

CHAPTER II

THEORETICAL AND EMPIRICAL LITERATURE

2.1 Introduction

Previous studies have tried to identify the factors affecting continuance usage of mobile payment, many which is based on Technology Acceptance Model (TAM). Previous studies have also examined factors such as trust (Lisana, 2021; Zhou, 2014), and perceived risk (Lestari, 2019; Raman & Aashish, 2021) that have an effect on the adoption and continuance usage of mobile payment. Mobile payment are considered to be in its early stage and are still not widely adopted by many users (Raman & Aashish, 2021). Therefore, this research tried to fill the gap by helping to examine some of the diverse factors that influence the continuance usage of mobile payment.

2.2 Theoretical Literature

Recently, several studies were conducted on mobile payment user behaviors, most of which focused on initial adoption and applied mainly Technology Acceptance Model (TAM) to explore mobile payment acceptance drivers (Cao et al., 2018). There are four factors in (Davis, 1989) Technology Acceptance Model (TAM), which is perceived usefulness, perceived ease of use, attitude, and behavioral intention that is relevant to technology use behavior. From those four, the two main factors that became the focus in TAM model and this research is perceived usefulness and perceived ease of use. Both of these factors have an impact on user attitudes in using a system which then affects the users interest in using a system so that users are able to accept the existence of a system, which in this case, the system is mobile payment service.

Perceived Usefulness, according to (Davis, 1989), is a factor that is defined as the extent to which a user believes that the use of a technology can improve their job performance. If users perceive that MP provides unique benefits, then it is likely

that they will use it (Lisana, 2021). When mobile payment users consider that mobile payment services have a high value in helping conducting financial activities, there is a tendency to reuse the service repeatedly to achieve the expected benefits.

Perceived Ease of Use, according to (Davis, 1989), is a factor that is defined as the extent to which a user believes that the use of a technology will give them freedom to not having to put out more effort. If users feel confident that mobile payment application is easy to use, it will make them keep using the service. On the other hand, if users do not believe that mobile payment is not easy to use it will make them not use the service. In practice, after the initial download of the mobile payment application and its adoption, its usefulness and ease-of-use will determine consumer attitudes towards the application, and this will result in the application usage continuance (Rafdinal & Senalasari, 2021).

Previous studies have also examined factors such as trust (Lisana, 2021; Zhou, 2014), and perceived risk (Lestari, 2019; Raman & Aashish, 2021) that have an effect on the adoption and continuance usage of mobile payment. Trust refers to one's belief that all the stakeholders in mobile payment systems (service providers, banks, vendors and other users) will behave appropriately to improve the security of mobile payment (Fan et al., 2018). (Cao et al., 2018) define users' trust in mobile payment as the willingness of users to perform payment transaction over a mobile network and expect the payment platform to fulfill its obligations, disregarding the users' ability to monitor or control mobile payment platform's actions.

Perceived risk is defined as the potential to incur a loss in securing an anticipated outcome of using an electronic form of service (Widyanto et al., 2021). Perceived risk can be classified into two major types, which is (1) Behavioral risk occurs as a result of mobile payment service provider action who attempted to gain advantages from the mobile payment application. Product risks are related to users

consideration of spending time online, achieving a comfortable feeling and reflection of the value of the products/services. (2) Environmental risk is an outcome of emotional and spontaneous considerations occurring while engaging in a transaction and usually refers to mobile payment transactions between mobile payment users and products/services provider, it is difficult to control the transaction, and thus, using mobile payment involves financial and security risks (Lestari, 2019).

2.3 Empirical Literature

Recent studies have found determinants that affect the adoption and continuance usage of mobile payment. (Aji et al., 2021; C.C. & Prathap, 2020; Handarkho et al., 2021; Inan et al., 2021; Jain et al., 2021; Kumar et al., 2018; Lestari, 2019; Lisana, 2021; Rafdinal & Senalasari, 2021; Susilo et al., 2019) found that Perceived Usefulness have a significant effect on the adoption and continuance usage of mobile payment, and (Kumar et al., 2018; Lisana, 2021; Rafdinal & Senalasari, 2021; Susilo et al., 2019) found that perceived ease of use also have a significant effect on the adoption and continuance usage of mobile payment, both factors which is adopted from TAM model. Other studies have also found that Perceived Risk (Handarkho, 2021; Lestari, 2019; Raman & Aashish, 2021; Susanto et al., 2020; Widyanto et al., 2021) and Trust (Cao et al., 2018; Fan et al., 2018; Zhou, 2014) to have an effect on the adoption and continuance usage of mobile payment. Previous studies mainly use the TAM model to measure users judgement on the adoption and continuance usage of mobile payment, however there is a limitation in using only the TAM model. (Susilo et al., 2019) found that basic TAM model cannot be used to identify users judgement whether they prefer on one factor than the other. This study tries to understand users adoption of mobile payment concerned with continuance usage by using TAM model that use Perceived Usefulness and Perceived Ease of Use combined with Perceived Risk and Trust as an added determinants.

