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Relationship between Usage of E-Wallet towards Firm Performance among SME Company in Batu Pahat, Johor

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Abstract

An alternate payment method for buying products and services is the electronic wallet, which is part of the new technology. Due to contemporary times, Malaysia has begun to adopt cashless transactions like other nations have done. There are still difficulties in integrating the technology, even though numerous establishments have begun to provide cashless payment options. As a result, there is a correlation between e-wallet usage and corporate performance. A questionnaire was the data collection tool employed in this study's quantitative research design. 136 supervisors from the company who responded to the survey received it. A statistical package for the social sciences. This study's drawback is that it was restricted to Batu Pahat. As a result, it is impossible to extrapolate the findings of this study to the company performance of customers in other markets who utilize e-wallets. Consumer watchdogs and later researchers can make use of the study's findings to improve the drawbacks of e-wallets.

1. Introduction

Malaysia is currently going through technological developments. One of the contemporary inventions that is spreading throughout the world and is being used by many companies and sellers is the use of e-wallets. An electronic payment method that can take the place of a physical wallet is the e-wallet application. You can thus download it online from the Play Store or the App Store. E-wallets let you carry out transactions, receive and send money, and top up your account all from a mobile device (Kotecha, 2018). Compared to early e-wallet applications that let mobile users make direct purchases of products and services, send, and receive remittances, and conduct mobile banking, these are financial transactions (Jack & Suri, 2011). Cashless transactions are becoming a more popular form of payment. Because they are practical, quick, and secure, individuals continue to use cashless transactions as a payment option. According to the poll, many businesses are relocating to Batu Pahat that to be closer to the e-wallet. Customers prefer a straightforward and secure payment option, which is why the global payment system is in line with the current trend of cashless transactions between individuals, corporations, and governments via electronic payment systems. For the transaction, they can also choose to pay using cash or a debit card.

1.1 Research Background

One development in the digital economy that has caught the attention of many business owners around the world is the use of electronic wallets. Traditional transaction systems can be replaced by mobile wallet software, commonly referred to as "e-wallets," which operates electronic payment methods on mobile devices. Through smart devices, buyers and sellers may carry out transactions, send and receive money, and reload wallets (Yasar,

2022). Malaysia may soon transition to a cashless and digital society. This is due to Bank Negara Malaysia's goal of accelerating Malaysia's move toward cashless transactions and improving the effectiveness of the nation's payment infrastructure. To fuel the industrial revolution, most businesses now accept payments through cashless transactions (Rahman, 2022). E-money, followed by credit cards and online banking, is the most prevalent method of electronic payment, according to Bank Negara Malaysia's Malaysia Payment Statistics. More than 42 e-money licenses have been granted by Bank Negara Malaysia, including licenses for banks and non-bank companies (Bank Negara Malaysia, 2019).

E-wallet is a joint venture between Touch 'n Go Card and Ant Group that was founded in Kuala Lumpur, Malaysia, in July 2017. It is a digital wallet and online payment platform. The app's users can make payments using QR codes. Over 16 million consumers and $168 million in pre-financing are present. However, this e-wallet is used by more than 100 businesses in Batu Pahat to offer website planning services. The business considers "focusing on the e-wallet trading market, attentive service, and convenience and speed" to be its core values, all of which are centered on user needs. Through its own professional level and unceasing efforts, the company hopes to transform the future corporate network image and promote the network for corporate products. supplying service direction for the trading platform's cultural development. Additionally, the company's primary offerings primarily offer businesses e-wallet trading platforms, enabling businesses and the public to transact online in a safe and secure manner. Additionally, a variety of services are offered through e-wallets, including business optimization and promotion. Sales performance and network have additionally offered e-wallet planning services to small and medium-sized businesses, first focusing on the Batu Pahat region (Tenk, 2020). The detailed after-sales support system for e-wallets is completely up to the business and the employees after that.

1.2 Problem Statements

There is little research on the connection between e-wallet use and SME company performance. This is so that more sales channels in Batu Pahat, Johor, can no longer be used as e-wallets become more widely used. By employing the analytical research approach, current research shows that there are more important and positive aspects influencing SMEs' use of e-wallets than there were in earlier studies (Danang Pinardi Putra, 2022). Therefore, the purpose of this study is to ascertain how business performance and e-wallet usage affect SMEs in Batu Pahat, Johor. Through empirical data on the influence of firm performance and the possible advantages of using e-wallets during the payment process, the study adds to the body of literature already in existence. The results of this study will benefit businesses looking to improve the efficiency of their payment processes and supply chain management since perform better and acquire a competitive advantage.

