



Chapter 14

A Proposed Conceptual Framework of Factors Influencing Consumer E– Wallet Adoption in Malaysia and Thailand

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ABSTRACT

The proposed conceptual framework in this research was developed by Venkatesh. The framework will extend the Unified Theory of Acceptance and Useful Technology (UTAUT) model by incorporating with other variables in order to determine the factors that influence the intention of e-wallet adoption among the consumers from the respective countries: Malaysia and Thailand. By integrating with other variables which are based on the usage of e-wallet, the research outcome will be able to provide more comprehensive and better explanations on the consumer behaviour instead of just focusing on the technology characteristics. Furthermore, this research will also compare the results between Malaysian consumers and Thai consumers in order to explain the factors of e-wallet adoption and consumer behaviour between the two countries.

DOI: 10.4018/978-1-7998-4984-1.ch014

INTRODUCTION

The recent emergence of Electronic Commerce (E-Commerce) has brought immense benefits towards the countries of the world. In 2018, the United Nations Conference on Trade and Development (UNCTAD) reported that Malaysia occupied the fifth spot among the top ten developing economies in Asia. Business to Consumer (B2C) sales contributed 6.4% of Malaysia's GDP in 2016 (Bernama, 2018) and the adoption of E-Commerce in Malaysia has increased by 51.2%. In addition, the profits gained from E-Commerce increased from RM75.0 billion in 2016 to RM85.8 billion in 2017 (ECS, 2018). Likewise, the value of Thai E-Commerce also grew by 14% in 2018, reaching around 3.2 trillion baht and the growth rate is expected to hit 20% in 2019. In 2018, the Thai E-Commerce growth rate was the highest in Asean due to changes in consumer behaviour. In 2017, the value of Thai E-Commerce was around 2.7 trillion baht, an increase from 2.5 trillion baht in 2016 and 2.24 trillion baht in 2015, respectively (Bangkok Post, 2019).

In fact, the rapid growth of E-Commerce is driving new developments and innovations in technology. For instance, the integration of cellular phones with the Internet has produced the smartphone technology. It has indirectly become an alternative device to be used by people in performing online businesses and activities through the virtual world. Furthermore, the rapid growth in the number of smartphone users and competition between businesses in the market have drawn the attention of Small Medium Enterprises (SMEs) to adopt mobile phone technologies into their organisations. Hence, Mobile Commerce (M-Commerce) has been used as part of the business transaction process in the current market trend which can boost the sales of the organisation. Generally, M-Commerce is one of the subsets of E-Commerce (Sharma, 2016) in which online transactions are performed using mobile devices which are connected to the Internet such as smartphones, laptops and tablet computers (Laudon & Traver, 2016). In order to cater to the M-Commerce trend, the electronic wallet (E-Wallet) has been introduced by attaching the payment cards or bank accounts (TheStarEw, 2019) of the user through an E-Wallet application. The application will be installed in the smartphone which allows the consumer to manage their accounts and perform various types of payments such as utility bills, tickets, and reservations. By using the E-Wallet application, the user can easily and rapidly perform transactions through their mobile phone (TheStarEw, 2019).

The E-Wallet has been newly adopted by consumers and merchants in Malaysia after the visit of Jack Ma, who is one of the founders of the Alibaba Group (Yong & Kanan, 2018). As stated by Jack Ma, they would proceed to intensify the cooperation with their Malaysian partners and he believed that Malaysia can become a cashless society. However, the adoption of E-Wallets in Malaysia is very low at only 8% (Tan, 2019) and may still not be accepted by the consumers and merchants due to limited knowledge in this area. It is also crucial for the SMEs to identify the factors that influence consumers' intention and good E-Commerce business models for the organisation to survive in the online business environment in the long term. As for Thailand, E-Wallet is also one of the new electronic money (E-Money) and only has a small number of subscribers. According to Embalzado et al. (2019), most customers from Generation Y usually use the credit card/debit card (42.9%), online banking (16.9%), and mobile banking (13.2%). In addition, the percentage of mobile wallet adoption (m-Wallet) is 11.0% and E-Wallet is 9.1%. Similar to Malaysia, the percentage of adoption for E-Wallet in Thailand is also considered very low.

In addition, the acceptance and adoption of M-Commerce and E-Wallet has been extensively studied by previous works, such as Chaveesuk et al. (2019), Chawla and Joshi (2019), Intarot and Beokhaimook (2018), Direkwuttanakunchai and Yousapronpaiboon (2017), Megadewandanu (2016), Hidayanto et

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