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Factors Influencing Use of Digital Wallet Among Youths

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Abstract

This research is conducted to study the factors influencing use of digital wallets among youth. The study used primary data which derived from questionnaires from the sample of 150 young adults. The purpose of this study is to identify the variables that affect E-wallet usage, to ascertain the correlation between independent and dependent variables, and to pinpoint the most crucial variable that affects E-wallet usage among students. Data analysis was done using the Statistical Package for Society Science (SPSS). Descriptive analysis and regression analysis were the three primary analyses carried out. The findings of this study demonstrated ease of use, security, and perceived risk influence youth intention to use digital wallet. Digital wallet services may draw and keep youthful consumers, increasing adoption rates, by providing a simple and hassle-free user experience. Additionally, promoting the robust security measures used by providers of digital wallets can have a big impact on how many users choose to use them.

Keywords: E-wallet, influencing use of digital wallet among youth and young adults, ease of use, security, perceived risk, user satisfaction

1. Introduction

The digital revolution has profoundly impacted the financial landscape, with digital wallets emerging as a transformative force in facilitating secure and convenient financial transactions. Digital wallets, also known as e-wallets, enable users to store payment information, conduct online and offline transactions, and manage finances through their smartphones and other digital devices. The rising popularity of digital wallets can be attributed to the growing penetration of smartphones, increased internet access, and a preference for cashless transactions among consumers (Smith, J. K., Johnson, L. M., & Tan, R., 2022). While numerous studies have examined the adoption of digital wallets, there remains a gap in understanding the factors that specifically influence this phenomenon among university students in Malaysia. Given the unique characteristics and needs of the youth demographic, particularly in an academic setting, exploring the determinants of e-wallet adoption can offer deeper insights into their financial behaviours and preferences. (Lim, Tan, & Abdullah, 2023). A cashless society is emerging throughout the world. Mobile payments are rapidly advancing in nations like China and India. The market for mobile wallets is widely adopted in these nations. Malaysia continues to lag behind these nations. According to the United Nations Statistics Division, 65.4% of customers between the ages of 15 and 64 still use actual currency throughout Malaysia. This demonstrates that the most popular payment methods at the moment are cash, cards, In Malaysia, you can use checks and internet banking (Andrew et al., 2019).

1.1 Research Background

Youth and young adults all across the world are using digital wallets more and more. Traditional payment methods like cash and credit cards can be replaced by digital wallets, which are practical, safe, and simple to use. Young adults are the group most prone to accept new technologies, and the use of digital wallets is no exception. To determine the elements impacting young people's use of digital wallets, several research studies have been carried out. The research has concentrated on identifying the individual and technological aspects that influence the adoption of digital wallets. (Humbani & Wiese, 2018). Digital wallets have become much more popular among youth and young adults in recent years because of their convenience and security characteristics. Despite these advantages, not all young people have embraced digital wallets. Therefore, it is essential to comprehend the factors that affect young people's use of digital wallets. The goal of this study is to identify the personal and technological elements that impact teenagers and young adults' usage of digital wallets and to investigate how these factors affect these individuals' decisions to embrace digital wallets. Insights from the research are intended to help youth and young adults create and use digital wallets. (Smith, A. B., Johnson, L. K., & Tan, R., 2023).

This research is confined to the university student population at University Utara Malaysia (UUM), focusing on youth and young adults aged between 18 and 30 years. The study exclusively investigates the adoption of digital wallets and the factors that influence students' decisions to embrace e-wallets for their financial transactions. This study is important to know the way consumers use financial services and make payments has the potential to change thanks to digital wallets. The study can aid in the development of a more accessible and inclusive financial system that benefits all citizens of society by gaining better knowledge of the variables that affect young adults' use of digital wallets.

