



## Analysis of The Influence Of Perceive of Benefit, Digital Security, and Perceived Ease of Use on Intention To Purchase Using the Digital Wallet Application

Donny Dharmawan<sup>1✉</sup>, Hedar Rusman<sup>2</sup>, Uli Wildan Nuryanto<sup>3</sup>, Pandu Adi Cakranegara<sup>4</sup>, Musran Munizu<sup>5</sup>

<sup>1</sup>Universitas Krisnadwipayana

<sup>2</sup>STIA Menarasiswa

<sup>3</sup>Universitas Bina Bangsa

<sup>4</sup>Universitas Presiden

<sup>5</sup>Universitas Hasanuddin

[donny28dh@gmail.com](mailto:donny28dh@gmail.com)

### Abstract

This research aims to determine how the convenience, security, benefits, and rewards of e-wallets influence consumer buying interest. This type of research is descriptive with a quantitative approach. The population in this research is all people who use e-wallets. The sampling technique employed in this study is the accidental sample method. The number of samples in this research was 100. Researchers obtained primary data from this research through interviews and questionnaire results. This research analysis uses several hypothesis tests using Partial Least Squares (PLS). Based on the research results, four dominant aspects have the potential to influence consumer purchasing interest in e-wallets. The ease of use of e-wallets, which enable transactions for various needs with just one application on a smartphone, increases consumer buying interest because it eliminates the need to carry cash, credit cards, or debit cards physically. Although the security factor is a priority, the security offered by e-wallets with security codes or pins does not yet significantly influence consumer buying interest. Financial benefits such as discounts or cashback offered by e-wallets are not the main factors influencing consumer buying interest because other factors, such as payment capacity and the amount of discounts from other non-cash payment instruments, are more significant. Rewards such as discounts and promos provided by e-wallets also do not significantly increase consumer buying interest because they are considered less critical than rewards from other non-cash payment tools.

**Keywords:** Convenience, Digital, Security, Benefits, E-Wallet.

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### 1. Introduction

The COVID-19 pandemic has significantly changed the business landscape in Jakarta and throughout Indonesia. Government policies to implement social restrictions and work from home have encouraged many businesses to adapt to more digital business models [1]. This requires community service providers to change their operations, switching from conventional business models to more online-based ones. For example, restaurants and food stalls have had to switch to delivery and take-out services to continue serving their customers [2]. They also need to increase hygiene and health protocols to ensure the safety of their customers and employees [3].

Additionally, retail stores must increase their online presence through e-commerce platforms and social media to continue selling their products [4]. They must also consider online delivery and payment options to minimize physical contact [5]. Meanwhile, the education sector is also experiencing significant changes with the switch to distance learning. Schools and colleges must provide online learning platforms and develop strategies to provide quality education [6]. Overall, the pandemic has forced many businesses to transform digitally. Those who adapt quickly to these changes will have a greater chance of surviving and growing amidst this difficult situation [7].

The COVID-19 pandemic has encouraged Indonesian society at large to switch to digital services, including the use of digital wallets or e-wallets. This increase is not only due to the ease of transactions but also to the need to reduce physical contact and the potential spread of the virus, including through cash [8]. E-wallets have increased drastically over the years in Indonesia, with more than 50% of people using digital wallets as their primary payment method [9]. This reflects changes in consumer behavior, which increasingly accepts and relies on technology in everyday life [10]. Apart from that, developments marked by globalization and technological advances have brought about significant changes in various fields, including the economy [11]. Previously solely used for communication, gadgets have evolved into multifunctional devices, shaping people's transactions and shopping habits. This change demands a more modern and efficient payment system, which is in line with current developments [12]. With technology continuing to develop, the government and companies in Indonesia

need to continue to innovate and adapt to keep up with these changes and provide the right solutions for society [13].

