

Understanding the Factors Influences Users Continuous Intention Towards E-Wallet in Malaysia: Identifying the Gap

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Abstract: Digital economy has changed the way people doing business. Cashless transaction via electronic media is the global trend towards achieving cashless society. Malaysia also has such vision. The government rolling out the E-Tunai and E-Penjana cash incentive for the E-wallet user has boosted up the number of E-wallet user with the new sign-up and also increased utilization cashless transaction. The global pandemic, Covid-19, that forced the Malaysian government to implement Movement Control Order (MCO) also affected the consumer ways of making payment. Together with the requirement for social distancing and contactless transaction, the E-wallet payment method is the obvious choice for Malaysia consumer when making purchase. However, the sustainability of the E-wallet user is questionable. There is no guarantee that these new E-wallet users will continuously use E-wallet payment after exhausting the incentives. This research intent to uncover the Malaysian consumer real intention for signing up the E-wallet and identifying the factors that influences the continuous intention to use E-wallet after claiming the government incentives. It is important to understand the users' involvement and intention toward the usage of E-wallet because by understanding consumer's behaviour and perception on E-wallet, the government and relevant sectors can develop more effective strategies to sustain and accelerate the growth of E-wallet. The study is vital to determine that the objectives of government e-wallet initiatives and the vision of cashless society in Malaysia are achieved.

Keywords: E-wallet, e-Tunai Rakyat, e-Penjana, Continuous intention

1. Introduction

Rapid growth of the digital economy has changed the ways people doing businesses transaction. The world has seen that the business transaction payment method evolved from barter trade to cash then into cards (Yap & Aun, 2019). Digital economy has caused these traditional payment methods gradually

progressed into e-payment systems thanks to the significant increase of the internet users globally. At national level, Annual Internet Users Survey (IUS) in 2018 revealed an upward trend among local internet users from 76.9% in 2016 to 87.4% (MCMC, 2018). Deloitte (2016) acknowledges Southeast Asia as the world's fastest growing Internet region and projected that for the next 5 years, nearly 4 million new people will be online every month. That translates into a 480 million new users by 2020, up 260 million from the current figure. Currently there are over 700 million active mobile users in Southeast Asia where large and growing consumer base consists of mostly young (70% under the age of 40) and middle-class users.

Early mobile technology application allows financial transaction, such as mobile banking (saving, sending and receiving remittances) and shopping (direct purchases of goods and services) to be conducted by mobile users (Jack & Suri, 2011). Furthermore, advanced mobile technology transforms mobile device into smart device with expanded functions beyond financial transaction such as mobile payment, mobile office functions, mobile navigation, entertainment, trading and many more services (Gao, Li, & Yang, 2014).

One of the innovation of digital economy and gaining global attention is the use of mobile wallets. Mobile wallet application also known as E-wallet, which can be downloaded online from App Store or Play Store, is an electronic payment system via mobile phone that can replace the physical wallet. E-wallet allows you to make transactions, receive and transfer funds and top-up money via your smart device (Kotecha, 2018). The global attitude survey in 2015 by the PEW research centre reported that 65% of young adults in Malaysia own and use mobile phone. This is considered high comparing to the average mobile phone users in Asia-pacific countries which documented as at 37% (Poushter, 2018).

Ironically the high utilization of mobile phone does not translate to high utilization of E-wallet because the current Malaysian common payment practices in business transactions are cash, cards, internet banking and cheques. United Nation Statistics Division reported that 65.4% of the consumers aged between 15-64 years old still using physical cash in Malaysia (Andrew, Ambad, & Tan, 2019). Malaysia is far behind countries such as China and India where the rapid development mobile payment is driven by high adoption level of mobile wallet (Andrew *et al.*, 2019; PwC, 2018). Since the world is moving into a cashless society, Malaysian government has proactively developed stimulus package to spur the adoption E-wallet and hopefully progressing Malaysia towards a cashless society (The Star, 2020a).

This conceptual paper aims to identify critical issues, regarding sustainable use of E-wallet in Malaysia. This to be achieved by reviewing previous research and publication regarding the said subject.