2. Literature Review

2.1 Use of Digital wallet

A digital wallet, commonly referred to as an e-wallet, is a virtual application that empowers users to securely store, manage, and conduct financial transactions using credit/debit cards, bank accounts, loyalty cards, and other payment methods. According to Mastor (2021), "cashless" refers to the exchange of funds through methods like cheques, debit/credit cards, or electronic means, replacing the use of physical cash. An e-wallet, on the other hand, is a digital device, internet service, or software application that allows parties to conduct electronic transactions by exchanging digital currency units for products and services The use of digital wallets has resulted in an important change in financial management and transactional habits in modern society. The widespread adoption of smartphones and online platforms has facilitated the seamless integration of these virtual payment solutions, offering unparalleled convenience and fortified security measures. The ability to securely store sensitive financial information, enables consumers to make quick and easy purchases of items and services, both online and offline. Furthermore, the user-friendly interfaces, combined with features like transaction history tracking and loyalty program integration, have positioned digital wallets as an essential tool for technologically adept consumers, encouraging a growing cashless culture and forming a transformative shift in the financial transaction landscape.

2.2 User/Consumer Satisfaction, Customer Satisfaction and Digital Wallet

In general, satisfaction is defined as someone's perception of dissatisfaction or pleasure by comparing the perceived performance of a product against their expectations (Fainusa, Nurcahyo & Dachyar, 2019). In terms of product, user and customer satisfaction are commonly used for studies. A user is someone who use a product, machine, or service; and a customer is a person who buys goods or a service (Cambridge Dictionary). Based on these definitions, definitely there is a difference between these two words. In a nutshell, a user surely uses the product, while the customer uncertainty whether he/she will use the product or not. However, based on the review of previous studies, these two words seem to be used interchangeably in the studies (Budiarani, Maulidan, Setianto & Widayanti, 2021; Muhtasim, Tan, Hasan, Pavel, and Susmit, 2022: Chalik and Faturohman, 2022). Instate of customer, user or consumer is a more appropriate word to be used for studies relating to the usage of digital wallet and so on. Even though, the customer satisfaction seems widely used in the studies pertaining to digital wallet, there are still plenty of studies precisely use the word user or consumer to study the usage of digital wallet. In a study conducted by Pradiatiningtyas, Dewa, Safitri and Kiswati (2020), found that the user satisfaction did give impacts for digital payment usage among the Z-generation. Moreover, consumer satisfaction found to be affected the consumers' usage of mobile wallet (Singh, Srivastava, & Sinha, 2017). Similarly, Wulandari, Suryawardani & Marcelino (2020) also found that user satisfaction affected the usage intensity of digital wallet products. The consumer satisfaction towards the digital wallet also leads to consumer loyalty in using it (Kurnia, Pangaribuan, and Sitio, 2023). Apart from the consumer loyalty, the consumer satisfaction towards digital wallet also give impact on the formation of trust of digital wallet users (Wijaya and Octafilia, 2021).

2.3 Factors Influencing Use of Digital Wallet

The use of digital wallet has been affected by various factors including technical factors and individual factors. Among the factors are performance expectancy, social influence, trust, ease of use, gift or reward, compatibility, security, and perceived risk.

Technology Acceptance Model (TAM) and Unified Theory of Acceptance and Use of Technology (UTAUT)

Both Technology Acceptance Model (TAM) and Unified Theory of Acceptance and Use of Technology (UTAUT) have been widely used in studies relating to the adoption of a technology. Based on TAM theory, there are two factors influence the acceptance of technology to be used, i.e., perceived usefulness and perceived ease of use (Davis, 1989). Meanwhile, UTAUT theory suggested that the adoption of technology is dependent on the direct effect of four key constructs known as performance expectancy, effort expectancy, social influence, and facilitating conditions, which moderated by age, gender, experience and voluntariness of use (Venkatesh, Michael, Morris, David & Davis, 2003). Based on these theories, a conceptual model of the study was formed.

Besides the factors suggested by both theories, several additional factors have been added to the conceptual model. Trust, compatibility, security, and perceived risk, are additional factors used in the conceptual model. These factors, especially the factors relating to privacy and security, seem gaining attention among scholars and researchers in recent years. Karim, Haque, Ulfy, Hossain, and Anis (2020) suggested that privacy and security should be considered as one of the prerequisite dimensions for e-wallet providers in order to create a positive intention among users.