The SME Entrepreneur Annual Report 2020 states that only 40% of SMEs in Malaysia use e-wallets as a form of payment. This demonstrates that a substantial portion of SMEs still have not adopted the use of e-wallets (Travilla, 2012). Additionally, this demonstrates that a tiny percentage of people still lack knowledge and comprehension of using electronic wallets as a form of payment, particularly certain elderly people. According to the respondents, the trend toward e-wallets is toward young people. If the company's performance and usage methods could be more succinct and clearer, it would make it easier for the majority of older people to use it and provide a more secure proof time at the same time. (Ana Mustafa, 2022) Due to the issue, the rate of e-wallet adoption among customers in Batu Pahat is mostly influenced by the different types of customers in terms of age and gender.

Therefore, to achieve the research objectives the level usage of e-wallet and firm performance among SMEs company in Batu Pahat are determined. Consequently, the relationship between the usage of e-wallet towards firm performance among SMEs company in Batu Pahat, Johor.

1.3 Scope of the Study

The scope of this study was limited to the respondent who helps fill the position of supervisor among SMEs in Batu Pahat who are using the e-wallet for payment processing. This is because there are only more than 100 SMEs that have registered under Suruhanjaya Syarikat Malaysia (SSM) in various sectors in Batu Pahat, Johor. Therefore, the respondents to this research study would be the supervisors of the company in Batu Pahat. The estimated time frame for this study is six months, because during that time we will collect the data, conduct statistical analysis, publish the results, and report the results. Besides, this study also investigates the market potential in Batu Pahat among SMEs based on application from the standpoint of the unified theory of technology acceptance and utilization.

1.4 Significance of the Study

This study's findings will redound to society's benefit, considering the positive relationship between the usage of e-wallets and firm performance among SMEs in Batu Pahat, Johor. Besides, this study that was conducted at Batu Pahat is to find out the impacts that influence the market potential among SMEs in Batu Pahat by using the e-wallet as a payment method nowadays. It is a contactless way of making payments, and they have provided attractive promotions to users to increase their market share. Hence, the firm should encourage the consumers of the company to use the e-wallet as a payment method compared with cashless transactions by providing new ideas such as a lucky draw.

1.5 Summary

In summary, this chapter has covered the introduction, the history of the research, and the issue that needs to be addressed before any further research can be done. In other words, the company's major objective is to identify the elements of e-wallet usage that will affect firm performance. Advertising on social media is mainly used. The main objective of these studies is to determine the relationship between e-wallet usage and firm performance among SMEs in Batu Pahat, Johor, as well as the level of usage of e-wallets and business performance. The research purpose, research topic, research scope, and study importance are all given in this chapter's overview.

2. Literature Review

The theoretical underpinnings of the investigation are presented in this section of the essay. Every piece of research should be founded on what is already known about a certain field. The literature study pertaining to the use of e-wallets in relation to business performance is then followed by the models that will be applied among SMEs in Batu Pahat and ultimately the construction of hypotheses. This chapter looked at how e-wallets can improve business performance.

2.1 Adoption of E-wallet and Internal Process Collaboration

E-wallets and internal process collaboration are being widely adopted by businesses to increase economies of scale. This is because the decision to embrace e-wallets for payments would affect the equilibrium between cost and convenience that makes payments possible, protects consumer rights, and lowers the risk associated with business sales (Jonker, 2019). Electronic wallet payments, often known as mobile payments, are anticipated to lower customer support expenses (Thomas, 2019). Collaboration with the supplier of the e-wallet payment application is necessary for the entrepreneur's success, and the performance of the business is based on the size of the network and the number of partners. For instance, it grows like a snowball when there are more partners in the market. The level of people's attention will likewise gradually rise in proportion. The amount of utilization of an e-wallet depends on how many partners there are. In any event, having another option for a trading platform and a currency is advantageous for partner companies. E-wallets are an essential element of modern life.

