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THE ADOPTION OF E-WALLET BY GENERATION Z IN KUALA LUMPUR, MALAYSIA

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Abstract

Electronic payments and usage of e-wallets is an emerging concept globally, but the growth of e-wallets is still slow in Malaysia. Generation Z is currently entering the workforce, and they will become the largest cohort of consumers using e-payments and e-wallets. However, there is a paucity of studies involving the usage of e-wallets by Generation Z in Kuala Lumpur. This study aimed to examine the determinants of Generation Z's intention in Kuala Lumpur, Malaysia, to use the e-wallet payment method. A deductive approach was more appropriate, and hypotheses were developed to examine the influence of trust, ease of use, and perceived security on the intention to use the e-wallet. In this cross-sectional study, primary data was collected. Based on the convenience sampling method, data was collected using questionnaires from ninety-two Generation Z respondents. Using SPSS tools, the data collected was further analyzed to provide descriptive statistics and inferential statistics. The findings revealed that trust and perceived security are important predictors of the intention to use the e-wallet. However, perceived ease of use was not a significant predictor of the intention to use the e-wallet. This deviation may be due to the familiarity of generation Z with the usage of smart devices for online purchasing. It can be concluded that Generation Z consumers placed a high emphasis on the trust and perceived security of using e-wallets. This study provides practical implications for marketers and web-retailers. The results will be useful for web-retailers and marketers to understand the usage of e-wallets by generation Z and develop their strategies to improve the usage of e-wallets. The main limitations were related to the generalisability of the results and the presence of common method bias. Future studies should collect data from a larger spectrum of respondents, and mixed-method research is recommended. This research was the first that examined the influence of trust, e-security, and ease of usage on the usage of e-wallets by generation Z in the Malaysian context.

Keywords: *Intention to Use, E-Wallet System, Trust, Ease Of Use, Security, Generation Z*

1.0 Introduction

The Central Bank plans to speed up the country's migration to e-payments to further accelerate the country's rate of realizing the resulting cost savings and benefits (Bank Negara Malaysia, 2020). The goal is to push the transformation of Malaysia into a high-value-added, high-income economy. The migration of Malaysia to e-payments, which also removes the use of paper-based resources such as checks and bank draughts, could theoretically save the country 1% of its Gross Domestic Product (GDP), which is around RM13 billion (Tan, 2020). However, only 67% of Malaysian individuals choose to use cashless payments over cash payments (Business Insider, 2020).

For e-money, the transaction value in 2019 increased to RM13.9 billion. The volume of transactions of 1.72 billion, based on Central Bank statistics, surpassed the RM11 billion figure reported for the whole of 2018 (Tan, 2020). The statistics showed that in Malaysia, e-payments and the use of e-wallets are an evolving phenomenon, but growth is still slow. Credit card purchases, however, were still higher at RM117.3bil in 2019 over the same period. The estimated number of users of e-wallets was approximately 15.7 million Malaysians which is about 48% of the country's population of 32.6 million (Tan, 2020). Touch 'n Go eWallet, Boost, and GrabPay are the major e-wallet players in Malaysia today. Because of the Covid-19 crisis, e-wallet use has recently seen a growing trend (Aji et al., 2020). Karim et al. (2020) suggested that in the future, the intention to use e-wallets in Malaysia is expected to increase and become a very popular source of payment for the purchase of goods and services.

Data from previous research has shown that the decision to use e-wallets for transactions has many determinants. The determinants include attitude, perceived utility, perceived ease of use, security/privacy, trust, social influence, and confidence (Nag and Gilitwala, 2019; Kustono et al., 2020). A Malaysian study by Karim et al. (2020) revealed that the significant predictors of the intention to use the e-wallet were perceived utility, perceived ease of use, and protection in the form of perceived security. The findings from previous research, however, have shown conflicting outcomes and contradictory results. Trust has been found, for example, to be a predictor of intention to use in many studies (e.g., Nag and Gilitwala, 2019; Mondego, 2018). However, a study by Singh and Srivastava (2016) revealed contradictory results and proved that trust did not play a salient role in customers' intention to purchase.