Performance Expectancy

People are more willing to adopt new technologies when they believe they can help them do their jobs. Performance expectancy refers to the degree to which customers believe that using the computer will help them complete their work. (Rahman, Ismail, & Bahri, 2020). The study has confirmed that as consumers' perceived value increases, they become more inclined to accept cashless payments. Moreover, the study's findings show that performance expectations and favorable conditions have a statistically stronger and more substantial impact on cashless payment acceptance. (Rahman et al., 2020). Furthermore, Khalilzadeh, Ozturk, and Bilgihan (2017) claim that improved task performance leads to increased satisfaction, which results in the task being seen as joyful. As a result, utilitarian performance expectancy may rise to hedonic performance expectancy for users who expect improved work facilitation by implementing specialized technologies enjoy themselves more. The relationship between performance expectancy and satisfaction was found to be not significant (Lee & Shim, 2006). Even though the relationship between performance expectancy and satisfaction is non-significant in this study, the importance of performance expectancy cannot be diminished since it has been found that performance expectancy directly influences IS continuance intention (Bhattacherjee, 2001).

Performance Expectancy is approximately 4, indicating their agreements that e-wallet is useful for their needs, increases their productivity, and increases their time efficiency. Due to this, they become interested in the usage of e-wallet, especially since e-wallet providers often offer promotions in the form of discounts or cashbacks. This results in their satisfaction toward e-wallet since using e-wallet benefits them. This is also presented in the result as most respondents agree that using e-wallet satisfies them. Therefore, Performance Expectancy positively influences User Satisfaction (Syifa & Tohang, 2020).

Social influence

According to Khalilzadeh et al., (2017), social influence is rooted in widely held beliefs about how individuals in a community should behave in certain situations, and people's actions are influenced by their perceptions of how others in their social groups think and act. Social influence is defined as "the degree to which an individual perceives that important others believe he or she should use the new system." (Linge, Chaudhari, Kakde & Singh, 2023). This notion is further supported by Raimee, Maheswaran, Appannan, and Radzi (2021), who underscore the significance of social influence, particularly from family and friends, as a prominent driver of digital wallet adoption. Such social influence often leads to a quicker behavioral shift and greater enthusiasm for using digital wallets. Despite encountering challenges during transitions, the role of social influence remains crucial, as individuals tend to be more persuaded when a familiar person discusses a topic with an unfamiliar person. Therefore, the social context has a positive impact on digital wallet acceptance and usage.

Trust

Malik and Annuar (2019) highlighted that trust is a crucial aspect to explore within the context of e-wallets, as a higher level of trust significantly enhances customer acceptance of this emerging payment technology. Because of the importance of trust and the inconclusive findings in e-wallet research, additional research on trust in the context of e-wallets is deemed valuable. This notion is supported by the work of Khalilzadeh et al. (2016), who propose that trust, being an element of anticipation, is likely to be correlated with performance and effort expectancy.

Ease of use

Digital wallets offer users the convenience of accessibility from anywhere and at any time, requiring only a smartphone, an internet connection, and a linked bank account. According to Raimee et al. (2021), the ease of use and flexibility of digital wallets on smartphones enable quick and hassle-free transactions without the need for manual entry of payment information, making them an ideal solution for individuals who need to make purchases while short on cash. By linking the digital wallet to accounts, users can make one-click payments without having to repeatedly enter credit card details or passwords. The more convenient an e-wallet is to use, the more valuable it becomes. (Karim et al., 2020). Even though the ease of use found to be a part of the factors influencing the digital wallet usage, however, there is a study found that the result vice-versa. According to Shaw (2014), perceived ease of use did not influence intention

to use a mobile wallet. This result indirectly will affect the adoption of digital wallet. Therefore, this study will reexamine this factor again.

