

## CHAPTER II

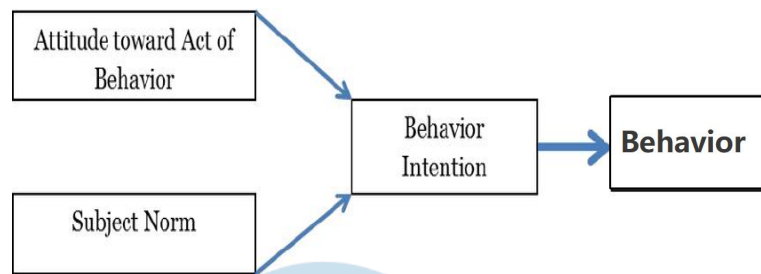
### LITERATURE RIVIEW

This chapter will describe the theoretical background of the study. The author will explain about the development of Theory of Planned Behavior which will be used in this study. Besides the model development and the model that will be used, the author will also explain about behavioral belief (perceived usefulness, perceived ease of use, trust, perceived safety), normative belief (interpersonal influence, external influence), control belief (self-efficacy, facilitating), attitude, subjective norm, perceived behavioral control, and intention towards M-Payment system. Lastly, previous studies that have the same topic, hypothesis development, and research framework of this study will be mentioned.

#### **2.1 Theory of Reasoned Action**

Theory of Reasoned Action (TRA) model was proposed in 1975 by Fishbein and Azjen (1980). It has been widely used as a model for the prediction of behavioral intentions and or behavior. TRA focuses on the construction of a system of observation of two groups of variables, which are:

1. Attitudes defined as a positive or negative feeling in relation to the achievement of an objective.
2. Subjective norms, which are the very representations of the individuals' perception in relation to the ability of reaching those goals with the product.



**Figure 2.1 Theory of Reasoned Action**

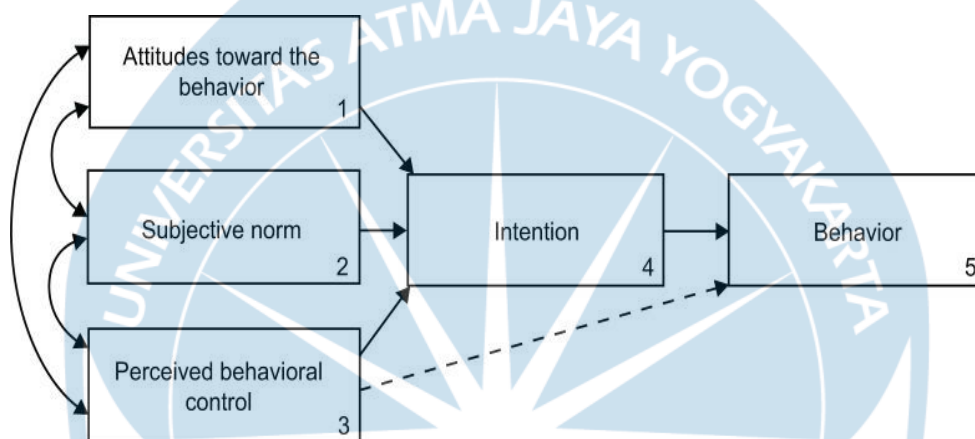
(Source: Ajzen, 1975)

Theory of Reasoned is very important to be explained briefly due to the connection between TRA and TPB. The theory was under the assumption that the behaviors tested were under full volitional control and that is why the only reason why TPB is connected to TRA is the primary distinction which is the addition of the perceived behavioral control component, meanwhile, most of the key assumptions underlying the TRA also applied to the TPB.

