



Motivation to Use M-payment in Shopping Centre: A Qualitative Inquiry

Efendi¹, Lina Salim²

Faculty of Economics and Business, Atma Jaya Catholic University, efendi@atmajaya.ac.id, Indonesia¹

Faculty of Economics and Business, Atma Jaya Catholic University, lina.salim@atmajaya.ac.id, Indonesia²

Received: 15-07-2020 / Revision: 20-09-2020 / Accepted: 25-10-2020

Hong, E.H. and Salim, L., (2020) "Motivation to Use M-Payment in Shopping Centre: A Qualitative Inquiry", *Manajemen Bisnis*, Vol. 10, No. 2, pp.89-97, <https://doi.org/10.22219/mb.v10i2.13531>

ABSTRACT

The study intends to understand motivation to use mobile payment (M-payment) in shopping centre, which can be considered to be a new technology of payment. M-payment not only serves a new way to facilitate consumer purchase, it also assists in gathering important data on consumer purchase behaviour. The literature on technology acceptance has been flourishing for a long time. The three leading theories in technology acceptance are innovation diffusion, technology acceptance, and network externalities theories. The study intends to explore the motivation of consumers in using M-payment in shopping centre. The researchers propose that the factors of technology acceptance in the leading theories are also found among Indonesian consumers in their use of M-payment. The study employs qualitative methodology using the approach of photo voice. In photo voice, the participants were instructed to answer the question from the researchers through photographs. The next step after that is interview to understand the meaning of each photograph. Six participants were selected for the study. The results of the study indicate that the participants are motivated to use M-payment because of convenience, sales promotion, convergence, and keeping up with the trend or technology. The findings are then compared to the leading theories in technology acceptance.

Keywords: *mobile payment, technology acceptance, innovation diffusion, network externalities, photo voice*

INTRODUCTION

The use of mobile payment (M-payment) in the shopping centre has been growing rapidly in the past few years. The data indicates that the adoption of E-money transactions in January 2020 has risen by 173% from a year earlier and has reached the amount of US\$ 1.1 billion (The Jakarta Post, 2020). Fuelled by the need to grow the digital commerce and to provide more convenience consumers, M-payment platforms have been flourishing in Indonesia. M-payment is also seen as a platform to increase the financial inclusion in the society. M-payment also has the potential to increase transparency and thus reduce corruption (Sinha et al., 2019).

¹ efendi@atmajaya.ac.id

² lina.salim@atmajaya.ac.id

The numbers of M-payment services have increased significantly. As of 2020, there are some 37 M-payment services in Indonesia (Phua, 2020). Consumers use M-payment to shop at shopping centre, online shopping or small shops and restaurants near their residences. The use of M-payment has become a daily habit among many consumers, especially those who live in big cities. As the biggest market in South East Asia, Indonesia's M-payment market has attracted big players from China and USA (Phua, 2020). Alipay and WeChat pay has formalised their presence with the cooperation with local banks. Paypal has also engage in a collaboration with GoPay (one of the biggest local M-payment service) to facilitate payment of Indonesian consumers in international purchases. Even though the use of M-payment has shifted more towards e-commerce during the Covid-19 pandemic, the popularity of M-payment in offline purchase should return after the pandemic is over.

Researchers are interested in the topic of M-payment because it has become an integral part of the business strategy of corporations. Payment not only facilitate the business transaction between consumers and producers, but it can also provide useful information about consumer's purchase behaviour. As a part of the rise of information technology, M-payment has find its role as the platform to provide the sources for big data about consumer's purchase behaviour. Big data has been considered as the new gold in the digital commerce as it can be utilized to create a more customized and more effective marketing offer.