Gift or reward

People are often drawn to presents and prizes when they are offered on any platform. Consumers can receive rewards such as a gift or free purchasing with the mobile wallet. Many stores and businesses are offering incentives to encourage customers to use the mobile wallet payment in order to increase the number of customers. (Wong and Mohamed, 2021). The availability of instant cashback rewards and fast service are among the reasons why digital wallets are a preferred choice for many users. A study conducted by Raimee et al. (2021) concluded, from respondent feedback, that digital wallets appeal to users due to the potential discounts, cashback rewards, convenience in bill payments, and the opportunity to participate in contests. Such rewards can enhance the acceptance and use of digital wallets by providing added value and benefits to users.

Compatibility

According to Raimee et al. (2021), device compatibility is a primary factor that motivates people to switch from traditional payment methods to digital wallets. With almost everyone owning a mobile device, compatibility is necessary for users to utilise digital wallets. The familiarity of users with their devices makes it easier to use digital wallets. Digital wallets are widely accepted because of their compatibility with most devices, contributing to the transition towards a cashless society. This payment system revolution leads to a disruptive economy and is quickly becoming the standard in modern culture. A study conducted by Raimee et al. (2021) found that the widespread use of smartphones in today's culture, digital wallets have become more accessible and appealing, particularly to younger generations who have grown up with these technologies.

Security

Mastor (2021) defines security as "a collection of techniques and procedures designed to verify the source of information while safeguarding privacy and integrity to avert network and data-related issues. It is also defined as a set of methods, instructions, and computer programs that verify data sources and ensure their integrity and confidentiality in order to prevent data and network issues. The ability of an electronic payment system to safeguard consumers is related to security deals (Najib & Yahya, 2020). Najib and Yahya (2020) define security as the ability of an electronic payment system to protect consumer transactions. Customers' perceptions of security are influenced by a number of factors, including the ease with which security measures may be found and the technical protection of consumer privacy from outsiders. However, some studies did not specifically examine significant safety elements when measuring customer behavior, instead considering security as a whole (Muhtasim, Tan, Hassan, Pavel & Susmit, 2022).

Perceived Risk

Mobile payment services are growing increasingly popular since they provide users with simple transaction ways. However, in an era of rampant cybercrime, mobile payment transactions may expose users to financial and data loss. Understanding how risks influence users' intentions to use the mobile payment has thus become crucial (Chen & Lai, 2023). Consumers perceive risk when using mobile payment to handle personal information and financial assets (Ing, Keong, and Ping-Yuh, 2021). According to Malik and Annuar (2019), consumers are more likely to utilize and be drawn to mobile payment if they believe the system is safe and secure to use in their daily lives. Hence, previous research has found that perceived risk is a significant factor influencing consumer use of digital wallets. However, according to a study conducted by Wong and Mo (2019), perceived risk has a little impact on customer intention to utilize mobile payment among Hong Kong consumers. As a result of inconsistent results from multiple studies, it is critical to analyze perceived risk in the context of digital wallet.

2.4 Conceptual framework

The conceptual framework illustrated in Figure 1 was constructed by identifying key criteria that indicated significance and a correlation with the use of digital wallets, as demonstrated by previous research. The major goal of this study is to analyze the impact of critical criteria, such as performance expectancy, social influence, trust, ease of use, gift or reward, compatibility, security, and perceived risk, on the acceptance and usage of digital wallets.

