Millennial behavior to use Grab and OVO in their activities

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Abstract. This research aims to understand the factors that affect users' actual usage of server-based electronic money. This research is done because there are people who do not feel the benefits of using GrabPay by OVO. This research uses a quantitative method by conducting questionnaires and using the Structural Equation Model (SEM) in AMOS. Questionnaires are distributed in South Tangerang using a purposive sampling method with a sample size of 184 respondents. The result of this research is various significances of direct and indirect effect between perceived ease of use, perceived credibility, and behavioral intention towards actual usage. In comparison, perceived usefulness is not significant to behavioral intention and actual usage of the millennial user of GrabPay by OVO in South Tangerang.

Keywords: perceived usefulness, perceived ease of use, perceived credibility, behavioral intention, actual usage.

1. Introduction
In this globalization era, the development of technology has changed people's lives dramatically. All existing technologies have a purpose in it. It can help the world move faster, become more efficient, and boost many other aspects of life.

The authors see that rapidly developing technology influences human interaction through the introduction and application of technology and brings people to the digital era. The diffusion of computers and information technologies has changed the nature of multiple types of activities. Similarly, the way people live and work has changed due to the development of communication and information industries. Based on Jati (2015), advancement in technology is one of the main reasons that globalization has escalated in the past decade [1]. Technological developments are conceived as the main facilitator and driving force of most of the globalization processes. One of its significant impacts is towards the banking sector, where it is creating new and flexible alternative payment methods and user-friendly banking services. The banking sector is always introducing new methods for completing transactions to meet the needs and wants of their customers.

One of the most revolutionary payment alternatives introduced by banks is electronic money (e-money) [2, 3]. The internet users in Indonesia are mostly in the age range of 19 to 34, making up almost half of the total users in the country [4]. This group of people must have a unique characteristic compared to other generations. People in this age group are commonly referred to as millennials [5]. The research from Daily Social (2017) shows that GoPay from Go-Jek is the most popular platform of electronic
money usage in Indonesia currently, and TokoCash from Tokopedia is in the second place. Meanwhile, GrabPay from Grab is the third [6]. This particular reason has motivated the authors to study GrabPay. As GrabPay has been permitted by Bank Indonesia, it teams up with OVO, which is one of the former electronic money issuers. So, the current name is GrabPay by OVO, and the authors use this name, or simply GrabPay, in this particular research [7].

To understand the phenomenon that almost half of the users of GrabPay by OVO are not getting the benefits of using it, the authors use the Technology Acceptance Model (TAM) as the model of this research. TAM is suitable for this research because this model is mostly used by researchers in predicting the acceptance of information technology [8, 9]. It is proven to be a very helpful theoretical model to explain users' behavior in implementing the new technology [10]. The basic TAM model includes two independent variables, which are perceived usefulness and perceived ease of use. This model generally ends up with the actual or real reasons why the user uses the technology. This usage of technology is represented as a dependent variable [11]. Furthermore, the authors include behavioral intention. Based on this journal, behavioral intention positively affects the actual usage. This variable is the extent to which a person has formulated a conscious plan for performing or not performing some defined future behavior.

2. Research methodology
This research uses a quantitative associative research methodology. Generally, the technique is to randomly take the sample with the data collection using the research instrument [12]. The data analysis has a quantitative or statistical approach to test the hypotheses that have been made. The time horizon used by the writers in this research is cross-sectional.

In this research, the variables that will be tested are latent variables, which cannot be measured or observed without their indicators or manifest variables. Each latent variable has a relationship to other variables, and this complex model is called Structural Equation Model (SEM). SEM is a multivariate statistical technique that combines factor analysis with correlation. The goal is to test the relations between variables in a model, including relationships between an indicator and its construct (latent variables) and relationships between constructs.

3. Results and discussion
3.1 Confirmatory Factor Analysis (CFA)
CFA is needed to test the measurement model. It is to see whether the indicators can correctly explain their latent variable [13]. In other words, it is to check the validity of the indicators. Figure 1 shows the full structural model.
Based on the first standardized regression weight, there are three indicators that have loading values lower than 0.50. They are clear and easy to understand, easy to control, easy to learn, which come from one latent variable. Other than that, all of the indicators achieve the minimum loading values already. The three highlighted indicators should be omitted to continue to the next steps because it does not fit to measure the latent variable [14]. After the omission, the authors repeat the computation, to make sure there are no other indicators that do not fit in the model.

