

# Determinants of Behavioral Intention To Use Digital Wallet (A Study in GoPay Users in Malang)

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## ABSTRACT

The use of cellular technology provides an opportunity to apply technology in modifying consumer behavior. The purpose of this analysis is to understand digital literacy and technology experience which contribute to behavioral intentions to use digital wallet. This study aims to develop a framework outside the technology acceptance model (TAM). We hypothesize that digital literacy and technology experience have effect to behavioral intention. The sample used to be GoPay users in Malang. This study uses the Partial Least Square Structural Equation Modeling (PLS-SEM) to test causality in the proposed model. These identified factors require to be substantiated in this context.

**Keywords**—digital wallet, digital literacy, technology experience, TAM, behavioral intention

## 1. INTRODUCTION

The emerging technologies in the 4.0 industrial revolution have rapidly transformed the way individuals live and work. Financial technology (fintech) is a new innovation, combining financial services with modern technology [1]. Digital banking includes internet banking, mobile banking, SMS banking and digital wallets which are operating in the country [2]. The National Digital Research Center (NDRC) states that financial technology is a new innovation combined between financial services and modern technology [1].

Mobile payment services are increasingly popular and competition in digital wallets (e-wallet) is getting tougher. Many choices of e-wallet applications that can be used without using a card in the transaction. Local e-wallet applications become famous for cashless solutions in Indonesia. The amount of digital wallet transactions in Indonesia is quite large, which is around to USD 1.5 billion in 2018 and in 2023 are predicted to increase to USD 25 billion [3].

Davis's research projects the TAM model and suggests that user impulse can be explained by 3 factors, namely perceived usefulness, perceived ease of use, and attitude towards [4]. [5] suggested that perceived ease of use has a positive impact on perceived usefulness. According to [6] perceived ease of use has a relationship on behavioural intention with the use of technology. According to [7], the more people see this technology as easily operated, they will have a positive intention to purchase.

Digital literacy has been appearing in almost every aspect of our daily lives [8]. Behavioral intention to use technology can be predicted from digital literacy [9]. Findings from SEM

technique revealed technology attitude and technology experience to be significant predictors of rule intentions [10]. Technology experience describes the amount of exposure that user has obtained by the interaction of a particular technology [11]. [12] found that individual technology experience to determine usage intentions. Similar results were obtained by [13] as well as [14].

## 2. LITERATURE REVIEW

### 2.1. Technology Acceptance Model

According to [15], Technology Acceptance Model (TAM) is recommended by users offered to use the new system, which determines the factors that determine how and when to use the system. [16] revealed that TAM discusses psychological theories to explain information technology users based on user beliefs, attitudes, interests, and relationships. According to [17], TAM appeared, there was a theory known as Reasoned Action (TRA) Theory developed by [18].

### 2.2. Digital Literacy

Digital literacy has been appearing in almost every aspect of our daily lives [8]. [19] explains digital literacy as a set of fundamental skills needed for working with digital media, information processing, and retrieval. [20] describes as the ability to utilize information and communication technology in finding, organizing, creating, and communicating information that have need technical and cognitive skills.

Digital literacy in British Futurelab’s handbook [21] declares that digitally literate means the ability to practice various and cultural resources that can be applied to digital devices. Digital literacy is the ability to make and share meaning in different modes and formats. It is to create, collaborate, and communicate more effectively and to understand how and when digital technologies can be used to hold these processes. [22] posits that if someone has the technical ability and operational competence in using technology in daily activities and for learning then he/she is considered digitally literate.

**2.3. Technology Experience**

Technology experience also plays the important role with acceptance of technology [23]. An individual’s technology experience is individual’s vulnerability to the technology as well as the abilities and skills using a technology [24]. Copious experiences with technology are likely to generate a high belief of self-efficacy [25].

