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# THE FACTORS INFLUENCY TRADITIONAL CURRENCY USERS TO ADOPT TO E-WALLETS AS ONLINE TRANSACTION METHODS.

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## ABSTRACT

The rising popularity of e-wallets has sparked curiosity about why people who usually use cash are now using digital payment methods. This research project aims to understand these reasons by looking at how different factors affect whether Sri Lankan consumers choose to use e-wallets for online transactions.

We'll use well-known ideas from theories like the Conceptual Model to guide our research. Our plan involves considering things like how easy e-wallets are to use, how useful people find them, how secure they seem, how much trust people have in them, and how fast transactions happen. We think these factors influence whether someone decides to start using e-wallets.

To gather information, we'll ask a group of typical cash users in Sri Lanka to fill out surveys. By analyzing the data we collect, we hope to understand how these factors are related to people's decisions to use e-wallets.

We expect our findings to help us understand better why some people switch to e-wallets while others don't. This could lead to better ways of encouraging more people in Sri Lanka to use digital payment methods.

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# CHAPTER 01

## INTRODUCTION

In today's fast-moving digital world, more and more people are using e-wallets instead of traditional money for online payments. This research project aims to understand why some people who usually use cash are starting to use e-wallets in Sri Lanka. To do this, we need to understand what factors influence their decision.

We think there are four main things that affect whether someone decides to use an e-wallet, how confident they feel about using it, how safe and private they think it is, how much they trust the companies behind it and how fast transactions happen.

The arrows in our plan show how these factors are connected. For example, if people feel that e-wallets are very secure, they might feel more confident using them and trust them more.

Our goal is to figure out what motivates people to switch from cash to e-wallets, as well as what challenges they face. This information can help businesses, government officials, and others who are promoting e-wallets make better decisions about how to encourage more people to use them.

By studying both theory and real-world evidence, we hope to learn more about digital payments and how they can make financial transactions easier for everyone in Sri Lanka.

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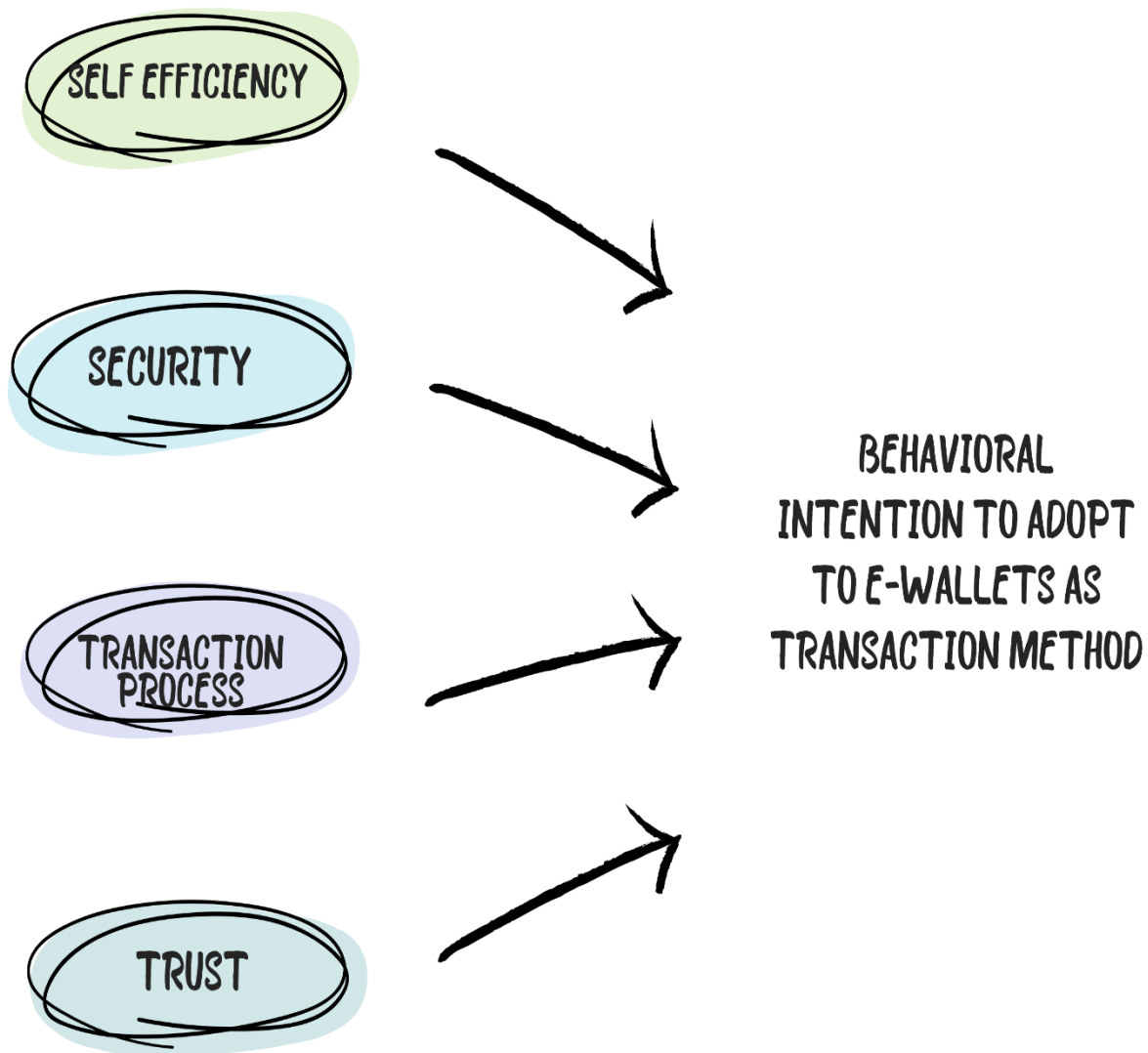
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## Problem statement

In today's digital world, the shift towards using e-wallets for online transactions has become increasingly noticeable, transforming the way people conduct financial activities. However, there's still a gap in understanding why some individuals prefer traditional currency over e-wallets.

