

Analysis of Student Interests In using Digital Wallet Services

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Abstract: This research aims to analyze the effect of perceived ease of use and perceived usefulness on student trust in digital wallet services. This research using path analysis for the analysis with the Technology Acceptance Model (TAM) approach. TAM has two factors that can influence the acceptance of the use of technology, including user perception of the usefulness of the technology and ease of use. The result shows that the contribution of the influence of perception of ease and perception of usefulness to the trust of students in digital wallet services is 57.6 percent while the remaining 42.4 percent is contributed by other variables outside this research. The easier it is to apply, the students' trust in digital wallet services will be greater as well as the perception of the use of digital wallet applications, students who use digital wallet services for payment transactions can save their time.

Keywords: perceived ease of use; perceived usefulness; trust; digital wallet

Introduction

Financial technology is the use of technology in a financial system that produces new products, services, technology and/or business models and can have an impact on monetary stability, financial system stability, and/or the efficiency, smoothness, security, and reliability of payment systems (Central Bank of Indonesia, 2017). Technology is changing the way people do financial transactions every day. Mobile payments made through digital wallets are starting to take a more prominent role in the current retail coverage (Henson, 2017). Mobile payment is not a substitute for transactions cash, but as a complement to cash. Because there are mobile devices owned by almost everyone, and this triggers the use of mobile devices as intermediaries for digital wallet (Olsen, et. Al, 2011). A digital wallet is a financial technology service that is growing very fast nowadays. In Indonesia, there are two popular financial technologies that offer digital wallet services, namely Go-pay and OVO. Recent research from the Financial Times and DailySocial in collaboration with the Financial Services Authority, shows that Gopay is the leader of the payment system in Indonesia, followed by OVO, while T-Cash which is actually a mobile payment owned by State-Owned Enterprises (SOEs) is in third position. Digital wallet allows its users to save their money in their m-wallet account as they save in the bank account, and at the time of transaction, they can simply log into their digital wallet account and pay the desired amount (MW, 2017). Digital wallet offers convenience for those who do not have a debit/credit card and mobile banking application but want to experience the convenience of online transactions. This condition often occurs in students as young people who have online shopping behavior.



Fig. 1: Most Popular Mobile Payments Service in Indonesia (FT, 2019)

Based on this, it is necessary to do a preliminary research through observation and interviews with students in order to obtain information about students' interest in utilizing one of the financial technology services, which is a digital wallet that is growing very fast today. This research analyzes the interests of students in utilizing digital wallet services using the Technology Acceptance Model (TAM) approach. TAM has two factors that can influence the acceptance of the use of technology including user perception of the usefulness of the technology and ease of use (Davis, 1989). For mobile payment research, TAM is more suitable because it can be modified according to the factors needed for the adoption of user acceptance (Shin, 2009). The Technology Acceptance Model (TAM) explains the causal relationship between beliefs (about the benefits of an information system and its ease of use) and the behavior, goals/needs, and actual use of users of an information system

(Nugroho, 2008). Therefore in this research, the role of TAM is used to explain how students can receive a new technological service, digital wallet. This research will add the trust factor as an intervening variable.

Materials and Methods

This research aims to analyze the effect of perceived ease of use and perceived usefulness on student trust in digital wallet services. Digital wallet is defined as an electronic application that is used for online transactions via smartphones, which is almost the same function as a credit or debit card. This service allows users to make non-cash transactions only with balances in their respective digital wallet accounts, online or offline. (Davis et al, 1989) in Farizi and Syaefullah (2014) defines perceived ease of use as the degree to which a person believes that the use of information systems is easy and does not require the effort of the wearer to be able to do it. While the perceived usefulness as a place where the user believes that using information technology can improve performance at work. The user's attitude toward acceptance in a new technology service has a large impact on the success of the service. The trust of certain parties towards other parties concerned in conducting transaction transactions is based on a belief that the person they trust will fulfill all their obligations properly as expected (Ariwibowo, et. al, 2013). Trust has a large influence on user adoption of mobile payment. (Lu, et. Al, 2011). This research uses path analysis, the initial step of path analysis is to design a model based on concepts and theories before making structural equations.

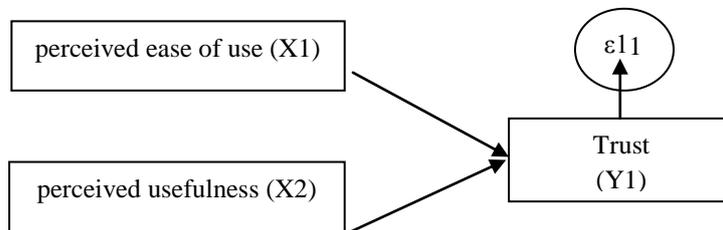


Fig 2. Structure Model Path Chart

Based on Fig. 2, a structural equation can be made for path analysis as Eqs. 1

$$Y1 = \beta_1 X1 + \beta_2 X2 + \epsilon_1 \tag{1}$$

Results and Discussion

The results of testing the effect of the ease of use and usefulness variables on trust variables are shown in Table 1.

Table 1. Variable Influence Test Results

| Model Summary | | | | |
|---------------|-------------------|----------|-------------------|----------------------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .759 ^a | .576 | .562 | 1,617968 |

a. Predictors: (Constant), ease of use, usefulness

| Coefficients ^a | | | | | | |
|---------------------------|-------------|-----------------------------|------------|---------------------------|-------|------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| | (Constant) | .639 | .993 | | .643 | .523 |
| 1 | Ease of use | .468 | .106 | .531 | 4,428 | .000 |
| | Usefulness | .263 | .110 | .287 | 2,394 | .020 |

a. Dependent Variable: trust

The results of the regression of the effect of the ease of use and usefulness variables on the trust variable are presented based on the structural equation as Eq. 2.

$$Y1 = 0,531X1 + 0,287X2 + \epsilon_1 \tag{2}$$

Calculation of standard error values as Eq.3.

$$Pe_1 = \sqrt{1 - 0,576} = 0,651. \tag{3}$$

Perceived ease of use has a positive and significant effect on trust. This is indicated by the path coefficient of 0.531 with a significance level of less than 0.1, which is 0.000. Perception of usefulness has a positive and significant effect on trust. This is indicated by the path coefficient of 0.287 with a significance level of less than 0.1, which is 0.020. The value of R Square is 0.576, this shows that the magnitude of the effect of X1 and X2 on Y1 is 57.6 percent.

Conclusion

The easier it is to apply, the students' trust in digital wallet services will be greater as well as the perception of the use of digital wallet applications. This research shows that the contribution of the influence of perception of ease and perception of usefulness to the trust of students in digital wallet services is 57.6 percent while the remaining 42.4 percent is contributed by other variables outside this research.

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Conflict of Interest

The author declares that there is no conflict of interests regarding the publication of this manuscript. In addition, the ethical issues, including plagiarism, informed consent, misconduct, data fabrication and/or falsification, double publication and/or submission, and redundancy have been completely observed by the authors.

Abbreviations

| | |
|-------------------|---|
| <i>X1</i> | perceived ease of use |
| <i>X2</i> | perceived usefulness |
| <i>Y1</i> | Trust |
| <i>R</i> | the correlation between the predicted values and the observed values of Y |
| <i>R square</i> | Coefficient determination |
| <i>Std. Error</i> | Standard error |
| <i>T</i> | Test statistic |
| <i>Sig.</i> | Statistical significance |
| <i>%</i> | Percentage |

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