


Chapter 9

Adopt or not to Adopt? A Study on Mobile Payment

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ABSTRACT

The development of mobile payment has been a dynamic and transformative journey that has revolutionized the way we make transactions. This study aims to explore the mobile payment adoption amongst Malaysians. Data was collected from a sample of 200 respondents by means of a self-administered google form questionnaires survey. The findings showed that perceived security is positively correlated with perceived trust but negatively correlated with perceived risk. Perceived privacy is also found to be positively influenced by perceived trust and perceived risk. Additionally, perceived trust and perceived risk are positively correlated to the intention to use mobile payment. Nonetheless, there is a negative nexus between perceived benefits and intention to use mobile payment. The results of this study have provided mobile payment service providers, researchers, as well as government and commercial banks, vital information that will assist them to design the strategies which could enhance mobile payment adoption effectively.

DOI: 10.4018/979-8-3373-6701-9.ch009

INTRODUCTION

Any payment that initiates, authorizes, and validates a financial value exchange for products and services using a mobile device is referred to as a mobile payment. (Kaur et al., 2020). It allows customers to pay for products and services safely and conveniently without using conventional payment methods like cash or credit cards. Mobile payment methods can include contactless payments using Near Field Communication (NFC), QR code-based payments, mobile wallets, or peer-to-peer payment apps (Dahlberg et al., 2015). The major distinction between mobile payment and an e-wallet lies in their scope and functionality. Mobile payment is a broader term that encompasses various methods of making payments using mobile devices. It includes the actual transaction process, regardless of the underlying technology or payment method employed. Mobile payment can involve NFC-enabled contactless payments, scanning QR codes, or making payments with mobile wallets (Kaur et al., 2020).

The development of mobile payment has been a dynamic and transformative journey that has transformed how we make transactions. During the initial stage in the late 1990s and early 2000s, customers used mobile devices to make reservations for travelling, order pizza and buy movie tickets (Coursaris & Hassanein, 2002). In 2007, Vodafone unleashed one of the world's biggest mobile payment networks by providing various kinds of macro and micro payments based on USSD/SMS technology (Vodafone, n.d.). At the beginning, Vodafone introduced this service in Tanzania and Kenya in partnership with local telecom operators (Vodafone, n.d.). Since then, mobile payment systems for businesses have evolved. In 2011, Google and Apple started to enter the mobile payment space. Google first introduced its mobile payment tactics based on NFC technology (The Guardian, 2011), and Apple adopted this technology in its app Passbook later. At that time, this app was used primarily for boarding passes and coupons only (Apple, 2012).

Thereafter, mobile wallet apps started to play a crucial role by allowing users to securely save their payment card details and complete transactions directly from their smartphones (Dahlberg et al., 2015). In addition, QR code payments became popular since they are easy to use and require little infrastructure (Deloitte, 2021). Biometric authentication further enhanced security and convenience, with features like fingerprint scanning and facial recognition (Stripe, 2023). Mobile payment services also facilitated peer-to-peer payments and expanded beyond smartphones to include wearables and IoT devices. Ongoing innovation continues to shape the mobile payment landscape, with advancements in tokenization, integration with voice assistants, and the rise of decentralized cryptocurrencies and blockchain-based payment systems (Yeh, 2020). Undoubtedly, the evolution of mobile payment has been influenced by technological advancements, regulatory frameworks, consumer adoption, merchant acceptance, and security considerations, transforming the way

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