Previous studies have shown a clear correlation between social influence and the behavioural intention to use mobile systems and devices (e.g., Revathy and Balaji, 2020; Riquelme and Rios, 2010; Puschel et al., 2010). However, some other studies (e.g., Nag and Gilitwala, 2019; Singh and Sravistava, 2016) have shown that the behavioural intention to use mobile devices and e-wallets has had a low effect on social influence. Another research by Kustono et al. (2020) found that perceived usefulness had a major influence on attitude, and attitude had a significant impact on the intention to use e-wallets. Here again another study by Rantung et al. (2020) showed that perceived usefulness was not a significant predictor of the behaviour intention to use systems and devices. Some studies have shown that perceived ease of use was a positive predictor of mobile service intention (e.g., Suki and Suki, 2011; Karim et al., 2020). On the contrary, a study by Ndubisi, Jantan, and Richardson (2001) showed that perceived ease of use was not a significant predictor of the behaviour intention to use technology and systems. This demonstrates that no specific determinants of the intention to use the e-wallet are visible.

This study will therefore explore the effect of trust, ease of use, and perceived security on the behavioural intention to use e-wallets.

The term Generation Z applies to the generation of people born from 1996-2010. The advent of social media and the internet have high exposure to Generation Z people, and they have grown up in the age of the internet and social media. By 2020, Generation Z individuals will complete college, join the workforce, and become the largest customer cohort using e-payments, e-wallets, and other electronic payments (Business Insider, 2020). Generation Z grew up with social media and the internet, and often they are stereotyped as addicted to technology and social media.

Despite the emergence of Generation Z as the largest users of e-payments in the future, there is a lack of study on the variables that impact their use of e-wallets. There is a dearth of studies in Kuala Lumpur concerning the use of e-wallets for online shopping by Generation Z. This study will analyze the impact of Generation Z's trust, perceived ease of use, and perceived security on the behavioural intention to use e-wallets in Kuala Lumpur, Malaysia. This study will address the gap and add to the existing body of knowledge. From a practical perspective, the results of this study are expected to enable marketers to better understand the determinants of e-wallet use by customers of Generation Z in Malaysia.

2.0 Literature Review

2.1 Intention to Use E-wallet system

Several researchers and scholars have defined the intention to use. According to Schiffman and Kanuk (2010), behavioural intention or intention to purchase is the consumers' frequency or proportion of total purchases of a particular brand's product or service. One of the research areas which has drawn the attention of researchers is the intention to use or adoption of new technology and systems. The Technology Acceptance Model (1995), Innovation Diffusion Theory (Rogers, 1995), Theory of Expected Behavior (Ajzen, 1991), and the Unified Theory of Acceptance and Use of Technology are the models and theories related to the implementation of systems and technologies and the intention to use them (Venkatesh et al. 2003). The Planned Behavior Theory can be used to define and explain the intention to use and behaviours (Ajzen, 1991).

As explained in this theory, consumer action or behaviour is explained by his or her behavioural intentions. Behavioural intentions are affected by a person's attitude, perceived behavioural control, and subjective norms (Ajzen, 1991). Therefore, a person's behavioural intentions are factors that show how determined or strong that person is eager to try to engage or try to execute a particular behaviour (Azjen, 1991). As explained in the Theory of Planned Behavior, behaviour intention is the most prominent predictor of actual behaviour. This prediction was further supported by a study done by Armitage and Conner (2001). Armitage and Conner (2001) examined a total of 185 empirical studies and revealed that behavioural intention was a superior predictor of actual behaviour.

Several determinants that were mainly based on the Technology Acceptance Model and related to the intention to use mobile devices have been established in past studies. The determinants identified for the intention to use e-wallets and e-payments encompass perceived usefulness, perceived ease of use, security/privacy, confidence, social impact, attitude, and trustworthiness

(Nag and Gilitwala, 2019; Kustono et al., 2020; Singh and Srivastava, 2016). Studies have shown that faith and trustworthiness are good predictors of mobile device adoption (Nag and Gilitwala, 2019; Killian and Kabanda, 2017). Confidence-related protection is considered essential and studies have also shown the benefit and impact of perceived security (Singh and Shrivastava, 2016). Contradictions and inconsistent results were also noted in past studies. Revathy and Balaji's (2020) research showed that social influence had a huge effect on the intention to use. On the contrary, research by Nag and Gilitwala (2019), showed a very limited effect of social influence on the intention to use e-wallets. The aim and intention to use technology and devices have also been correlated with perceived usefulness (Kustono et al., 2020) and perceived ease of use (Singh and Srivastava, 2016).