This research project aims to bridge this gap by exploring the reasons behind this preference. We believe that factors like feeling confident in using e-wallets, perceiving them as secure, speed of transaction process and having trust in the companies offering these services play crucial roles in determining adoption behavior. By delving into the relationships between these factors, we hope to provide valuable insights that can assist businesses and policymakers in improving user experience and encouraging more widespread adoption of e-wallets. This, in turn, could lead to a more efficient and digitized financial ecosystem that benefits both consumers and businesses alike.

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## Project Objectives

1. Find out why people who usually use cash are starting to use e-wallets for online transactions.
   - ➤ This might be because e-wallets are easy to use, people feel they're safe, they trust the technology, or because their friends are using them.

2. See how people's confidence in using e-wallets, how safe they think they are, and how much they trust the whole process affect whether they decide to use e-wallets.
   - ➤ Understanding this can help us figure out which factors are most important for getting people to use e-wallets.

3. Look at how things like age, income, and education level affect what's most important for people when they decide to use e-wallets.
   - ➤ For example, younger people might care more about how easy it is to use and the cool features, while older people might worry more about security and reliability.

4. Find out what might be stopping people from using e-wallets.
   - ➤ This could be worries about privacy, how secure transactions are, or if e-wallet platforms are reliable.

5. Give practical advice to businesses, government officials, and others on how to make using e-wallets better and get more people to use them.
   - ➤ This could mean making them even safer, easier to use, or giving people reasons to use them.

6. Help us understand more about digital payments and how they affect the way we handle money.
   - ➤ By learning about why people choose to use e-wallets, we can help make our financial system more modern and include more people.

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**Conceptual Framework**



INDEPENDENT VARIABLES          DEPENDENT VARIABLE

Figure 1 : Conceptual Design

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## Methodology

This chapter is mainly focused on describing the research's flow based on its primary key points. This chapter begins with an explanation of the procedures used for data gathering, sampling, and analysis. The conceptual framework that we used in this research will be explained in the final section of this chapter.

## Sampling techniques

In our research, we targeted young Sri Lankans for the study. We employed practical sampling to select 80 individuals for participation. This approach ensured efficiency in gathering data from the younger demographic. Thus, our sample represents young Sri Lankans in our study on e-wallet adoption.
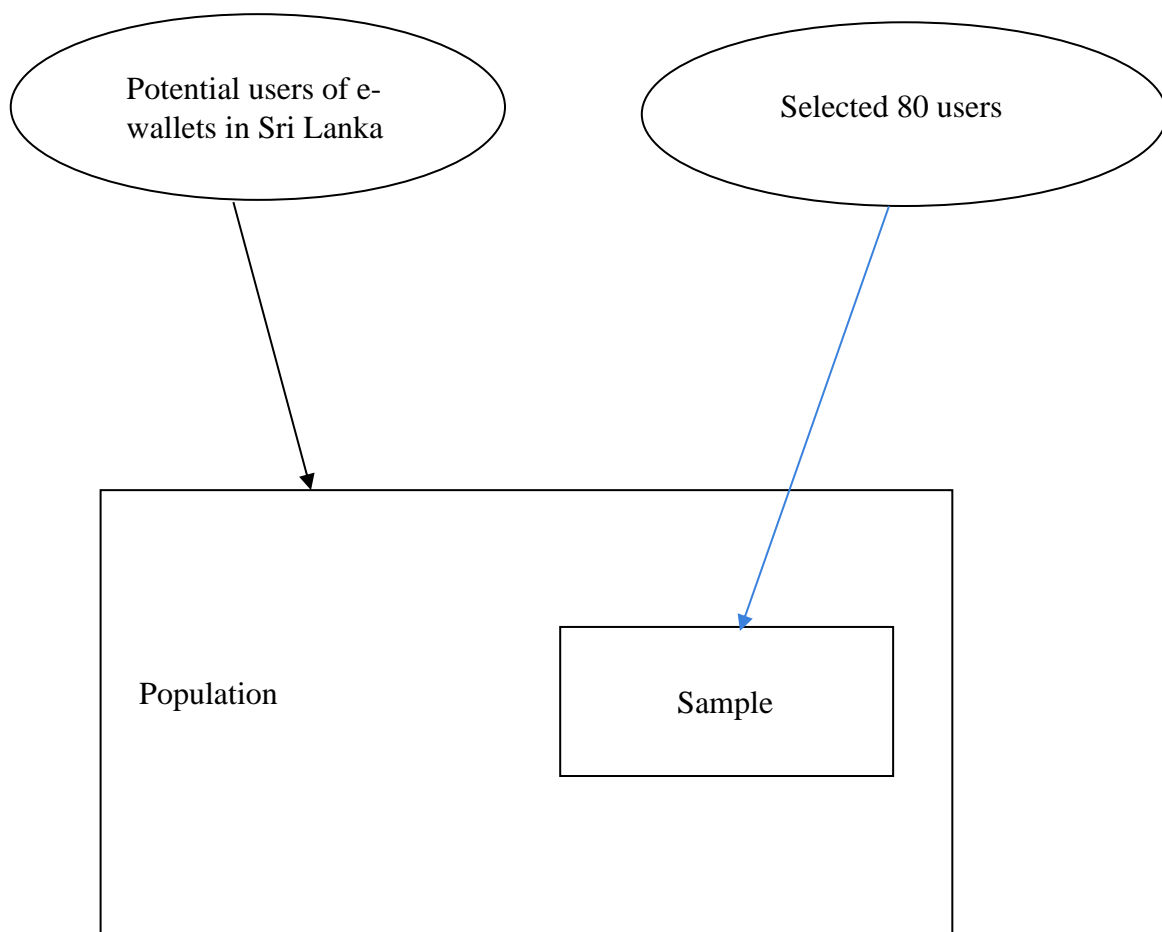
Figure 2 : Sample from Population