1.1 Research Background

The E-Wallet revolution has greatly affect the business mode, financial markets and payment system in Malaysia. In contrast to cash or card payment, the digital payment is fast and secured for consumers as contactless connectivity can be more efficient (Kasavana, 2008). The adoption of E-wallet payments among Malaysia's small and medium-sized enterprises (SME) could boost contribution to nation's income, improve competitiveness locally and globally and help the growth of the digital economy in Malaysia (Bernama, 2020; Chern, Kong Sing, Lee, Lim, & Ong, 2018; Deloitte, 2016). Statistics Department stated that hhe digital economy is projected to add more than 21% to the gross domestic product in 2022 compared to 18.5% in 2018 (The Star, 2020a). Realizing the importance of the matter, the Government stimulated the E-wallet adoption and digital payment by allocating RM 450 million from 2020 budget to launch the E-Tunai Rakyat initiative in Jan 2020 (Bernama, 2020; The Star, 2020a). Public reaction was overwhelming to the E-Tunai with a total of 2.9 million applications submitted just 5 days after it was launched (Abas, 2020; Augustin, 2020).

Unfortunately, a pandemic known as Covid-19 started to appear in Malaysia and within three months, the local cases of Covid-19 increased drastically and the World Health Organization (WHO) declared that Covid-19 is a global pandemic. To contain the pandemic, in March 2020, Malaysian government enforced Movement Control Order (MCO) where people is advised to practice social distancing and avoid contact between individuals (Bavel, Baicker, Boggio, & Capraro, 2020; Birruntha, 2020; Tesini, 2020; The Star, 2020b).

Cheng, (2020) an analyst in the Economics, Trade and Regional Integration (ETRI) division of the Institute of Strategic and International Studies (ISIS) Malaysia wrote that here are two main sources of economic damage in Malaysia due to the pandemic. First the knock-on result of the coronavirus effects abroad. China's epidemic has triggered wide-ranging supply and demand disruptions, and Malaysia's economy is one of the region's most vulnerable markets to both Chinese demand and supply. Furthermore, China is known as the number one trade partner in Malaysia, a significant source of foreign investment, and its main source of tourism outside of ASEAN. Second the knock-on generated domestically due to the newly imposed MCO. The closing of businesses, services and facilities considered to be non-essential, along with transport and movement restrictions, would have a massive effect on private demand and corporate activity also detrimental impact on human livelihoods and firms. As their earnings diminish, individuals and companies affected by the temporary closures will be at high risk of facing immediate cash flow constraints. (Cheng, 2020).

The fear of coronavirus has forced a dramatic change in how people work and interact. The business model is now moving from physical to online spaces and promoting contactless transaction to prevent infection. As the social distancing between humans is emphasized, the payment mode of e-payment rather than cash and cheques is advisable since people are worried about transmission of coronavirus from touching cash, cheques and credit card terminals. Therefore, consumers' awareness on digital payment and the usage of E-wallet increase rapidly during the outbreak (Bavel *et al.*, 2020; Tesini, 2020; The Star, 2020b)

The government rolled out the second incentive during the outbreak which is called E-Penjana. This objective of this incentive is to foster the nation's economic growth during the Covid-19 pandemic by encouraging Malaysian to spend their money locally. The implementation of E-Penjana further boost up the usage of E-wallet in Malaysia (Adilla, 2020; PENJANA, 2020).

2. Literature Review

2.1 Definition of Electronic Money

According to Bank Negara Malaysia, e-money is defined as “a payment instrument that contain monetary value that is paid in advance by the user to the e-money issuer” and the Financial Services Act 2013 defines E-Money as “a payment instrument, whether tangible or intangible, that stores funds electronically in exchange of funds paid to the issuer and is able to be used as a means of making payment to any person other than the issuer” (Bank Negara Malaysia, 2008; Government of Malaysia, 2013). E-money also can be defined as a different kind of payment mechanisms used to make payment at retailer stores and the internet through computer-based communication technologies (Ramasamy, Guru, Nair, & Vaithilingam, 2006). The e-money user can purchase goods and services from merchants that accept e-money as payment.

