

Case Study of Touch 'n Go in Malaysia: Are you a user of an e-wallet?

Mei Qi Loke¹, Xue Li Lok², Yuerui Ma³, Maisarah Farisah Binti Fadli⁴, B S Sushen⁵,
Vaishnavi N⁶, Ritika Yadav⁷
Universiti Sains Malaysia^{1,2,3,4}
RV Institute of Management^{5,6}
Greater Noida Institute of Technology and Management⁷
Correspondence Email: lokemeiqi@student.usm.my

ARTICLE INFORMATION

Publication information

Research article

HOW TO CITE

Loke, M. Q., Lok, X. L., Ma, Y., Maisarah, F. F., Sushen, B. S., N, V., Yadav, R. (2022). Case Study of Touch 'n Go in Malaysia: Are You a User of an E-Wallet? *International Journal of Accounting & Finance in Asia Pasific*, 5(3), 97-106.

DOI:

<https://doi.org/10.32535/ijafap.v5i3.1932>

Copyright @2022 owned by Author(s). Published by IJAFAP



This is an open-access article.

License: Attribution-Noncommercial-ShareAlike (CC BY-NC-SA)

Received: 20 June 2022

Accepted: 20 August 2022

Published: 20 October 2022

ABSTRACT

Touch 'n Go is a Malaysian digital wallet and online transaction for making any payment that is available in the application. Malaysia has started to implement online payment through Touch 'n Go, which is available in places that require money transactions, such as grocery shops, restaurants, and so on. We intended to examine how the six key factors: convenience, customer satisfaction, customer loyalty, e-wallet, brand awareness and service quality lead to users' awareness of the usage of Touch 'n Go in Malaysia. A total of 150 people participated in the online survey via Google Forms. The findings revealed the information regarding customersatisfaction with the quality of service provided and customer loyalty toward the brand. This research paper provides new insights, and some recommendations are presented to increase users' awareness of the services provided by Touch 'n Go.

Keywords: Brand Awareness, Convenience, Customer Satisfaction, Customer Loyalty, E-Wallet, Service Quality.

INTRODUCTION

In this era of globalization, the world has turned to the digital revolution, and everything can be done online. All information can be obtained within a few seconds, and all the transactions can be settled shortly. Digital payment is one of the technological innovations in the financial sector. Digital payment has become the most common method that will be chosen by people who prefer cashless and save time (Blockchains, 2018). Most people prefer to be cashless because they think it is quite insecure about carrying a lot of cash because it can lead to robbery and so on. Nevertheless, since every transaction can be done online, internet scammers also actively do their job. Therefore, users must be cautious when making online payments to prevent them from becoming victims. Digital payment or E-Wallet had gained users during this technological era and highly increased when the COVID-19 pandemic hit the world (Oh, 2018). It is to decrease the physical touch with people, but now it has become the normal method to use when making any payment because of the efficiency of this technology. In addition, people prefer to go cashless because they will get a lot of rewards and cashback when making an online payment (Komba & Razak, 2021). Using an E-Wallet will not require the user to bring cash to the store; if they forget to bring it or have insufficient cash, they could still purchase it.

One of Malaysia's most well-known E-Wallet applications is Touch' n Go e-wallet. It becomes the consumer's first choice since this application contains many features, such as paying bills, reloading top-ups, paying the parking fee, paying the toll, and so on. All these features can ease everyone's daily life because they no need to install many applications to pay different merchants. Touch 'n Go e-Wallet frequently provides cashback and rewards for its users when they use selected merchants. Users will benefit from this cashback because they will not get it at any physical store (Liébana-Cabanillas, Sánchez-Fernández, & Muñoz-Leiva, 2014). Other than that, the user prefers to use this application to make an online payment because of the safety that has been guaranteed. All the user's data and details will be encrypted and secure when making any online transfer. The probability of incurring fraud will also be lower since the application will ask for a tac number that will send to our phone number before they can proceed to allow the transaction. The unsuccessful payment by the user will refund the transferred money to their account. All the refund transactions will be made during working days, so the user does not need to worry whether they can still get back their money or not. Touch 'n Go e-wallet will make our life easier and more convenient, especially for those who are busy with their work life.

