

## **THE INFLUENCE OF CONVENIENCE AND SECURITY ON INTEREST IN USING E-WALLET TECHNOLOGY PAYMENT SYSTEM FOR GENERATION Z STUDENTS**

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### **ABSTRACT**

This study aims to determine the influence of convenience and security on the interest in using the E-wallet payment system for Generation Z university students in Makassar. In this study, researchers adopted a descriptive quantitative approach using purposive sampling as a sampling technique method by distributing Google Forms questionnaires online at several universities in Makassar. The results showed that convenience had a significant and positive influence on interest in using the E-wallet technology payment system, and security had a significant and positive influence on interest in using the E-wallet technology payment system. Convenience and security simultaneously have a positive and significant effect on interest in using the E-wallet technology payment system

**Keywords:** Convenience, E-wallet, Generation Z, Payment system, Security

### **INTRODUCTION**

Technological developments have encouraged the emergence of various financial institutions that offer sophisticated payment systems. The growth of smartphone penetration in Indonesia has been a major driver in E-Wallet adoption. The more people have access to smart devices, the greater the opportunity for E-Wallet providers to reach potential users. The Financial Technology (fintech) era that began in 2017 makes buying and selling transactions now more practical. People can choose various payment methods that are more flexible. Many people are switching from conventional to digital payment models. Companies take advantage of technological advances to create new innovations called fintech or financial technology. Based on the provisions of PBI Number 18/40/PBI/2016 concerning the Implementation of Payment Transaction Processing (hereinafter referred to as PBI for the Implementation of Payment Transaction Processing), electronic wallet providers carried out by institutions other than banks must have a license as an electronic money issuer.

Digital payment electronic wallets (E-wallets) are the most widely used form of Fintech service in Indonesia. With the development of increasingly advanced technology, nowadays many people choose to do everything online. Starting from shopping activities, doing work, even paying bills using e-wallet. E-wallet is an electronic device, service or application that allows users to carry out online transactions to purchase goods or services. E-wallet is an electronic money server that must first be connected to the issuing server. Different e-wallets have different debit cards or credit cards.

Transactions with E-wallets do not go through third parties or intermediaries directly (Amoroso & Magnier-Watanabe, 2012). The E-Wallet market in Indonesia is very competitive, with various providers such as GoPay, OVO, DANA, LinkAja, and many more competing for market share. This results in innovation and improved services that benefit consumers.

Nowadays, most of Generation Z or also known as Gen Z use E-wallets more than Automated Teller Machine (ATM) cards. This has been revealed in the 'Financial Behavior of Gen Z and Y' survey by Zigi together with the Katadata Insight Center (KIC), that the current generation predominantly uses E-wallets. According to Lavinda (2022), as many as 68% of the majority of Generation Z used E-wallets, then the remaining 35% used bank ATMs when making transactions, especially students. Maghfira (2018) in her research explains that perceived convenience influences interest in utilizing the GoPay E-wallet. This convenience concept relates to the use of information systems for purposes that are in accordance with the wishes of the user. If an information system is easy to use, then this will make users more likely to use the system. So in that case, the higher the user's perception of convenience, the higher the use of the GoPay E-wallet.

Security is also a factor to consider in operating E-wallets. Utami and Kusumawati (2017) say that security has a significant positive effect on interest in using e-money. It can be concluded that if the security level is acceptable and meets user expectations, then the user is interested in applying the E-wallet. The results of the research reveal the factors that can affect the use of digital transaction payments, as well as the growing interest of the public in wielding E-wallets, one of them is the z generation who use E-wallets a lot. This matter is interesting for further research and study entitled "The Influence of Convenience and Security on Interest in Utilizing the E-wallet Payment System for Generation Z on Students in Makassar.

## **LITERATURE REVIEW**

### **E-Wallet technology**

E-Wallet technology (or digital wallet) refers to technology that allows individuals or organizations to store, manage, and conduct financial transactions electronically via electronic devices such as smartphones, tablets, or computers. E-wallets allow users to securely store their credit, debit, or bank account information in digital format, allowing them to make purchases online or in physical stores without using cash or a physical card.

An E-wallet is an electronic service that is used as a transaction instrument including payments, saving funds, or purchasing for daily activities such as credit, electricity, and so on. E-wallet is a transaction service that operates under financial regulations and is carried out via mobile devices (Kuganathan and Wikramanayake, 2014). Several E-wallets that are developing in Indonesia include OVO, GoPay, Dana, ShopeePay, LinkAja, Jenius, and i-Saku.

### **Convenience And Security**

Convenience is easy to learn, easy to understand and simple (Jogiyanto, 2007). Sukoco (2007) states that convenience is defined as the extent to which a person believes that using technology will be free from effort. Thus, if someone believes that the information system is handy to use, then someone uses it, and vice versa. If

someone believes that the information system is difficult to use then that person does not use it. Security developments are currently aligned with increasingly advanced technology. Technological security is essential in every company and among individuals. Security is crucial nowadays because of the increasing attacks or criminal acts, particularly in the world of technology (Nimda, 2012).