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**Data Collection Methods**

Data will be collected through online surveys using structured questionnaires distributed to the selected sample of Potential users of e-wallets The questionnaires will be designed to gather information on Self-efficiency, Security, Trust, and Transaction speed. The online survey platform, specifically Google Forms, will be utilized for data collection, ensuring ease of access and efficient data management.

[Click here to access the survey questionnaire.](#)

# Questionnaire

Self-efficiency

1.I often use e-wallets for online transaction due to system efficiency.

2. The specific features or aspects of e-wallets contribute significantly to my confidence in using them for online transactions.

3. I am unlikely to encounter difficulties in using e-wallets for online transactions.

4. My previous experience with e-wallets strongly influences my confidence in using them for future transactions.

Transaction speed

5. I am satisfied with the overall process of making transactions using e-wallets.

6. The aspects of the transaction speed with e-wallets are convenient.

7. I can easily navigate through the steps of an online transaction using e-wallets.

8. E-wallet transaction speed affects my satisfaction.

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Security

9. The security of e-wallets strongly influences my willingness to adopt them for online transactions.

10. Security features or measures in e-wallets contribute significantly to my confidence for online transactions.

11. I am concerned about the possibility of unauthorized access to my e-wallet account.

12. I feel in control of the security settings in my e-wallet.

Trust

13. My perception of trust in e-wallets strongly influences my intention to use them for online transactions.

14. The reputation and brand recognition of an e-wallet affect my trust in its services.

15. I am likely to trust e-wallets endorsed or recommended by friends or family.

16. The transparency of information provided by e-wallet providers significantly impacts my trust in them.

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17.Using e-wallets is straightforward and easy for me.

18.I believe adopting e-wallets would bring significant advantages to my online transactions.

19.I trust that e-wallets provide a secure environment for my financial transactions.

20.The opinions and recommendations of friends and family influence my intention to adopt e-wallets.

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# CHAPTER 02

## DATA ANALYSIS

The final data analysis from the questionnaire, which was developed using the conceptual framework outlined in the preceding chapter, is contained in this chapter. IBM (SPSS) and Microsoft Excel software was used to evaluate this data.

> ➢ **Independent Variable 01: Self-efficiency**
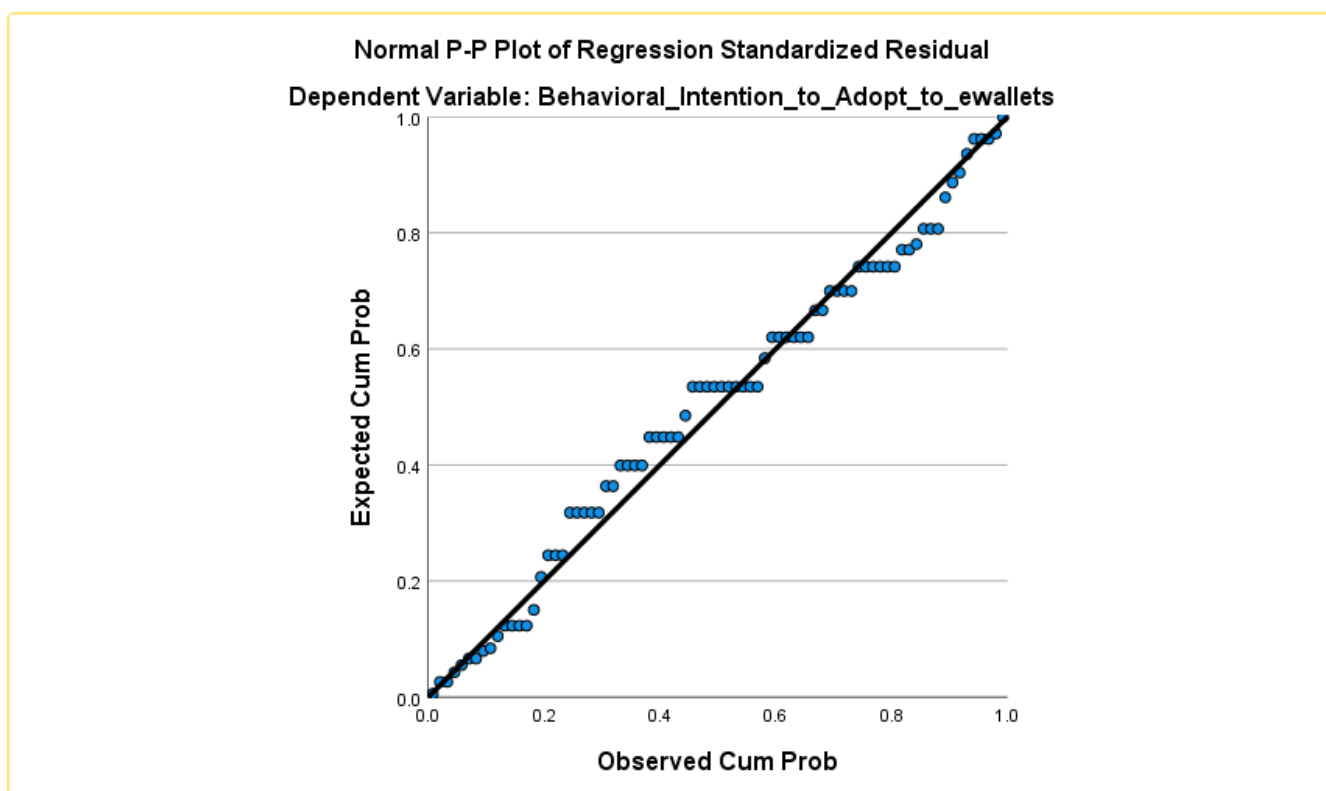
**Normal probability plot**



