



Application of The Unified Theory of Acceptance and Use of Technology Method to Analyze Factors Influencing The Use of Digital Wallets in Indonesia

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Abstract

This study aims to determine how the intention to use digital wallets is influenced by performance expectancy, effort expectancy, social influence, and enabling factors. The author selected the type of conclusive research design for this study. Descriptive research is the methodology, and a cross-sectional design is employed to collect data. Questionnaires were distributed to collect data utilizing non-probability sampling techniques, particularly judgmental sampling. One hundred responders are needed. The author measures the existing variables using an interval scale. It was discovered that performance expectancy positively influences the intention to utilize the wallet application based on the data processing outcomes. On the other hand, effort expectancy has no discernible impact on intention to use, indicating that users' intentions are unaffected by their expectations regarding the degree of difficulty associated with utilizing the application. Furthermore, it was discovered that effort expectancy positively impacts performance expectancy. It was also found that social influence variables positively impacted use intention. Facilitating conditions did not, however, appear to affect the intention to use significantly.

Keywords: Performance Expectancy, Effort Expectancy, Intention To Use, Mobile Wallet.

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1. Introduction

The development of technology and the Internet has brought significant changes to human life. One is in the way of work, where technology and the Internet have changed many jobs from manual to digital, increasing efficiency and productivity. The Internet has also changed how humans communicate through social media, email and instant messaging applications, making communication faster, easier and more efficient. The Internet also provides easy and fast access to information from various sources, helping in learning and decision-making [1]. The Internet also influences people's daily activities, such as online shopping, looking for recipes, and looking for health information, facilitating and enriching modern lifestyles. Business development has also been influenced by the Internet, with the emergence of e-commerce, digital marketing and fintech. This allows businesses to grow faster and reach a broader market. Technology has revolutionized education through e-learning and online platforms, making education more accessible and tailored to each individual's needs. Not only that, the Internet also provides various types of entertainment, such as video streaming, online games, and social media, allowing people to relax and entertain themselves without having to leave the house. With the continued development of technology and the Internet, more positive changes are hoped to bring progress in various aspects of human life [2].

With technological advances, internet access is becoming more accessible, and its uses are becoming more diverse. Everything can be done quickly thanks to the Internet, from communicating, searching for information, reading the news, and carrying out buying and selling transactions. Mobile telephone devices also make internet access more manageable for the public [3]. With the increasing use of the Internet, companies see opportunities to use it as a medium of customer communication. This encourages companies to innovate by using the Internet in various aspects of business, including financial transactions. The rapid development of technology and high adoption rates create new opportunities in financial transactions, in line with the government's vision and mission of increasing financial inclusion. One result of this development is the emergence of the financial industry known as fintech, which uses technology to improve economic activity. Fintech offers various financial products in the digital world, such as digital payment services, online loans, digital investments, and so on. Fintech

provides greater convenience and accessibility for people to carry out financial activities and encourages economic growth through more comprehensive financial inclusion [4].

The fintech industry has several segments, which include payments, lending, crowdfunding, blockchain, investment, insurtech, POS services, and comparison. One of the latest trends is the adoption of O2O (online to offline) digital wallets, where, apart from being used for digital transactions, digital wallets can also be used as a means of payment at offline merchants such as MSMEs, minimarkets and other shops [5]. This adoption has made digital wallets increasingly popular and used by the public. In Indonesia, digital wallet users have reached 190 million, 72% of the Indonesian population. The number of transactions by digital wallet users also increased significantly, from 150 million transactions in 2017 to 6 billion transactions in 2021, a significant increase. In nominal terms, transactions have also increased drastically, from around IDR 3.5 trillion per year in 2017 to IDR 165 trillion in 2021 [6]. This development shows the rapid and widespread adoption of fintech technology in Indonesia, which facilitates financial transactions and opens up new opportunities in this industry [7].

The intention to use variable gauges the user's desire to utilize the offered technology in the context of technology adoption as it relates to the unified theory of acceptance and use of technology (UTAUT). Performance expectations, effort expectations, social influence, and facilitating environments are some factors that affect the intention to use UTAUT [8]. Performance expectancy gauges how much people think that employing technology will help them accomplish particular tasks. According to UTAUT, technology adoption, associated with intention to use, is positively impacted by performance expectancy [9]. This variable is a reliable indicator of how widely technology will be adopted. Performance expectancy is deemed significant because consumers' intentions to embrace technology can be influenced by their perceptions of its advantages. Users are more likely to use technology if they think it will make it easier to complete tasks or reach their objectives. Therefore, in developing and introducing new technology, developers need to pay attention to how the technology will provide clear and significant benefits for users to increase the level of trust and user intention to use it [10].