## 2.2 Theory of Planned Behavior

Theory of Planned Behavior is an extension of the theory of reasoned action (Ajzen & Fishbein, 1980; Fishbein & Ajzen, 1975). This theory was proposed the rational behavior by Icek Ajzen. This model has been widely applied in order to determine the interrelationship between Intention and behavior. Theory of Planned Behavior was developed due to the limitation by adding a construct called Perceived Behavior Control (PBC) where control belief affects the perceived behavioral control. Theory of Planned Behavior is based on the assumption that humans are rational and use the information that may be for him systematically (Achmat, 2011). This Theory of Planned Behavior (TPB) model will be the basic reference of framework for the development of this research. In accordance with Theory of Planned Behavior, there are several variables that believed to be influencing the decision making of a person to make use of mobile

payment system. There are three conceptually independent determinants of intention, attitude, subjective norm, and Perceived behavioral control. Those three independent variables then predicted by another three distinctively beliefs namely behavioral beliefs, normative beliefs and control beliefs. Theory of Planned Behavior (TPB) is adopted as the underlying theory due to its validated variables and relevance in understanding human behavior (Shankar & Balasubramanian, 2008; Yang & Zhou, 2011).



**Figure 2.2 Framework Theory of Planned Behavior**

(Source: Ajzen, 1991)

### 2.2.1 Attitudes Toward the Behavior

According to Theory of Planned Behavior, attitude is the outcome of namely salient beliefs known as Behavioral belief that executing the behavior of someone which resulting the outcome that would have either positive or negative consequences (Ajzen, 2012). A key assumption of Theory Reasoned Action (TRA) the behaviors are under volitional control that means people believe that they can execute the behavior whenever they are willing to do so. However, the assumption is likely to be unrealistic in some contexts, as one can imagine that the volitional control of behaviors may vary across different situations.

### **2.2.1.1 Behavioral Belief**

The view of attitude towards a behavior is influenced by beliefs (behavioral beliefs) as a result of the behavior carried out (Ajzen, 2002). Individual beliefs include beliefs strength and outcomes evaluation. Behavioral belief is believed to be carried out by some factors, namely Perceived Usefulness, Perceived Ease of Use, Trust, and Perceived Safety (Ajzen, 2002). Views on the behavior is believed to have a direct impact on the will to behave, then it will be affiliated with the control behavior perception and the subjective norm (Ajzen, 1991). In this context, therefore, young generation (Y - Generation) is believed to have a willing to use ShopeePay as their mobile payment platform if they believe that ShopeePay could provide efficient access and many benefits. The result will go the other way around if Y generation belief that ShopeePay is difficult to access and offers limited benefits therefore, they have less willingness to use ShopeePay as their first choice of mobile payment system.

#### **2.2.1.1.1. Perceived Usefulness**

Perceived usefulness is a variable that is used as an essential factor in technology related research and affects acceptance intention. It is defined as the extent to which a person believes that using a particular system will enhance his or her job performance which will provide the expected benefits. Lin and Lu (2004) revealed that perceived usefulness had a positive (+) effect on attitude, " This follows from the definition of the word useful: "capable of being used advantageously. A system high in perceived usefulness, in turn, is one for which a user believes in the existence of a positive use-performance relationship. According to Lin and Lu as written on their research it showed that perceived usefulness has positive impact on attitude. In accordance with the context of this research, perceived usefulness influences the attitude of people to use ShopeePay as their go to mobile payment system (Lin&Lu, 2004).

### **2.2.1.1.2 Perceived Ease of Use**

Perceived ease of use is the degree to which costumers perceive that a new product or service as better than its substitutes. Zeithaml et al. (2002) stated that perceived ease of use could be the degree to which an innovation is easy to understand or use. According to Davis et al (1989) and Simon & Paper (2007) Perceived ease of use is the user's understanding on the simplicity in understanding and using a system or technology. Perceived ease of use directly influences behavioral intention. The more the user is confidence that a system or technology is easy to understand and use, the higher is the behavioral intention. Different from theory Davis et al (1928) and Siomon & Paper (2007), Saade, et al (2008) assumed that perceived ease of use doesn't affect the attitude, but the perceived usefulness.

### **2.2.1.1.2. Trust**

Trust has been conceptualized by previous research in a variety of ways, both theoretically and operationally, and researchers have long acknowledged the confusion in the field. (1) Trust is defined as the willingness of a party to be vulnerable to the actions of another party based on the expectation that the latter one will perform particular actions, which are important to the former one (Allen & Wilson, 2003; Mayer, Davis, & Schoorman, 1995), (2) a general belief that another party can be trusted (Gefen 2000; Hosmer 1995; Moorman et al. 1992; Zucker 1986). Unlike traditional offline trust, online trust is generated through individual's interactions with online information systems (Bart, Shankar, Sultan, & Urban, 2005). In the context of this research, having and gaining trust from customers could be an effective factor for customers in order to use ShopeePay as their go - to money payment system.