There are different forms of e-money which categorized as card-based (e.g. prepaid card) and network-based (accessible through the Internet, mobile phones or any other devices). There are two kind of e-money schemes: (i) small scheme and (ii) large scheme, which depends on the purse size and the outstanding e-money liabilities (Bank Negara Malaysia, 2008). As mentioned earlier the network

base e-money is accessible through the Internet, mobile phones or any other devices. Therefore, Mobile wallet is under this category.

Table 1: Comparison between large and small E-money schemes. (Bank Negara Malaysia, 2008)

	Large e-money scheme	Small e-money scheme
Purse limit	Exceeding RM200	Not exceeding RM200
Outstanding e-money liabilities	More than RM 1 million (6 consecutive months)	Less than RM 1 million

2.2 Definition of Mobile Wallet

As mentioned earlier the network base e-money is accessible through the Internet, mobile phones or any other devices. Therefore, Mobile wallet is under this category. Mobile wallet also known as electronic wallet or e-wallet, is a financial transactions solution by which bank customers would be able to make payment transactions and also receive payment on account of purchase or sell goods through mobile device (Amin, 2014; Amoroso & Magnier-Watanabe, 2012). An e-wallet functions like a regular wallet, except that the money is digital, and an e-wallet exists as an app on your smartphone (Tan, 2019). Also known as a virtual wallet, mobile wallet apps can be installed on users' smartphones and managed physical plastic card where certain amount of money can be loaded via Credit / Debit card or Online Banking, and use to make payment at various online and in-store merchants that are listed with the mobile wallet service provider. Mobile wallet service providers help users create and managed the mobile wallet services through their mobile application (Amoroso & Magnier-Watanabe, 2012; A. Gupta, 2017; Jin, Seong, & Khin, 2020; Kenton, 2020; Kotecha, 2018).

Mobile payments utilized two main technologies which are Near Field Communication (NFC) and short message services. Most of the mobile payment systems are using NFC to make a transaction. NFC technology allows data to be transferred from a device to another with short-range wireless connectivity in a distance of up to 10 cm. NFC-based payment is considered fast and reliable and the technology enables payment method to become contactless with tap and pay by connecting devices (e.g. mobile phones, tablets etc.) that consisted of NFC compliant component (Amoroso & Magnier-Watanabe, 2012; Chern *et al.*, 2018; A. Gupta, 2017; Kenton, 2020; Mohammad, 2008).

Our dependent to handheld devices such as mobile phones have transformed our daily activities from traditional world to virtual world (Thakur & Srivastava, 2014). As technologies progressed, most our commercial activities such as paying bills, purchasing goods and services and banking activities all can made electronically via mobile wallet (Amin, 2014; B. S. Gupta, 2017; A. Kumari, 2018; N. Kumari & Khanna, 2017; Thakur & Srivastava, 2014). Lately a technology where secure payment method that rely on smart payment cards has been added to mobile phones. All financial information will be recorded in digital wallet which can be used later to commence, verify and ensure the return for goods and services with an exchange of financial value (Rajan, 2012). Mobile wallet is set to replace contactless cards and traditional counter based Point of Sales (POS) transaction, with the application EMVCo and the growing adoption of optical capture solutions for payment which will make remote commerce possible using mobile devices. EMVCo is a standard used in the credit card industry for integrated circuit cards, point-of-sale (POS) terminals, and automated teller machines (ATMs) (EMVco, 2020; Kagan, 2020).

2.3 Types of Mobile Wallet

According to (Akhila, 2018) Reserve Bank of India reported there are three kind of mobile wallet which included open wallet, semi-closed and closed wallet as follow:

(a) Open Wallet

Open wallet refers to wallet that can only be issued by banks or in association with banks which used to spend at any merchants of your choice and allows on withdrawal money. Besides, open wallet allows to consume goods and services and also transfers funds at point-sale terminals and merchant location where such cards are accepted, even money withdrawal (Akhila, 2018; Kotecha, 2018; Mahapatra & Patra, 2016).

(b) Semi-Closed Wallet

Semi-Closed Wallet refers to wallet that can be used to purchase at even other merchants/ sites but not allowed to withdraw money. It also only clearly accepted by identified merchant locations. Semi-closed wallet also known as a wallet can be used to online shopping and reload prepaid card and pay bills to those merchants who partnered with mobile wallet services providers (Akhila, 2018; Kotecha, 2018; Mahapatra & Patra, 2016).

