

# THE ANALYSIS OF INDIVIDUAL'S BEHAVIORAL INTENTION AND USE BEHAVIOR IN USING OVO BASED ON UTAUT 2

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## ABSTRACT

Cashless lifestyle has rapidly gained its popularity with the introduction of e-wallet as an innovation form of e-money such as OVO to enhance an effective and efficient means of transaction. However, the successful implementation of OVO as an e-wallet largely depends on the extent of how the customers are fully motivated to adopt it. The purpose of this research is to explain the factors which influence the behavioral intention and use behavior to utilize OVO. The proposed model has factors from Unified Theory of Acceptance and Use of Technology 2 (UTAUT 2). This research applies an explanatory research and the data are collected by employing survey method (questionnaires). The respondents comprise of 328 undergraduate active students from accounting department in Faculty of Economics and Business, Brawijaya University. The research data and hypothesis are analyzed by using Structural Equation Modeling (SEM) based on Partial Least Square (PLS). The research findings mainly indicate that behavioral intention to utilize mobile banking is significantly and positively influenced by performance expectancy, hedonic motivation, and habit. It is equally important that behavioral intention also has a strong and positive effect towards use behavior. In contrast, effort expectancy, social influence, and price value do not affect the users' behavioral intention to use OVO. Thus, it can be concluded that higher performance expectancy, hedonic motivation and habit, will highly affect the intention to use OVO, and higher behavioral intention will highly impact the use behavior of using OVO.

**Keywords:** E-money, E-wallet, Performance Expectancy, Effort Expectancy, Social Influence, Price Value, Hedonic Motivation, Behavioral Intention, Use behavior.

The existence of electronic payment system introduces and provides a different touch in the revenue cycle of company in collecting cash. Following the growth of nowadays' electronic money, cashless lifestyle has become a trend. It can be proven with the appearance of digital wallet or Electronic Wallet (e-wallet) as an innovation of electronic money. E-wallet is a part of e-money which saves the data holder in a server, but the holder can also save their financial data, including balance in their e-wallet from their own smartphone. The consumer can use their smartphone to do payment or to buy card-less product. Data of the holder is already saved in telecommunication operator server, leaving the holder to not bring cash to conduct any financial transaction.

OVO appears as one of digital wallet platform which attracts considerable number of customers in the blink of eye. Through Android (OS 4.2 and above) and iPhone (iOS 8.0 and above), customers utilize OVO for easier transaction. Recently, the President Director of OVO, Adrian Suherman, through pers and in *detik.com*, stated that OVO has approximately 350 thousand merchants, and it does exist in more than 400 malls in Indonesia. Although OVO has many merchants and offers big amount of discount, based on the published data in 2017, OVO still has a very small number of users, which stated that 50% of e-money users used Go-Pay, 46% used e-money from Mandiri Bank, 42% used T-Cash from Telkomsel, 25% used Flazz from BCA Bank, 17% used LINE pay from Line, 15% used OVO from Lippo, and 12% used BRIZZI from BRI (Databoks, katadata, Indonesia, 2017).

The number of e-wallet users in Indonesia, as stated above, encourages the providers of e-wallet to market their product to the customers, especially to the potential market targets which are students. Nowadays, students and young generations are always exposed in understanding new technology to assist them in running daily activities as well as personally financial arrangements.

Nevertheless, there are existing customers in Indonesia, some of whom are in Brawijaya University which have not yet used OVO. The success of OVO adoption depends on the rate of consumer acceptance and continuous use of OVO. Therefore, this gap is used as a motivation in conducting a research to understand the factors which may affect the behavioral intention and use behavior to adopt and use OVO. the company is expected to consider certain required aspects to be improved as well as to optimize customer's acceptance of OVO.