However, different results were shown by another analysis by Rantung et al. (2020). The study showed that perceived trust and perceived ease of use were significant predictors of the intention to use an e-wallet. However, the study revealed that perceived usefulness was not a significant predictor of intention to use. The study by Revathy and Balaji (2020) also showed contradictory results whereby perceived security, social influence, and performance expectancy were positive predictors of the intention to use an e-wallet, but effort expectancy was not a significant predictor. A Malaysian study by Karim et al. (2020) revealed that perceived usefulness, perceived ease of use, and security were all significant predictors of the intention to use the e-wallet. The definitions indicate that there are no precise determinants of the intention to use the e-wallet.

2.2 Trust and Intention to Use

Trust refers to the certainty of customers that their money and personal information would not be used against their interests, according to Özkan et al. (2010). Consumers need confidence and trust that, for their profit and gain, businesses will not exploit their credit details and other personal information. Gefen (2000) described trust or confidence as the willingness of a person to make one vulnerable to the acts of a trusted party based on the feeling of trust or assurance. From the perspective of the buyer and seller relationship, trust and confidence refer to the willingness of a person to be loyal to a specific service provider based on positive expectations of the future actions of the service provider (Zhou, 2013).

The definitions indicate that trust is subjected to an individual’s assumption that the other person or party will execute a particular action that the trustor deemed is essential irrespective of the ability to monitor or control that other person. As further explained by McKnight et al. (2002), trust includes several elements. The critical element is the disposition of trust which refers to an individual's willingness to rely on others in general (McKnight et al., 2002). This indicates that due to the environment's changes and the complex nature of trust, there is no precise definition or explanation of trust (Hanafizadeh et al., 2014).

Previous studies have found that trust is a significant predictor of the adoption of technology and devices ((Killian and Kabanda, 2017; Abrazhevich, 2004). Studies have revealed that trust had the most considerable effect on the intention to use devices such as e-wallets (Kumar, Adlakaha, and Mukherjee, 2018; Zhou, 2013). Venkatesh explained that trust influences an individual's attitude towards using and adopting systems and devices (Venkatesh et al., 2011). Other studies have also pointed to the critical role of trust. According to a survey conducted by Abrazhevich (2004), consumers will not use any sort of e-wallet system if it is less trustworthy.

Therefore, the higher the level of trust is in people, the higher will be the adoption and chances of the consumers to use any e-wallet system for online shopping and transactions.
Similarly, Killian and Kabanda (2017) study revealed that trust, risk, and habitual use were the predictors of mobile and e-wallet payment systems' adoption and use. Mondego (2018) added that an understanding of consumer needs is essential to build the consumers' trust so that they can trust the e-wallet system and use it. Consumers' trust in the usage of e-wallets can be increased if the system is trustworthy, and the customers are confident to use the e-payment system (Tsiakis and Sthephanides, 2005). This means that trust encourages consumers to do online purchasing and use the e-wallet payment system as a trusted means of payment. The absence of customer trust would lead to difficulties in the adoption and gaining acceptance and usage of the e-wallet system by generation Z consumers.

Despite most studies showing a relationship between trust and intention to use, a study by Singh and Shivastava (2016) found that trust was not a predictor of the intention to adopt technology and devices. This deviation may be due to the trust being perceived as insignificant by Generation Z consumers who are technologically savvy. Based on the above review, we posit that:

H1: *Trust positively influences the intention to use e-wallets for online purchases by Generation Z consumers in Kuala Lumpur, Malaysia.*

2.3 Perceived Ease of Use and Intention to Use

To illustrate how people view the intention to use systems and technologies, the Technology Acceptance Model can be referred to (Davis, 1989). Perceived ease of use and perceived utility are predictors of the attitude to use technology, according to this model, and attitude contributes to the intention to use technology. Davis (1989) described perceived ease of use as the degree to which a person believes that it is free of effort to use technology or systems. Therefore, a scheme or system is not supposed to be too complex and easy to use (Lai, 2017). The ease of use is how quickly the device can be used and how easily it can be used how effortlessly all the procedures and processes can be executed electronically (Lai, 2017).