In the digital wallet adoption factor, users have performance expectations that support daily activities. By utilizing a digital wallet, users can carry out various transactions, such as transportation payments, food shopping, online payments, and payments at merchants that accept digital payments [11]. Additional services such as transfers to bank accounts, receiving money from other users, and other bill payments also improve the performance of digital wallet applications. Consumers' ease of use of technology is gauged by effort expectation. This element encompasses the ease with which users may become familiar with and operate the digital wallet software [12]. The more user-friendly and straightforward an application is, the more likely users will adopt it. The degree to which customers believe they should embrace the technology for themselves and perceive others, such as family and friends, using it is known as social influence. Support and encouragement from people closest to a product can be a positive adoption factor. Word of mouth (WOM) from people closest to you is essential in shaping a person's attitudes and behaviour towards a product, including digital wallet adoption. By paying attention to these factors, digital wallet application developers can increase the adoption and use of their applications by providing good performance, ease of use, and social factors in the marketing and promotion of their applications [13].

"facilitating conditions" describes how customers view the tools and assistance to complete a task. In the context of digital wallet adoption, these factors include the availability of technological infrastructure that allows users to use digital wallets easily and support from related parties such as merchants and the government [14]. One of the technologies adopted in digital wallet payment systems today is the QR Code (Quick Response Code). Since the beginning of 2020, the government has required that all digital wallet applications be able to accept QRIS payments, thereby providing a level playing field among digital wallet application providers. With the similarity of the QRIS system, digital wallet application providers must offer faster and more accessible services for users. This policy can influence the speed of adoption of digital wallet technology in society. With adequate infrastructure and support, users will find it easier to adopt digital wallet technology [15] [16] [17] [18]. Therefore, digital wallet providers must continue improving their infrastructure and services to facilitate wider public adoption of this technology [19] [20][21][22] [23][24].

2. Research Methods

Research design is a framework used in conducting research projects in marketing. The author chose to use a conclusive research design because he wanted to know the relationship between variables. The method used is descriptive research, with data collection using a cross-sectional design. Data was collected by distributing questionnaires using non-probability sampling methods, incredibly judgmental sampling. The target population in this research is people aged 18–50 who know about digital wallet applications but have never made transactions using a wallet application. The number of respondents required is 100. In the research stage, the author must test the variables that will be used to determine the validity of the data that will be processed. The data processing technique used is to test the reliability of variables based on the consistency of the data obtained

from the results of questionnaires filled out by respondents. The author uses an interval scale to measure existing variables in this research.

3. Results and Discussion

The structural model test results align with earlier research findings, demonstrating a favourable relationship between performance expectancy and intention to use. This indicates that users' perceptions of performance expectations are crucial in determining whether or not they choose to utilize digital wallets. The primary function of a digital wallet, which is its capacity to process payments at different Indonesian retailers, plays a significant role in enhancing the functionality of this program. By allowing merchants who partner with a particular payment gateway to accept payments from different digital wallet applications, the use of QRIS as a payment gateway has facilitated digital payment transactions. Users of digital wallets benefit from this since it makes transactions more accessible and more effective for them. Because there is a favourable correlation between intention to use and performance expectancy, makers of digital wallet applications can concentrate more on enhancing their apps' performance to live up to user expectations. Apart from that, the increasing adoption of QRIS also provides opportunities for merchants to increase their acceptance of digital payments, which will ultimately strengthen the digital payments ecosystem in Indonesia as a whole.

In line with earlier studies that also showed comparable results, the research's findings demonstrate that effort expectancy does not affect intention to use, emphasizing the significance of variables other than ease of use in influencing consumers' intentions to use digital wallets. Even though effort expectancy does not directly affect intention to use, this does not lessen the significance of this consideration when creating digital wallet applications. Developers still have to consider elements like a user-friendly design, unambiguous usage instructions, and sufficient technical support that might make an application more straightforward to use. Although consumers can learn to get around obstacles in the way of using an application, making it more accessible will enhance the user experience and eventually lead to a greater uptake of this technology. Therefore, developers can still boost the adoption of digital wallets by focusing on features that can make the program more straightforward, even though effort expectancy has no direct impact on users' intent to use them.

The study's findings attest to the correlation between performance expectations and effort expectancy when using digital wallets. This result is consistent with earlier studies that found a positive association between these two variables. This suggests that how easily an application is for consumers to use determines how well a digital wallet they expect to function. Users often assume that an application performs well when they perceive the least amount of work involved in utilizing a digital wallet. Thus, developers must consider elements that can improve the application's usability when creating digital wallet applications. This will help improve application performance and strengthen user confidence in the application. By paying attention to important aspects such as an intuitive interface, clear usage instructions, and adequate technical support, developers can create a better user experience. Thus, users will be more inclined to use digital wallets and feel satisfied with the application's knowledge.

The results of the structure test support earlier research findings by demonstrating that social influence positively affects intention to use. This illustrates how relationships or connections with those closest to a person can influence their decision to use a digital wallet. Recommendations and positive experiences from other people can also have an impact. This phenomenon is in line with the development of digital wallet applications, which trigger a word-of-mouth (WOM) effect, where users who are satisfied with their experience using the application tend to recommend it to others. This shows that WOM can be an influential factor in influencing user adoption of digital wallets. In a marketing context, digital wallet application developers need to understand the role of social influence in their marketing strategy. By building good relationships with users, providing a positive user experience, and ensuring their apps meet user needs, they can strengthen the WOM effect and increase overall digital wallet app adoption. Thus, users will be more inclined to use digital wallets and recommend them to others.