2.2 Adoption of E-wallet and Business Performance

The e-wallet payment technology must be continuously updated and developed by SMEs if they hope to thrive in today's competitive marketplace. In any event, consumers' increasing desire for e-commerce is consistent with their high utilization of online payment methods like e-wallets, which must be evolving with the times. Entrepreneurs' adoption of these payment technologies can be influenced, among other things, by consumer usage patterns, the high net transaction benefits that employers receive from this process, and enterprise experts' assessments of the level of balance. As an illustration, businesses that offer this type of e-wallet, such as boost, Grab Pay, and Shoppe Pay, are constantly expanding their partner networks to make the snowball bigger. Likewise, the requirement to expand service offerings goes hand in hand. One of the fastest-growing technologies in terms of innovation and adoption of new payment features, e-wallet payment technology can boost the likelihood of quickly acquiring clients at a cheaper cost. As a result, there are two payment marketplaces for e-commerce companies: consumer and wholesale payments (Thomas, 2019), which gives both sides the option of having a second transaction option that is not just available during the currency era.

2.3 Usage of E-wallet

By gathering account information, e-wallets are programmed to let users make purchases on the internet. Due to the simplicity, flexibility, and security of digital payments made with a digital wallet, it is currently one of the most widely used transaction systems (Uddin et al., 2014). Digital payments are also accepted for the customized features they offer, such as communications technology and personalization (Osakwe et al., 2016). E-wallets have become more popular as the use of electronic systems increases because they provide a variety of services such as bill payment, delivery, and the riding industry (Rosnidah et al., 2019). E-wallets are advantageous not just for consumers; traders are accepting them as a form of payment due to their speedy

online transactions, effective financial reporting, and reduced labor expenses (Hayashi et al., 2014). These transactions are often used in physical establishments, where customers use their mobile device to scan the QR code to verify their payment (Lu, 2018). To start improving operations, contactless payment devices are being placed next to the dedicated application in physical locations (Taylor, 2016). According to the research, the compatibility, flexibility, and user-friendliness of e-wallets for transactions made using mobile devices are the main reasons why SMEs in Batu Pahat adopt them. Companies can also get another source of income and a payment mechanism by working with e-wallets.

2.4 Firm Performance

The state of a company's business operations and the financial gains it has made make up the firm's performance. Financial reports primarily represent the company's performance. The three categories of financial reports are daily, quarterly, and annual. Investors base their decisions to invest on financial reports (Murphy, 2023). In the case mentioned above, if the profitable firm does well and increases its dividend, the market price of the issuing company's shares will climb in line with that. On the other hand, if the performance of the issuing company is subpar, the stock market price will undoubtedly decrease. It will consequently have an impact on the business's financial success. Additionally, the firm's performance has been split into three segments. The first element needed is that the performance must be completed based on strong, transparent sales channels, competitive products, and team execution. To enhance corporate marketing and management systems, boost brand building and image, increase performance, and lessen performance pressure, the second element is the marketing model. The third element, performance empowerment, strengthens corporate communication, marketing promotion, market development, and market innovation to ensure performance standards.

2.5 Relationship between Usage of E-wallet towards Firm Performance

In the 20th century, corporate performance has continually been a focus of business management studies. An important component of the inquiry is how corporate resources are used. The proper use of human and financial resources, as well as resource integration, optimization, utilization of small and medium-sized enterprises, development, and integration, will all have a substantial impact on the company's performance improvement (Ramalingam, 2020). This research has revealed how innovative thinking affects firms. Innovative companies have various advantages over their competition, according to a study. By producing new items and services and exploring new markets, innovators can lower prices and improve the quality of their offerings. This study's findings suggest that companies should embrace open innovation and take advantage of opportunities to work with companies from various industries. collaboration to improve the company's performance, quality of goods and services, and creative thinking (Kim & Lee, 2020).

Additionally, there is active government marketing and publicity. This pushes domestic businesses to join this expansion. Obtain high quality and a guarantee as well. This boom hasn't had much of an influence on the growth of small and medium-sized businesses. As a result, businesses collaborate on development, and the government offers subsidies to businesses that are innovative. These advantages will aid SMEs in maintaining ongoing performance improvement and an effective transactional market economy. Finally, research demonstrates that a variety of variables, such as natural disasters and epidemics, the ability to fully utilize resources, ongoing innovation, a company's attitude and image, the techniques used to assess firm performance, etc., all have an impact on corporate performance. Additionally, they apply creative thinking and high-caliber services to improve the success of their own businesses.