Figure 3 : Self-Efficiency Probability Plot

This graph shows monotonic behavior between Self-efficacy and Behavioral intention to adopt to e-wallets. Therefore, it is a positive Covariance behavior.

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## Summary Table

| Model Summary[b] | | | | |
|---|---|---|---|---|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .372[a] | .139 | .128 | .44559 |

a. Predictors: (Constant), Self_efficiency

b. Dependent Variable: Behavioral_Intention_to_Adopt_to_ewallets

Figure 4 : Self-Efficiency Summary Table

**R**: This is the correlation of coefficient between the observed values of the dependent variable (Behavioral intention to adopt to e-wallets) and the predicted values from the model. In this case, it is 0.372.

**Interpretation:**

**The correlation coefficient of 0.372 means there's a moderately positive relationship between behavioral intention to adoption e wallet and self-efficiency. The self-efficiency moderately impact for behavioral intention to adopt to e-wallets.**

**R Square:** Also known as the coefficient of determination, R Square indicates the percentage which can be explain in dependent variable based on the change's independent variable.

In this model, approximately 13.9% (0.139) of the variability in the behavioral intention to adoption e wallet can be attributed by variations in the self-efficiency variable.

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## ANOVA Table

| ANOVA[a] | | | | | | |
|---|---|---|---|---|---|---|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 2.494 | 1 | 2.494 | 12.560 | .001[b] |
| | Residual | 15.487 | 78 | .199 | | |
| | Total | 17.980 | 79 | | | |

a. Dependent Variable: Behavioral_Intention_to_Adopt_to_ewallets

b. Predictors: (Constant), Self_efficiency

Figure 5 : Self-Efficiency ANOVA Table

H0: This model is not a statically moderate model.

H1: This model is a statically significant model.

A significant level (Sig) value of 0.001 is given in the ANOVA table.

Since the significance value is less than 0.05 (often denoted as α), which is a commonly used threshold for statistical significance, we follow the rule that if the Sig value is less than or equal to 0.05, we reject the null hypothesis (H0) and accept the alternative hypothesis (H1).

Therefore, in this case, because the sig value is extremely low (0.001 < 0.05), we can conclude that there is indeed a significant relationship between self-efficiency and behavioral intention to adopt to e-wallets.

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## ➢ Independent Variable 02: Transaction Speed

**Normal probability plot**



Normal P-P Plot of Regression Standardized Residual

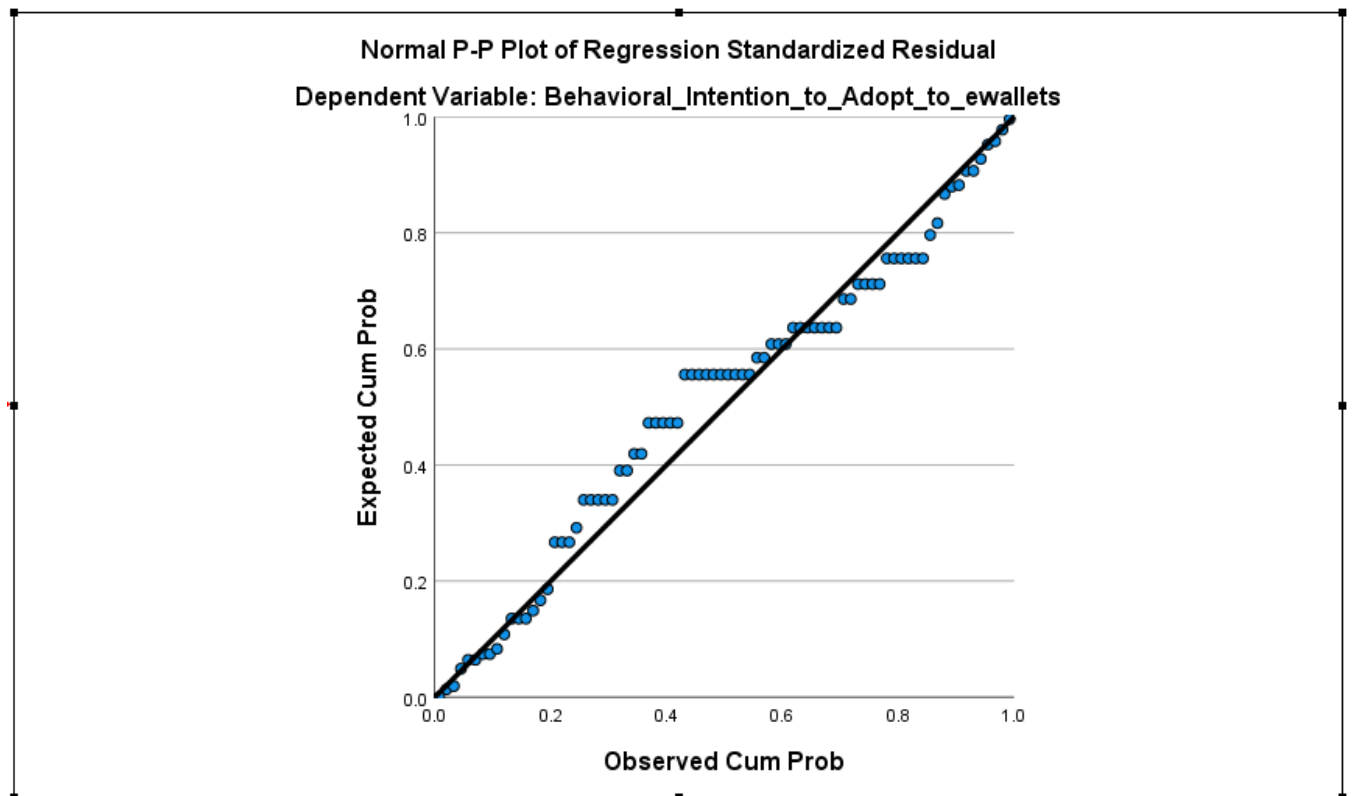Dependent Variable: Behavioral_Intention_to_Adopt_to_ewallets