Past studies have shown that if the perceived ease of use is high, consumers adopt a device or technology more readily (Özkan et al., 2010; Fagan et al., 2008; Hamid et al., 2015). Studies have also found that the most significant factor affecting the intention to use e-wallets is the ease of use (Kumar, Adlakaha, and Mukherjee, 2018). The crucial position of ease of use has also been pointed out by other reports. Research by Fagan et al. (2008), for example, showed that ease of use was positively and substantially linked to the behavioural intention to use. Similarly, another study by Hamid et al. (2015) found that a positive and significant or important indicator of intention to use e-government services was perceived ease of use. Chiu and Wang (2008) also found that the intent to use web-based learning was positively linked to perceived ease of use.

The study by Suki and Suki (2011) showed that positive predictors of intention to use mobile services were perceived ease of use, perceived usefulness, and attitude. In general, most previous studies point to a positive relationship between perceived ease of use and intent to use. Research by Ndubisi, Jantan, and Richardson (2001) showed, however, that perceived ease

of use was not a major predictor of the use of technology and systems. Typically, previous experiments show that a product or service must be user-friendly. The 'perceived ease of use' principle reflects the user-friendly nature of the product and service (Bhattacharjee, 2001). User-friendly tasks and activities and a simple procedure would motivate the system to be used by customers. The same is true of the intent of using the e-wallet system (Özkan et al., 2010). Difficult and complex processes will enable customers to search for different ways to carry out a specific task (Özkan et al., 2010). In addition, consumers naturally develop perceptions about a product or service that can influence the intention to use a system or device. Based on this, we posit that:

H2: *Perceived Ease of Use positively influences the intention to use e-wallets for online purchases by Generation Z consumers in Kuala Lumpur, Malaysia.*

2.4 Perceived Security and Intention to Use

In any information or payment system, security is a vital component. Security of data has three important components, namely the alteration or any unintentional change, unauthorized access of the information, and prompt accessibility to approved users' clients on demand (Khan et al., 2017). Security refers to a collection of information source authentication protocols, processes, and computer programmes to ensure the confidentiality and integrity of information (Tsiakis & Sthephanides, 2005). There are several security mechanisms, and as stated by Tsiakis and Stephanides (2005), the components include encryption, digital signatures, and checksums algorithms.

To further improve the e-wallet system's security, the security components include systems security, transaction security, and legal security. All these three components are deemed important to increase the perceived security related to the adoption of an e-wallet (Tsiakis and Sthephanides, 2005). Perceived security has been referred to by consumers and users as their perception of potential or expected security threats that are associated with the system or device such as an e-wallet (Suh et al., 2015; Belanche-Gracia et al., 2015; Yang et al., 2015). Therefore, to improve the adoption of a system or device, the perceived security of personal data and information is crucial for successfully adopting and using a system.

Past studies have shown that security and privacy play a critical role in the adoption of e-services and e-payments (Casaló et al., 2007; Hanafizadeh et al., 2014). Past studies have revealed that perceived security is a critical precedent of trust (Libaque-Sáenz et al., 2016). In the initial phase of the adoption and intention to use systems and technology, security and privacy play a critical role (Centeno, 2004; Shih and Fang, 2006). The perception of security will affect the consumers' attitude towards the adoption of systems and technology (Cheng et al., 2006). High levels of perceived security motivate consumers to increase their intention to use or adopt systems (Bhattacherjee and Barfar, 2011).

Similarly, Devaraj et al. (2002) also highlighted that consumers adopt and use systems such as e-payments if they perceived a high level of security, usefulness, ease of use, and efficiency. On the other hand, low perception and the lack of security will lead to a lower level of trust in the adoption of systems and technology (Chen, 2012). Any breach of security will affect the trust and adoption of the e-wallet system. Therefore organizations need to always focus on

