Factors Affecting Adoption of E-Wallet Among Students in College Community Pasir Mas, Kelantan

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***Abstact* - E-wallet is an application that enables users to use a mobile device to enhance financial transactions. It is a new trend for consumers to use an e-wallet application to replace the traditional payment method. A user does not need to bring cash or credit card while using e-wallet. It enables users to make purchases in a more convenient way. Hence, this research aims to identify the factors affecting adoption of e-wallet among students in College Community Pasir Mas, Kelantan based on Technology Acceptance Model (TAM) as a theoretical framework which are perceived usefulness (PU), perceived ease of use (PEOU) and perceived risk (PR). A total of 65 respondents participated in the study and data was analysed using Statistical Package for Social Sciences (SPSS). The results showed that perceived ease of use and perceived risk have positive significant with adoption of e wallet. However, perceived usefulness is non-significant on respondent's adoption of e-wallet. Therefore, the findings will assist marketers and policymakers to develop strategies to enhance e-wallet service and will lead to realization of a cashless society in Malaysia**

Keywords: Technology Acceptance Model, E-Wallet, TVET students

I. INTRODUCTION

The development of information and communication technology in the era of globalization has brought about major changes in today's payment system. The use of cashless transactions or cashless transactions is increasingly widespread in line with the development of the digital economy in Malaysia. One of the increasingly popular digital payment mediums is e-wallets or electronic wallets. E-wallets are digital that allow users to carry out financial transactions such as paying bills, purchasing goods and transferring money online more quickly and easily. Nowadays, users can use the smart phones for instant financial transaction or digital transaction via varies modules of smart phone applications, or namely e-Wallet [1].

E-wallets play a significant role in supporting economic growth and digital transformation. E-wallets contribute to economic development by improving payment efficiency, supporting digital commerce, increasing financial inclusion, reducing transaction costs, and promoting a more transparent and resilient financial system

Customers are increasingly using e-wallet applications in place of more conventional payment methods. When utilizing an e-wallet, a user is not need to carry cash or a credit card. It makes it easier for people to obtain goods that satisfy their needs and preferences. Many e-wallet platforms, including Touch n Go, Boost,

GrabPay, ShopeePay, Setel by Petronas, and Maybank E-Wallet (MAE), are available on the market as a result of technological advancements. Through an online banking interface, money can be sent from a bank account to an e-wallet [2].

II. PROBLEM STATEMENT

MyDIGITAL Malaysia is a government initiative aimed at transforming Malaysia into a high-income nation driven by a digital economy by 2030. The initiative focuses on the development of a digital government, digital economy, and digital society through the adoption of technology, enhancement of digital skills, and expansion of internet access to improve the country's competitiveness and overall well-being. The use of e-wallets as a cashless payment method can increase the adoption of digital payments among consumers and merchants, strengthen the digital economy, promote financial inclusion, and support the growth of e-commerce and technological innovation in Malaysia.

In line with the implementation of MyDIGITAL and the growth of Malaysia's digital economy, the use of e-wallets has been increasingly encouraged as a fast, convenient, and secure payment method. Although e-wallet adoption has grown significantly, the level of acceptance and usage among students remains inconsistent. Some students still prefer cash or card payments due to factors such as concerns about security, lack of knowledge, established usage habits, or the perception that e-wallets do not provide significant benefits.

Given the exciting advancements of e-wallets and the industry's anticipated growth in the upcoming years, it would be interesting to look at the adoption of e-wallets among young Malaysians [3]. Customers use e-wallets for a variety of reasons. When deciding whether to accept or reject a mobile wallet as a payment mechanism, consumers typically consider convenience, utility, and advantages over the current physical wallet [4].

Despite the fact that e-wallet businesses claim to be more user-friendly, consumers declined to use e-wallets because they thought it was a waste of time to install and set them up during the initial verification stage [5]. As a result, e-wallets are now a trend that marketers need to work harder to promote or appeal to both young and older adults [6]. Numerous factors impact customers' use of e-wallets.

Therefore, there is a need to investigate the factors that influence e-wallet adoption among students in order to identify the variables that most strongly affect their intention to use e-wallets. The findings of this study are expected to assist educational institutions, e-wallet service providers, and policymakers in developing more effective strategies to increase the adoption of digital payments among students while supporting the nation's digital transformation agenda.