### **2.2.1.1.3. Perceived Safety**

The perceived safety relates to the motivation to avoid loss because humans generally are loss-averse, meaning that humans are more sensitive to losses than to gain. According to Eller and Frey, they stated that safety perception generally described as a state that goes beyond in experience or feared threat to someone to protect them from harm or danger that could be experienced presently as well as expected for the future (Raue,2019:63). The term safety itself from etymology refers to a condition of not being in danger, or being unharmed (old French: *sauvé*, Latin: *salvus*). Therefore, the broad meaning of safety could be considered as a state in which a person's most important needs are satisfied and it is expected that this state will remain stable because safe is considered as human's need. (Raue,2019:52). Safety perception plays an important role to this research as it could give such a confidence feeling to users and potential users to use Shopeepay as their mobile payment system. As mentioned above, considering that Humans according to Kahneman & Tversky (1979) are loss-averse, perceived safety is hoped to encourage customers to see the benefits that they could get more instead of the losses to the point where Shopeepay could make good impressions in users eyes.

### **2.2.2 Subjective Norm**

According to the theory of TPB, human behavior is guided by three kind of considerations namely one of them is normative belief which beliefs about the normative expectations of other people (Ajzen, 2006). Normative belief is resulting in perceived social pressure or known as subjective norm. Subjective norms pertain to the important influence exercised by another individual or group towards a person exhibiting a specific behavior. Subjective norms also imply the pressure felt by the person from another individual or group in society. The findings of Ajzen from the theory stated that subjective norms have evidence to

influence the behavioral intention (Ajzen, 2006). This finding is in line with this research that subjective norm may have positive influence towards the intentions to use ShopeePay as primary or mostly used payment system.

### **2.2.2.1 Normative Belief**

According to Ajzen (1991), normative beliefs are concerned with the likelihood that someone important to a person whether it is individual, or group approve or disapprove of performing a given behavior and whether or not the given behavior is appropriate. Fishbein and Ajzen (1975) proposed their theory of reasoned action and first used the term “Normative Belief” as antecedent variables of norms. Stern et al in their studies on the Value-belief-norm found that beliefs, and norms are related through a continuous process of causality and through these empirical studies, it also found that Normative Belief actually also influence or affecting subjective norm, attitude, and intention of behavior.

Based on consumer behavior studies according to Bobby Calder and Robert Burnkrant, normative belief is widely known as a major determinant of consumer behavior. It is commonly considered at sociological level of group memberships such as social class, subcultures, etc (Calder & Burnkrant, 1977). Alongside consumer behavior, in social psychology study, normative belief is also labeled as the process of one individual influencing another individual's feelings, actions, or attitudes which according to Philip Zimbardo and Ebbe B Ebbesen it is considered as “central core of social psychology” (Zimbardo & Ebbesen, 1970). There are 3 factors that Interpersonal Influence focuses on, those are power, persuasion, and assertiveness. Power is the potential which an individual has to influence the beliefs, attitudes and actions of other individuals. Power could be in a form of physical power (strength) in which could influencing others with the ability to physically hurt or intimidate another or could be in a form of rewards and status, in which is possible to influence another due to

higher status and based on their ability to provide monetarily or other benefits that others desire.

Another factor, persuasion which typically using verbal messages designed to influence the actions, attitudes and belief of others. Lastly, another factor in which affecting interpersonal influence is assertiveness. The assertive approach is characterized by assertiveness, which is the skill of sending messages that declare and defend personal rights and expectations in a clear, direct, and honest manner while at the same time respecting the preferences and rights of others. Based on the explanations above, the researcher thinks that interpersonal influence is relevant as a variable in this research because it is believed to have possibility to persuade or encourage potential customers in order to use Shopeepay as the main mobile payment system.