This research applies the development theory of Unified Theory of Acceptance and Use of Technology (UTAUT), which is UTAUT 2 due to its uniqueness and relevance with the topic about adopting cashless lifestyle. The researcher adds 3 new variables such as habit, hedonic motivation, and price value providing new insights into factors affecting behavioral intention and use behavior to use OVO. This research combines the variables from previous research of Alalwan *et al.* (2017) applying Performance Expectancy, Effort Expectancy, Social Influence, Price Value, Hedonic Motivation, Habit from UTAUT 2 and Behavioral Intention with the reserach from Chopdar *et al.* (2018) employing Use Behavior as the dependent variable. Researcher will conduct the research by using the variables mentioned on the undergraduate accounting students in Faculty of Economic and Business, Brawijaya University, Malang.

Performance Expectancy (PE) in communication technology implies that users consider OVO as one of beneficial mobile wallets which enable them to accomplish their goal-oriented tasks (Venkatesh *et al.*, 2003). In this perception, if the customers believe that using OVO as their mobile wallet is useful and would enhance their transactions, then they will use it. Similarly, if they feel that using OVO is useless and not helping their transaction, then they consequently will not use it. In various cultural contexts, Performance Expectancy has been found to exhibit a significant positive relationship with the Behavioral Intention to adopt m-

commerce (Chong, 2013; Lai & Lai, 2014). In a study in China, Lu and Yu-Jen Su (2009) observed that Performance Expectancy significantly influenced individual mobile service utilization. To that end, the researcher formulates the alternative hypothesis as follows:

**H1: Performance Expectancy has a positive influence on Behavioral Intention to use OVO**

Effort Expectancy (EE) is described as “the degree of ease associated with consumers’ use of technology” (Venkatesh *et al.*, 2012, p.159). It is measured by extending the perceived ease of use (PEOU) from the Technology Acceptance Model with items capturing usage complexity and general ease of use. In this perception, if a user believes that OVO is easy to use, then they will want to use it. However, if user believes that OVO is difficult to use, they will not want to use the technology. The easier to use the technology, more useful it is perceived to be likely accepted by its users (Bashir & Madhavaiah, 2015). Many past studies have confirmed the positive impacts of PEOU on the adoption of m-commerce (Khalifa & Ning Shen, 2008; Tsu Wei, Marthandan, Yee-Loong Chong, Ooi & Arumugam, 2009). To that end, the researcher formulates the alternative hypothesis as follows:

**H2: Effort Expectancy has a positive influence on Behavioral Intention to use OVO.**

Social influence is the extent to which consumers perceive that their surrounding social environment (e.g., family and friends) believe they should use a particular technology (Venkatesh *et al.*, 2003). In a study in China, Yang *et al.* (2012) observes a positive effect of Social Influence on adoption intention of mobile payment service. Social Influence (SI) is found to be significantly and positively correlated to the intention to use m-commerce in a study conducted in Malaysia (Tsu Wei *et al.*, 2009). Other similar results that confirmed the positive influence of social influence on behavioral intention to use information technology

are obtained by Martins *et al.* (2014); Abrahão *et al.* (2016); Tarhini *et al.* (2016). To that end, the researcher formulates the alternative hypothesis as follows:

**H3: Social Influence has a positive influence on Behavioral Intention to use OVO.**

Price value is the consumer's trade-off between the perceived benefits of using OVO and the monetary cost of using it, whereas using OVO needs data service carrier cost (mobile internet) and device cost. Price value will have a positive impact on behavioral intention if customers perceive that benefits of using OVO are greater than the incurred costs. A research from Alalwan *et al.* (2017), Arenas-Gaitan *et al.* (2015), Alalwan *et al.* (2018), Chopdar *et al.* (2018), find that price value has a positive effect to the intention to use a technology. To that end, the researcher formulates the alternative hypothesis as follows:

**H4: Price Value has a positive influence on Behavioral Intention to use OVO.**

Hedonic and utilitarian. Hedonic Motivation (HM) is conceptualised as the feeling of cheerfulness, joy or enjoyment, stimulated by applying technology. In technology acceptance research, hedonic motivation is conceptualized as perceived enjoyment (Venkatesh *et al.*, 2012). Hedonic information systems, aiming to provide self-fulfilling rather than instrumental value to the user, are strongly connected to home and leisure activities, focusing on the fun aspect of using information system, and encouraging productively prolonged use (Van der Heijden, 2004). A research by Alalwan *et al.* (2018) explains that Hedonic Motivation significantly affects Jordanian customers' intentions and adoption of internet banking. Similarly, Chopdar *et al.* (2018) also finds that Hedonic Motivation also has significant effect on behavioral intention to adopt mobile shopping apps in India and US. To that end, the researcher formulates the alternative hypothesis as follows:

**H5: Hedonic Motivation has a positive influence on Behavioral Intention to use OVO.**

Habit (H) has been defined as the extent to which people tend to perform actions automatically because of learning (Limayem, Hirt, & Cheung, 2007). In that context, Habit or Habitual use reflects the multiple results of past experiences (Venkatesh *et al.*, 2012) and the regularity of past behavior which is considered to be one of the principal determinants of present behavior (Ajzen, 2002). Several studies like Baptista and Olivera (2015), Hew *et al.* (2015), and Kim (2012), have found that habitual use positively affect the intention of using technology. To that end, the researcher formulates the alternative hypothesis as follows:

**H6: Habit has a positive influence on Behavioral Intention to use OVO.**

The main antecedent of UB in the UTAUT model is framed as the Behavioral Intention and has a single direct effect on individual's actual use of a given technology. This construct is derived from the theory of Reasoned Action and is defined as a measure of the strength of one's intention to perform a specified behavior (Davis *et al.*, 1989, p. 984). Several studies in the past have confirmed the powerful correlation between intention to perform a behavior and actual behavior (Dabholkar & Bagozzi, 2002; Lucas & Spitler, 1999; Vijayasathy, 2004). Groß (2015) in an empirical study, suggested that consumers' m-shopping behavior was significantly determined by their behavioral intention to use m-shopping which confirmed previous empirical findings (Aldas-Manzano *et al.*, 2009; Yu, 2012). To that end, the researcher formulates the alternative hypothesis as follows:

**H7: Behavioral Intention has a positive influence on OVO Customer's Use Behavior.**

This research applies a casual study with quantitative method to provide valuable insight to the ordering of reality and the materialized discourses, It is a type of research that explains phenomena by collecting numerical data which are analyzed by using mathematical or statistical based methods (Creswell, 2014). Research design that researcher used in this research is explanatory research as an understanding to clearly define each investigated variable in some situations. The population in this study includes the accounting student of

faculty of economics and business in Brawijaya University, Malang (batch 2014 – 2018). Sampling in this research was conducted by using non-probability sampling in convenience sampling method. Thus, the sample of this research is the member of research population consisting of any undergraduate student in Faculty of Economics and Business, Brawijaya University, ever using OVO.

The result from this research is performance expectancy, hedonic motivation, and habit have a positive effect towards behavioral intention, and the behavioral intention has a positive effect through use behavior. In conclusion, higher performance expectancy, hedonic motivation, and habit will more encourage the behavioral intention to use OVO. In line with those findings, the higher the behavioral intention of the customers, the higher the customers' use behavior to use OVO, meaning that higher intention will affect higher possibility to use OVO.

Besides providing a great and beneficial explanation on the motivation underlying the intention to use OVO, this research is also expected to also strengthen empirical evidence from previous studies. Not only that, the results of this research is expected to provide input for OVO in developing electronic money service applications by paying attention to the factors that influence customer's behavioral intention in using OVO. This research explains the people's feeling towards using OVO which is beneficial for them. Thus, OVO service is expected to always innovate and add new features and also merchants on their application to attract more customers. If many customers are satisfied with OVO as their electronic money option and if the intention of people is high, the possibility to use it will also increase, then this service will continue to grow and the company could get advantages from customer satisfaction.

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