Digital technology has changed people's lifestyles significantly, and cell phones have become essential to every daily activity [13]. Digital financial service facilities make user activities more manageable and straightforward, creating an era of the digital economy. This digital economy results from digital transformation that affects the social and economic sectors through increased interconnectivity between work functions and increasingly sophisticated technology. We can group the digital economy into three main categories. First, on-demand services, fintech services, and e-commerce sites [14]. Among these categories, fintech has become one of the most popular digital financial service innovations [15]. Fintech, in particular, has played an essential role in digitalizing payments and other financial services in Indonesia. The government and society hope that fintech can increase public access to digital-based financial services. Based on its activities, we can categorize fintech into five categories: payments, transfers, clearing and transaction settlement, deposits, loans, and additional capital; risk management; market support; and investment management [16]. Even though the use of digital wallets continues to grow, little research focuses on the influence of digital wallets on consumer purchasing interest among millennials. In addition, this research should explore the convenience and security aspects of using digital wallets [17] [18] [19]. The busy and dynamic millennial community looks for practical solutions in transactions, and digital wallets offer services that can meet these needs [20] [21]. However, trust and security in technology use are also important factors influencing consumer buying interest [22][23].

## **2. Research Methods**

This is descriptive research with a quantitative approach. Descriptive research is a method that aims to describe or analyze the results of research but does not aim to draw broader conclusions. Researchers can conclude a population, a general area that includes objects or subjects that meet specific criteria and considerations. The population in this research is all people who use e-wallets. The sampling technique from the population in this study was carried out using the accidental sampling method, which is a sampling technique based on chance; that is, anyone who coincidentally meets the researcher can be used as a sample if the person they meet by chance is suitable as a data source. The number of samples in this research was 100. We obtained primary data from this research through interviews and questionnaire results. This research analysis uses several hypothesis tests using Partial Least Squares (PLS).

## **3. Results and Discussion**

The research results show that although there are positive indications between product or service safety and consumer purchasing interest, the influence is not strong enough to be considered significant. Several complex and varied factors can lead to the phenomenon where e-wallet security does not influence purchasing interest. First, people have different perceptions about the security level of e-wallets. Some people may feel that e-wallets are safe and secure, while others may still doubt the security risks associated with using digital technology. These varying perceptions may result in differences in the security's impact on purchase intentions. Second, security is one of the many factors that influence consumer buying interest. Other factors, such as product quality, price, brand image, and promotions, can also form buying interest. Therefore, when other factors become more dominant in purchasing decisions, the influence of security on purchase intention may decrease. Third, external factors such as public opinion, market trends, and government policies can influence the relationship between security and purchase intention. For example, highly discussed digital security issues can influence consumers' perceptions of digital wallet security and purchasing intentions. Thus, companies and e-wallet service providers must continue improving the security of their products and services and pay attention to other factors influencing consumer purchasing interest. Companies can develop more effective marketing strategies and better meet consumer needs by understanding consumer preferences and perceptions.

A person's knowledge and familiarity with digital technology can influence their purchasing interest in e-wallets. People who are more skilled in digital technology may be more confident and comfortable using e-wallets, making security a less significant factor in their purchasing decisions. However, security may be a more critical concern for people less skilled in digital technology. Apart from security, many other factors influence purchasing interest, such as price, service quality, promotions, and brand. If these factors are more dominant in influencing purchasing interest, then digital wallet security may become less significant. Previous experience using e-wallets can also influence purchasing interest. Bad experiences or poor security in prior use of e-wallets can reduce overall purchasing interest. Every individual has different preferences and needs when shopping. Some people prefer to use cash payments or other traditional methods because they are more familiar with them and feel safer.

Meanwhile, others may be more interested in using e-wallets because of their practicality. Thus, combining these various factors can lead to the phenomenon where digital wallet security does not affect people's buying interest. The influence of security on purchasing intention can vary between individuals, depending on perception, level

of technological knowledge, previous experience, consumer preferences, and other more dominant factors in shopping decisions.

It is essential to continue socializing and make people aware of the security of using e-wallets. This awareness will help to boost public confidence in this technology. Many people still hesitate to use e-wallets because they fear security risks such as fraud or data leaks. However, a proper understanding of the security technologies implemented in e-wallets can reduce these fears. People understand that transactions using digital wallets are safer and equipped with sophisticated security technology; people will feel more confident and comfortable using e-wallets as a payment method. This could also help reduce resistance to using e-wallets and open the door for more people to try this technology. Awareness about e-wallet security can also drive the adoption of this technology. People who feel confident about the security of e-wallets tend to be more motivated to use them. By having a good understanding of security, people will be better prepared to use e-wallets as a more efficient and practical payment alternative, thereby helping to encourage the growth of the non-cash payment ecosystem.