### **2.2.3 Perceived Behavior Control**

As quoted by Hagger et al. (2022), Perceived Behavior Control or a sense of self-efficacy with respect to the behavior is the result of beliefs that may facilitate or impede performance of the behavior (control beliefs). Perceived Behavior Control helps an individual to gain his or her trust level that could encourage, control and indicate a behavior. Consistent with this, perceived behavioral control is conceptualized as a latent construct that has two aspects: perceived capacity and perceived autonomy (Fishbein and Ajzen, 2010; see also Ajzen 2002). Perceived capacity is the degree to which one believes that one is able to perform a behavior; perceived autonomy is the degree to which one believes that one has control over behavioral performance.

#### **2.2.3.1 Control Belief**

Control beliefs according to Ajzen (2002) are factors that individuals perceive as being present that may facilitate or impede performance of their behavior. Control belief is a set that deals with the presence of absence of requisite resources and opportunities to influence what is happening and/or what



will happen. The more resources and opportunities individuals believe they possess, and the fewer obstacles or impediments they anticipate, the greater should be their perceived control over the behavior.

#### **2.2.4 Intention**

In theory of planned behavior by ajzen (1991), the intention is the mental state which carrying strong intent from within each individual to do a certain action or behavior in order to achieve what is desired. According to Great Dictionary of Indonesian Language (KBBI), Intention is the purpose or the aim of an action, volition (desires in the heart), Triandis stated that intentions in behavior are instructions that people give to themselves to behave in certain ways (Triandis, 1977). According to Theory of Planned Behavior Intention in is produced from a combination of three factors; attitude toward the behavior, subjective norm, and perceived behavioral control (Ajzen, 2002). Behavioral intentions are presumed to capture the individual's motivations to influence a given behavior, they are the indications of how hard one individual is willing to try and also indications of how much effort one individual is willing to exert in order to perform a behavior.

#### **2.2.5 Behavior**

According to Theory of Planned Behavior, a person's behavior can be predicted from intent, where intent can be predicted from attitudes toward behavior, subjective norms, and perceived behavioral control (Ajzen, 1991). If we can find out reasons behind the behavior of people who use the electronic money, then policymakers, electronic money publishers, and traders can develop strategies to increase the use of electronic money.

This theory is applied to study the behavior of electronic money usage by a society which can also be referred to as consumers of electronic money. This theory has also been widely used to predict consumer behavior, such as, among

others, the behaviors related to credit card use (Ruth erford & DeVaney, 2009), internet banking (Adityasto & Baridwan, 2012), mobile banking (Luarn & Lin, 2005), Sukuk (State Shariah Securities), investment (Warsame & Ileri, 2016), online shopping (Lin, 2007), and many more. This study aims to find the factors that influence the intention to use the electronic money.



### 2.3 Previous Studies

Table 2.1

Previous Studies

Research	Variables	Research Method	Results
<p><i>The Intention to Use E-Money using Theory of Planned Behavior and Locus of Control</i></p> <p>Alfalia Citra Ayudya, Amin Wibowo (2018)</p>	<ul style="list-style-type: none"> <li>● Intention to use E- money</li> <li>● Attitudes toward behavior</li> <li>● Subjective norm</li> <li>● Perceived behavior Control</li> <li>● Locus Control</li> </ul>	<ul style="list-style-type: none"> <li>● The research uses quantitative method by spreading 300 questionnaires to respondents reside in Yogyakarta as well as interviewing them while filling out questionnaire</li> </ul>	<ul style="list-style-type: none"> <li>● Attitudes toward behaviour with regard to electronic money have positive effect on the intention to use electronic money</li> <li>● The perceived behavioral control with regard to electronic money have a positive effect on the intention to use electronic money</li> <li>● Subjective norms are not proven to significantly influence the intentions to use the electronic money</li> <li>● LOC is not proven to significantly moderate attitudes toward behavior, subjective norms and perceived behavioral control over the intention to use</li> </ul>