There are various studies conducted to understand the adoption of M-payment in different contexts. Dinh, Nguyen, and Nguyen (2018) investigate the motivation of Vietnamese to use M-payment. Zhu, Lan, and Chang (2017) asserts that there are internal and external influence on people decisions to continue to use Alipay, the largest M-payment platform in China, as well as in the world. Sinha, Majra, Hutchins, and Saxena (2019) examine the role of adoption readiness and privacy concern on intention to use M-payment in India, a country characterized by low banking service penetration. Lee, Lee, and Rha (2019) use unified theory of acceptance and use of technology (UTAUT) to understand the M-payment for a developed nation, South Korea. Yeh (2020) investigates the moderating effects of ecosystems around M-payment on its actual use. Yeh (2020) compiles many aspects of the ecosystems, include service quality, service innovation, brand equity, switching cost, and public policy.

Most of the previous studies discussed are using quantitative method to understand the adoption of M-payment. The current study intends to use a qualitative method to explore the motivation of the consumers in using M-payment in shopping centre. Understanding the motivation of consumers in accepting the new payment method should provide important insights for business practitioners as well as academics. It is believed that a qualitative method can provide a more in depth and contextual understanding of the problems investigated. Cornelissen (2017) asserts that the strength of qualitative method lies in its ability to provide rich and detailed explanation. In addition, Wright (2017) argues that qualitative methodology has a role to play in developing and refining theories. The context of shopping centre is chosen because it is the most common amenity which facilitate the use of M-payment. Shopping centre usually also serves as the first touchpoint in educating consumers to adopt M-payment.

LITERATURE REVIEW

How people accept a new technology has become a hot topic in the current digital economy. Understanding the organization or consumer's acceptance of technology can help in generating more success for entities deploying new technology. However, the process involved in accepting a new technology is far from simple. There is an interplay of multiple factors, either internal or external to the subjects studied. Researchers have developed various theories to understand the subject. The three most prominent theories to study technology acceptance are diffusion of innovation, technology acceptance, and network externalities theories (Apanasevic, Mohammad G. Nejad, Markendahl, & Arvidsson, 2016). The diffusion of innovation theory argues that the intrinsic nature of the innovation has a big influence on the acceptance of a new technology. Pantano and Di Pietro (2012) and Liao, Hong, Wen, and Pan (2018) indicate that five characteristics determine the acceptance of a new technology. They are relative advantage, compatibility, complexity, trialability and observability. Yeh (2020) has adopted the five innovation characteristics in her research on mobile payment. Chemingui and Ben lallouna (2013) only applies the characteristics of relative advantage, compatibility and trialability in their study of mobile payment in Tunisia.

The technology acceptance model (TAM) was firstly introduced by Davis (1989). He proposes two determinants of acceptance to a new technology, which are usefulness and ease of use. Without further development, TAM has a high similarity with diffusion of innovation theory, with its focus on the nature of the new technology. With the development of TAM into unified theory of acceptance and use of technology (UTAUT), the theory begins to absorb other factors outside of the innovation itself. Beside of usefulness and ease of use, the UTAUT added the factors of social influence and facilitating conditions (Venkatesh, Morris, Davis, & Davis, 2003). Venkatesh, Thong, and Xu (2012) then develop the theory further into UTAUT2, which added three additional factors into the previous model. They are hedonistic value, price value, and habit. It is realistic to predict that the next theory will add more and more factors.

Many studies have adopted TAM and its successors in researching mobile payment. Lee et al. (2019) and Sinha et al. (2019) have added privacy risk to the four factors in UTAUT model. Zhu et al. (2017) have added source credibility, perceived integration, and competitors' marketing efforts in their model of technology acceptance. Amoroso and Magnier-Watanabe (2012) have added the new factors of perceived risk and attractiveness of alternatives to the UTAUT model. The developments of the theory have indicated that a one size fit all model may not be appropriate. Different researchers will fit the model to their own context in order to better understand the object studied. Therefore, enhancement and modification to the existing models are unavoidable.