Generation Z often called Gen Z are people who belong to this generation, including those born in 1997-2010. This generation is also known as the i-Generation or the Internet generation. As we know, Generation Z is always connected to the virtual world and can carry out all their activities applying the sophisticated technology available today, and this generation has been accustomed to utilizing gadgets since childhood. The introduction of technology and cyberspace greatly influences the life and personality of Generation Z.

### **RESEARCH METHOD**

This study uses a quantitative approach with a sample of Generation Z students who use E-wallets at universities in Makassar, including Paulus Indonesian Christian University (UKIP), Hasanuddin University (UNHAS), Bosowa University (UNIBOS), and Ujung Pandang State Polytechnic (PNUP) in the range of births in 1997-2005 as many as 100 people by determining the number of samples applying more formula  $n = Z^2/4$  with a sampling technique in the form of purposive sampling. Data collection used a Google Forms questionnaire consisting of research identities along with several question items representing the variables studied which were assessed based on a Likert scale. Data analysis techniques operated by the IBM SPSS Statistics program using stages of analysis including data quality testing (validity and reliability), classical assumption test (normality test, multicollinearity test, and heteroscedasticity test), multiple linear regression test, and hypothesis testing using T-test (partial), F-test (Simultaneous), and coefficient of determination test.

### **RESULTS AND DISCUSSION**

Respondents in this study indicated several characteristics that were seen from age, gender, university, class, and E-wallet products that were frequently used. It was found that the average age of E-wallet users in Generation Z, namely 20 years, was 29%. Then, for the female gender, it is 71% and 29% male. This means that based on gender, E-wallet users are dominated by women. Then the characteristics based on the most frequently used E-wallet product are ShopeePay at 29% followed by GoPay at 25% and Dana at 22%.

From the results of the validity and reliability test, all question items on the variable Trust (X1) were 5 items, Security (X2) were 3 items, and Interest in using E-wallet (Y) were 8 items were declared valid ( $r \text{ count} = 0.735-0.908 > r \text{ table} = 0.195$ ) with a reliable variable at 0.850-0.944 (Cronbach Alpha score  $> 0.60$ ). The results of the classical assumption test in the normality test using the nonparametric Kolmogorov Smirnov (K-S) statistical test show that the residual significance level is 0.94. Then, it is concluded that the research model has a normal data distribution because the P-value was obtained ( $> 0.05$ ). The results of the Multicollinearity Test showed that each independent variable had a VIF with a score  $< 10$ , the convenience variable was 1.833, and the security variable was 1.833, so it can be concluded that there was no

multicollinearity. Meanwhile, the Tolerance value is > 0.10, the convenience variable is 0.546, and the security variable is 0.546. Therefore, it can be stated that in the multiple linear regression model there is no multicollinearity between the dependent variable and other independent variables, and this data analysis can be continued. The results of heteroscedasticity test using the Spearman rank test conveys that the sig value for the convenience variable is 0.629, and the security variable is 0.806. If the sig value is >0.05 then heteroscedasticity does not occur. This means that the data above shows that none of the independent variables have a statistically significant impact on the dependent variable.

### Results of Multiple Linear Regression Analysis

**Table 1. Result of Multiple Linear Regression Analysis**  
Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.624	1.705		1.539	.127
X1 Convenience	.764	.085	.537	8.970	.000
X2 Security	1.258	.169	.446	7.437	.000

a. Dependent Variable: interest in using E-wallet

Source: data is processed using SPSS 25, 2022

Based on the table of multiple linear regression analysis above, the constant value (a) is 2,624, while the scores for X1 convenience and X2 security (regression coefficient) are 0.764 and 1.258, so the regression equation is:

$$Y = 2.624 + 0.764 X1 + 1.258 X2$$

From these results, security is the variable that has the dominant influence on interest in using the E-wallet payment system for Generation Z students in Makassar.

### Partial Test Analysis (T-Test)

**Table 1. T-test**  
Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.624	1.705		1.539	.127
X1 Convenience	.764	.085	.537	8.970	.000
X2 Security	1.258	.169	.446	7.437	.000

a. Dependent Variable: interest in using E-wallet

Each partial test result has a calculated t score > than t table (1.948) and sig.(p) value <0.05, convenience (X1) with t count 8,970 > 1,948 (Sig. 0.000 < 0.05), and security (X2) with t count 7,437 > 1,984 (Sig. 0.000 <0.05). It can be concluded that all variables have a positive and significant influence on interest in using E-wallets.