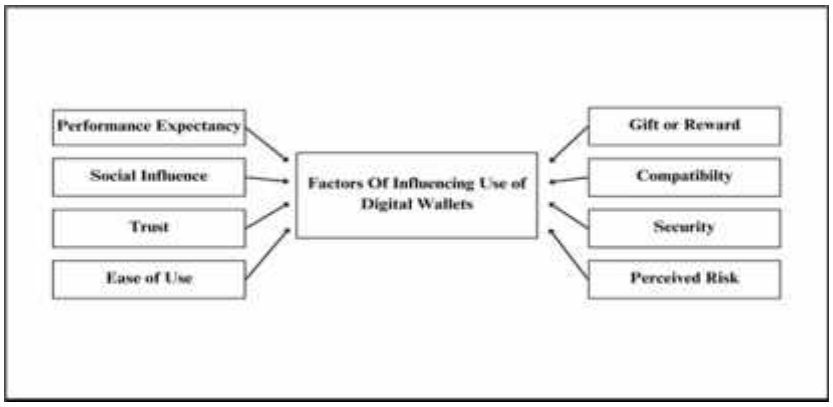

Figure 1: The conceptual framework

3. Research Methodology

Quantitative research is conducted to investigate the factors such as performance expectancy, social influence, trust, ease of use, gift or reward, compatibility, security, and perceived risk that influence the intention to use e-wallet amongst the youth and young adults in University Utara Malaysia. This study utilizes two distinct methods for data collection: primary and secondary data. The primary data is gathered through online questionnaire surveys, where participants are asked to respond to the questionnaire. On the other hand, secondary data is gathered by doing a thorough analysis of journals, publications, and online databases found in the library.

3.1 Construct measurement

The research model comprises eight constructs, performance expectancy, social influence, trust, ease of use, gift or reward, compatibility, security, and perceived risk that influences youth and young adults to use digital e-wallet. To adapt the current study, the items from each variable were changed slightly. The measurement items in the study were assessed using a five-point Likert scale, where respondents were asked to rate their level of agreement with the provided statements. The scale ranged from 1 (strongly disagree) to 5 (strongly agree), allowing participants to express their agreement or disagreement with each statement.

3.2 Data Collection

The data collection process involved conducting an online survey by distributing Google Form links through various platforms, including WhatsApp, Telegram, and Facebook. Participants were invited to access and respond to the survey using the provided links on these platforms. Those who have used e-wallets for a long time are the target respondents for this study. A total of 150 questionnaires is collected from youth and young adults residing in a public university.

4. Data Analysis

4.1 Demographic Characteristics

In this section, we present an analysis of the demographic characteristics of the study participants. The data were collected through an online questionnaire survey, and a total of 150 respondents participated in the study. The demographic variables considered for analysis include gender, ethnicity, age, highest educational level, occupation, monthly income, most frequently used app and monthly spend on the E-wallet.

Measure	Items	Frequency	Percentage (%)
Gender	Male	61	40.7
	Female	89	59.3
Ethnicity	Malay	100	66.7
	Chinese	32	21.3
	Indian	17	11.3
	Bumiputera	1	0.7

Age	18-20 years old	20	13.3
	21-23 years old	100	66.7
	24-26 years old	18	12
	27-29 years old	10	6.7
	30 and above	2	1.3
Highest Education Level	SPM	6	4
	STPM/Diploma	25	16.7
	Bachelor's Degree	114	76
	Master's Degree	5	3.3
Occupation	Student	114	76
	Government servant	14	9.3
	Private sector worker	12	8
	Self-employed	7	4.7
	Unemployed	3	2
Monthly Income	Dependent	85	56.7
	Below RM1000	33	22
	RM1000 – RM3000	19	12.7
	RM3001 – RM5000	10	6.7
	Above RM5001	3	2
Most Frequently use app	Touch n' Go	110	73.3
	Shopee Pay	14	9.3
	Kiple Pay	1	0.7
	Boost	1	0.7
	Mae (Maybank2u)	18	12
	Go Bank Islam	1	0.7
	CIMB Clicks	2	1.4
	Bank transfer	1	0.7
	Grab Pay	1	0.7
	Cash	1	0.7
Monthly Spend On E-wallet	RM100 and below	61	40.7
	RM101 – RM 300	57	38
	RM301 – RM500	24	16
	RM501 and above	8	5.3

Table 1: Demographic profile

4.2 Regression Analysis

In this section, we present an analysis of the demographic characteristics of the study participants. The data were collected through an online questionnaire survey, and a total of 150 respondents participated in the study. The demographic According to Muhtasim et al., (2022), regression analysis is a practical way to analyse the variables and their connection. The regression analysis was conducted to examine the relationship between the dependent variable (User Satisfaction) and individual independent variables. The dataset's model summary is shown in Table 2.