Network externalities theory argues that the success of a new technology depends on the critical mass who accept it (Rauniar, Rawski, Yang, & Johnson, 2014). The more the users decided to use a new technology, the higher the value of the new technology. For instance, the WhatsApp app has become a more valuable communication app because it has been used by many people in different countries. In this theory, the concept of critical mass applies. Critical mass is defined as "the minimum number of adopters of an interactive innovation for the future rate of adoption to be self-sustaining" (Mahler & Rogers, 1999, p. 721). For mobile payment, another layer of network externalities applies, which is an internal one. Apanasevic et al. (2016) indicate that internal network externalities happens when the number of stores that provide a mobile payment system will influence the rate of consumer acceptance. On the other hand, the number of

consumers using a mobile payment system will influence the attractiveness for stores to adopt the payment system. From the discussions above, the current study will explore the motivation to use M-payment in Indonesia. The condition in Indonesia may be unique compared to the studies conducted before, but as the theories have grown to its maturity, we believe that the same factors will be found among Indonesia who choose to use M-payment. Therefore, it is proposed that: the factors from the theories of innovation diffusion, TAM and its successors, and network externalities will be found in Indonesian users of M-payment.

RESEARCH METHOD

The research method employed is qualitative method. The technique for data collection is photo voice. Photo voice is a technique “by which people can identify, represent, and enhance their community through a specific photographic technique” (Wang & Burris, 1997, p. 369). Photo voice technique consists of two steps. Firstly, participants were also instructed to take pictures to express what their motivation to use M-payment in shopping centre. After that, researchers will interview the participants based on the pictures taken. The main question delivered to the participants is what motivate them to use M-payment in the shopping centre. The interviews were recorded and then transcribed to facilitate content analysis. There are six participants selected for this study. They were chosen based on several criteria. Their age between 19 to 26 years old, residents of Jakarta and its surrounding areas, and are frequent visitors to shopping centres. They visit the shopping centres at least once a week.

The process of data analysis consists of three steps (Creswell & Poth, 2016). Firstly, the data is coded (data is reduced into meaningful terms or codes). Then, categorizing the codes into themes. In this way, the data is further reduced or organized into meaningful outcomes. Lastly, displaying and relating the result into graphs, tables, and charts. To validate the research, the researchers use the triangulation of the methodology and theories (Creswell & Poth, 2016). In photo voice study, the participants are instructed to take picture to answer the questions raised by the researchers. We asked the informants about the meaning they want to deliver through the picture and refer back to the picture when analysing the interview. Secondly, the results are confirmed with various theories related to topic studied. The reliability of the study is achieved through a good quality of voice recordings of interviews. Then they are transcribed closely to the utterances of the participants. Reliability is further achieved through the multiple researchers coding. The researchers discussed the right coding for the texts.

RESULT AND DISCUSSION

The section starts with the information of the participants' profile. Most of the participants are coming from Jakarta. Their professions are students, entrepreneurs and employee. They are aged between 20 to 24 years old. The lowest expense per month is Rp 500,000 and the highest is Rp 6,000,000. The detailed profile of the participants is listed in the Table.1.

Table 1: Participants' Profile

Participant	Age	Residency	Status	Monthly Expense
1	21	Jatinegara, East Jakarta	Student	Rp 1.500.000
2	21	Ancol, North Jakarta	Student	Rp 1.000.000 – Rp 2.000.000
3	20	Serpong, Tangerang	Student	Rp 500.000
4	24	Duren Sawit, East Jakarta	Entrepreneur	Rp 6.000.000
5	25	Senen, Jakarta Pusat	Entrepreneur	Rp 2.000.000 – Rp 3.000.000
6	24	Tanjung Duren, Jakarta Barat	Employee	< Rp5.000.000

The result of data analysis indicates that there are four things that motivate the participants to use M-payment as a part of business transaction. Firstly, the participants like the convenience of using M-payment. Secondly, they are attracted to sales promotion provided by the M-payment. Thirdly, they like the convergence of M-payment with other functionalities in the smart phone. Lastly, they appreciate the use of M-payment as it keeps up with the trend or technology. The detailed analysis of the results is explained below.