2.6 Conceptual Framework

The research framework is shown in Fig. 1:

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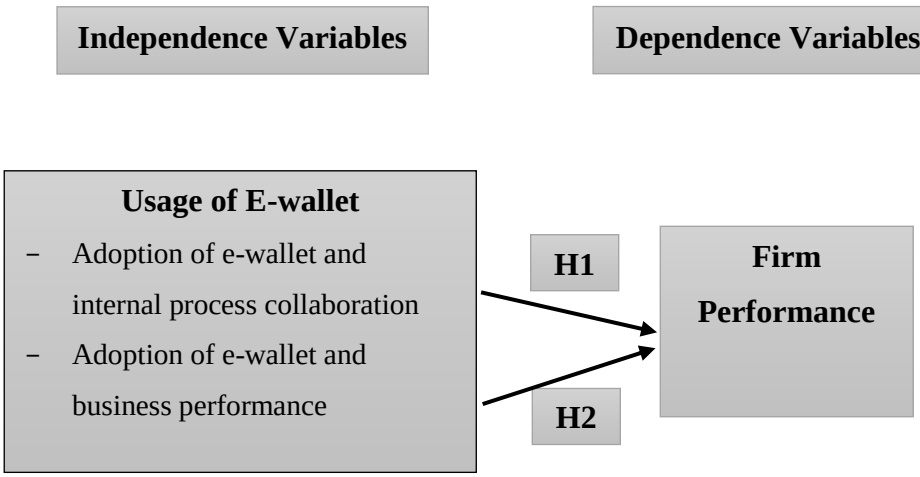

Fig. 1 *Conceptual framework*

2.7 Research Hypothesis

The hypothesis of the present study are as follows:

H1: Adoption of e-wallet and internal process collaboration has positive relationship with the usage of e-wallet among SMEs company.

H2: Adoption of e-wallet and internal business performance has positive relationship with the usage of e-wallet among SMEs company.

2.8 Summary

From the literature review, the researcher can summaries that there are numerous scholars who are debating how the use of e-wallets can affect the performance of the organization. Therefore, the researchers strongly urge you to do additional study based on the conclusions that were stated, considering both the independent variables such as e-wallet adoption, company performance, and internal process collaboration. This study has also clarified the subject, including the definition of e-wallet usage, based on several reviews of earlier studies. Numerous studies in this field provide researchers with greater information and understanding about the study's goal, methodology, and outcomes, enabling them to carry out the study more effectively.

3. Research Methodology

All the methodologies that will be employed in the research are discussed in this chapter. This chapter includes a research flow chart, research design, data collection method, population and sampling procedures, research instrument, construct measurement, pilot test, data analysis, descriptive analysis, and correlation analysis. The discussion opens with an introduction to the research project, a discussion of the population, a description of the instrument chosen for data collection, and a description of the methods employed in the study.

3.1 Research Methodology

A set of techniques or methods for locating, assessing, processing, and analyzing data and information about a subject is referred to as "research methodology." To meet the objectives of the study, it also refers to a methodical technique for figuring out the results of a problem that has been effectively resolved. The objectives of research are knowledge acquisition and the provision of a research work plan. For instance, the researcher will describe and use many sorts of methodologies, such as study design, sampling, sample size, data collection methods, and others.

3.2 Research Design

When all the necessary elements are included in a research project, it is called a research design (Berkhout et al., 2015). Information was gathered using the quantitative technique and survey questionnaires. The goal of this

study is to pinpoint the key variables that affect how much SMEs in Batu Pahat plan to utilize e-wallets to manage their business operations. The survey's target respondents were managers and above from a few Batu Pahat enterprises that already accept payments via e-wallet. There are 210 supervisors in total. The Krejcie & Morgan (1970) study was used to establish the sample size. Three sections were developed for the questionnaire, which will be developed using a random sample technique for this study. The survey forms were disseminated using Google Forms to various social media platforms, including Facebook, Instagram, WhatsApp, and others, or as hard copies to SMEs in Batu Pahat, including McDonald's, that do not have online access.