			electronic money
Research	Variables	Research Method	Results
<p><i>The use of a decomposed theory of planned behavior to study Internet banking in Taiwan</i></p> <p>Ya-Yueh, Fang (2004)</p>	<ul style="list-style-type: none"> <li>● Actual usage</li> <li>● Behavioral intention</li> <li>● Attitude</li> <li>● Subjective norms</li> <li>● Perceived behavioral control</li> <li>● Relative advantage</li> <li>● compatibility</li> <li>● Complexity</li> <li>● Normative influences</li> <li>● Efficacy</li> <li>● Facilitating conditions</li> </ul>	<ul style="list-style-type: none"> <li>● The research uses Quantitative approach in form of questionnaire spread to 425 personal bank customers with 53 Taiwanese banks</li> </ul>	<ul style="list-style-type: none"> <li>● Attitudes have positive impact on behavioral intention</li> <li>● Relative advantage influencing Attitude</li> <li>● Complexity influencing attitude</li> <li>● Compatibility does not influence attitude</li> <li>● Actual usage</li> <li>● Subjective norm does not have impact to the intention to adopt internet banking</li> <li>● Perceived behavioral control does not significantly impact</li> </ul>

Research	Research Method	Variables	Results
<p><i>Application of planned behavior theory on internet banking services adoption in Jordan: Structural equation modeling approach</i></p> <p>Malek Almajali (2018)</p>	<p>The research was conducted with quantitative method by spreading 700 questionnaires to random employees in four public universities</p>	<ul style="list-style-type: none"> <li>● Behavioral intention</li> <li>● Attitude</li> <li>● Subjective norm</li> <li>● Perceived behavioral control</li> <li>● Internet banking services adoption</li> </ul>	<p>intention</p> <ul style="list-style-type: none"> <li>● Self efficacy does have significant impact on perceived behavioral control</li> <li>● Facilitating condition does not have impact on Perceived behavioral control</li> </ul> <ul style="list-style-type: none"> <li>● Behavior intention has significant and positive influence on IBSA</li> <li>● Attitude is significant and have positive influence on IBSA</li> <li>● Subjective norms is significant and have positive influence on IBSA</li> <li>● Perceived behavior control is significant and have positive influence on IBSA</li> <li>● Intention is significant and have positive influence on IBSA</li> <li>● Behavior intention does not mediate the effect of attitude on IBSA</li> <li>● Behavior intention does not</li> </ul>

			<p>mediate the effect of subjective norm on IBSA</p> <ul style="list-style-type: none"> <li>● Behavior intention does not mediate the effect of perceived behavior control on IBSA</li> </ul>
Research	Research Method	Variables	Results
<p><i>Determinan Perilaku Nasabah Pengguna Mobile Banking: Model Decomposed Theory of Planned Behavior</i></p> <p>Pratiwi, Subekti, Fuad (2015)</p>	<p>This research used quantitative method in form of questionnaire that was spread to mobile banking users of bank sector in Surabaya</p> <p>Research Tool: PLS ver.2.0 M3</p>	<ul style="list-style-type: none"> <li>● Behavior</li> <li>● Behavioral intention</li> <li>● Attitude</li> <li>● Subjective norms</li> <li>● Perceived behavioral control</li> <li>● Perceived usefulness</li> <li>● Perceived ease of use</li> <li>● Compatibility</li> <li>● Normative belief</li> <li>● Efficacy</li> <li>● Facilitating conditions</li> </ul>	<ul style="list-style-type: none"> <li>● Perceived behavioral control has positive impact on the use of mobile banking service through the intention of the customer</li> <li>● Facilitating condition has positive impact on perceived behavioral control of customer</li> <li>● Perceived ease of use has positive impact on customer's attitude to use mobile banking service</li> <li>● Normative belief has positive impact on the subjective norm of customer to use mobile banking service</li> <li>● Interpersonal norm has positive impact on the subjective norm of customer to use mobile banking service</li> <li>● Perceived risk has positive impact on the attitude of customers to use mobile</li> </ul>



banking service

- Perceived ease of use has positive impact on the use of mobile banking service
- Subjective norms has positive impact on the intention to use mobile banking service
- Perceived control behavior has positive impact on the intention to use mobile banking service
- Perceived behavioral control does not have positive impact on the use of mobile banking service
- Attitude does not have positive impact on customer's intention to use mobile banking service
- Compatibility does not have positive impact on attitude to use mobile banking service
- Perceived usefulness does not have positive impact on attitude to use mobile banking service
- Behavioral intention has positive impact on behavior to use mobile banking
- Perceived behavioral control has positive impact on the behavior to use mobile banking
  - Efficacy does have