Convenience is the first characteristic liked by participants, the result in line with the result from the research of Liao et al. (2018) and Liébana-Cabanillas, García-Maroto, Muñoz-Leiva, and Ramos-de-Luna (2020). The participants mention different words to describe this characteristic. They mention the words of practicality, convenience, easier, and more efficient. Indeed, this is the main benefit brought by the new technology of M-payment as the consumers rely more and more on smart phone.

For instance, participant 1 describes the practicality of using M-payment below:

This is e wallet, OVO is e wallet. Then in my opinion it's going to be important for shops, to carry out the purchase transaction activities using e wallet, especially since I really don't carry cash very often, so something like debit, so I think e wallet makes it really easy, so it will last really. Because practical.

Furthermore, participant 2 further stress the convenience brought by M-payment:

Through the cell phone application ... So in the future cashless might be better, right ... It's better, sir ... It means it's more practical too, people don't need to lose their wallet or anything, like everything is on their cell phone ...

Sales promotions prove to be a very important tool to attract consumers of M-payment usage. All participants in the study mention about their liking of sales promotions offered by stores for using M-payment.

For example, participant 3 discusses about the charm brought by cashback:

For e-money, that's all, sir. Same for GoPay and OVO, they give attractive cashback, so that's for customers if for example they want to buy it, they see cashback so they are interested, sir. So the benefit is also for the mall.

In similar vein, participant 4 mention about the liking of sales promotions:

Like now, I've started using cell phones, I can already pay like that, moreover to get 50%, 10% cashback, it will definitely help the customer to get what they want, right? So this is one of the solutions. uh ... for yes for customers to get what they want like cashback, right, who doesn't want to get a discount, cashback and others ...

Participants 6 even argues that sales promotions can become a differentiation for a restaurant (see the picture below taken by the participant):

For this Chink N Roll, uh ... actually it can last a long time because it applies the concept of package or bundling ... there are also promos ... but not all restaurants can provide promos or use bundling, but Chick N Roll is consistent every day it gave the promo ... that's what make the difference.



Figure 1: Sales Promotions by a Restaurant

Convergence of M-payment means that M-payment becomes more useful because it is integrated with other apps or functionalities in the smart phone, especially with mobile banking. If their e-wallet account is running low, consumers only need to transfer their money from their saving account using mobile banking, as explained by participant 1 below:

If for people who don't carry cash or don't bring it or forget to bring the card, maybe the BCA (red: a popular private bank) debit card or whatever it is, just use your cell phone, especially now that you already use m-BCA, you just need to transfer and put it into the platform in the application, that spot to continue doing transactions. So you don't need to carry too much, just bring your cell phone.

Lastly, the participants love M-payment because it keeps up with the trend or technology. Consumers will choose the stores which use the most update payment method. If some stores are offering the convenience and other benefits of M-payment, consumers will demand the same treatment from other stores. Informant 4 explains that stores which did not follow the trend or technology will be left by consumers (also see the figure below):

If for example this retail business can keep up with the times and also the habits of customers, like now already started using cell phones you can pay it right ... try if for example it doesn't, it doesn't follow the times, for example there are Dana, no GoPay, have to be in cash or no for debit or credit card .. surely maybe it's not crowded like we... which, not as crowded as we see in the photo, that.



Figure 2: M-payment Banner as a Sign of Keeping Up with the Trend

The factor of convenience is related with the factors of usefulness and ease of use in technology acceptance theory (Liao et al., 2018; Liébana-Cabanillas et al., 2020). M-payment is perceived to be useful because it is convenient or practical to be used. The new technology is preferred by participants because it makes their everyday transactions become easier. So the same factor is also related with the factor of ease of use. M-payment is perceived both as useful and easy to use.