3.2.1 Population and Sampling

The demographics of this study consist of supervisors and above from businesses that employ e-wallets. People in this age range are typically supervisors, which is the underlying assumption behind choosing this group. These supervisors were chosen as the demographic because the company's supervisors are also a group that is most likely to accept novel ideas, like mobile payment, and because research on this group is representative. For instance, they will be aware that using an e-wallet as a payment option will enable them to negotiate a lower spread with the supplier and therefore make a profit. A group of sampling techniques known as "non-probability sampling" lets researchers select samples from the population they intend to study. Convenience sampling was used to choose the respondents at random. The study's target respondents will be approachable and knowledgeable people. According to the Department of Statistics Malaysia, the population is 210 supervisor or above from different SMEs, and the sample size is 136 respondents based on Krejie & Morgan (1970).

3.2.2 Research Instrument

The survey will be broken up into three sections: section A, section B, and section C. Six questions in Section A's demographic profile of the respondent make up this section. The items in Section A are gender, age, race, year of employment, type of business, and duration of e-wallet use. Part B has 10 total questions, 10 of which are in the independent variable section. The topics in Section B were additionally split into two categories: e-wallet adoption and internal process collaboration and business performance. The firm performance is the dependent variable, which is represented by five questions in Section C. Using SPSS software, the data will be examined. For section A, a nominal level of measurement was utilized, whereas a scale was used for sections B and C. As a reaction to the statement, there are five possible outcomes on a 5-point Likert scale: strongly disagree, disagree, neutral, agree, and highly agree. Questionnaire is determined based on the previous article (Syamsudin, 2020).

Table 1 *Survey*

Scale	Interpretation
1	Strongly disagree
2	Disagree
3	Neutral
4	Agree
5	Strongly agree

3.3 Data Collection

Since answer specific research questions, test hypotheses, and evaluate findings, data collection is the act of methodically gathering and analyzing information on pertinent variables. There are many ways to collect data, including questionnaires, observation, unobtrusive techniques, and interviews. Questionnaires were one of the approaches employed in this investigation. The respondent can fill out questionnaires in a few different ways, including by email, through a Google form, or by being interviewed in person. Before preparing the respondent to fill out the questionnaire, it is crucial to make sure that their privacy is maintained. To prevent data loss, it is also crucial to make sure that data is stored after capture. With the information gathered by their questionnaire, the researchers will use various scenarios. Make sure the questionnaire's questions are pertinent to the study, for instance, classification, coding, scales and scaling, reliability, and validity.

3.3.1 Primary Data

Firstly, questionnaire was being prepared for this study to achieve the research objectives in closed questions. Then, the researcher applied a letter from Faculty of Technology Management & Business to prove that the

researcher as a student from University Tun Hussein Onn Malaysia and the research activity is being approved by the university. Since the simple random sampling technique is being use, so the individuals are randomly picked within the supervisor or above and invited to answer the questionnaire. The data collected process taken about two months.

3.3.2 Secondary Data

Secondary data collecting is quick and easy, with government publications, websites, books, journal articles, and internal records serving as secondary data sources (Ajayi, 2017). By using secondary data, it helped to improve the knowledge about the problem and provided a basis for comparison for the data acquired. To gather relevant information for this study, researchers used journal articles from several sites such as ResearchGate. Science Direct, and Emerald Insight. The information gathered allows this investigation to obtain exact data to support the evidence.

3.4 Data Analysis

Data analysis is the process of meticulously compiling and organizing information from field notes, interviews, and other sources so that it may be shared with others and understood. To evaluate the outcomes of this data study, the author employs inductive analysis. General conclusions are then deduced from specific aspects, which form the basis of inductive analysis. Three activity flows, comprising data reduction, data presentation, and conclusion drawing/verification, were included in the stages of data analysis. The researcher utilized Sugiyono's data analysis using Miles and Huberman's theory (2016). (1) Data reduction, sometimes referred to as data selection, summary, selection of the most important points, focus on the most important points, look for themes and patterns, and removal of the least important elements. (2) Data presentation: Comparable data can be compiled into narrative language and displayed as tables and graphs, which facilitates drawing inferences. (3) Verdicts: Data collection and analysis are followed by interpretation, which is followed by conclusions.

3.4.1 Descriptive Analysis

Data that would be used to create a demographic survey was mentioned. The information received from the questionnaire regarding the supervisors' perceptions of companies implementing e-wallets was analyzed using the statistical tool SPSS. However, the demography used in this study was based on a descriptive analysis of respondent characteristics such gender, age, race, year of employment, industry, and length of e-wallet use. The descriptive analysis also evaluates the frequency and percentage, mean, and standard deviation of the variables used to characterize the respondent's background characteristics.