			positive impact on perceived behavioral control
Research	Research Method	Variables	Results
<p><i>Revealing the Behavior Intention of Tech-Savvy Generation Z to Use Electronic Wallet Usage: A Theory of Planned Behavior Based Measurement</i></p> <p>Persada et al., (2020)</p>	<p>This research uses quantitative method by spreading 155 questionnaires to Generation Z in form of Google Forms</p>	<p>Model 1:</p> <ul style="list-style-type: none"> <li>● Attitude</li> <li>● Subjective norms</li> <li>● Perceived behavior norms</li> <li>● Behavioral intentions</li> </ul> <p>Model 2:</p> <ul style="list-style-type: none"> <li>● Attitude</li> <li>● Subjective norms</li> <li>● Perceived behavior norms</li> <li>● Behavioral intentions</li> </ul>	<ul style="list-style-type: none"> <li>● Attitude positively affect generation's Z behavior intention to use e-wallet for online transaction</li> <li>H1b: Attitude positively affect Generation Z's Behavior Intention to use e-wallet for in-store transaction</li> <li>● Subjective norms positively affect generation's Z behavior intention to use e-wallet for online transaction</li> <li>● Subjective norms positively affect generation's Z behavior intention to use e-wallet in-store transaction</li> <li>● Perceived behavior control does not positively affect the behavior intention of generation Z to use e-wallet for online transaction</li> </ul>



			<ul style="list-style-type: none"><li>● Perceived behavior control does not positively affect the behavior intention of generation Z to use e- wallet in- store transaction</li></ul>
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## **2.4 Hypothesis Development**

### **2.4.1 The Influence of Behavioral Belief Toward the Attitude**

As previously explained in theory review above, Behavioral belief is what believed as salient factors that trigger the attitude. Many researchers have different perspective on what actually form this belief because this salient belief is based on the subject or individual. Pratiwi et al. (2015) uses perceived of usefulness, perceived ease of use, compatibility, and risk. They found perceived ease of use and risk to be positively influence the attitude of customers while perceived usefulness and compatibility are found negatively influence the attitude. For this research the salient belief will be consists of perceived usefulness, perceived ease of use, perceived safety, and trust. Hence, the proposed hypothesis in this research would be as such:

**H1a: Perceived Usefulness has positive influence towards Attitude**

**H1b: Perceived Ease of Use has positive influence towards Attitude**

**H1c: Trust has positive influence towards Attitude**

**H1d: Perceived Safety has positive influence towards Attitude**

### **2.4.2 The Influence of Normative Belief Towards the Subjective Norm**

Normative belief is the beliefs concerned that with possibilities of whether or not that important individual or relative approve of given behavior (Ajzen, 1991) . Normative belief is formed by two factors, interpersonal influence and external or social influence. Pratiwi et al., (2015) found that normative belief is strongly influence the subjective norm towards the use of internet banking service. Thus, consistent with that research, the hypothesis proposed in this research would be as such:

**H2: Normative Belief has positive influence towards the Subjective Norm**

### **2.4.3 The Influence of Control Belief Towards the Perceived Behavioral Control**

Similar to normative belief, control belief also formed by two other factors namely interpersonal influence and external influence. This belief is important to see its influence on Perceived behavioral control in having intention and adopting mobile transaction. Pratiwi et al (2015) found that control belief both from interpersonal and external influence have significant and positive influence on perceived behavioral control to use mobile payment. Based on this finding, therefore, the hypothesis proposed for this research would be as follows:

**H3: Control Belief has positive influence on Perceived behavioral**

### **2.4.4 The Influence of Attitude Towards Intention to Use Mobile Payment System**

Ayudya and Wibowo (2018) found significant impact of Attitude on the use of electronic money. They mentioned it on their research that the use of electronic money is more influenced by internal factor such as attitude. Therefore, according to Ayudya and Wibowo (2018) Attitude does have positive influence towards the behavioral intention in adopting electronic money. According to Malek Almajali (2018), he too found that attitude is significant and have positive influence of internet banking service adoption (IBSA) in Jordan. Different with two research above, Pratiwi et al (2015) found that attitude does not have significant and positive influence on the intention to use of mobile banking. Therefore, based on research mentioned above, the hypothesis proposed for this research could be:

**H4: Attitude has positive influence towards intention to use mobile payment system**

## **2.4.5 The Influence of Subjective Norm towards Intention to Use Mobile**

### **Payment System**

Different with their previous finding in which they found positive influence of attitude on the intention to use electronic wallet, Ayudya and Wibowo (2018) found that subjective norm does not significantly influence customers intention to use electronic wallet. In their research they indicate the fact that important and close friends and family of the respondents or the social pressure around the respondents does not necessarily affect the customers intention to use electronic money. They assumed that this is in fact reasonable considering that not all people around the respondents are aware of what electronic money is.

In accordance with Ayudya and Wibowo's research, Ya- Yueh and Fang (2004) also found insignificant influence of subjective norm towards the intention to adopt internet banking. Persada et al. (2020) in their research, found Subjective norm to be significant. They made the same framework for 2 different models for online transaction and in- store transaction. They found that subjective norms are significantly influence Generation Z's intention to use e- wallet in both online and in-store transaction. Thus, the hypothesis proposed for this research could be written as follows:

**H5: Subjective norm has positive influence towards intention to use mobile payment system**

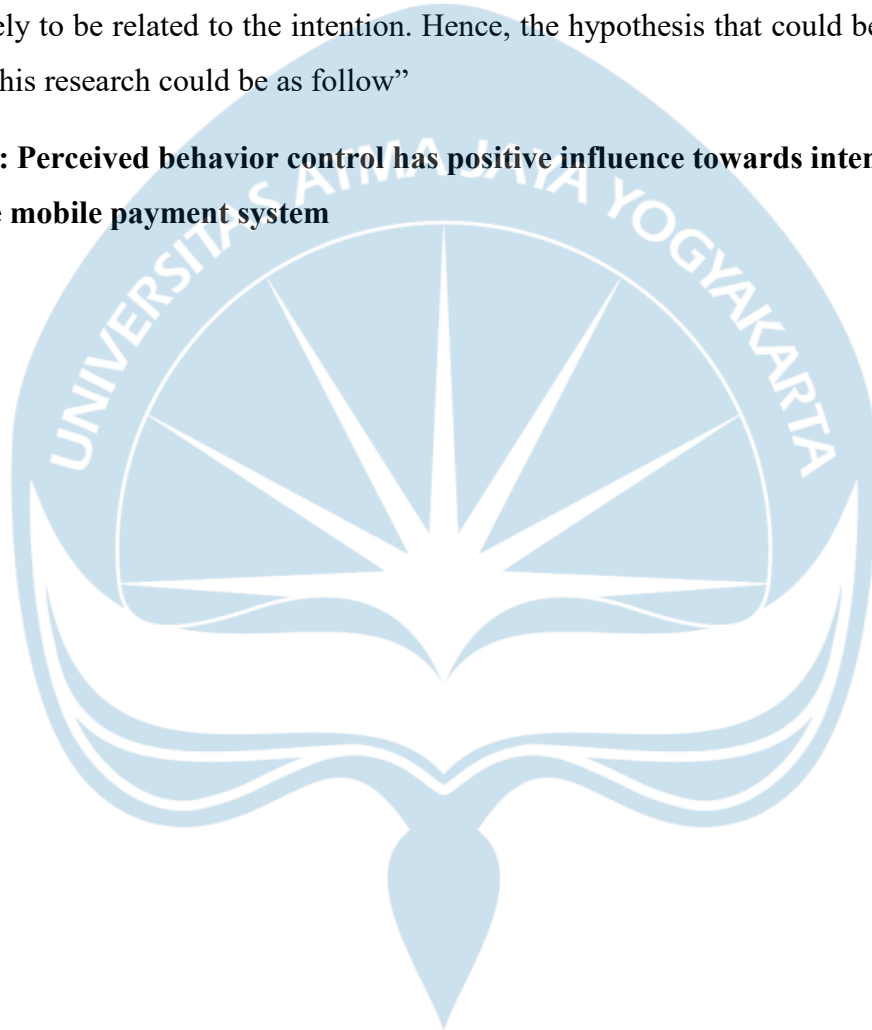
## **2.4.6 The Influence of Perceived Behavioral Control Towards Intention to**