**2.4. Attitude**

Attitude is not a behavior, but attitude presents a preparedness for actions that lead to behavior [16]. Attitude is a tendency to react to a thing, person or object with likes, dislikes or indifferent [26]. [27] states that attitude assessment is a complex activity because it is associated with values that are difficult to measure. It is an individual’s overall affective reaction to using a arrangement [28],[29]. [30] state that attitude is a description that reflects the consistency of someone’s likes or dislikes for an object.

**2.5. Behavioral Intention**

According to [31], behavioral intention is buyers frequency or proportion of total purchases who are loyal to a specific brand. It is a measure or level of intensity of an individual’s intention to take a specific action [18]. It can be measure from perceived expectancy, effort expectancy, perceived risk, social influence, price, and trust [32], [33],[34]. This concept is refers to the possibility of customers repurchases to the company services they have used, or spreading good information about the company to others [35],[36]. This action results from customer satisfaction [37]. On the contrary, dissatisfaction customers bring about negative effect on behavioral intention [38]. Several studies [39], found that the value of experience encourages positive behavior intention, the integration of constructing experiences will influence positive behavior intention. Research evidence from [40],[41],[42],[43] reveal the construct to be antedeced of behavioral intention; an assertion earlier disputed by [44].

**3. RESEARCH HYPOTHESIS**

**3.1. Relationship Digital Literacy and Behavioral Intention**

Results of research conducted by [9] and [45] shows that digital literacy influences behavioral intention. From the literature, it has a significant relationship with the adoption of new technologies [46].

**3.2. Relationship Technology Experience and Behavioral Intention**

Research conducted by [10] shows that technology attitude and technology experience are the main determining factors in behavioral intention. [12] found that individual computer technology experience to determine user intentions. Similar results were obtained from [13],[14].

**3.3. Relationship Digital Literacy, Attitude, and Behavioral Intention**

[45] identified several things that affect behavioral intention, namely digital literacy and attitude toward using digital technology. [47] also states that the matter of digital literacy assessment is not only related to the functional problem of learning how to use a computer and keyboard, or how to do an online search. [48] show that attitude is an important factor that influences behavioral intention in technology acceptance. Based on previous studies as previously described, a propose a theoretical framework that integrates the digital literacy, technology experience, attitude, and behavioral intention in figure 1.

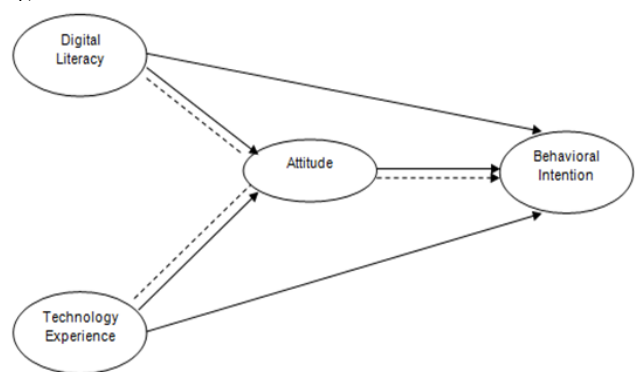


Fig 1. Proposed Theoretical Framework

**4. METHODOLOGY**

This study use non-probability sampling with a purposive sampling approach. The population is GoPay users in Malang. Sample of this study is GoPay users in Malang who have met

the predetermined criteria including respondents aged 17-50 years, have a GoPay application, and have transacted using GoPay more than twice. Determination of the number of research respondents is based on the rule of thumb stated by [49]. The measurement scale uses a Likert Scale. The questionnaire will be analyzed using Structural Equation Modeling with the help of SmartPLS Applications 3.0.

## 5. CONCLUSION

The relationship of digital literacy and technology experience to bahavioral intention only proposed a theoretical model. Empirical investigations are also needed to verify the effects of digital literacy and technology experience to behavioural intention. Future qualitative or quantative studies and another sampling technique might reveal some further insights. For futher studies need detailed treatment of the relationships every constructs.

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