3.4.2 Correlation Analysis

A strong association between two or more variables is indicated by a high correlation, whereas a weak relationship is shown by a low correlation (Franzese & Luliano, 2019). As a result, researchers frequently use Pearson and Spearman correlations in their work by conducting the normal test. Correlation analysis will be used in this study to examine the link between independent variables such as e-wallet use, internal process collaboration, and business performance and dependent variables, such as firm performance.

3.5 Chapter Summary

As a result, it is important to comprehend and validate the numerous sorts of research approaches used in this chapter's diverse fields. Based on the data gathered, the researcher devised a quantitative, descriptive survey plan, and 136 respondents from SMEs in Batu Pahat, Johor, were chosen as a sample for the 136 questionnaires that were administered. As a result, before distributing the surveys, the researcher will confirm that they adhere to all ethical norms.

4. Data Analyze and Findings

The data analysis and discussions regarding the outcomes of the questionnaire distribution will be reported in the part following in this chapter. The goal of data analysis is to provide answers to research questions and objectives, thereby proving that the correlation is true and supported by strong evidence and research results. The Statistical Package for Social Science (SPSS) software version 27 is used to evaluate the data collected.

4.1 Response Rate

Table 2 *Response rate*

Items	Description
Sample size	136
Questionnaires collected	82
Percentage	60.29%

The respondents of this study were focused on the supervisor or above in Batu Pahat, Johor Bahru. Researchers distributed 136 questionnaires to them among the SMEs companies. Based on Krejcie and Morgan (1970), there must be 136 respondents to answer the questionnaires. However, there are 82 sets of questionnaires that are successful collected from the respondents, which consists of the response rate (60.29%). The result is high because most of the SMEs companies had experience in the usage of e-wallet. Table 2 shows the responses rate from the questionnaires collected.

4.2 Pilot Test

A total of 30 questionnaires has been used which was random distributed from the sample size of the research to conduct this pilot test. The result of the questionnaire was analyzed using SPSS software.

Table 3 *Reliability for pilot study result*

	Cronbach's alpha	N-items in scale	Interpretation
Independent Variables			
Internal Process Collaboration	0.967	5	Excellent
Business Performance	0.956	5	Excellent
Dependent Variables			
Firm Performance	0.981	5	Excellent

The table above shown the Cronbach's Alpha value of Independent Variables and Dependent Variables for pilot study that was carried out this research. For independent variables that consists of two factors and the Cronbach's Alpha values are 0.967 and 0.956, which considered as excellent. However, the Cronbach's Values for firm performance (Dependent Variable) is 0.981, which is also considered as excellent. According to Sekaran & roger (2016), reliabilities lower than 0.60 is considered as poor and value in the range of 0.70 are acceptable then higher than 0.90 is excellent. Thus, the internal consistency reliability used in the study can considered as good and can be used for the actual data collection. The SPSS output for reliability analysis of pilot study can be referred to Table 3.

4.3 Demographic Analysis

Table 4 *Demographic information for respondent*

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Demographic	Details	Frequency (f)	Percentage (%)
Gender	Male	88	64.71
	Female	48	35.29
Age	24-30 years	75	55.15
	31-40 years	30	22.06
	41-50 years	18	13.23
	51 years and above	13	9.56
Religion	Islam	27	19.85
	Buddha	76	55.88
	Hindu	11	8.09
	Others	22	16.18
Years of Working Experiences	Less than 1 years	28	20.59
	1-3 years	41	30.15
	4-6 years	30	22.06
	More than 6 years	37	27.20
Types of Companies	F&B	40	29.41
	Petrol	20	14.71
	Transportation	15	11.03
	Wholesale and Retail	28	20.59
	Others	33	24.26
Years of E-wallet Usage	2018	15	11.03
	2019	27	19.85
	2020	43	31.62
	2021	51	37.50

In general, male respondents dominate the sample as compared to female respondents in this survey. Besides that, the majority of respondents are between 24 to 30 years which are 75 respondents and 55.1% of the total sample size. The sequence followed by respondents between 31 to 40 years as a second largest of respondents which is 30 person or 22.1% of the respondents. The following respondents between 41 to 50 years which is 18 respondents or 13.2%. A few amounts of respondent in the range 51 years and above due to the oldest are not good in using e-wallet. The majority of respondents are Buddha which are 76 respondents and 55.9% of the total sample size. The sequence followed by respondents in religion of Islam background as a second largest of respondents which is 27 person or 19.9% of the respondents. The following respondents as others religion background which is 22 respondents or 16.2%. The least of respondents are Hindu which is only 11 person or 8.1% of the respondents.