(c) Closed Wallet

Closed wallet is the wallet only allowed for exclusive use at designated company or websites by an e-commerce player. The transaction of closed wallet only conducted with those respective companies. A certain amount of money will be refunded into consumers' wallet account automatically; in case they cancel an order. Example: Lazada wallet (Akhila, 2018; Mahapatra & Patra, 2016).

2.4 Advantages of Mobile Wallet

(a) Convenience

The payment process via mobile wallet with simply tapping in mobile device can be streamline, especially for high-volume business. Consumers also no longer need to carry too much cash and physical cards with them while making payment transactions. By using mobile wallet, consumers no need to worry about cash requirement as mobile wallet can replace cash payment (Birruntha, 2020; Hossain, Rasel, & Talapatra, 2014; Kotecha, 2018). Example, payment can be completed by scanning QR code provided by in-store merchants listed with mobile wallet service providers like Grab-pay (Chern *et al.*, 2018; Haroon, 2020; Jin *et al.*, 2020; Karim, Haque, Ulfy, Hossain, & Anis, 2020; Pikri, 2018; The Star, 2020b).

(b) Rewards

Many merchants and business are offering rewards to attract more consumers to use mobile wallet payment instead of traditional payment in order to increase the number of users. Consumers can receive rewards such as free gift or free purchasing pay with mobile wallet. This is benefit for mobile wallet users as there are massive rewards in the form of discounts and cashback given from mobile wallet. This can build up customer loyalty by sending incentives and sales directly to phones (Akhila, 2018; Bernama, 2020; Chern *et al.*, 2018; A. Gupta, 2017; Kotecha, 2018; N. Kumari & Khanna, 2017; Yap & Aun, 2019).

(c) Nominal Cost

The use of mobile wallet can reduce the transaction cost of business by the point of sale system. According to Hoofnagle *et al.*, also documented the technology of mobile wallet can become saving for business as it can reduce the overall cost of transactions potentially, and the saved transaction cost can become rewards and discount offering to consumers (Gupta, 2017; Kotecha, 2018).

(d) Safe

Mobile wallet is safer and more convenience than physical wallet because it can replace physical cash and cards to avoid loss of money. Its contactless features is a safer alternative to physical transaction which facilitates the suppressed the Covid-19 infection (The Star, 2020b; Tiwari, Garg, & Singhal, 2019).

(e) Security

Mobile wallet applications are secured because the PIN number is needed before making transaction. Besides, the Credit / Debit cards information are encrypted for storage. In case of the loss of mobile phones, users can disable the information of the cards online to ensure maximum security (Kagan, 2020; Rajan, 2012).

2.5 Disadvantages of Mobile Wallet

(a) Poor Mobile Internet Penetration

Internet connection is critical to conduct digital transactions and mobile banking (Norris *et al.*, 2001). Mobile savvy person with a smartphone and speedy internet connection is the basic requirements for mobile wallets transaction. Therefore, those without a smartphones and those that have a smart phone however have poor internet coverage especially in rural area will not be able to enjoy the service of mobile wallet (Akhila, 2018; Kotecha, 2018; Rao, 2004).

(b) Availability

The availability of mobile wallet friendly merchants is one of the issues for the mobile wallet users. Mobile wallet is not fully compatibles worldwide as the number of online or in-store merchants listed with mobile wallet service providers are limited. Moreover, there are not only single mobile wallet service provider. Different retailer accepts a different kind of payment like Grab-Pay, Boost etc., even some stores only accept cash payment only (Birruntha, 2020; Kotecha, 2018).

(c) Technical Problem

Mobile wallet information is usually stored in “the cloud” business server, therefore the mobile wallet payment could not proceed when the business servers faced technical problems such as system outages, system malfunction and system shutdown. The occurrence of system outages could increase the risk of system malfunction or crash and high traffic in the business server will slow down the payment processing speed (Birruntha, 2020; A. Gupta, 2017).