3.2 Average Variance Extracted (AVE)

Using the last iteration of the model in loading factors, all remaining latent variables are computed using the AVE formula below:

\[
AVE = \frac{\sum \lambda_i^2}{\sum \lambda_i^2 + \sum \text{var}(e_i)}
\]  

(1)

The value will be considered as a good convergent value if it is above 0.50. These are the first iteration of the result.

3.3 Structural model fit

After all tests show that the data have met the SEM assumption criteria, the output can already be assessed. Here is the current structural model that will be assessed. Based on the result, not all variables are statistically significant. First, perceived ease of use to perceived usefulness is with 1.296 critical ratio value and 0.195 probability value. Perceived usefulness to behavioral intention has -0.281 as the critical ratio value and 0.778 probability value.

3.4 Direct effect, indirect effect, and total effect

In this step, the direct and indirect relationships between variables are assessed using the standardized direct and indirect results from AMOS [15] (see Table 1). The Cohen effect size measures the value of the effects.
Table 1. The Result of Standardized Direct and Indirect Effect.

|                     | Direct Effects | Indirect Effects | Total Effects |
|---------------------|----------------|-----------------|--------------|
| PEOU $\rightarrow$ PU | 0.111          | 0.000           | 0.111        |
| PEOU $\rightarrow$ BI  | 0.513          | -0.002          | 0.511        |
| PU $\rightarrow$ BI    | -0.018         | 0.000           | -0.018       |
| PC $\rightarrow$ BI    | 0.462          | 0.000           | 0.462        |
| BI $\rightarrow$ AU    | 0.885          | 0.000           | 0.885        |
| PC $\rightarrow$ AU    | 0.000          | 0.409           | 0.409        |
| PEOU $\rightarrow$ AU  | 0.000          | 0.452           | 0.452        |
| PU $\rightarrow$ AU    | 0.000          | -0.016          | -0.016       |

(Source: The Author, 2019)

4. Conclusion

To analyze relationships among variables, the study uses SEM. Based on the analysis result, it can be concluded as follows:

a) There is a significant effect between perceived ease of use to perceived usefulness indicated by the direct effect value of 0.111 or 11.1%. Perceived Ease of Use has a small impact on the perceived usefulness through its indicators.

b) There is a significant effect between perceived ease of use to the behavioral intention indicated by the direct effect value of 0.513 or 51.3%. The perceived ease of use has a significant and strong impact on behavioral intention.

c) There is no effect between the perceived usefulness to the behavioral intention indicated by the negative direct effect value of -0.018 or -1.80%. The perceived usefulness does not affect behavioral intention through its indicators.

d) There is a significant effect between perceived credibility to the behavioral intention shown by the direct effect value of 0.462 or 46.2%. Thus, perceived credibility has a big and almost strong impact to the behavioral intention.

e) There is a significant effect between behavioral intention to the actual usage shown by the direct effect value of 0.885 or 88.5%. Behavioral intention has a big and strong impact on the actual usage.

f) There is an indirect effect between perceived ease of use to the actual usage through the behavioral intention as the intervening variable indicated by the indirect effect value of 0.452 or 45.2%. The perceived ease of use has a big and significant indirect effect on the actual usage through behavioral intention.

g) There is a negative indirect effect between perceived usefulness to the actual usage through the behavioral intention as the intervening variable. It is indicated by the indirect effect value of -0.016 or -1.6%. Perceived usefulness does not have any indirect effect on the actual usage through behavioral intention.
h) There is an indirect effect between perceived credibility to the actual usage through behavioral intention as the intervening variable. It is shown by the indirect effect value of 0.409 or 40.9%. The perceived credibility has a big and significant indirect effect on the actual usage through behavioral intention.

5. Recommendation

These are the recommendations from the authors based on the research findings. It may be useful for the company and further research.

5.1. For the company

Based on the result, when it comes to the user's behavioral intention, the company should focus on improving the perceived ease of use and perceived credibility, compared to the other variable such as perceived usefulness. The biggest influence comes from perceived ease of use. Maintaining perceived credibility is useful for the company as well.

5.2. For further research

For further research, the user's understanding can be broadened by adding more variables and indicators. It may become other factors that influence the usage of the users. As this research targets millennials, other generations can have a totally different finding because of their distinct characteristics of the technology. Other brands of electronic money can be examined, such as TokoCash from Tokopedia, BukaDompet from Bukalapak, Jenius, and others. As this research depends on quantitative data, the result will be more interesting if further research also gathers qualitative data from the research object.

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