The majority of respondents have work experiences between 1 to 3 years, with a percentage of 30.1% of the total sample size. The sequence followed by respondents in the range of more than 6 years as a second largest of respondents which is 37 person or 27.2% of the respondents. The following respondents between 4 to 6 years which is 30 respondents or 22.1%. A few amounts of respondent in the range of less than one years due to the oldest are not good in using e-wallet. Most respondents were F&B sectors with a percentage of 28.7%. 34 respondents were other sectors, with a percentage of 25%, and 28 respondents were wholesale and retail sector with a percentage of 20.6%. After that, there were also 20 respondents were in petrol sectors with a percentage of 14. 7% and only 15 respondents were in transportation sectors with a percentage of 11%. The table shows that 51 respondents, which is more than half of the respondents, have been started to use e-wallet from 2021, the percentage is 37.5%. However, 42 respondents have started to use e-wallet from 2020, a percentage of 30.9%. There are also have 28 respondents started to use e-wallet from 2019 with the percentage of 20.6%. And only 15out of 136 have started to use e-wallet from 2018 with a percentage of 11.0%.

4.4 Descriptive Analysis

This section analyses the various demographic characteristics of the respondents. Supporting tables and figures are provided. This study aims to investigate the relationship between usage of e-wallets towards firm

performance among SMEs company in Batu Pahat, Johor. Based on the aim of this research, we can understand that this is applied research. To answer all the research questions and objectives, this research was using quantitative methods. The respondents who took part in this survey consisted of 136 respondents in which 64.71 percent (N = 88) of the respondents were male and 55.15 percent (N = 75) of the respondents were female.

4.5 Normality Analysis

Table 5 *Result of normality test*

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Significance	Statistic	df	Significance
Overall mean of firm performance	.151	136	.000	0.912	136	.000

a. Lilliefors Significance Correction

In this study, there are two analyses are available for the normality test which are Kolmogorov-Smirnov and Shapiro-Wilk. Normality test of Kolmogorov-Smirnov will be used when the total of data less than 30, while normality test of Shapro-Wilk will be used when the total of data more than 30. If the probability $p>0.05$, the data are normal while the probability $p<0.05$, the data are not normal. The study used a Kolmogorov-Smirnov and Shapiro-Wilk test to evaluate the important for predicting the outcome of a dependent variable (level firm performance). Based on the above two analysis, it is concluded that the data is not normal, the research will proceed with parametric analysis which is the Spearman correlation analysis. The SPSS output for reliability analysis of pilot study can be referred to Table 5.

4.6 Correlation Analysis

Table 6 *Result of Spearman' correlation*

1.		2.	IPC	3.	BP	4.	FP
5.	IPC	6.	1.000	7.	0.798**	8.	0.739**
9.	BP	10.	0.798**	11.	1.000	12.	0.619**
13.	FP	14.	0.739**	15.	0.619**	16.	1.000

Based on the table above, the researcher is analyzing three variables, which are one dependent variable and two sub independent variables. From the result above, the researcher should focus on correlation coefficient. The correlation between Adoption of E-wallet and Internal Process Collaboration (Independent Variable) and Firm Performance (Dependent Variable) is 0.739 and p-value < 0.01. So, there is moderate relationship and positive correlation between Internal Process Collaboration and Firm Performance. Besides, the correlation between Adoption of E-wallet and Business Performance (Independent Variable) and Firm Performance (Dependent Variable) is 0.798 and p-value < 0.01. So, there is strong relationship and positive correlation between Business Performance and Firm Performance. Therefore, there are too highly positive relationship, which is overall adoption of e-wallet and overall mean of firm performance. However, the results is clearly show that mean of adoption of e-wallet and business performance have more higher moderate relationship compare with the adoption of e-wallet and internal process collaboration.

4.7 Summary of Hypothesis

Based on the correlation analysis results, hypothesis testing results for H1 and H2 are supported which the hypothesis was there is relationship between usage of e-wallet towards firm performance.