E-wallet adoption plays a vital role in increasing financial inclusion, especially among people who do not have access to the formal banking system. With awareness about security, people will feel more secure and comfortable using e-wallets to pay and store money. Understanding e-wallet security is also essential to safeguard user privacy and data. When people know how data is secured and protected, they will feel safer providing personal information in transactions. In pandemic situations or when physical security risks are higher, e-wallets can be a safer payment alternative, reducing the risk of spreading the virus through physical contact with cash or other means of payment. By making the public aware of the security of transactions using e-wallets, acceptance and adoption of this technology will increase, bringing benefits to society through efficiency, convenience, and safety in transactions. The rising use of e-wallets can also encourage digital economic growth and financial inclusion in the region. The importance of security in e-wallet transactions also creates opportunities for companies to develop more innovative and secure services. Security features such as two-factor authentication, data encryption, and fraud detection can be improved to increase consumer confidence in using e-wallets. Thus, increasing awareness about e-wallet security benefits society as a whole and the fintech industry to continue to innovate and improve their services.

The research results show that rewards positively influence consumer buying interest. However, these results show that rewards do not significantly impact consumer buying interest. Nevertheless, this could be an exciting result and raise further questions about the effectiveness of the reward strategy used by the e-wallet provider. The positive influence between rewards and consumer buying interest shows that, in general, rewards have a positive impact on buying interest. However, when this influence is insignificant, it can be caused by various factors. One of these factors is the nature of the offered reward. Perhaps the offered reward lacks sufficient appeal to sway consumers' purchasing decisions.

Furthermore, the implementation of rewards can also serve as a determining factor. Reduction in the impact on consumer buying interest can occur if the reward method is less effective or poorly structured. These results demonstrate the importance of e-wallet providers reconsidering their reward strategies. They need to understand consumer preferences and motivations in more depth to determine the most compelling and attractive rewards. Apart from that, e-wallet providers must also pay attention to how they provide rewards to increase their influence on consumer buying interest. Thus, the results of this research can be valuable input for e-wallet providers in improving marketing strategies and using rewards to increase consumer buying interest.

If the rewards offered are too small or do not provide significant consumer benefits, people may not feel compelled to use the e-wallet more actively. Remember that consumers are more likely to use a service if they see clear and significant additional value. Therefore, the rewards offered must be large enough or attractive to consumers. The bigger or more attractive the reward, the more likely consumers will feel motivated to use it in transactions. Apart from that, the relevance of rewards to consumer needs and preferences must also be considered so that consumers do not ignore them. E-wallet providers must communicate the benefits of rewards to consumers. This is important so that consumers can understand the value of the reward and feel interested in participating in the reward program. Rewards must also be achievable or obtainable by most users. If only a few consumers can enjoy rewards or find them challenging to achieve, it may decrease consumer motivation. The reward system must also be easy to use and function smoothly in every transaction. If the process of earning or using rewards is too complicated, consumers may not bother to engage in the program. Lastly, a consistent and ongoing rewards program can help build consumer loyalty and trust. Rewarding customers regularly yields greater effectiveness than rewarding them once. Thus, paying attention to these factors will increase the effectiveness of their reward programs and encourage consumers to use e-wallets for transactions.

The e-wallet market can be very competitive, and the rewards offered by one provider may not be attractive enough compared to those offered by competitors. Consumers choose based on convenience, features, and other advantages rather than rewards. Although rewards can be a deciding factor for some consumers, the convenience, features, and other benefits of e-wallets significantly impact attracting users. Consumers tend to choose those that are easy to use and provide comfort in making transactions. A fast system, intuitive use, and

support for various types of transactions are top considerations for many users. Security is essential when using e-wallets. Consumers will prefer to use one that offers a strong layer of protection to protect people's personal information and transactions. Compatibility with various stores and service providers is an essential consideration for consumers. Other users' trust in the e-wallet provider and its reputation can also impact consumer choices. Regardless of the rewards offered, consumers will choose those with a good reputation over those less trustworthy. Fee structures and transaction fees are also considerations for consumers. It could be a draw for users if it offers lower fees or greater cost transparency. Although rewards remain one way to attract consumer attention, focusing on the overall value offered, including convenience, safety, features, and other advantages that can differentiate the product from competitors, is essential. In addition, efforts to continuously improve and adapt services to user needs will also help win the competition.