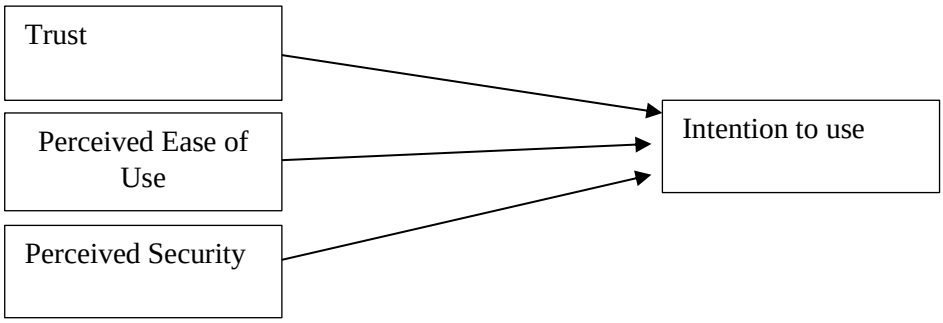
security and privacy concerns related to the adoption of systems such as internet banking (Pikkarainen et al., 2004). Any breach of security will affect the trust and adoption of the e-wallet system. Organizations need to always focus on security and privacy concerns related to the adoption of systems such as internet banking (Pikkarainen et al., 2004). Perceived security should not be given lower attention levels as it plays a critical role in the successful adoption of systems and technology that include e-commerce (Hanafizadeh et al., 2014).

However, some studies have found contradictory results where ease of use was not a predictor of intention to use (Islam, Kim Cheng Low and Hasan, 2013; Kumar, Adlakaha, and Mukherjee, 2018). The study by Kumar, Adlakaha, and Mukherjee (2018) revealed that perceived security was not a significant determinant of customer satisfaction. Customer satisfaction is expected to influence customers' intention to use devices such as e-wallets. Based on the above review, we posited that:

H3: *Perceived security positively influences the intention to use e-wallets for online purchases by Generation Z consumers in Kuala Lumpur, Malaysia.*

The following research framework was developed for this study (Figure 1):

Figure 1: The Research Framework



3.0 Methodology

3.1 Research Design

This was classified as basic research to add further knowledge to the existing knowledge base (Sekaran and Bougie, 2010). Based on the problem statement that was identified, the hypothesis was developed for further empirical testing. Based on the assumptions about the development of knowledge, a positivist research philosophy was appropriate for this study (Saunders et al., 2016). A deductive approach was more appropriate for this study. The methodological choice was a mono method, and, in this study, a quantitative approach was more appropriate to collect numerical data from a sizeable population. For the time horizon, this study was classified as a cross-sectional study. The target population was Generation Z consumers, and the non-probability sampling method was used to collect primary data from a sample of the target population (Pandey and Pandey, 2015). The researcher distributed the structured and self-administered questionnaires electronically and by hand to the qualified respondents. Multiple regression testing was done to test the hypothesis and present the results.

3.2 Target Population, Sampling, and Data Collection

In this study, the sampling method, which was used was non-probability sampling. Convenience sampling and snowball sampling were more appropriate as there was no readily available listing of generation Z sampling elements. For this study, the target population was Generation Z consumers in Kuala Lumpur, Malaysia. The sample size was determined by using the formula by Tabachick and Fidell (2013). Based on the formula, the sample size should be above 82 respondents. The questionnaires were sent electronically to a total of 120 target audiences. Follow-up was done, and after a lapse of three months, there were 95 respondents. Three questionnaires were removed after editing due mainly to outliers. Finally, 92 good questionnaires were used for further analysis.

3.3 Instrumentation/Questionnaire

For this research, a self-administered questionnaire was chosen because it is convenient, not expensive, and there is greater anonymity. The inclusion criteria were spelt out, and the questionnaires were completed by the respondents, which are Generation Z consumers. The questionnaires were distributed electronically. The questionnaire was divided into two parts. The first part was to gather data on the respondent's demographic characteristics such as age, gender, and educational background. The second part of the questionnaire focused on the independent and dependent variables that were examined in the survey. A five-point Likert scale was used to measure the attitudes of respondents directly. The five-point Likert scale allowed the respondents to express how much they agree or disagree with a particular statement on a continuum from strongly disagree to strongly agree. (Saunders et al., 2016). The questions for intention to use an E-wallet system were adapted from a study by Junadi (2015). For the trust construct, the questions were adapted from Hidayanto et al. (2015). For the construct perceived ease of use, the questions were adapted from a study by Agrawal and Bansal (2018). The questions were adapted from a study by Hidayanto et al. (2015) for perceived security.