2.6 Adoption Level of Mobile Wallet in Malaysia

Governments around the world are trying to phase out paper-based currencies permanently by replacing with e-money. By turning paper-based currency to e-money, the transaction costs which includes operational costs will be reduced. Also, it can lower the crime rates as everything is in virtual form which can deter stealing and loss (The Star, 2020a; Tiwari *et al.*, 2019). The implementation of e-money is in tandem with the development of smart city where daily activities will be more convenience and effective. Human daily expenditure can be handled easily and all transactions made can be tracked through cashless transactions (Kadar, Syarmila, Md.Din, & Abdul Rafee, 2019)

Malaysian commonly conduct cashless payment using debit and credit card. However, the global trend of mobile wallet attracted Malaysian to adopt the e-wallet on top of the ever popular card payment (Pikri, 2018). Even though the mobile wallet technology in Malaysia is it is still in the infant stage, this financial technology is the solution could propel Malaysia financial transaction towards cashless society (Jin *et al.*, 2020). As mentioned earlier the NFC technology deployed for the E-wallet is effective and

reliable that make the contactless payment with just tap and pay thus making it efficient compared to cash payment (Kasavana, 2008).

As Malaysia is developing and expanding into Industry 4.0, many businesses are adopting the cashless transactions which means Malaysia is moving towards to a cashless society (Albakari, 2017). Furthermore, it can be seen that Bank Negara Malaysia are putting efforts on it as it reducing the instant e-payment fee up to RM 5000 and increased the processing cost on the cheque fee (The Star, 2017). BNM imposed RM 0.50 processing fee per cheque started from 2nd January 2015 in order to reduce the usage of cheque (Bank Negara Malaysia, 2014). Consequently, the cheques transaction volume has a significant decrease from 2014 to 2018 which shown in Table 2.2.

The cashless society is when a society transformed their payment methods from traditional method (e.g.: cash, cheques) to electronic method (e.g.: plastic cards, electronic channels) (Albakari, 2017; BusinessNovice.net, 2020; Kadar *et al.*, 2019). In 2018, there are around 50% of the Malaysian made payment transactions using debit/ credit cards rather than cash, indicating that they can survive without cash (Kadar *et al.*, 2019). This suggested that Malaysian has potential to be developed into cashless society. Table 2 shows that the E-money transaction volume per capita drastically increased from 2014 to 2018 which also proved that Malaysian can live without physical cash.

Table 2: Basic Payments Indicator (Bank Negara Malaysia, 2020)

Transaction Volume Per Capita (unit)	2014	2015	2016	2017	2018
E-money	38.3	44.4	52.6	58.1	59.3
Debit card	0.1	0.1	0.1	0.1	0.2
Credit card	11.3	11.5	12.1	12.7	13.8
Instant Transfer	0.9	1.5	2.6	4.1	7.4
Internet Banking	8.6	10.7	13.2	15.9	19.0
Mobile banking	0.7	0.9	1.5	2.7	5.9
Cheque	5.8	4.7	4.2	3.7	3.1

2.7 Contactless Payment

Due to global pandemic, people started looking for contactless payment. The coronavirus had emerged, which will cause acute respiratory syndrome (COVID-19) in humans. The virus had spread too quickly with hundredth thousands of infection cases and death in 114 countries within three months (Bavel *et al.*, 2020). The virus spread by person-to-person when contact with infected secretions, especially through close contact with large respiratory droplets generated when an infected person coughs or sneezes (Tesini, 2020). Therefore, people are practicing social distance measure to reduce social interaction between people in order to reduce transmission of coronavirus.

The pandemic also changed way people doing business from physically to virtually where online businesses and delivery services began to prosper. The need to maintain social distance has made contactless payment as a safe payment option for consumer. The obvious choice is E-wallet that offer contactless payment because people are afraid to handle cash and even using credit card terminal to pay. Not only consumers, merchants are also encouraged to use E-wallet payment in order to avoid physical touch (Tesini, 2020; The Star, 2020b).

(a) *E-Tunai Rakyat initiative*

From January 15 to March 14, 2020, Malaysian government implemented the RM 450 million e-Tunai Rakyat initiative to stimulate E-wallet usage in Malaysia. Malaysians aged 18 years old above and earned less than RM 100, 000 per year are eligible to claim free RM 30 via e-Tunai Rakyat. There are three E-wallet players, Touch 'n Go, Boost and Grab-Pay, from the total of 42 non-bank e-money issuers participated in this programme to roll out the RM 450 million issued by Bank Negara Malaysia

(BNM). Malaysians who are eligible can claim their RM 30 e-Tunai from one of the three E-wallet players through register as E-wallet users (Tariq, 2020; The Star, 2020a).