### **Use Mobile Payment System**

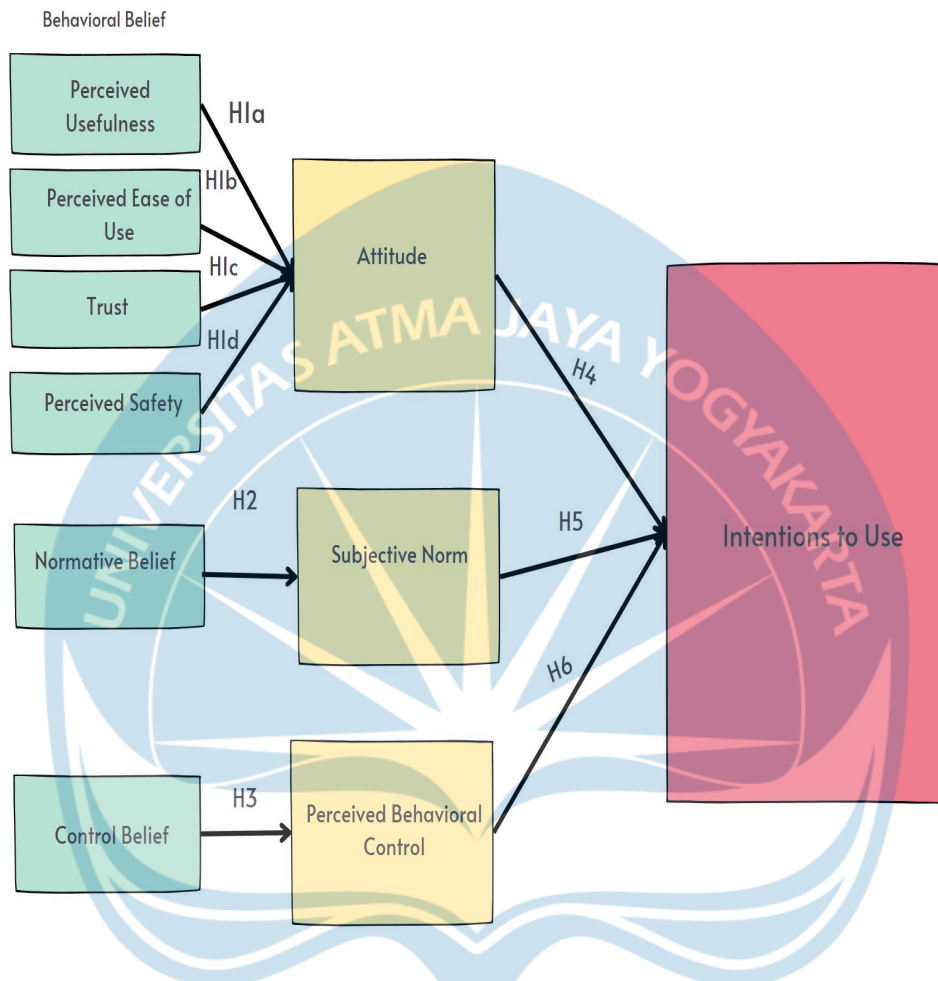
Malek Almajali (2018) in his research found Perceived behavioral control to be significant and has positive influence to internet banking service adoption in Jordan. Similar to the research, Pratiwi et al (2015) found that perceived behavioral control influences the intention to use internet banking, they assumed if something is perceived to be easy and he feels somewhat confident to

operate or adopt internet banking, it will trigger the intention to use internet banking. In contrast with that research mentioned above, both Ya-Yueh, Fang (2004) and Persada et al (2020) found that perceived behavioral control does not have influence on the intention to adopt internet banking and e wallet for both online transaction and in- store transaction. Yah- Yueh finding is in line with Ajzen and Madden (1986) research that perceived behavioral intention is less likely to be related to the intention. Hence, the hypothesis that could be proposed in this research could be as follow”

**H6: Perceived behavior control has positive influence towards intention to use mobile payment system**



## 2.5 Research Framework



**Figure 2.3 Theoretical Research Model**

(Improvised from: Hiram Ting et al, 2016)