Table 2 demonstrates that the R2 value is .565. The number represents a positive linear relationship between other variables (independent variables) in the investigation and user satisfaction.

Table 2: Model Summary

Model	R	R^2	Adjusted R^2	Std. Error of the Estimation
1	.751	.565	.540	1.902

The analysis of variance with a significant value less than 0.05 is shown in Table 3.

Table 3: Analysis of Variance

Model	Sum of Squares	DF	Mean Square	F	Sig
Regression	660.997	8	82.625	22.846	.000
Residual	509.943	141	3.617		
Total	1170.940	149			

It is discovered that the independent factors have an impact on the dependent variable. Table 4 displays the explanations of the coefficients. The independent variable that has the highest β-Value in Table 4 is the one that is comparatively most significant.

Table 4: Analysis of Coefficients

Model	Unstandardized Coefficients		Standard Coefficients
	B	*Std.Error*	*β-Value*
Constant	.736	1.280	
Performance Expectancy	.015	.042	0.27
Social Influence	-.043	.043	-.070
Trust	-.006	0.54	-.010
East of Use	.132	.068	.172
Gift or Reward	.064	.130	.036
Security	.221	.065	.346
Compatibility	.540	.343	.132
Perceived Risk	.236	.086	.239

The constant term (B = 0.736) represents the estimated value of the dependent variable (user satisfaction) when all the independent variables are set to zero. It indicates the baseline level of user satisfaction when no specific factors are considered. According to the coefficient (B = 0.015), user satisfaction is expected to rise by 0.015 units on average for every unit improvement in performance expectancy. The standardized coefficient (β = 0.27) suggests that performance expectancy has a moderate positive influence on user satisfaction. According to the coefficient (B = -0.043), user satisfaction should typically decline by 0.043 units for every unit rise in social influence. The standardized coefficient (β = -0.070) indicates that social influence has a small negative influence on user satisfaction. According to the coefficient (B = -0.006), user satisfaction should typically decline by 0.006 units for every unit rise in confidence. The standardized coefficient (β = -0.010) shows that trust has a very small negative influence on customer satisfaction. According to the coefficient (B = 0.132), it is typical to expect a 0.132-unit improvement in user satisfaction for every unit increase in ease of use. The standardized coefficient (β = 0.172) suggests that ease of use has a moderate positive influence on customer satisfaction. According to the coefficient (B = 0.064), user satisfaction is predicted to rise by 0.064 units on average for every unit increase in the perception of receiving gifts or rewards. The standardized coefficient (β = 0.036) suggests that gift or reward has a relatively small positive influence on customer satisfaction. According to the coefficient (B = 0.221), user satisfaction is anticipated to rise by 0.221 units on average for every unit improvement in perceived security. The standardized coefficient (β = 0.346) suggests that security has a substantial positive influence on customer satisfaction. According to the coefficient (B = 0.540), user satisfaction is anticipated to rise by an average of 0.540 units for every unit improvement in compatibility. The standardized coefficient (β = 0.132) suggests that compatibility has a moderate positive influence on customer satisfaction. According to the coefficient (B = 0.236), user satisfaction is anticipated to rise by 0.236 units on average for every unit increase in perceived risk. The standardized coefficient (β = 0.239) suggests that perceived risk has a moderate positive influence on customer satisfaction.

4.3 Hypothesis

This test is carried out using a path analysis of the model that has been created. The outcomes are as follows:

Table 6: Hypothesis Test and Path Coefficient

Hypotheses	Relationship	β	*t*-value	*p* values	Pearson's Correlation	Result
H1	PE → US	0.0270	0.357	0.721	.444	Not supported
H2	EoU → US	0.172	1.952	0.053	.301	Supported
H3	C → US	0.132	1.574	0.118	.533	Not Supported
H4	SI → US	-0.070	-1.004	0.317	.587	Not Supported
H5	T → US	-0.010	-0.116	0.908	.455	Not Supported
H6	GoR → US	0.036	0.489	0.625	.676	Not Supported
H7	S → US	0.346	3.402	0.001	.557	Supported
H8	PR → US	0.239	2.754	0.007	.645	Supported

Based on Table 6, it is shown that three hypotheses out of eight hypotheses have p values less than 0.1 so that it can be said to be significant effect (ease of use, security, and perceived risk). While the other five hypotheses have no significant effect (performance expectancy, compatibility, social influence, trust, gift or reward). Therefore, it can be concluded that the hypotheses H2, H7, and H8 were supported, while H1, H3, H4, H5, and H6 were not supported.

