

# Chapter 45

## Predictors of the Continued Adoption of WECHAT Mobile Payment

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### ABSTRACT

*This research article integrates the technology acceptance model and diffusion of innovation theory to explore the factors predicting the continuance intention to use WECHAT mobile payment services in China. The results showed that perceived usefulness, perceived ease of use, perceived service quality, social influence, internet self-efficacy, relative advantage, compatibility, and complexity of were all significant predictor of the continued intention to use WECHAT mobile payment services. However, trust in the internet was not significant determinants of the continued intention to use. The results also demonstrated that internet self-efficacy is a predictor of perceived ease of use, relative advantage, compatibility and complexity of mobile payment services. Again, perceived ease of use and social influence were found to have a significant impact on the perceived service quality of WECHAT mobile payment. The implications of these findings on the adoption of mobile payments are discussed.*

### INTRODUCTION

E-commerce (EC) is defined as the use of the internet to exchange goods and services including information in a protected and secured manner (Kanchanopast, 2014). It is also the integration of business processes for business transactions to be conducted online through a computer network system (Kanchanopast, 2014). E-commerce also has the capacity to increase the efficiency, effectiveness, and performance of organizations (Ray, 2011). EC is also about the integration of business processes such as electronic fund transfer, supply chain management, online transaction processing, e-marketing, cooperate purchasing and value chain integrations (Thomas & Jose, 2015). Mobile payment is a kind of mobile transactions which

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has to do with the payment transactions completed or enabled through a digital mobile technology via handsets with or without the use of mobile telecommunications networks (Diniz, Porto de Albuquerque, & Cernev, 2011). Mobile payment development and integration into the e-commerce platform have revolutionized the consumer engagement and completion of payments online through mobile payment apps. The mobile payment era has changed and provides a convenient environment for consumers to pay for goods and services without recourse to a banking card, visa/master card or any banking card payment system. Mobile payment has arisen due to the consumer desire to shop online through mobile handsets and tablets. This desire is premised on the availability of the internet and affordable smartphones which retail outlets are cashing on to provide better mobile shopping services to consumers and also as a better means to reaching the consumer faster (Yang & Forney, 2013). The mobile payment technology according to Diniz et al. (2011) has the capacity to deal with two very important issues on the demand and supply side of payment. The demand side offers a great chance for financial inclusion for persons are out of the catchment domains of traditional banking while the supply side creates opportunities for financial institutions to provide different services at low cost to the poorest sections of society (Diniz et al., 2011). The success of mobile payment technology in China is based on the massive technological investment in the development of electronic commerce in China.

The consumer's interaction with an EC technology will be incomplete without paying for the kind of good and services purchased online. The payment of goods and services has shifted from the desktop computers to notebooks and mobile or wireless systems of payment. In China, the mobile payment system has developed and spread so rapidly to the extent that it has become a daily phenomenon. Mobile payment transactions in China reached RMB 294.97 trillion as at 2017 and it is expected to reach RMB 793 trillion in 2021. There are several mobile technology applications that are used by consumers to complete their transactions with vendors online in China. Statistics available indicate that as of February 2017, the majority of users of mobile payment services in China use Alipay and WeChat which represents 39% and 33% respectively of the mobile payment market in China. These mobile payment methods (Alipay AND WECHAT) are the two dominants mobile payment transactions in China. Other smaller mobile payment services are Apple Pay, Xiaomi Pay, and Huawei Pay which represents 5%, 2%, and 1% usage respectively in China.

The objective of this study is to investigate the factors influencing the continued adoption of the WECHAT mobile payment in China for payment of goods and services. The focus on WECHAT is because it is the most widely used mobile payment services in China. It has been opined that the consumer reluctance to uptake mobile payment services is due to the lack of adequate studies that critically examine the factors affecting the consumer acceptance and the factor discouraging its adoption (Bailey, Pentina, Mishra, & Ben Mimoun, 2017). Hence understanding the factors driving the continued adoption of WECHAT payment services can contribute to the designing and implementation of payment systems aimed at improving the efficiency and service quality of mobile payment services such as Apple Pay, PayPal, Alipay Wallet, and WeChat Wallet. Ultimately, these factors can largely ensure the users of mobile payment according to Zhou (2013) are empowered to use mobile access points such as smartphones to engage in payment of goods and services. Furthermore, understanding these factors can help companies to better appreciate and understand the consumer better and therefore can according to (Shin, 2010) increase the number of users of such payment systems. This study integrated the Technology Acceptance Model (TAM) and the Diffusion of Innovation Theory (DOI) to explore the predictors of the continuance intention to use WECHAT mobile payment. The integration of these two models is to provide a better contextual explanatory power for the adoption mobile payment services. The results

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