Consistent with earlier research findings, the structural model test results demonstrate that facilitating settings have little effect on intention to use. This indicates that consumers' intentions to use digital wallets are not directly influenced by elements like the accessibility of technological gadgets (smart devices). Technical infrastructure and other elements that impact technology adoption are called enabling conditions in the context of technology adoption. The study's findings support the idea that a person's intention to embrace digital wallet technology is not significantly influenced by whether or not they have access to or the technological means to use one. These results emphasize the significance of other variables in shaping users' inclinations to utilize digital wallets, including performance expectancy, social influence, and effort expectancy. Digital wallet app developers need to consider these factors in their app development and marketing strategies to increase society's adoption of this technology. By understanding and adapting their apps to users' expectations and social influence, developers can create apps that are more engaging and relevant to potential users.

Various managerial implications need to be taken into account in an attempt to increase intention to use through the performance expectancy variable. Performance expectancy is the degree to which an individual believes that using a digital wallet will improve their performance, such as ease of transactions and saving time and money. First, digital wallets can expand services both offline and online. The expansion of offline services may include adding merchants that accept payments using digital wallets. Implementing a loyalty program can also increase user loyalty towards digital wallets. Second, to improve the performance of digital wallets in the eyes of online merchants, collaboration with third parties through application programming interfaces can be carried out. This allows service providers who require payments using digital wallets to integrate with the application. Third, in the face of the COVID-19 pandemic, which limits activities outside the home, digital wallets can collaborate with food delivery applications, investment services, online courses or marketplaces to increase usage. Additional loyalty features and mission programs can also be implemented to encourage users to make repeat purchases. By implementing these strategies, it is hoped that the performance and use of digital wallets can increase, thereby providing more excellent user benefits and increasing the competitiveness of applications in the market.

Digital wallets can take a few steps to improve the usability of applications to raise performance expectancy through effort expectancy, where effort expectancy is the degree of ease associated with customers utilizing technology. When users first use the application, could you give them a tutorial? Following this lesson, users can expedite their adaption process and better understand how to use digital wallets. Second, create an application that is easy to use. This can be accomplished by focusing on specific user interface (UI) areas and user experience (UX). For example, removing the credit feature from the start menu and including it in the payment confirmation page would reduce user confusion. Third, for the balance display, consider dividing the display into two tabs horizontally so that users can see the balance more clearly and in larger fonts, resulting in a better user experience. Fourth, the promotional banner, information and slider tabs can be combined to make it easier for users to read the information provided. By implementing these steps, it is hoped that digital wallets can increase effort and performance expectancy, thus encouraging users to be more active using the application.

Several strategies can be implemented in the context of digital wallet applications to increase intention to use through social influence. Social influence is the degree to which consumers perceive that significant others believe they should use a particular technology. One way is to use a referral code to incentivize users to share and invite others to use the digital wallet application. This referral code can benefit users who successfully request others to use the application, such as discounts or balance bonuses. This can strengthen social influence by increasing application adoption. In addition, providing the appearance that a user has saved while using a digital wallet can also be an effective strategy. This information can motivate other users to use digital wallet applications to save on expenses. In its implementation, it is essential to utilize social media and the tendency of digital wallet users to be internet citizens to strengthen further the social effect of influencing users' decisions to use digital wallet applications.

4. Conclusion

The data processing results indicated that the intention to utilize digital wallet applications is positively influenced by performance expectancy. This suggests that users' propensity to use an application is influenced by their high expectations for its performance because they see the potential financial, time, and transactional benefits. On the other hand, effort expectancy has no discernible impact on intention to use, indicating that users' intentions are unaffected by their expectations regarding the degree of difficulty associated with utilizing the application. This could be because the user believes that the application's complexity level can be taught and isn't a deciding factor. Furthermore, it was discovered that effort expectancy positively impacts performance expectancy. This demonstrates how the user's view of the application's performance is influenced by their expectations regarding the amount of work required to use it. Users' expectations of an application's performance may be impacted if they believe using it requires too much effort. It was also discovered that social influence variables positively impacted use intention. This demonstrates how a user's intention to use a digital wallet program can be influenced by those closest to them, such as friends, family, and relatives. Facilitating conditions did not, however, appear to affect the intention to use significantly. This demonstrates that the decision to use a digital wallet program is not primarily influenced by elements that make the application more accessible for users to use, such as accessibility and the availability of required capabilities.

Based on the results of this research, there are several suggestions for companies to increase their intention to use digital wallets. First, it is recommended to collaborate with various existing merchants and provide promotions and cashback to users. This can improve application performance expectations, positively impacting the intention to use. Additionally, digital wallets can offer additional services such as insurance, investment and bill payments through their applications to increase competitiveness. Second, it can expand features beyond financial services, such as chat features, to facilitate user communication. This can help digital wallets become super apps that cover various aspects of users' lives.

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