III. RESEARCH OBJECTIVE

The objective of this study is to:

i. To determine the significant relationship between perceived usefulness and adoption of e-wallet among College Community Pasir Mas's students.

ii. To determine the significant relationship between perceived ease of use and adoption of e-wallet among College Community Pasir Mas's students.

iii. To determine the significant relationship between perceived risk and adoption of e-wallet among College Community Pasir Mas's students.

IV. LITERATURE REVIEW

2.0 Technology Acceptance Model (TAM)

Previous academics have used the technology acceptance model to examine the factors driving e-wallet uptake. This model is the most proactive hypothesis that has been used to predict and explain consumer acceptance and adoption of a new technology [7]. Davis created the Technology acceptability Model (TAM) to study customer acceptability of various new technologies [8]. TAM's primary goal is to track how external factors will impact internal beliefs, attitudes, and intentions [9]. In addition to TAM, perceived risk (PR) is

another criterion that will be used to determine customers' intentions to use e-wallets. This is to guarantee that researchers see how all the independent variables relate to the adoption of e wallet among students.

2.1 Perceived Usefulness (PU)

"Perceived usefulness," which has its roots in Davis' TAM model, is defined as the user's enhanced job performance as a result of their level of confidence in using a specific system [8]. Utilizing technology that can improve a user's task performance is a sign of usefulness from the standpoint of an online system [10]. When it comes to mobile payments, it has been found that customers' "perceived usefulness" is a critical factor that influences their decision to utilize them [11]. The results demonstrated that technology acceptance was positively impacted by perceived utility.

2.2 Perceived ease of use (PEOU)

According to [12] perceived ease of use is the belief that a new technical system may be used with ease. Meanwhile that a straightforward but comprehensive e-wallet usage guide will boost consumers' confidence in service providers and enhance their reputation [13]. In a similar vein, e-wallet operations are thought to be straightforward to understand and utilize. Positive user experience can thus be attained. Additionally, consumers will be more eager to embrace and utilize e-wallets in general. In Surakarta, Indonesia, generation Z's "perceived ease of use" of e-wallets had a major beneficial impact [14].

2.3 Perceived Risk (PR)

On the other side, customers' perceptions of the likelihood of an unfavorable event are known as perceived risk (PR). The possible losses that consumers face when buying purchases are known as perceived risk (PR) [15]. Potential losses include time wastage, poor user experience, safety issues, financial losses, and privacy violations. Customers will be reluctant to purchase products, especially expensive ones [16]. Consumers can worry that their purchases don't live up to their expectations. E-wallet users incur the risk of having their private data exposed to unauthorized parties. Consequently, users can start to worry.

2.4 Adoption of e-Wallet

Nowadays, using an e-wallet has become very common and has attracted a lot of interest from academics and researchers. Similar to physical wallets, e-wallets can be topped up by connecting credit cards, debit cards, or bank accounts to them using the mobile banking services of various financial institutions. Customers that use e-wallets to use mobile payment systems are said to be adopting e-wallets [17]. An e-wallet can be used for personal electronic transactions like online shopping and in-store transactions [18]. Research indicates that many customers favor utilizing electronic wallets due to their flexibility and ease of use [19]. Additionally, the e-wallet system benefits both buyers and sellers due to its prompt and effective service delivery. It also provides customers with quick and simple financial transactions without the need for actual cash or credit cards.

V. METHODOLOGY

3.0 Research Design

This study is quantitative because it shows how to systematically investigate phenomena using statistical analysis and data collection. A survey was used in this article since it is the best method for choosing respondents' opinions and perceptions [20].

3.1 Population and Sample

The term population refers to the total set of individuals, events, or interesting objects that the researcher wants to study [21]. The population of this study is student in College Community Pasir Mas Session II 2025/2026. The total number of populations shown in Table 1 below:

TABLE 1

THE TOTAL NUMBER OF POPULATIONS

Semester	Number of Student
One	10
Two	34
Three	6
Four	28
TOTAL	78

The researcher selected a sample using a straightforward random selection method based on the population that was chosen. According to [22], a sample of 65 students was chosen by researchers to complete the questionnaire. Table 2 below displays the total number of samples:

TABLE 2

SAMPLE OF RESPONDENTS

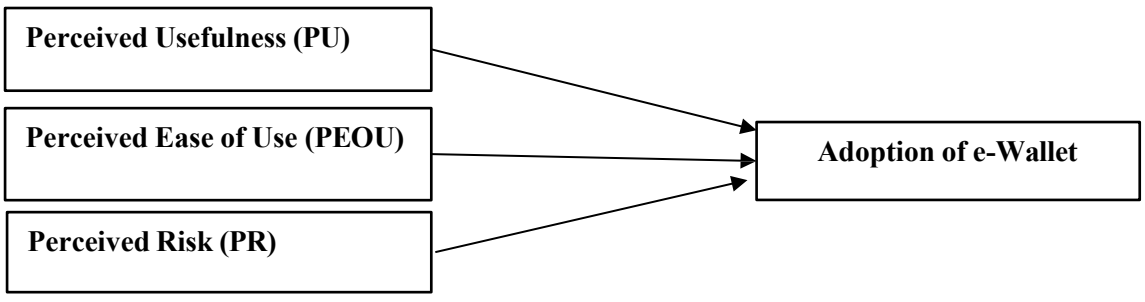
Semester	Total of students
One	11
Two	28
Three	7
Four	19
TOTAL	65

3.2 Research Instrument

The questionnaire was divided into three sections. Section A contained the respondents' "demographic profile," which included their age, gender, level of education, kind of school, and consent. Each of the independent variables—"perceived ease of use" and "perceived usefulness"—has questions in Section B that were adjusted and adapted from [23], while Section C has items for e-wallet adoption that were modified and adapted from [24]. This study used a five-point Likert-type scale, with 1 being “strongly disagree” and 5 being “strongly agree”.

FIGURE 1

THE THEORETICAL FRAMEWORK



VI. RESULT AND DISCUSSION

The results are presented in the tables that follow to give a clear understanding. The developed theories were also put to the test and summed up as follows:

Table 3 summarizes the demographic information collected for this research, with a total of 65 respondents who are students from college community in Kelantan.

Table 3

Demographic information of the respondent's

	Frequency (n)	**Percentage (%)**
Gender		
Male	18	**27.7**
Female	47	**72.3**
Race		
Malay	63	**96.9**
Chinese	-	**-**
Indian	-	**-**
Other	2	**3.1**
College Community		
Pasir Mas College Community	65	**100**
Programme		
Certificate of Business	65	**100**
Semester		
One	11	**16.9**
Two	28	**43.1**
Three	7	**10.8**
Four	19	**29.2**

The Cronbanch's alpha for each variable is displayed in Table 4. Every variable in this study had Cronbach's alpha values more than 0.7, indicating that they were all acceptable. Perceived usefulness (0.801), perceived ease of use (0.930) and perceived risk (0.892) are the independent actors with the highest Cronbach's alpha. Concurrently, the dependent variable adaptation of e-wallet has a Cronbach's alpha of 0.919. The dependability of each variable is assessed using Cronbach's alpha. As a result, Table 4 demonstrates that every independent variable is trustworthy and appropriate.

Table 4

Reliability analysis for all variables

Variables	**Cronbach's Alpha**	**Number of Item**
Perceived usefulness (PU)	0.801	5
Perceived Ease of Use (PEOU)	0.930	5
Perceived Risk (PR)	0.892	5
Adoption of e-wallet	0.919	5

The results of the coefficient analysis using SPSS are displayed in Table 5. Multiple linear regression analysis is used to show how dependent and independent variables are related. If the p-value (significant level) is less than 0.05, the hypothesis is supported. Table 5 thus demonstrates that two of the study's independent variables, perceived ease of use and perceived risk, have a significant positive relationship with students' adoption of e-wallets; the p-values for these variables are 0.001 and 0.001, respectively. However, there is no discernible correlation between students' usage of e-wallets and perceived utility. This is because the p-value is 0.261, which is greater than 0.05.

