


Chapter 17

Mobile Payment Adoption and Entry of Alipay in Brunei

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ABSTRACT

This chapter relates to mobile payments adoption in Brunei, and the introduction of foreign app Alipay in 2019 to support financial inclusion. Even with robust infrastructure (98.9% mobile coverage, 125% smartphone penetration), cash is the most prevalent mode in Brunei. A mixed-methods survey among 338 users, incorporating TAM, UTAUT, and DOI, captured 72.2% adoption, but mainly youths, with low Alipay usage. Low digital literacy, security, regulatory, and low merchant acceptance are the main barriers. Comparative assessment against Malaysia and Singapore put interoperability and regulatory skill at the center of success drivers. The chapter offers policy relevant recommendations: localization of Alipay, interoperability with domestic platforms such as 'tarus', and digital literacy. These recommendations guide scholars, industry, and policymakers, in alignment with Brunei's Wawasan Brunei 2035 vision of a cashless nation.

1. INTRODUCTION

Mobile payment systems like PayPal, Alipay, Google Pay, Samsung Pay, and Apple Pay have become a central element of the contemporary financial system, providing secure, convenient, and inexpensive alternatives to traditional payment tools (Raynor de Best, 2024). They are complemented by fast global growth, stim-

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ulated by rising smartphone penetration and internet usage (Ozok and Wei, 2010). Mobile payment studies initially began with the very first mobile transaction in 1997, as revealed in initial studies by Dahlberg et al. (2003). Dahlberg et al. (2008) conceptualized “mobile payments” as goods, services, or bill transactions conducted through mobile phones using wireless technologies, via channels such as mobile credit cards or wallets. Locally launched platforms in Brunei, such as BIBD QuickPay by Bank Islam Brunei Darussalam (BIBD) and Pocket by ThreeG Media Sdn Bhd, indicate the country's push for cashless payments. BIBD QuickPay provides support for QR code payment, while Pocket enables users to add several credit and debit cards, targeting various banking customers. Both platforms will improve the pace of transactions and facilitate travelers’ digitalization in Brunei.

Global payments giant Alipay entered Brunei in 2019 with a strategy of serving Chinese tourists and expatriates with corresponding Chinese bank accounts, easing their journey. Though Alipay has enabled payment gaps among Chinese tourists to drive tourism, among Bruneians it remains isolated, reflecting issues in accommodating global systems such as a Sharia compliant, and cash-based economy (Wahyuwono, 2019). Despite 80% bank account ownership in Brunei, 125% smartphone penetration, and 98.9% mobile coverage, mobile payments usage is moderate, particularly in rural areas, among older cohorts, and less technologically advanced communities due to digital literacy gaps, absent internet coverage, and preference for cash (Autoriti Monetari Brunei Darussalam, n.d., p.5; AITI, 2023). Consumer awareness, security issues, and low merchant acceptance are hindrances to adoption that need to be addressed in order to establish digital literacy and trust in mobile payments.

The Brunei government is aware of financial inclusion and economic growth through digital payments. Yang Berhormat Dato Seri Setia Dr Awang Haji Mohd Amin Liew bin Abdullah, the Minister of Finance and Economy II, in 2022 stressed enhancing digital payment infrastructure for the purpose of creating an inclusive and safe financial system (Hayat, 2022). While China is at the forefront of mobile payment adoption and Malaysia has made advances with government sponsored programs, Brunei trails on merchant take-up and cross-platform functionality and must invest more capital in digital infrastructure and policy programs. This chapter analyzes BIBD QuickPay, Pocket, and Alipay adoption. Based on a mixed-methods 2025 survey and theoretical frameworks (TAM, UTAUT, DOI), it provides recommendations to scholars, practitioners, and policymakers. The chapter is comprised of a literature review, methodology, findings, discussion, recommendations, conclusion, limitations, references, and appendix.

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