The charm of sales promotion brought by M-payment is related with the factor of price value and hedonistic value in UTAUT 2 Model (Venkatesh et al., 2012). The rise of M-payment in Indonesia has seen the two leading M-Payment Start-up (Ovo and GoPay) giving generous cashbacks to penetrate into the market. The results here confirm the effectiveness of sales promotion. All of the participants mentioned that they like the cashbacks provided by the stores through M-payment. That's why it is not peculiar to see consumers queuing up a long line to buy a certain brand of food or drink which provide huge cashback.

The factor of keeping up with the trend or technology is related with the factor of internal network externalities (Apanasevic et al., 2016; Qasim & Abu-Shanab, 2015). As many stores have adopted M-payment, participants want to see the next store they are visiting to offer the same kind of service. Therefore, the stores or merchants will feel the higher pressure to comply with the expectation of the visitors.

The factor of convergence (Qasim & Abu-Shanab, 2015; Zhu et al., 2017) seems to be different from the factors in the leading theoretical model of technology acceptance. However, after a closer look, the convergence between different functionalities in the smart phone can be seen as the indirect network externalities – that is, the presence of one good or service may make the others become more valuable (Apanasevic et al., 2016). The use of M-payment become easier because people can transfer to the account directly using mobile banking. The adoption of M-banking can also make other apps become more useful or valuable, such as a shopping apps or travel agent apps. After all, smart phone is a device which contain a network of devices or functionalities which is designed to be compatible or to work together.

The discussions above confirm that the proposition made in the study is accepted. The three factors of convenience, sales promotion and keeping with the trend or technology are related with the factors in the leading technology acceptance theories. The factor of convergence can be seen as related with the factor of indirect network

externalities. The findings implied that the models of technology acceptance should be used in combination between each other, as the factors from the three leading theories appear in the current study.

CONCLUSION

From the practical perspective, there are several implications for the merchants and M-payment provider. Firstly, if a merchant is serving the consumers who are users of M-payment may consider to provide the M-payment service to the latter. Thereby, the merchant may raise its image as being a sophisticated and customer oriented company. Secondly, a merchant should select the type of M-payment which are more practical to use, can support in conducting sales promotion, and have a high convergence with other entities or apps. As a result, a merchant can make its business to become more appealing to the consumers. For the M-payment provider, they are also need to do the same things proposed for the merchant, but from their point of view. Anyhow, the most important thing for the provider is to make their M-payment system to be as ubiquitous as possible. Therefore, developing networks and cooperation with other businesses, either upstream or downstream will become a key point.

In conclusion, there are four factors which motivate the participants to use M-payment, which are convenience, sales promotions, convergence, and keeping up with trend or technology. These factors are also found in the leading theories in technology acceptance.

REFERENCES

- Amoroso, D. L., & Magnier-Watanabe, R. (2012). Building a Research Model for Mobile Wallet Consumer Adoption: The Case of Mobile Suica in Japan. *Journal of theoretical and applied electronic commerce research*, 7(1), 13-14. doi: 10.4067/s0718-18762012000100008
- Apanasevic, T., Mohammad G. Nejad, D., Markendahl, J., & Arvidsson, N. (2016). Stakeholders' expectations of mobile payment in retail: lessons from Sweden. *International Journal of Bank Marketing*, 34(1), 37-61. doi: 10.1108/ijbm-06-2014-0064
- Chemingui, H., & Ben lallouna, H. (2013). Resistance, motivations, trust and intention to use mobile financial services. *International Journal of Bank Marketing*, 31(7), 574-592. doi: 10.1108/ijbm-12-2012-0124
- Cornelissen, J. P. (2017). Preserving theoretical divergence in management research: Why the explanatory potential of qualitative research should be harnessed rather than suppressed. *Journal of Management Studies*, 54(3), 368-383.
- Creswell, J. W., & Poth, C. N. (2016). *Qualitative inquiry and research design: Choosing among five approaches*: Sage publications.
- Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. *MIS Quarterly*, 319-340.
- Dinh, V. S., Nguyen, H. V., & Nguyen, T. N. (2018). Cash or cashless? *Strategic Direction*, 34(1), 1-4. doi: 10.1108/sd-08-2017-0126
- Lee, J.-M., Lee, B., & Rha, J.-Y. (2019). Determinants of Mobile Payment Usage and the Moderating Effect of Gender: Extending the Utaut Model with Privacy Risk. *International Journal of Electronic Commerce Studies*, 10(1), 43-64. doi: 10.7903/ijecs.1644