Figure 6:Transaction Speed Normal Probability Plot

This graph shows monotonic behavior between Transaction-speed and Behavioral intention to adopt to e-wallets. Therefore, it is a positive Covariance behavior.

## Summary Table



**Model Summary**[b]

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .338[a] | .114 | .103 | .45187 |

a. Predictors: (Constant), Transaction_speed

b. Dependent Variable: Behavioral_Intention_to_Adopt_to_ewallets

Figure 7:Transaction Speed Summary Table

**R**: This is the correlation of coefficient between the observed values of the dependent variable (Behavioral intention to adopt to e-wallets) and the predicted values from the model. In this case, it is 0.338.

**Interpretation:**

**The correlation coefficient of 0.338 means there's a minorly positive relationship between Behavioral intention to adoption e-wallet and Transaction speed variable. The transaction speed minorly impact for behavioral intention to adopt to e-wallets.**

**R Square:** Also known as the coefficient of determination, R Square indicates the percentage which can be explain in dependent variable based on the change's independent variable.

In this model, approximately 11.4% (0.114) of the variability in the behavioral intention to adoption e wallet can be attributed by variations in the Transaction speed variable.

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## ANOVA Table

| ANOVA[a] | | | | | | |
|---|---|---|---|---|---|---|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 2.054 | 1 | 2.054 | 10.059 | .002[b] |
| | Residual | 15.927 | 78 | .204 | | |
| | Total | 17.980 | 79 | | | |
| a. Dependent Variable: Behavioral_Intention_to_Adopt_to_ewallets | | | | | | |
| b. Predictors: (Constant), Transaction_speed | | | | | | |

Figure 8:Transaction Speed ANOVA Table

H0: This model is not a statically moderate model.

H1: This model is a statically significant model.

A significant level (Sig) value of 0.002 is given in the ANOVA table.

Since the significance value is less than 0.05 (often denoted as α), which is a commonly used threshold for statistical significance, we follow the rule that if the Sig value is less than or equal to 0.05, we reject the null hypothesis (H0) and accept the alternative hypothesis (H1).

Therefore, in this case, because the sig value is extremely low (0.002 < 0.05), we can conclude that there is indeed a significant relationship between transaction speed and behavioral intention to adopt to e-wallets.

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➢ **Independent Variable 03: Security**