As a result, all three e-wallet providers reported a surge in new users as many signed up to claim the hand-out, as well other bonuses linked with the initiative. TnG recorded 10 times increase in users (7.3 million subscribers in total). Boost also recorded a 25 times increase in average daily user registration rate on the first day of the initiative as well as Grab-Pay documented its E-wallet had six-fold increase in users, claiming some who used cash previously had switched to E-wallet (Tariq, 2020).

On the first day of the e-Tunai initiative, it is reported that over RM 10 million was spent by 32,000 approved e-Tunai Rakyat applicants where the majority spending are on groceries, telecommunication, transportation and foods (Tariq, 2020; The Star, 2020b).

(b) *E-Penjana initiative*

According to Ministry of Finance Malaysia, the e-Penjana is an initiative under the Short-Term Economic Recovery Plan (PENJANA) in Malaysia. The initiative purposed to encourage consumer spending and instil safety practices through contactless payment and assist the public health authorities to facilitate contact tracing for Covid-19 through the MySejahtera application. Starting from 31 July to 24 September 2020, the Government provides RM 50 e Penjana credits for Malaysia consumers who with an income of less than RM 100,000 annually are eligible to claim the credits. The participated E-wallet players to roll out the e-Penjana credits include Boost, Touch 'n Go and GrabPay (PENJANA, 2020).

2.8 Review of Previous Studies

Cashless transaction is a faster and secured way of making payment without physical cash. During the 1990, people started knowing about non-cash transaction like electronic banking and the use of electronic payment become one of the payment method way in human daily life (N. Kumari & Khanna, 2017). There are lots of benefits associated with digital payment like secure payment for consumers and operational efficiency for sellers. Besides, the Malaysia government is pushing the development of digital wallet to move forward cashless society by giving kind of incentives to Malaysia consumers.

Many types of research are conducted to investigate the consumer behavioural intention towards E-wallet. Trivedi (2017) had stated government's efforts may not meet the expectation if users do not accept new technology. The researcher investigated that the influence of perceived usefulness and perceived ease of use have positively affecting consumer behavioural intention among Gen Y in India. Campbell & Singh (2017) investigated how fast the high innovativeness customer will accept E-wallet and the result indicated only perceived ease of use directly influence on perceived usefulness and behavioural intention to use E-wallet in Rajasthan.

In addition, Bagla and Sancheti (2018) documented that the surge of digital payment in India did not last due to most people still prefer cash payment. The researcher also discovered that poor internet penetration and lack of understanding about digital payment technology among users hold up the growth of digital wallet industry. Therefore, it can be concluded people still prefer cash as mod of payment (Nizam, Hwang, & Naser, 2019). In Malaysia, cash is the most common payment methods beside cards, internet banking and cheques. It is reported that up to 65.4% of Malaysia consumers still use physical cash to conduct payment (Andrew *et al.*, 2019). That is why a finding in a research reported that mobile payment is the least transaction recorded among e-payment transaction in Malaysia. The study explores consumers' behavioural relationship toward acceptance of mobile wallet. The findings indicated that perceived utility, perceived ease of use, social influence and brand image have a significant effect on consumer behavioural acceptance of mobile wallets, as well as consumer behavioural activity, which has a significant effect on the intention of embracing mobile wallets (Jin *et al.*, 2020).

However, Nizam *et al.* (2019) explained the security threats faced by the consumers while using the e-payment system may cause them to refuse to use the system. The objectives of E-wallet are to provide security and convenience (Campbell & Singh, 2017). Mobile payments are not like other general mobile services where consumers' personal financial information, personal bank accounts and capital flows will be recorded and disclosed in mobile wallet thus causing concern among consumers regarding fraud, data theft, and loss which could occur while using new technology (Yap & Aun, 2019).