The relationship between trust and users attitude towards mobile payment use is discussed in prior studies (Cao et al., 2018; Fan et al., 2018; Handarkho, 2021; Hariguna et al., 2020; Lisana, 2021; Widyanto et al., 2021; Zhou, 2014). These studies have found that trust has a positive relationship on users attitude toward mobile payment use.

Previous studies found that Perceived Risk negatively influences Trust (Widyanto et al., 2021) which negatively influences mobile payment continuance usage. (Susanto et al., 2020) found that Perceived risk to have an effect on continuance usage of mobile payment but (Widyanto et al., 2021) found Perceived Risk not to have a significant effect on continuance usage of mobile payment.

In mobile payment studies, (Kumar et al., 2018; Lisana, 2021) found that Perceived Usefulness has a significant effect on mobile payment continuance usage. However, in other mobile payment studies (Susilo et al., 2019) this effect was not significant.

Previous studies (Kumar et al., 2018; Lisana, 2021; Rafdinal & Senalasar, 2021) showed that Perceived Ease of Use has a significant effect on mobile payment continuance usage. However, (Aji et al., 2021; Susilo et al., 2019) found that this effect was not significant.

2.4 Hypothesis Development

Trust enables users to believe that mobile payment service providers have ability and integrity to provide quality mobile payment services to them. When users have formed trust in the mobile payment service, they have less concern on the risk and uncertainty that comes with using mobile payment. When users have developed trust in mobile payment, they may form a positive expectation toward usage experience. Therefore, this study hypothesizes the following:

H1 Trust would affect the continuance usage of mobile payment.

Perceived Risk refers to the potential loss in each action. Users understanding on the level of risk will determine the use of mobile payment technology due to uncertainty of outcomes. Previous studies proposed that Perceived Risk also negatively influences Trust (Widyanto et al., 2021). Therefore, this study hypothesizes the following:

H2 Perceived Risk would affect the continuance usage of mobile payment.

Perceived Usefulness is a variable from Technology Acceptance Model (TAM) that is defined as the extent to which users believe that by using mobile payment, it can improve their performance in paying for a purchase. Users are likely to use mobile payment if the users thinks that mobile payment offers unique benefits. Therefore, this study hypothesizes the following:

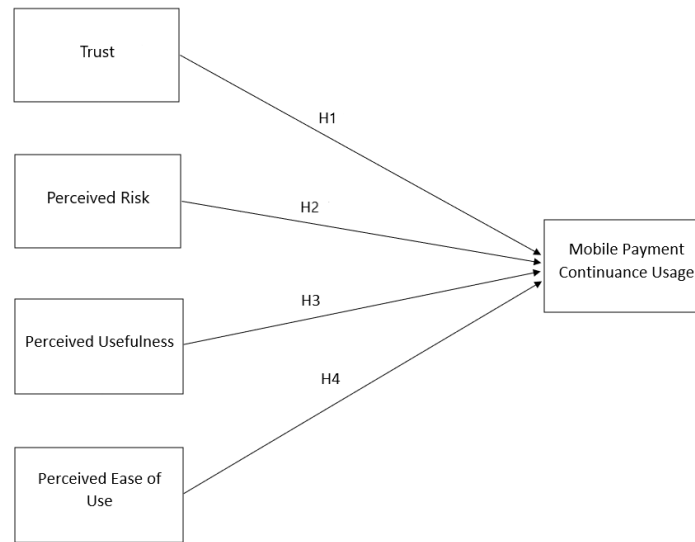
H3 Perceived Usefulness would affect the continuance usage of mobile payment.

Perceived Ease of Use is a variable from Technology Acceptance Model (TAM) that is defined as the extent a user believes that the use of mobile payment will be effortless. Users of mobile payment may develop perceptions that mobile payment service is user-friendly. Previous studies showed that Perceived Ease of Use has a significant effect on Perceived Usefulness (Kumar et al., 2018; Lisana, 2021). Therefore, this study hypothesizes the following:

H4 Perceived Ease of Use would affect the continuance usage of mobile payment.

2.5 Theoretical Or Conceptual framework

Figure 2.5.1: Research Framework



2.6 Conclusion

A number of studies have examined factors that affect the users' attitude toward mobile payment such as Perceived Usefulness (Inan et al., 2021; Kumar et al., 2018) and Perceived Ease of Use (Lisana, 2021; Susilo et al., 2019) that have a relationship on the adoption and continuance usage of mobile payment. However, these studies focus mainly on the use of the Technology Acceptance Model (TAM). This study tried to fill the gap by examining mobile payment continuance usage using TAM model combined with other determinants, which is trust (Lisana, 2021; Zhou, 2014), and perceived risk (Lestari, 2019; Raman & Aashish, 2021) that other studies found to also affect continuance usage of mobile payment but is rarely used as determinants.