3.4 Data processing and Analysis

After the completion of data collection, data coding and editing were done. There was no missing data, and the data was transferred to the SPSS system. Descriptive statistics were generated, and a feel of data was undertaken through a visual summary by checking the frequency, central tendency, and data dispersion (Sekaran and Bougie, 2010). Outliers were checked, and based on the checking, it was decided that none of the questionnaires was to be removed. To show the respondents' profiles, demographic information, including a graphical presentation, was generated. Reliability testing was done to check for the consistency of data. The reliability testing for data distribution was based on the value of Cronbach's Alpha. Multiple regression testing was done to find out the results of the hypothesis that were developed for this study.

4.0 Results

4.1 Demographic Profiles of the Respondents

The gender distribution of the respondents showed that there were 48 males (52%) and 44 females (48%). These statistics show that most of the respondents were relatively evenly distributed in this survey. As the study only focuses on generation Z only respondents, the

generation Z was between 18 and 24. Based on marital status, most of the respondents were single (84.8%), and only 14 respondents were married (15.2%). In this research, 29 respondents use e-wallets at least once a day (31.5%); 40 respondents use e-wallets at least once a week (43.5%). The remaining 17 respondents use it at least once a month (18.5%), and six respondents use it rarely (6.5%). The device which is used most frequently to execute online purchases was mobile devices. A total of 51.2% of respondents use mobile devices, 20.6% of respondents use laptops and personal computers, 23.1% of respondents use tablets, and the remaining respondents use other devices.

4.2 Reliability Testing

Based on the data collected, the reliability test is the first test done to determine consistency in the distribution of data. The data distribution was analyzed using the SPSS software, where the Cronbach Alpha value was generated for each variable. This value shows the reliability of the data collected (Zikmund et al., 2013). For the variables to be reliable, the Cronbach Alpha value needs to be at least 0.7 or higher (Osadebe, 2015). In this study, the Cronbach alpha values were above 0.7, which confirmed the reliability of the data.

Variables of the study	Cronbach's Alpha
Intention to use E-wallet System	0.847
Trust	0.775
Ease of Use	0.787
Security	0.796

Table 1: Reliability Testing

4.3 Normality Testing

According to (Hair et al., 2015), it is essential to conduct normality tests on all the variables before carrying out correlation and multiple regression tests. The normality test was based on the skewness and kurtosis of data distribution. The skewness and kurtosis were checked for the variables, namely intention to use, trust, perceived ease of use, and perceived security. According to Kim (2013), data distribution's normality is achieved when skewness is between -2 and +2. Therefore, the data in this study were normally distributed.

Variable	**Skewness**	**Kurtosis**
Intention to use E-wallet system	-0.190	.977
Trust	0.410	-0.739
Ease of Use	-1.733	1.909
Security	-0.748	.258

Table 2: Kurtosis and Skewness

4.4 Pearson Correlation Test

Pearson Correlation was done to find out the direction and strength of the relationship between the variables. The correlation between the independent variables and the dependent variable was noted. The significance can be determined based on the numerical values, which can be

either positive or negative (Kossowski and Hauke, 2012). According to Hair et al. (2015), the correlation value should be in the range of -1.0 and +1.0. The value +1.0 means perfect positive correlation, whereas -1.0 means strong negative correlation. The test shows the correlation between all the independent variables, and the dependent variable was positive and significant. Trust showed the highest correlation with the intention to use, followed by perceived security.

Correlations

		Intention	Trust	PCEU	Security
Intention to use	Pearson Correlation	1			
Trust	Pearson Correlation	.657**	1		
PCEU	Pearson Correlation	.226*	.499**	1	
Perceived Security	Pearson Correlation	.610**	.176	.323**	1

Table 3: Pearson Correlation Coefficient

4.5 Multiple Regression Test and Model Fit Summary

In this study, the R square value for independent variables of 0.564 means that the predictors explained 56.4.% of the variance that occurs in the dependent variable in this study (Field, 2009). In the ANOVA table, the F-test value is 37.999, and the significance value associated with the F-value is small (Sig < 0.05). These statistics show that the predictors in the model had a significant effect on the intention to purchase (Field, 2009).