A study reported that information violation cases and issues are rising throughout the world including Malaysia. Due to lack of knowledge regarding information protection, young generations are snubbing smart technology and demanding ease of use, security and privacy. The study also found that perceived ease of use (PEOU) and perceived usefulness (PU) have strong relationship. Both variables also significantly influence behavioural intention to use E-wallet. In addition, perceived security also had a positive relationship with behavioural intention. Thus, privacy and security is one of the variables influencing consumers to use E-wallet (Karim *et al.*, 2020).

Internet connectivity also one of the critical elements of E-wallet payments. As mobile wallet payment can be accessed with the requirements of mobile devices and network connection (Akhila, 2018). Poor internet penetration will cause transaction failure via e-payments which will hinder people from using e-payment systems (A. Gupta, 2017; B. S. Gupta, 2017). The vital development in mobile commerce needs strong internet coverage, wireless technologies and mobile devices. This is also an issue of using E-wallet system because rural areas may have weak internet coverage that could be a transaction failure using E-wallet payment. Slow internet connection leaves individuals and organizations in rural areas behind (B. S. Gupta, 2017; Rao, 2004).

Chin & Ariffin, (2015) noted that users' experience with the E-payment system is influenced by the overall quality of service. The attractive points of E-payment technologies are ease of use, user-friendliness and cost saving. Consumer satisfaction with the internet services will lead to intention to use the E-payment. It is important to understand how they feel when using new technology. The findings also reported that perceived ease of use has strong relationship with perceived usefulness. Perceived enjoyment also has significant relationship with perceived usefulness. Thus, a poor user interface of the E-wallet system can cause bad experiences among users.

According to Chern *et al.* (2018), rapid growth of social network and e-commerce are pushing the way people do business and conduct payments towards a cashless society. This can be seen in a case of WeChat, a social network app, which has 20 million active users in Malaysia. Realizing Malaysia's rapid growth of social network and progression of e-commerce, WeChat launched WeChat Pay to tap on its huge customer base (Chern *et al.*, 2018).

Viewing above the realization of a cashless society in Malaysia is possible, thanks to the existing technology on e-commerce especially on e-wallet. Even though there are some limitations and challenges, it all can be addressed and rectified. Malaysian government transition into the cashless society is being spearheaded by the launching of incentives with intention to institute people to embrace the e-wallet payment system. The strategy has successfully attracted a great amount of new E-wallet users' registrations (The Star, 2020a). However, there is lack of research to look into the sustainability of consumers to continuously use the e-wallet after they exhausted the incentive.

2.9 Discussion on Current Issues

Mobile wallet in Malaysia is becoming popular thanks to the government initiatives. These can be seen after the government rolled out the RM 30 e-Tunai Rakyat initiative, where an e-wallet service provider experienced a 10-fold growth rate in app users and the Finance Ministry stated that as of Feb 8 2020, over six million Malaysians had applied for the e-wallet (Tariq, 2020). The Movement Control Order (MCO) due to the global pandemic, Covid-19, has transformed customers' outlook on purchasing

using E-wallet. Contactless payment was required when individuals were locked at home due to the MCO (Haroon, 2020). That is why contactless payment and adoption of E-wallet have significant increases during this outbreak and movement under control order (MCO) in Malaysia (Tesini, 2020; The Star, 2020b).

In early June 2020, the government introduced a short-term Economic Recovery Plan (Penjana) and a 2nd RM 50 e-wallet incentive was rolled out. The Penjana's is an initiative to propel forward the nation's economic growth to counter the negative consequences of Covid-19 (Adilla, 2020).

These initiatives encourage consumers to use digital wallet. According to statistics from BNM, the E-wallet transactions in the country registered RM 4.4 billion in value and 382.3 million in volume from January to February 2020, which is far better than the previous year where the mobile payment transaction is consider very low (Birruntha, 2020; Jin *et al.*, 2020). Covid-19 also changed the way the Malaysian economy operates and consumer behaviour. The use of cashless payments and E-wallet adoption have seen a sharp increase during the MCO. Contactless payment is not only convenient, but prevent the transmission of the virus. Additionally, continuous initiatives by the Government to push towards E-wallet adoption have also contributed to increase the E-wallet usage among Malaysians (Birruntha, 2020)

Assuredly, the government incentives have contributed and accelerated the growth of digital wallet. However, the government might not be able to continuously give incentives and the contactless payment would no longer be needed once global pandemic is over. The government strategies might only attract a group of temporary consumers to claim those incentives and might not change in the people's mind set to use E-wallet. This is the concerned that the study intent to raise, where it is really important to know the reason on why Malaysia consumer signing up for E-wallet and their continuous intention to use E-wallet after claiming government e-wallet incentive.