**Normal probability plot**

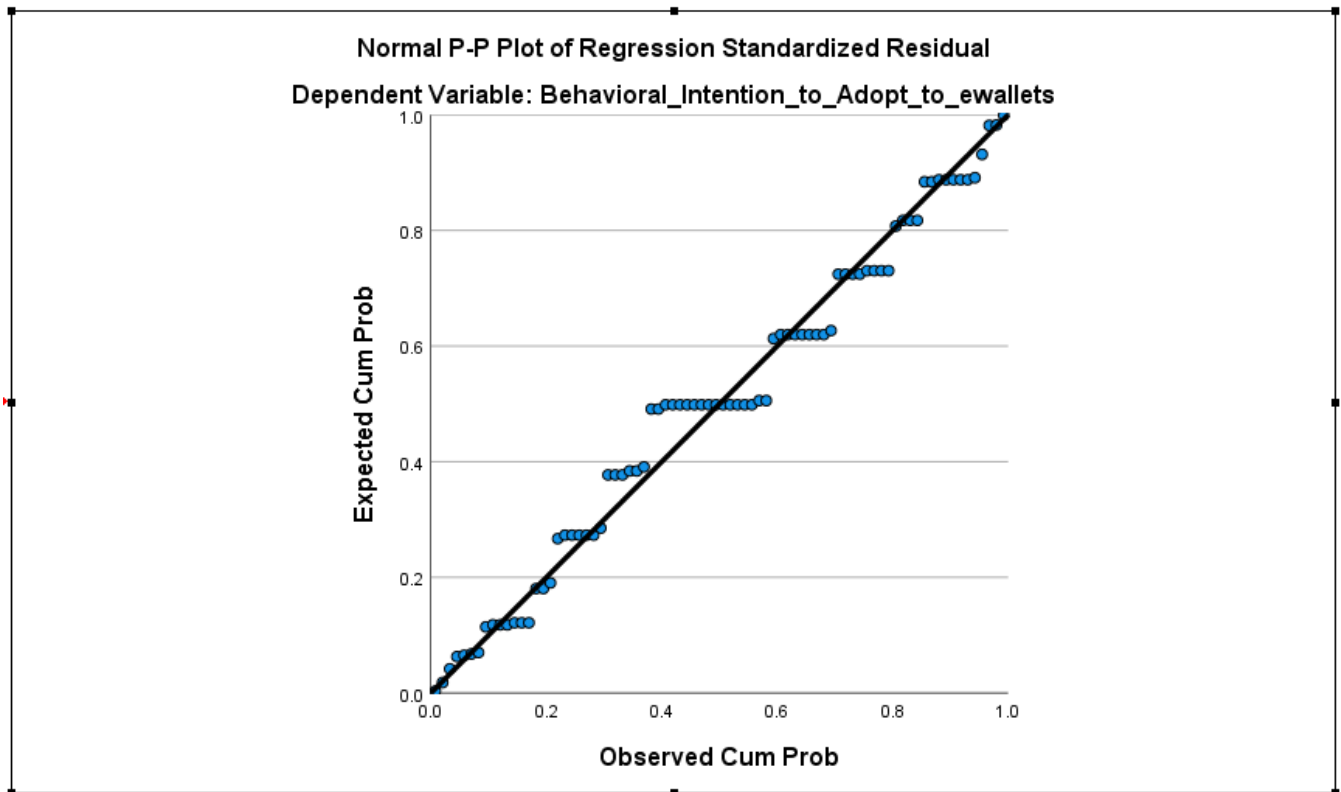

Figure 9:Security Normal Probability Plot

This graph shows monotonic behavior between Security and Behavioral intention to adopt to e-wallets. Therefore, it is a positive Covariance behavior.

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## Summary Table



| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .497[a] | .247 | .237 | .41668 |

a. Predictors: (Constant), Security

b. Dependent Variable: Behavioral_Intention_to_Adopt_to_ewallets

Figure 10:Security Summary Table

**R**: This is the correlation of coefficient between the observed values of the dependent variable (Behavioral intention to adopt to e-wallets) and the predicted values from the model. In this case, it is 0.497.

**Interpretation:**

**The correlation coefficient of 0.497 means there's a moderately positive relationship between Behavioral intention to adoption e-wallet and Security variable. The Security moderately impact for behavioral intention to adopt to e-wallets.**

**R Square:** Also known as the coefficient of determination, R Square indicates the percentage which can be explain in dependent variable based on the change's independent variable.

In this model, approximately 24.7% (0.247) of the variability in the behavioral intention to adoption to e-wallets can be attributed by variations in the Security variable.

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## ANOVA Table

| ANOVA<sup>a</sup> | | | | | |
|---|---|---|---|---|---|
| Model | Sum of Squares | df | Mean Square | F | Sig. |
| 1    Regression | 4.438 | 1 | 4.438 | 25.559 | .000<sup>b</sup> |
|        Residual | 13.543 | 78 | .174 | | |
|        Total | 17.980 | 79 | | | |
| a. Dependent Variable: Behavioral_Intention_to_Adopt_to_ewallets | | | | | |
| b. Predictors: (Constant), Security | | | | | |

Figure 11:Security ANOVA Table

H0: This model is not a statically moderate model.

H1: This model is a statically significant model.

A significant level (Sig) value of 0.000 is given in the ANOVA table.

Since the significance value is less than 0.05 (often denoted as α), which is a commonly used threshold for statistical significance, we follow the rule that if the Sig value is less than or equal to 0.05, we reject the null hypothesis (H0) and accept the alternative hypothesis (H1).

Therefore, in this case, because the sig value is extremely low (0.000 < 0.05), we can conclude that there is indeed a significant relationship between Security and behavioral intention to adopt to e-wallets.

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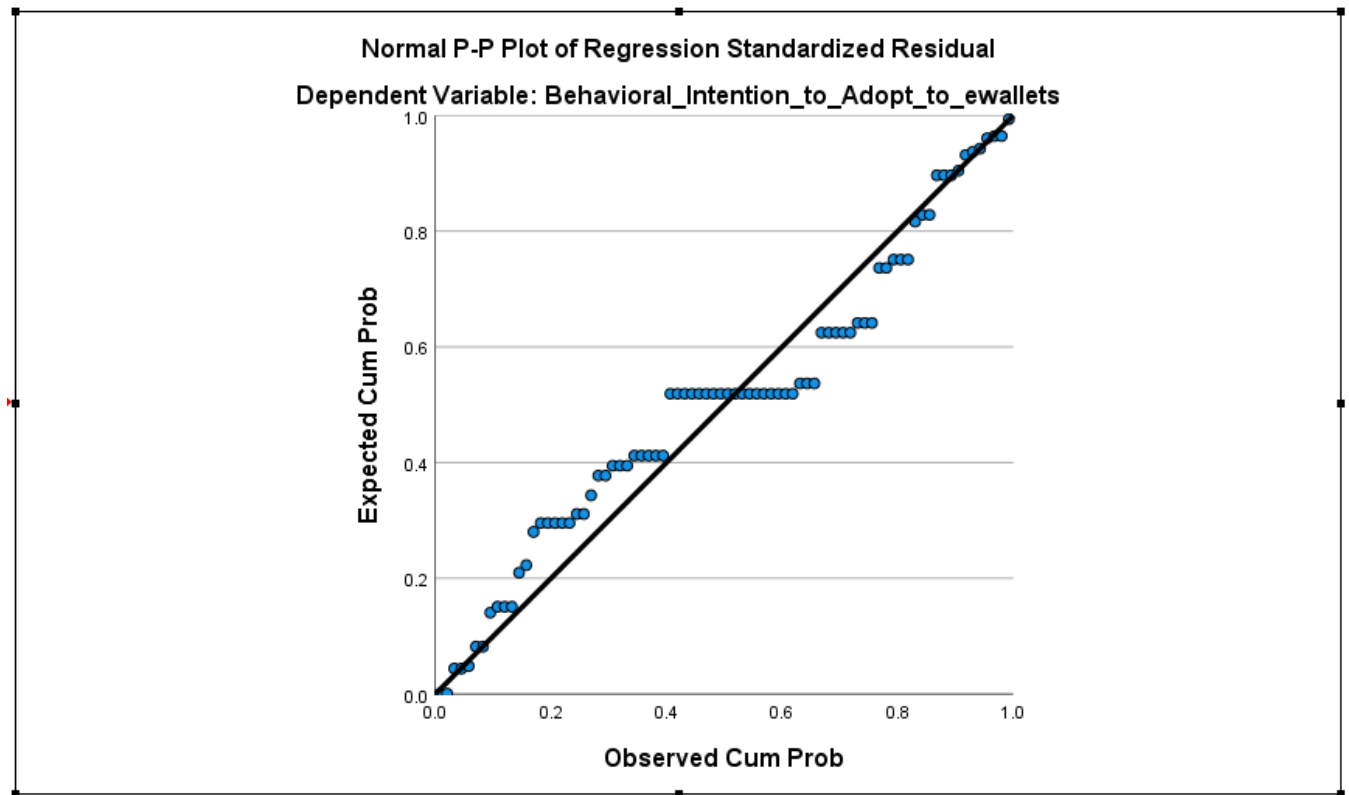➢ **Independent Variable 04: Trust**

