[17]** study, perceived eaeasiness of use had no influence on the usage of non-cash payment mechanisms. Some customers who were unfamiliar with the ease of use offered by E-Wallet system said that utilizing the E-Wallet application was too hard to grasp if the E-Wallet service provider performed regular application upgrades.

According to the findings of the study, perceived usefulness seemed to have a positive but non-significant influence on the intention to employ an E-Wallet. The findings of this study matched the results of a previous study, which found that perceived usefulness had no direct effect on the customer's daily needs **[12]**. Further, a study by**[13]**, described the negligible study results they received on the perceived usefulness influence on behavioral first aim. Because the consequences of this condition lead to many users preferring to test comparable E-Wallet applications, usefulness able to serve as a basis for the quantity and diversity of programs utilized **[17]**. However, the outcomes of this study contradicted studies by **[18]**, the usability aspect seemed to have a significant and positive impact on the aim to use E-Wallet services, according to the findings. This indicates that if the value acquired is large, people will be more likely to utilize E-Wallet services, resulting in a rise in cashless financial transactions **[19]**.

The study's findings revealed that the social element had a favorable and significant impact on E-Wallet usage intentions. One element that drives the usage of E-Wallet is the impact of the social environment, including such friends and family. As stated by **[20]**, by examining internalization and identification of complying as a type of change in presumption and social background, social influence could influence an individuals personal behavioral changes pattern. The findings of the investigation backed up these assertions by **[21]**, According to the study, consumers found it easier to conduct financial transactions because they received more accurate information from the social environmental factors via recommendations and suggestions from credible sources of information. This supported a related study conducted by **[22]**, according to the study, positive experiences shared by close friends have a greater influence on E-Wallet usage than marketing. In Japan's Mobile Suica, social influence is indeed significant with in adoption of electronic wallets **[20]**. In India, social influence has also been discovered as a significant factor of customer's intention to employ a digital wallet service **[23]**.

According to the study findings, the degree of trust had such a significant and positive impact upon that specific intent to employ an E-Wallet. The fundamentals of online-based transactions require factors such as trust which is the most crucial factor, thus such an factor seems to be a key

Volume 07, Number 01, March 2023, Page 092-096
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determinant in the new technology's adoption. As in case of digital wallets, trust refers to the general user's interpretation of the provider's service is positive and trustworthy **[24]**. In online selling and buying activities, the trust factor is the most crucial aspect as a foundation for establishing communication between producers and consumers (Rembulan & Firmansyah, [4]). Trust is an essential component in social networking services because it reduces user concerns regarding privacy, risk perception, safety, and ambiguity about their behavior and intentions [16]. Those certain conclusions are also backed by the study's findings of [7], in which explained that one of the reasons why a person using an E-Wallet is the importance of having a sense of trust between service providers and service users. Other findings were also presented by [17], which stated a significant effect between trust on digital wallet usage behavior.

IV. CONCLUSION

This research shows that, among the three approved hypotheses, the construct of perceived ease of use had essentially effecting behavioral intention to use an e-wallet application. The convenience factor had a positive and substantial impact on use behavior when the perceived ease of use variable was tested. This indicates that the E-Wallet application simplicity of use is very beneficial to users. The perceived usefulness variable was shown to have a favorable but negligible impact on use behavior when tested. This shows that the E-Wallet application's long-term utility is not the primary motivator for someone to utilize it. The social impact variable was shown to have a favorable and substantial effect on use behavior when tested. These findings show that social influence is a essential aspect in persuading the Millennial age to use the E-Wallet app. The trust impact variable was shown to have a positive and substantial influence on use behavior when tested. These findings highlight the importance of trust as a motivator for customers when utilizing an E-Wallet application. It is preferable to expand the number of study samples in order to appropriately generalize findings, as well as to include research factors that are believed to influence behavioral intention to use. Furthermore, the theoretical implications of this study confirm that this study uses the TAM (Technology Acceptance Model) theory developed by Davis (1989). In TAM theory there are 4 main variables, namely perceived ease of use, perceived usefulness, attitude toward using, intention to use and actual system use. The findings of this study and the variables perceived ease of use, perceived usefulness, attitude toward using and intention to use have a significant and positive influence on each of the dependent variables, this shows that this study supports the TAM theory developed by Davis (1989). This study also explains the aspects that impacted behavioral intentions to make payments via e-wallet in general, which are influenced by trust and social influence factors.

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