Multiple R	.751
Coefficient of Determination (R Square)	.564
Adjusted R square	.549
F Value	37.999
Sig	.000

Table 4: Model Fit Summary

The significance value and the direction of the relationship will decide whether the hypothesis should be accepted or rejected. If the p-value is less than 0.05, then the hypothesis will be accepted, and if the p-value is more than 0.05, the hypothesis will be rejected. Only two variables, namely trust and perceived security, showed a positive and significant relationship with intention to use. Trust and perceived security had t-values exceeding 1.96, and the p-value is lower than 0.05. These statistics indicate a significant relationship between the two independent variables on the dependent variable (Field, 2009). Therefore, hypotheses H1 and H3 were accepted. However, the coefficient value for perceived ease of use was negative. Therefore, hypothesis H2 was rejected.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-7.172	2.048		-3.502	.001
Trust	1.076	.122	.718	8.839	.000
Ease of Use	-.272	.092	-.250	-2.960	.004
Security	.348	.071	.364	4.896	.000

Table 5: Coefficients

5.0 Findings and Discussion

5.1 Summary of Results

This study's objective was to empirically test the influence of key predictors of intention to use e-wallets by generation Z consumers. The reliability of data and normality of data distribution was not violated. The results showed that trust and perceived security were the key predictors of intention to use the e-wallet. Surprisingly, ease of use was not a significant contributor to the intention to use the e-wallet. Overall, the predictors in this study contributed substantially around 56% of the variance in the intention to use e-wallets by generation Z. This shows the model was quite good in predicting the intention to use e-wallets by generation Z consumers. This finding further shows that generation Z are inclined to use e-wallet based on trust and perceived security.

5.2 Discussion

The first hypothesis of this study was to find out in Kuala Lumpur, Malaysia, the relationship between confidence and intention to use e-wallets for online transactions by Generation Z customers. This research showed that it supported and accepted the hypothesis. There is a significant and essential relationship between confidence and the intention of Generation Z in Kuala Lumpur, Malaysia, to use the e-wallet system. Moreover, confidence was the best predictor of the intention of generation Z customers to use e-wallets. The results of this study are consistent with findings from previous studies (Mondego, 2018; Killian and Kabanda, 2017). The results confirmed that the higher the level of trust in the usage of e-wallets, the higher would be the adoption and intention to use the e-wallet system for online shopping and transactions by generation Z consumers. Therefore, understanding generation Z consumers' needs are critical to building trust in the e-wallet system. This finding means that trust further encourages generation Z consumers to do online purchasing and use the e-wallet payment system as a trusted means of payment. On the contrary, an absence of customer trust would lead to difficulties in adopting and gaining acceptance and usage of the e-wallet system by generation Z consumers.

The second hypothesis was to investigate whether the perceived ease of use affects the intention of Generation Z consumers in Kuala Lumpur, Malaysia, to use e-wallets for online transactions. The results of this research showed that ease of use was not positively linked to the intention of generation Z customers in Kuala Lumpur, Malaysia, to use the E-wallet system. As ease of use is an important indicator of intention to implement systems and technologies, this result deviated from expectation (Özkan et al., 2010; Fagan et al., 2008; Hamid et al., 2015). The results deviated from the constructs and descriptions given in the Technology Acceptance Model by Davis (1989) (TAM). According to the Technology Acceptance Model, perceived

ease of use was expected to influence attitude to use technology positively, and attitude leads to users' intention to use technology. Some past studies have also revealed that ease of use is not a significant predictor of intention to use systems or technology (Ndubisi, Jantan, and Richardson, (2001). There can be several explanations for this study. One fundamental explanation is that the respondents in this study were generation Z consumers. This generation is technology savvy, and they have been raised on the internet and social media (Busines Insider, 2020). Generation Z customers are also different from older generations because they are the first customers who grew up entirely in the digital age and were exposed to new technologies and social media. They are tech-savvy and mobile-first, and the way they spend their time online has high standards. Therefore, in their implementation of applications such as e-wallets, ease of use is no longer a concern. In human or manual contact, they tend or prefer to use technology and systems (Kasasa, 2019).

