

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

In this era right now information and communication technology in few decades has inevitably facilitated the rise of mobile technologies. More precisely, on the commercial sector, mobile commerce had a profound impact on our daily activities and pay in store, online store, not only that of that much people not bring a cash a again just bring a mobile devices without having to use physical cashone, in Indonesia One of the foremost quickly extending zones of portable commerce is versatile installment, which is characterized as the utilize of portable gadgets to conduct, authorize and affirm a money related exchange to alternative method to paying for product Mobile payment means that users employ their mobile devices to conduct payment, check balances and transfer money which freed users from temporal and spatial constraints and provided great convenience to users that may promote their usage (Zhou, 2014). However, many news from internet and from newspaper many people versatile installment too includes incredible vulnerability and chance, for illustration, portable systems are defenseless to programmer assault and data interferences. In Indonesia, there is no regulatory because in Indonesia about mobile payment still new and from the government not updated the new regulatory framework specifically for fintech, this means that there is a legal vacuum surrounding the Indonesian fintech industry, leading to legal uncertainty and inadequate consumer protection measures (Kharisma, 2021; Zhou, 2014). These issues may increment users' seen hazard and diminish their utilization. The purpose of this study is to identify the factor that make people not to adopt the mobile payment which include trust in online payment, system quality and information quality, that is used as the determinants.

1.2. Problem Statements

Mobile payment freed users from temporal and spatial constraints and provided great convenience to users but it also has risk. For example, mobile networks are vulnerable to hacker attack and information interception not only that when we want to use the mobile payment we must to make a account first because of it the risk identitiy go to

public. These advantages and disadvantages may promote or decrease the continuance usage of mobile payment. There is a need to study what really affect the continuance usage of mobile payment as it is beneficial for merchants and clients. From the vendors' viewpoint, it makes a difference suppliers to obtain variables that energize clients to keep utilizing their benefit. From the client point of view, merchants that attempt to make strides their administrations tend to emphatically influence their clients . In 2019, there were 355.5 million mobile subscriptions in Indonesia, and the number of mobile internet connections was higher than the total population, by 2025, the number of Indonesian smartphone users is predicted to be 410 million, with Indonesia having the third-largest number of smartphone users in the world (Lisana, 2021). In any case, as the portable installment industry in Indonesia is still in its early a long time, understanding consumer's purposeful to utilize versatile installment is of impressive intrigued not as it were for the benefit suppliers but too to the analysts, particularly as the selection of modern innovation is determined and always creating, deliberately talking, this is often imperative as a number of partners, counting the government, monetary teach, advanced installment benefit suppliers, program engineers, directors of retail firms, because of it people must know it how tu use it and trust the system to adopt the mobile payment. In this year just right now technology like mobile payment is rare to hear by adult and know how to use the mobile payment not just that adult don't want to use it because still trust the system to protect the identity for the user because it to risky if the identity was exposed to the public beside of it the advantages of using mobile payment is not to carry a lot money to go anywere, just pay via phone,and its easy to top up the balance on the mobile payment.

1.3 Research Objective and Questions

The purpose of this paper is to identify factors that has significant effect to the intention to use mobile payment and understand the intention of mobile payment continuance usage in Indonesia from trust, flow, system quality, information quality, and performance expectancy perspective.

The research conducted within this paper aims to solve the following research questions:

- 1 Does perceived trust has significant relationship with intention Palembang user to adopt mobile payment.

- 2 Does deal proneness has significant relationship with intention Palembang user to adopt mobile payment.
- 3 Does perceived convenience to use has significant relationship with intention Palembang user to adopt mobile payment.

1.4. Significance of Study

As the respondent of previous research studies related to Mobile Payment are limited to specific areas only, cross-cultural study need to be conducted. Previous study also need to be repeated in order to enhance the validity of the findings, especially in relation to the new findings. Other variables that may affect the continuance usage and the addition of more sample (Ex.: other age groups) also need to be conducted as it may lead to a different result. This study aims to help contribute filling this gap by previous studies to prove and enhance the validity of the findings from previous studies.

1.5. Thesis Organization

The remainder of this paper is organised as follows: Section 2 presents the related theoretical and empirical literature toward adopt mobile payment. Section 3 presents the study methodology.