- Liao, S., Hong, J.-C., Wen, M.-H., & Pan, Y.-C. (2018). Applying Technology Acceptance Model (TAM) to explore Users' Behavioral Intention to Adopt a Performance Assessment System for E-book Production. *EURASIA Journal of Mathematics, Science and Technology Education*, 14(10), em1601.
- Liébana-Cabanillas, F., García-Maroto, I., Muñoz-Leiva, F., & Ramos-de-Luna, I. (2020). Mobile Payment Adoption in the Age of Digital Transformation: The Case of Apple Pay. *Sustainability*, 12(13), 5443. doi: 10.3390/su12135443
- Mahler, A., & Rogers, E. M. (1999). The diffusion of interactive communication innovations and the critical mass: the adoption of telecommunications services by German banks. *Telecommunications Policy*, 23(10-11), 719-740.
- Pantano, E., & Di Pietro, L. (2012). Understanding consumer's acceptance of technology-based innovations in retailing. *Journal of technology management & innovation*, 7(4), 1-19.
- Phua, K. (2020). Why Indonesia is the world's next digital payments battleground. Retrieved December, 23, 2020, from <https://www.thejakartapost.com/academia/2020/07/13/why-indonesia-is-the-worlds-next-digital-payments-battleground.html>
- Qasim, H., & Abu-Shanab, E. (2015). Drivers of mobile payment acceptance: The impact of network externalities. *Information Systems Frontiers*, 18(5), 1021-1034. doi: 10.1007/s10796-015-9598-6
- Rauniar, R., Rawski, G., Yang, J., & Johnson, B. (2014). Technology acceptance model (TAM) and social media usage: an empirical study on Facebook. *Journal of Enterprise Information Management*, 27(1), 6-30. doi: 10.1108/jeim-04-2012-0011
- Sinha, M., Majra, H., Hutchins, J., & Saxena, R. (2019). Mobile payments in India: the privacy factor. *International Journal of Bank Marketing*, 37(1), 192-209. doi: 10.1108/ijbm-05-2017-0099
- The Jakarta Post. (2020). E-money transactions in Indonesia skyrocket 173% in January. Retrieved November, 3, 2020, from <https://www.thejakartapost.com/news/2020/02/27/e-money-transactions-in-indonesia-skyrocket-173-in-january.html>
- Venkatesh, V., Morris, M. G., Davis, G. B., & Davis, F. D. (2003). User acceptance of information technology: Toward a unified view. *MIS Quarterly*, 425-478.
- Venkatesh, V., Thong, J. Y., & Xu, X. (2012). Consumer acceptance and use of information technology: extending the unified theory of acceptance and use of technology. *MIS Quarterly*, 157-178.
- Wang, C., & Burris, M. A. (1997). Photovoice: Concept, methodology, and use for participatory needs assessment. *Health education & behavior*, 24(3), 369-387.
- Wright, P. M. (2017). Making great theories. *Journal of Management Studies*, 54(3), 384-390.
- Yeh, H. (2020). Factors in the Ecosystem of Mobile Payment Affecting its Use: From the Customers' Perspective in Taiwan. *Journal of theoretical and applied electronic commerce research*, 15(1), 0-0. doi: 10.4067/s0718-18762020000100103
- Zhu, D. H., Lan, L. Y., & Chang, Y. P. (2017). Understanding the Intention to Continue Use of a Mobile Payment Provider: An Examination of Alipay Wallet in China. *International Journal of Business & Information*, 12(4).