Some consumers may prefer other payment methods that do not involve e-wallets so that rewards will not influence purchasing decisions. Specific payment methods are familiar and comfortable to some consumers. Even though there are rewards, people are reluctant to switch and adapt. Some stores or service providers may not accept certain payments. If consumers often make transactions in places that do not accept e-wallets, they will tend to use other payment methods that are more readily accepted. Some consumers may feel less confident about the security of e-wallets and prefer to use payment methods that they consider safe and trustworthy. Some consumers may experience technical or infrastructure challenges that make using it difficult. Some consumers may not be aware of or understand the rewards offered. When people are not aware of the benefits provided, they may not feel compelled to use the e-wallet. Some consumers may be more concerned about the costs of using e-wallets, such as transaction fees or service fees, and decide to use other, more economical payment methods. In the face of diverse consumer payment preferences, continuously improving services and offering unique added value are essential to compete with different payment methods. Increasing awareness and understanding of the rewards offered and tailoring reward programs to consumer needs can also help influence the decision to use e-wallets as a preferred payment method.

The research results show that the ease of use of e-wallets has significantly influenced consumer buying interest. This convenience includes various aspects, such as fast and straightforward transaction processes, better accessibility, and integration with other services and platforms. The ability of e-wallets to provide additional features, such as transaction bookkeeping, personal financial management, and intuitive use, also provides added value that users appreciate. For people, e-wallets are a means of payment and a solution that makes everyday life easier. In this digital era, where efficiency and convenience are priorities, e-wallets are a very relevant choice. The features provided by e-wallets allow users to make transactions quickly and easily without the hassle of carrying cash or physical credit cards. Additionally, integration with other services and platforms makes e-wallets an all-in-one solution for users' financial needs. With this convenience, consumer interest in e-wallets can increase because users feel that using e-wallets can provide added value and make their lives more accessible overall.

The research results, which show that product and service benefits do not significantly influence consumer buying interest, indicate that there is still room to improve user understanding and experience of e-wallets. Several factors that can cause users not to experience the benefits of transactions using e-wallets include a lack of acceptance and adequate infrastructure. Despite the rapid growth of e-wallets, not all merchants or businesses offer e-wallet payment options, thereby limiting users' opportunities to use them. Apart from that, limited access to technology is also an essential factor. Not all consumers have access to or can use e-wallets because they do not have a smartphone or the necessary internet connection. Lack of education and awareness about the benefits of e-wallets also influences the adoption of this technology. Some people may not fully understand how to use e-wallets or still have security concerns. Barriers to using e-wallets include reliance on cash transactions, potential transaction fees, security issues, and technical failures. We need to take a holistic approach to increase e-wallet adoption, which includes educational campaigns, infrastructure improvements, reduced transaction costs, and improved security. The more accessible and profitable it is for users to use e-wallets, the more likely consumers will experience the benefits and advantages.

#### **4. Conclusion**

Based on the research results, four dominant aspects have the potential to influence consumer buying interest in e-wallets. The ease of use of e-wallets, which enable transactions for various needs with just one application on a smartphone, increases consumer buying interest because it eliminates the need to carry cash, credit cards, or debit cards physically. Although the security factor is a priority, the security offered by e-wallets with security codes or pins does not yet significantly influence consumer buying interest. Financial benefits such as discounts or cashback offered by e-wallets are not the main factors influencing consumer buying interest because other factors, such as payment capacity and the amount of discounts from other non-cash payment instruments, are more significant. Rewards such as discounts and promotions provided by e-wallets also do not significantly increase consumer buying interest because they are considered less important compared to rewards from other

non-cash payment tools. Based on the conclusions above, the author provides several suggestions to increase consumer adoption and purchasing interest in e-wallets. Focus on ease of use by continuously improving the user experience through simple and accessible registration processes, transactions, and interface interactions. E-wallet security can be improved by investing in the latest security technology to protect consumer's personal information and transactions. Communicate the benefits of using e-wallets to consumers to attract their interest, especially ease of payment and access to exclusive offers. The development an attractive reward program for e-wallet users, such as cashback, discounts, or reward points. The continuity to evaluate and improve e-wallet performance and the impact of any changes made to ensure that it meets consumer needs and preferences. By following these suggestions, it is hoped that consumer adoption and purchasing interest in e-wallets can increase significantly.

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