### Stimulant Test Analysis (F Test)

**Table 3. Stimulant Test Analysis (F Test)**

Model	Sum Squares	of df	Mean Square	F	Sig.
1 Regression	3.401.941	2	1.700.971	206.806	.000 <sup>b</sup>
Residual	787.819	97	8.225		
Total	4.199.760	99			

a. Dependent Variable: interest in using E-wallet

b. Predictors: (Constant), X2 security, X1 convenience

Based on the results of the table above, it is known that the significance score for the influence of X1 and X2 simultaneously on Y is  $0.000 < 0.05$  and the f count is  $206,806 > f$  table 3.09. So it can be concluded that there is an influence of convenience and security on the interest in using the E-wallet payment system for Generation Z among students in Makassar.

### Coefficient of Determination (R<sup>2</sup>)

**Table 4. Coefficient of Determination (R<sup>2</sup>)**

Model	R	R Square	Adjusted Square	R	Std.Error of The Estimate
1	.900 <sup>a</sup>	.810	.806		2.868

a. Predictors: (Constant), X2 security, X1 convenience

Based on the table above, the Adjusted R Square (Coefficient of Determination) is 0.806 or 80.6%, which means that the interest variable in using E-wallet can be explained by the convenience and security variables. Meanwhile, the rest is influenced by other variables that were not studied.

## DISCUSSION

### The convenience variable has a significant and positive influence on interest in using E-wallet

Based on the results of data analysis, it shows significant variables. Convenience in using an E-Wallet includes the extent to which the user feels that using it is a simple and easy process. If an E-Wallet is designed with an intuitive and easy-to-use interface, then users will be more likely to choose it as a payment method. The convenience factor also includes user trust in the security of transactions using E-Wallet. If users feel that their financial information is safe and protected, they will be more inclined to adopt E-Wallet. The results of previous research conducted by Utami and Kusumawati (2017) examined the factors that influence the use of e-money where the convenience variable has a significant influence. significant. This is in line with previous research conducted by Indriastuti and Wicaksono (2014) regarding e-money influencers in banking that the convenience variable has a significant effect on interest. From the

results of this research, H1 is accepted because it reveals that convenience influences interest in using the E-wallet payment system among Generation Z who are students in Makassar. This means that convenience is related to importance because it is easy to understand, easy to learn, easy to operate, flexible, and easy to use.

**The security variable has a significant and positive influence on interest in using E-wallet**

Based on the results of data analysis, there is a significant influence on the security variable on interest in using the Generation Z e-wallet payment system among students in Makassar. Users will be more likely to use E-Wallets if they trust that transactions with E-Wallets are secure and that their financial information will not be stolen or misused. Security actors include protection features such as data encryption, two-factor authentication, and other security measures that can protect sensitive user information from unauthorized access or leaks. A strong security system can help prevent fraudulent or fraudulent activities when using an E-Wallet. The results of this research are supported by Utami and Kusumawati (2017), Patel (2016), and Wong & Mo (2019) proving that security has a significant and positive effect on interest in using e-money. H2 is accepted because it can be explained that security implications have a significant effect on competition for E-wallet services in providing security as a financial technology application for users to meet their needs. The higher the security level of a system, the more secure users will feel in using it. Information is safe, balance is not debited if not used for a while, and interest in use will increase, so users will feel safe and comfortable.

**The effect of convenience and security simultaneously has a significant and positive effect on interest in using the E-wallet payment system.**

Based on the results of data analysis, it show that 81.5% of interest in using an E-wallet is explained by comfort and security variables. Meanwhile, the remaining 18.5% means that there is a simultaneous influence of comfort and security variables on interest in using the E-wallet payment system among Generation Z students in Makassar. The simultaneous influence of convenience and security on interest in using the E-Wallet payment system is a key factor in the acceptance and adoption of E-Wallet technology. Both are interrelated and have a significant impact on a user's decision to adopt or use an E-Wallet. It is important to achieve an optimal balance between comfort and safety. Users want to experience a high level of comfort in using E-Wallet without having to sacrifice the security of their transactions. High levels of convenience can increase user satisfaction, but without adequate security, user trust levels can be affected.

**CONCLUSIONS**

Based on this research, it can be concluded that the Ease of Use variable has a significant and positive effect on interest in using the Generation Z E-wallet payment system among students in Makassar. This means that there is a relationship between ease and interest because it is easy to understand, easy to learn, easy to operate, and flexible. Based on the results of the analysis and discussion, Security has a significant and positive effect on interest in using the Generation Z E-wallet payment system among students in Makassar. The implications for security have a significant impact on the competence of E-wallet services in providing security as a financial technology application for users to meet their needs. This means that the higher the security level

of a system, the safer the user will feel when using it. Information is safe, the balance will settle if not used, and interest in using it will increase, so users will always feel safe and comfortable.

The Comfort and Security variables simultaneously have a significant and positive effect on interest in using the E-wallet payment system among Generation Z students in Makassar. This means that high and low comfort and security scores influence interest in using the E-wallet payment system among Generation Z students in Makassar

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