## Normal Probability Plot



Figure 12:Trust Normal Probability Plot

This graph shows monotonic behavior between Trust and Behavioral intention to adopt to E-wallets. Therefore, it is a positive Covariance behavior.

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## Summary Table



**Model Summary**[b]

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-----|----------|-------------------|----------------------------|
| 1 | .455[a] | .207 | .197 | .42747 |

a. Predictors: (Constant), Trust

b. Dependent Variable: Behavioral_Intention_to_Adopt_to_ewallets

Figure 13:Trust Summary Table

**R**: This is the correlation of coefficient between the observed values of the dependent variable (Behavioral intention to adopt to e-wallets) and the predicted values from the model. In this case, it is 0.455.

**Interpretation:**

**The correlation coefficient of 0.455 means there's a moderately positive relationship between Behavioral intention to adoption e-wallet and Trust variable. The trust moderately impact for behavioral intention to adopt to e-wallets.**

**R Square:** Also known as the coefficient of determination, R Square indicates the percentage which can be explain in dependent variable based on the change's independent variable.

In this model, approximately 20.7% (0.207) of the variability in the Behavioral intention to adopt to e-wallets can be attributed by variations in the Trust variable.

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## ANOVA Table



### ANOVA[a]

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 3.728 | 1 | 3.728 | 20.399 | .000[b] |
| | Residual | 14.253 | 78 | .183 | | |
| | Total | 17.980 | 79 | | | |

a. Dependent Variable: Behavioral_Intention_to_Adopt_to_ewallets

b. Predictors: (Constant), Trust

Figure 14:Trust ANOVA Table

H0: This model is not a statically moderate model.

H1: This model is a statically significant model.

A significant level (Sig) value of 0.000 is given in the ANOVA table.

Since the significance value is less than 0.05 (often denoted as α), which is a commonly used threshold for statistical significance, we follow the rule that if the Sig value is less than or equal to 0.05, we reject the null hypothesis (H0) and accept the alternative hypothesis (H1).

Therefore, in this case, because the sig value is extremely low (0.000 < 0.05), we can conclude that there is indeed a significant relationship between Trust and behavioral intention to adopt to e-wallets.

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> ➢ **Multiple Variable: Behavioral Intention to Adopt to E-wallets As Transaction Method**

## Normal Probability Plot


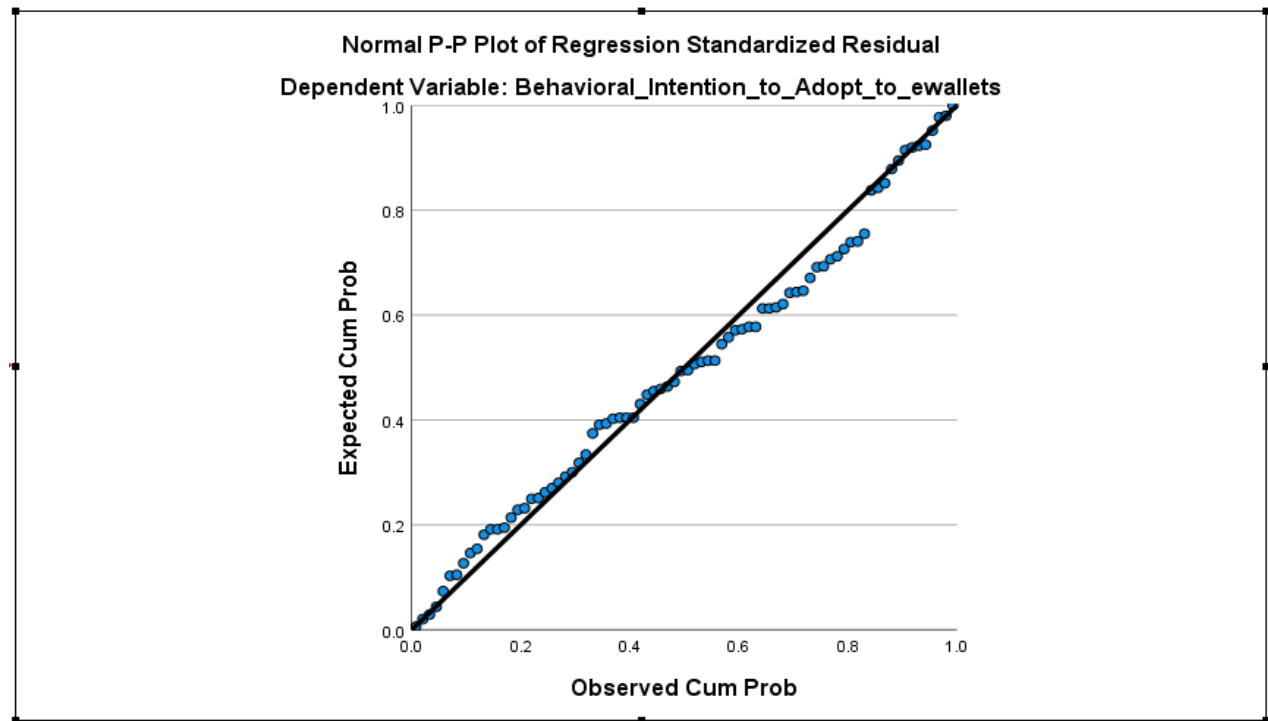
Figure 15:Multiple Normal Probability Plot