5. Findings and Discussion

As mentioned previously, this study aims to investigate the technological aspects, such as performance expectancy, dependability, and compatibility, that affect young people's use of digital wallets, and to determine the individual factors influencing use of digital wallet among youth and young adults. Based on the analysis conducted, the results are shown interesting findings. Among the factors studied in this study, only three factors (ease of use, security, and perceived risk) supported the hypotheses. According to the data analysis, the H1 is not supported since the p-value (0.721) higher than 0.05. This shows that the performance expectancy does not influence the use of digital wallet among youth and young adults. Thus, this component may not be the most important factor in their decision-making process. This finding also inconsistent with Shane, Chan, and Mohan (2022) which found that performance expectancy affected the adoption of e-wallet. It is not possible that they only use the digital wallet just to follow the trend or order from the government, since the government keen to promote cashless environment. Another possible reason is sellers or merchants prefer cash transaction compared to digital transaction, which may lead to low performance expectancy of the digital wallet usage among the respondents.

Concurrently, the study finds that ease of use influences digital wallet uptake and usage among youth and young adults. This hypothesis is supported since the p-value (0.053) not more than 0.1. Kustono, Nanggala, and Mas'ud (2020) backed up the study by discovering that ease of use is one of the essential aspects in the effective deployment of a technology, which in turn affects the perceived usefulness and attitudes towards the usage. According to Ing et al. (2021), perceived ease of use is the rate at which an individual considers to be free of substantial effort or difficulty when utilizing a system and does not rely on performance gains (perceived usefulness). In such cases, other factors are likely to have a stronger influence on their adoption behaviour. Furthermore, according to Mastor (2021), convenience or ease of usage becomes a big problem. Moreover, Shaw (2014) found that the ease of use did not influence the intention to use mobile wallet. Similar to H1, H3 is not supported. The p-value for this relationship is 0.118 which clearly more than 0.05. Therefore, compatibility (H3) is not an important feature for youths and young adults that use digital wallets. According to Raimee et al., (2021), practically everyone in today's globe uses mobile devices. Many people use smartphones, and machines must be compatible in order to use digital wallets. This new system is disruptive in today's market, and compatibility is expected to influence consumer sentiments towards digital wallet systems.

According to the study, H4 is not supported. The p-value obtained from the data analysis is 0.317, which obviously more than 0.05. This finding explains that social influence (H4) is not significant enough to affect digital wallets usage among youth and young adults. In this generation, they choose what they want to use, but the study is inconsistent because we live in a society where social influence comes from family and friends, and reference plays a major role when adopting a new technology, as uncertainty can be reduced by seeking the opinions of other users (Raimee et al., 2021).

The fifth hypothesis also not supported due to the p-value is more than 0.05, namely 0.908. According to this finding, trust (H5) has no significant impact on influencing digital wallet usage among youth and young adults. Thus, the e-payment providers must overcome the need for convenient payment methods while also inspiring trust in the safety and security of digital wallets, according to Najib and Yahya (2020).

Hypothesis 6 tested the influence of gift or reward towards the use of digital wallets among youth and young adults. Based on the data analysis, it shows that the H6 has not been supported since the p-value (0.625) more than 0.05. This result contradicts with the study conducted by Malik & Annuar (2021), Raimee et al. (2021), and Kelvin, Jais, Wen and Zaidi (2020). These studies found that reward supported the usage of e-wallet. Raimee et al. (2021), stated that the positive attitudes and increase one's inclination towards the adoption of digital wallet influence by tangible benefits offered for downloading and using mobile wallets such as free value-added services, discounts and internet access. One possible reason that may lead to this result is the participants in the study do not interest with the gift or rewards offered by the digital wallet providers. Another possible reason could lead to insignificant result is, perhaps, the participants do not care about the gift or reward unlike other factors that seem more important to them.