The third hypothesis was to examine whether perceived security influences the intention to use e-wallets for online purchases by Generation Z consumers in Kuala Lumpur, Malaysia. In this study, it was also found that perceived security had a positive and significant impact on the adoption of e-wallets by generation Z consumers. The findings are consistent with past research findings that also found a positive relationship between perceived security and intention to use systems and technology (Casaló et al., 2007; Hanafizadeh et al., 2014; Libaque-Sáenz et al., 2016). Past studies have revealed that perceived security and privacy play a critical role in adopting e-services and e-payments. Past studies have consistently shown that perceived security is a crucial precedent of trust, and consumers' perception of security will affect their attitude towards the adoption of systems and technology. Therefore, higher levels of perceived security will motivate generation Z consumers to increase their intention to use or adopt systems that include the e-wallet system. Generation Z consumers will reject the use of e-wallets if they perceive low security. This study provides further evidence that perceived security should be given higher levels of attention as it plays a critical role in the successful adoption of e-wallets by generation Z consumers.

The study also found that trust had a higher impact on Generation Z customers' intention to use mobile wallets. This demonstrated that trust is a highly significant concern for customers using e-wallets. Generation Z consumers will not adopt the e-wallet system if it is less trustworthy. Therefore, the higher the level of trust is in people, the higher will be the adoption and chances of Generation Z consumers to use any e-wallet system for online shopping and transactions. However, it must be noted that there is an association between security and trust in electronic systems and devices. As Normalini, Ramayah, and Shabbir (2019) explained, the existence of a higher level of security will lead to a higher level of trust the consumers have in a system or device. Occurrences of security breaches such as privacy invasion can damage the trust customers have in a system or device.

5.3 Contribution and Implications

This study provided some valuable contributions to the issuers of e-wallets for online purchasing in Malaysia. Past studies have revealed some of the key determinants of the intention to use e-wallets. Generation Z is now coming into the workforce. Generation Z consumers will become the largest cohort of consumers using e-payments, e-wallets, and other electronic payments. This generation grew up with the internet and social media. This study was one of the first to examine the determinants of the intention to use e-wallets by Generation Z consumers. In this study, it was found that trust is the critical predictor of intention to use e-wallets by generation Z consumers. In addition, perceived security was also found as a significant predictor of intention to use the e-wallet. Therefore, the finding can be valuable to

issuers of e-wallets and online retailers. The study highlighted the role and importance of trust and perceived security to improve the usage of e-wallets.

These findings provide some critical managerial and theoretical implications. From the perspective of managerial implications, e-retailers, marketers, and policymakers should get a better understanding of the role of trust and perceived security in the adoption and success of e-wallets among generation Z consumers. Retailers, marketers and advertisers must remember that in the future of online sales and retail, generation Z will soon become the most central and decisive generation, and many will have tremendous purchasing power in the future as they enter the workforce. Therefore, retailers, advertisers and marketers need to understand their needs. Marketers, advertisers and retailers may have spent the last decade focusing on the needs and interests of millennials. It is now critical for them to understand the needs and ensure that they meet the generation Z digital expectations. Based on this study's findings, greater trust and perceived security can lead to an increase in the adoption of e-wallets by generation Z. Therefore, retailers and marketers should start taking initiatives to invest in the trust and security of e-wallets systems.

Other than the practical implications, there are also theoretical and academic implications. This study aimed to fill in the current state of knowledge gap by examining the determinants of intention to use e-wallets by generation Z consumers in Kuala Lumpur. This study's findings contributed to the existing body of literature by examining the determinants of the intention to use e-wallets by generation Z customers. The results confirmed that trust and perceived security leads generation Z consumers to adopt or use the e-wallet. The findings also showed that ease of use is not one of the key determinants of intention to use e-wallets by generation Z consumers.

5.4 Limitations of Research and Future Research

There are some limitations of this study that can lead to suggestions for future studies. Firstly, in this study, data was collected through a single method of collection and self-administered questionnaires. Steps were taken to ensure honest responses, but this is still not adequate in addressing common method variance. Therefore, future studies can employ a mixed-method or multi-method approach. Secondly, this cross-sectional study collected data from generation Z consumers in Kuala Lumpur only. Therefore, the generalizability of the findings of this research may be limited. In addition, the impact of gender and other categorical variables were not considered. It is recommended that future studies consider expanding the study to a broader population and consider the influence of categorical variables. For instance, gender may be considered as a moderator between the variables in future studies. Lastly, there were only three predictors of the dependent variable in this study. Future studies should include additional variables to find out their impact on the intention to use e-wallets.

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