Table 5

Coefficient of All Variables

Model	**Unstandardized coefficient**		**Standardized coefficient**	**t-test**	**Significant level**
	beta	**Standard error**	**beta**		
(constant)	0.178	0.306		0.581	0.563
PU	0.111	0.098	0.101	1.135	0.261
PEOU	0.449	0.102	0.444	4.388	0.001
PR	0.398	0.088	0.419	4.536	0.001

H2 and H3 are acceptable because the p-value is less than 0.05, according to the summary in Table 6. This demonstrates that students' use of e-wallets is significantly correlated with perceived danger and simplicity of use. However, as the p-value is greater than 0.05, H1 is rejected. Therefore, there is no meaningful correlation between students' usage of e-wallets and their perception of their usefulness.

Table 6

Hypothesis Summary for All Variables

No.	**Hyphothesis**	**p-value**	**Result**
H1	There is significant relationship between Perceived Usefulness and adoption of e-wallet among College Community Pasir Mas's students	0.261	Rejected
H2	There is significant relationship between perceived ease of use and adoption of e-wallet among College Community Pasir Mas's students	0.001	Accepted
H3	There is significant relationship between perceived risk and adoption of e-wallet among College Community Pasir Mas's students	0.001	Accepted

The study's conclusions demonstrated that there was no meaningful correlation between e-wallet uptake and perceived usefulness (PU). This circumstance can arise because respondents viewed e-wallets' use as a fundamental function that is already present in the majority of digital payment apps. The primary features of e-wallets, like bill payment, money transfers, and cashless transactions, have become standard in users' daily lives. Perceived usefulness may no longer be the primary factor influencing the adoption of e-wallets since the majority of respondents, who are young and tech-savvy, may be familiar with making digital payments. As a result, consumers no longer base their judgments about utilizing e-wallets primarily on usability. Although similar studies by others have shown otherwise, the conclusion that perceived usefulness has no effect on the adoption of mobile payment systems is consistent with the finding that perceived usefulness is insignificant in predicting the intention to use an e-wallet [25].

The findings support hypothesis 2, which states that among students at College Community Pasir Mas, perceived ease of use and e-wallet use are significantly correlated. Students are more inclined to adopt e-wallets if they think the technology is easy to use. Previous studies that have demonstrated that "perceived

ease of use" is one of the factors driving e-wallet uptake support this [26]. The findings in Vietnam [27] and in Indonesia [28] are consistent with the current study in Malaysia that E-wallets are being adopted due to the convenience and ease of using cashless payment for daily activities for example like paying utilities bills, buying groceries or shopping.

Hypothesis 3, there is significant relationship between perceived risk and adoption of e-wallet among College Community Pasir Mas's students. This is confirmed by previous research, which has shown that 'perceived risk" is one of the motivators for e-wallet adoption. According to [16] suggests that consumers will assess the level of risk they may face before deciding to use an e-wallet service. If the perceived risk is low, consumers are more likely to accept and use the technology. Therefore, e-wallet service providers need to improve the level of security and data protection to reduce consumer concerns.

In conclusion, two independent variables of this research were found to have significant relationship with adoption of e-wallet. These two independent variables are perceived ease of use and perceived risk. On the other hand, perceive usefulness does not have significant relationship with adoption of e-wallet. This finding can also be explained by the characteristics of the respondents who are experienced users of digital technology. For this group, the usability of e-wallets is no longer a major issue because they have accepted the technology as part of their daily routine. Instead, they place more emphasis on a smooth user experience, the level of transaction security and incentives offered by e-wallet service providers.

VII. CONCLUSION

The research was conducted to investigate the Factors Affecting Adoption of e-Wallet Among Students In College Community Pasir Mas, Kelantan. This study is expected to contribute to future research on e-wallet adoption among students in Malaysia, particularly during the ongoing global pandemic. The findings of this study may contribute to the development of e-wallet platforms, especially those targeting the student market. The results will be beneficial to platform and online application developers, enabling them to utilize the findings to improve existing platforms or develop new platforms specifically designed to meet the needs of students. However, several limitations should be considered when conducting this study. First, the sample size is relatively small, involving only 65 participants. As a result, the findings may not accurately represent the intention to use e-wallets among the broader population of students in Malaysia.

Further research should be conducted with a larger sample of students from different regions of Malaysia. The survey should be distributed across various locations to improve the accuracy and representativeness of the data collected. Finally, this study provides a clear understanding of students' perceptions of their intention to use e-wallets. Therefore, by enhancing the usability of e-wallet platforms and highlighting their benefits to students, e-wallet service providers can encourage greater adoption and attract more users among the student population

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