Our research found that the factors affecting digital wallets among young people are related to security, thus the H7 is supported. Most researchers felt that security is a crucial element influencing e-wallet use. If users are concerned about the security flaws of e-wallet apps, they will generally avoid using them. Apps, for example, may contain malicious code that can track users' identities and steal personal data, Lim, Kuek, Yeoh, Yeap, Yang, Xu, Mulchand, and Thakur (2022). Mastor (2021), with backing from Lim et al. (2022), has been identified as the final answer to the long-standing problem of identity theft and fraud linked to e-wallet payments. Users might use fingerprints or facial biometrics to use their e-wallet app, simplifying the process and enhancing their protection against mobile fraud. Users' impressions of the app will gradually improve because of this. When consumers feel less private and safe, they are hesitant to use the E-wallet application to make payments. In short, the greater the privacy and security, the greater the likelihood of using an e-wallet on a regular basis (Wong & Mohamed, 2021). Therefore, this proves that security plays an important role for people to use digital wallet. The stronger security offered by digital wallet, the higher chance for users to continue to use digital wallet.

According to the findings of this study, perceived risk (H8) influences the consistency of acceptance of e-wallet platforms by young adult customers, thus supported the hypothesis. The result proves that the participants really curious about the risk associate with the use of digital wallet. Consumers' concerns about economic risk may be exacerbated by their ambiguity regarding mobile payment authentication and information encryption. Handling personal information and financial assets in the mobile payment environment via e-banking was considered as risky by consumers. The lower the risk they need to face, the higher usage of digital wallet. Similar with Kelvin et al., (2020) also found that the higher the risk of digital wallet, the lower the adoption of digital wallet. This result also supported the previous finding, which also found that perceived risk affected the adoption of digital wallet (Wong & Mo, 2019). Interestingly, the result also dissimilar with previous studies which found that perceived risk has not supported the usage of e-wallet (Malik & Annuar, 2021; Chakraborty & Mitra, 2018).

6. Conclusions

To conclude, the ease of use, security and perceived risk were the main areas of focus in this study's examination of the variables influencing young people's adoption of digital wallets. These three elements clearly influence their choices to use digital payment methods, according to the data. For the younger generation, ease of use has become a key factor in determining the acceptance of digital wallets. When making financial transactions, young individuals appreciate smooth and simple processes. To satisfy this need, producers of digital wallets must give top priority to user-friendly interfaces and simple functionality. Digital wallet services may draw and keep youthful consumers, increasing adoption rates, by providing a simple and hassle-free user experience. Security alone has been a major motivator for the use of digital wallets. These platform's security features, such multi-factor authentication and encryption, which give assurance against possible dangers, are highly valued by young adults. Promoting the robust security measures used by providers of digital wallets can have a big impact on how many users choose to use them.

The adoption of digital wallets is significantly influenced by perceived risk as well. Young individuals are highly aware of possible cybersecurity risks and online fraud since they grew up on the internet. Therefore, it is crucial to address their worries and put in place strong security measures if you want to increase trust and confidence in digital wallet systems. Transparency in security protocol communication can reduce perceived dangers and provide consumers a sense of security. Stakeholders may work together to promote a generation of responsible and knowledgeable digital wallet users by addressing the issues impacting young people's use of digital wallets. A more digitally inclusive and secure financial environment will result from encouraging safe digital behaviour and advancing digital literacy.

Overall, this study contributes to our understanding of the factors that influence young people's use of digital wallets. This study offers a thorough understanding of the elements affecting their selections by emphasizing ease of use, perceived risk, and security as critical variables. The conclusions drawn from this study have practical ramifications for developing strategies that will increase young people's acceptance and usage of digital wallets, supporting the ongoing expansion and evolution of the digital financial sector.

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