3. Conclusion

As the digital payment is growing rapidly in the world, the developing countries like Malaysia is also following the trend and moving toward cashless society. This to be achieved by transforming form physical payment system to the cost-saving and convenience e-payment systems. Besides convenience, People are also expecting an ease of use and security E-wallet from digital wallet industry (Campbell & Singh, 2017; Karim *et al.*, 2020). However, the previous studies documented the information violation cases are currently increasing due to consumers lack of knowledge on information protection (Karim *et al.*, 2020). This has prompted young generations to shy away from using this emerging technologies due to fears about fraud, data theft and loss when using the E-wallet system (Yap *et al.*, 2019).

Malaysia mobile payment total transaction in year 2018 is consider ever minimal however the current situation shows significant increased on the usage of E-wallet thanks to the government incentives (Jin *et al.*, 2020; The Star, 2020a). Additionally, the influences of corona virus are leading the world to a cashless society with no exception. In Malaysia the outbreak and the requirement for social distancing has deter people from conducting transaction using physical cash therefore making the contactless payment as an essential alternative (The Star, 2020b)

The rolled out of the government incentives and the Covid-19 outbreak has caused Malaysia consumers to opt for E-wallet when conducting payment. However, the availability to access the internet is one of the main concern of the digital wallet industry. Digital wallet is fast and reliable therefore internet access is a key element when using E-wallet system (Akhila, 2018). Poor internet penetration and lack of know-how to use e-payment services are the issues that slow down the growth

of digital payment systems (Singh, 2017a). Once internet not accessible, the E-wallet system is unable to access and cause transaction failure. The limitation of the internet's network will hinder the usage of E-wallet system. (Thakur & Srivastava, 2014; Trivedi, 2016)

Viewing above, it can be concluded that the effectiveness and success of e-Tunai and e-Penjana e-wallet initiative could be affected by the limitation of internet's network. This is because people living in rural areas with weak internet coverage would having difficulties to access the E-wallet system. Eventually, people in rural areas will be left behind from the E-wallet system (B. S. Gupta, 2017). The government needs to strengthen internet coverage in rural areas also as Malaysia aimed to go cashless.

There is concerned about the digital payment industry in Malaysia is perceived as temporary (Bagla *et al.*, 2018). This is because the past studies have shown that the majority of consumers in Malaysia still prefer using cash (Nizam *et al.*, 2018). However, to counter such perception, the government continuously roll out initiatives for E-wallet consumers like e-Tunai Rakyat and e-Penjana in order to encourage consumer to engage in E-wallets payment. The global pandemic also influences people to develop a habit to use contactless payment.

As Malaysia aim to move toward cashless society, it is important to understand the consumers' intention in using E-wallet. The government strategies have effectively attracted great amount of users to sign up E-wallet and the government is hoping that these e-wallet users to be lasting E-wallet user in Malaysia. However, the sustainability of the user the e-wallet is questionable. There is no guarantee that these new E-wallet users will continued to use E-wallet payment after spending the incentives. Thus, the continuous intention for Malaysian to use E-wallet is important for the Malaysia economy.

Based on the literature reviewed there is no study on the sustainability of e-wallet users. This research will emphasize on uncovering the Malaysian consumers' real intention on signing up for E-wallet and identifying the factors that influences the continuous intention to use E-wallet after claiming government incentives. It is important to understand the users' involvement and intention toward the usage of E-wallet because by understanding consumer's behaviour and perception on E-wallet the government and relevant sectors can develop more effective strategies to sustain and accelerate the growth of E-wallet. The success of government e-wallet initiative should not depend wholly on the number of application received. It also should be based on sustainability of Malaysian consumer to continuously use e-wallet after exhausting the incentives. The study is vital to determine that the objectives of government e-wallet initiatives and the vision of cashless society in Malaysia are achieved

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