This graph shows positive behavior. Therefore, it visually interprets that all independent variables increase Behavioral intention to adopt to E-wallets.

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## Summary Table

**Model Summary[b]**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .584[a] | .341 | .306 | .39735 |

a. Predictors: (Constant), Trust, Self_efficiency, Transaction_speed, Security

b. Dependent Variable: Behavioral_Intention_to_Adopt_to_ewallets

Figure 16:Multiple Summary Table

**R:** This value is the correlation coefficient between the observed values of the dependent variable (DV) and the predicted values from the model. In this specific case, the value is 0.584.

**Interpretation:**

**The correlation coefficient of 0.584 indicates a relatively moderately positive relationship between the observed values of the dependent variable (DV), in this case, behavioral intention to use e-wallets, and the values predicted by the model.**

**R Square:** Also known as the coefficient of determination, R Square quantifies the proportion of the variance in the dependent variable that can be attributed to the variance in all the independent variables combined.

In this model, approximately 34.1% (0.341) of the variability in" Behavioral intention to adopt to E-wallets." can be attributed by variations in the set of independent variations (Trust, Self-efficiency, Transaction speed, Security).

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## ANOVA Table



**ANOVA[a]**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 6.139 | 4 | 1.535 | 9.720 | .000[b] |
| | Residual | 11.842 | 75 | .158 | | |
| | Total | 17.980 | 79 | | | |

a. Dependent Variable: Behavioral_Intention_to_Adopt_to_ewallets

b. Predictors: (Constant), Trust, Self_efficiency, Transaction_speed, Security

Figure 17:Multiple ANOVA Table

H0: This model is not a statically moderate model.

H1: This model is a statically significant model.

A significant level (Sig) value of 0.000 is given in the ANOVA table.

Since the significance value is less than 0.05 (often denoted as α), which is a commonly used threshold for statistical significance, we follow the rule that if the Sig value is less than or equal to 0.05, we reject the null hypothesis (H0) and accept the alternative hypothesis (H1).

Therefore, in this case, because the sig value is extremely low ($0.000 < 0.05$), we can conclude that there is indeed a significant relationship between set of independent variations (Trust, Self-efficiency, Transaction speed, Security) and behavioral intention to adopt to e-wallets .

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## Coefficient Table



**Coefficients$^a$**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | 95.0% Confidence Interval for B | |
|---|---|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | | Lower Bound | Upper Bound |
| 1 | (Constant) | .671 | .553 | | 1.213 | .229 | -.431 | 1.772 |
| | Self_efficiency | .205 | .119 | .197 | 1.732 | .087 | -.031 | .442 |
| | Transaction_speed | .053 | .124 | .048 | .431 | .668 | -.193 | .300 |
| | Security | .232 | .136 | .224 | 1.707 | .092 | -.039 | .503 |
| | Trust | .365 | .129 | .309 | 2.832 | .006 | .108 | .622 |

a. Dependent Variable: Behavioral_Intention_to_Adopt_to_ewallets

Figure 18:Multiple Coefficient Table

$Y = b1x1 + b2x2 + b3x3 + b4x4 + c$

$C = 0.671$

Self-efficiency = 0.205

Transaction speed= 0.053

Security= 0.232

Trust= 0.365

Y (Behavioral intention to adopt to E-wallets) = 0.205 (Self-efficiency) + 0.053 (Transaction speed) + 0.232 (Security) + 0.365 (Trust) + 0.671

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## CONCLUSION

In summary, this research has helped us understand why some people in Sri Lanka are choosing to use e-wallets instead of cash. We found that factors like how easy e-wallets are to use, how safe people feel using them, and how much they trust them play a big role in their decision.

We also learned that believing in your ability to use e-wallets, feeling that they're safe, and trusting the whole process are important factors in whether someone decides to use them.

Our research also showed that concerns about privacy, security, and whether e-wallet platforms are reliable can stop some people from using them.

We've provided some practical suggestions for businesses and policymakers to make using e-wallets better and get more people to use them. This could mean making them safer, easier to use, or giving people more reasons to use them.

Overall, this research helps us understand digital payments better and how they can make our financial system more modern and include more people in Sri Lanka.

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