5. Discussion

Table 7 *Discussion*

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Research Objective	Research Questions	Results	Support Evidence
To identify the level of usage of e-wallet among SMEs company in Batu Pahat.	To identify the level usage of e-wallet among SMEs company in Batu Pahat, Johor.	Supervisor or above of SMEs company tend to use e-wallet because they find it easy to use and it is very convenient when wanted to up or making transaction at any time.	By using the e-wallet, not only that SMEs from both categories can do their business in a better way, but they might also gain advantage of accessing into a new market and new supplier at low costs. (Shazad, 2020)
To identify the level of firm performance among SMEs company in Batu Pahat.	To identify the level of firm performance among SMEs company in Batu Pahat, Johor.	Firm performance is a degree in which an individual has conveyed a mindful plan regarding the decision of whether to perform a definite future behavior.	Policymakers and stakeholders address these applications challenges to enhance the customer experience and promote further adoption of E-wallets among SMEs. (Ming & Soon, 2023)
To investigate the relationship between level usage of e-wallet and the level of firm performance among SMEs company in Batu Pahat.	To investigate the relationship between the usage of e-wallet towards firm performance among SMEs company in Batu Pahat, Johor.	There is a relationship between level usage of e-wallet towards firm performance among SMEs company in Batu Pahat, Johor.	There is aligned with Ari Apriani (2023) which there is the significant relationship between usage of e-wallet towards firm performance. The usage of e-wallet among SMEs company can increase the interest rate of customer in using e-wallet.

5.1 Limitation

There are some challenges and limitation to complete this research. These limitations was time consideration had limited the number of respondents. The data collected period for this research is only about three months. Besides, limited data collected which the target respondents should be supervisor or above that using the e-wallet from Batu Pahat, Johor. It is only limited individual willing to cooperate on answering questionnaires especially the elder or senior citizen. They are given some excuse about they are busy in answering the google form. Most of the study discussed on the usage of e-wallet towards firm performance on Batu Pahat, Johor.

5.2 Recommendations

To improve the shortcomings of the study, we make recommendations in this part. There are two types of suggestions included respondent and future researchers to provide recommendations.

5.2.1 Recommendation for Respondent

The recommendation of this study on usage of e-wallet towards firm performance is to suggest that e-wallet service providers and enterprises sponsors organize more events to promote the benefits of e-wallets to supervisor or ar5ve among SMEs company in Batu Pahat. This will allow them to learn about the benefits of using an e-wallet and then be able to spread the message in a person-to-person manner to those company who do not use it. This will also enable companies to have TNG business QR codes for customers to pay to increase their firm performance.

Furthermore, the recommendation of this study for privacy and security is that e-wallet providers must enhance the privacy and security of their e-wallets for customers to communicate positive intent. Without guaranteed privacy and security protections, customers will be wary of using e-wallet technology. E-wallet providers must always examine whether future risks exist for security and privacy and actively find ways to address hidden risks.

5.2.2 Recommendation for Future Researcher

Researchers can broaden the study by including new variables since the use of e-wallets is kind of a new trend in Malaysia. E-wallets will provide more unidentified threats in the future as technology advances. Mainly supervisor of companies is the subject of this research. Therefore, younger, and older supervisor of companies may be the target respondents in future studies.

According to our recommendations future studies could examine how rewards influence the firm performance of using e-wallet. Future research can build on this study to use e-wallets using the same concept but in different contexts.

5.3 Conclusion

Questionnaire surveys had been distributed to the target respondents who work at company to find the relationship between usage of e-wallet towards firm performance among SMEs company in Batu Pahat, Johor. Based on the result, usage of e-wallet factors in which adoption of e-wallet and internal process collaboration and business performance are significantly influence the firm performance among SMEs company in Batu Pahat.

Although there are some limitations for the present study, it is hoped that the first step taken in studying the relationship between usage of e-wallet toward firm performance is significant for further justification. Through the data analysis and discussion, the objectives of the research have been achieved with supported by previous research.

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Conflict of Interest

Authors declare that there is no conflict of interests regarding the publication of the paper.

Author Contribution

The authors confirm contribution to the paper as follows: **study conception and design:** G.H.M and M.Z.Y.; **data collection:** G.H.M.; **analysis and interpretation of results:** G.H.M and M.Z.Y.; **draft manuscript preparation:** G.H.M and M.Z.Y. All authors reviewed the results and approved the final version of the manuscript.

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