LITERATURE REVIEW

Overview of E-wallet

The business world's competitiveness has become increasingly unmanageable due to industrial digitalization. As a result, businesses are increasingly recognizing the importance of the characteristics and trends of digital wallets in ensuring company continuation. According to Bernama (2022), Malaysia's digital wallet market was growing at 131%, with over 600 million transactions compared to the prior. Referring to the PayNet 2022 report, statistics showed that Malaysian adapted to e-wallets and reduced cash payments were increased from 11% to 78%. It means the rapid growth of Malaysian digital wallets is a highly accessible field for consumers or businesses. Yet, the population of elderly citizens may not be well-adapted to cashless payment (Alagesh, 2020). Elderly citizens are more comfortable with the physical cash movement and feel secure. The popular E-Wallet platforms in Malaysia are Touch 'n Go, GrabPay, and Boost.

Consumers' Brand Awareness of E-wallet

Brand awareness is extremely important as it is easily accessible in the consumers' usage experience, and it could help to lead consumers buying decisions among many competitive brands (Rhodes, 2017). Brand awareness could be proactive when consumers experience a great process and enjoy the brand's benefits. For example, one of the benefits of the e-wallet is rewards. In Malaysia, people will likely get more discounts, cashback, coupons, and other rewards. It successfully enhances the e-wallet brand's image, and people will gain something back when they use the e-wallet brand. Brand image can consist of beliefs, concepts, and symbols that the customers perceive from the brand (Spacey, 2018). For example, Touch 'n Go with a blue color, GrabPay with green color, and Boost with a red color.

Perceived Convenience

Perceived convenience refers to a consumer's experience of how quick and easy preparation for use is designed. E-wallet's efficiency could boost the satisfaction of consumers. E-wallet always refers to a few steps: reloading balances, looking for merchants of payment or billing, and paying the transactions. From these few steps, quick and easy acceptance of the payment process is the key. Customers expect online transactions to be more efficient, time-saving, and easy to conduct, and this is the benefit they perceive to enjoy through e-wallet on Touch 'n Go. This increases consumers' usage willingness and indicates that they will prefer e-wallets as they are satisfied and find that this way where tap and Pay are more user-friendly (Tan, 2020). It is hypothesized that:

H1: Perceived convenience is positively related to customer satisfaction.

Perceived Trustworthiness

E-Wallet replaced cash in making payments or transactions when we purchased items. Users no longer need to queue up in front of ATMs to withdraw money as online transactions are available on various e-Wallet platforms in Malaysia like GrabPay, ShopeePay, and Touch 'n Go (The Economic Times, 2022). The development of contactless payment has been supported by the advancement of innovation and technologies, where customers only need a mobile phone to make cash payments through installed apps. Therefore, the safety of users' money and financial information provided upon registration of respective e-Wallets is very important. Users will only gain confidence and continue to use the e-Wallet if their privacy is secured and their financial information is protected. The high level of security used by Touch 'n Go e-Wallet would likely secure their users' money and financial information, ensuring their trust in this e-Wallet. In addition, the customer will likely give good feedback and rating to Touch 'n Go e-Wallet. It is hypothesized that:

H2: Perceived trustworthiness is positively related to customer satisfaction

Perceived Reliability and Recommendation

Users have high expectations of the quality of the service provided with high ratings and recommendations from the public. A product that will be widely recognized and used by the public is when the products are highly recommended and promoted. For example, the government provided subsidies to the youth through online payment platforms like ShopeePay, Boost, GrabPay, and Touch 'n Go. The government's recognition can help Touch 'n Go e-Wallet increase the number of users. Users would feel trustable and reliable with this platform. As the e-Wallet is highly recommended, the customer would be aware and increase their curiosity to try it out. When Touch 'n Go e-Wallet achieves the expectation of customers, the customers will be satisfied with the excellent service provided and continues to use it (Liu & Li, 2019). It is hypothesized that:

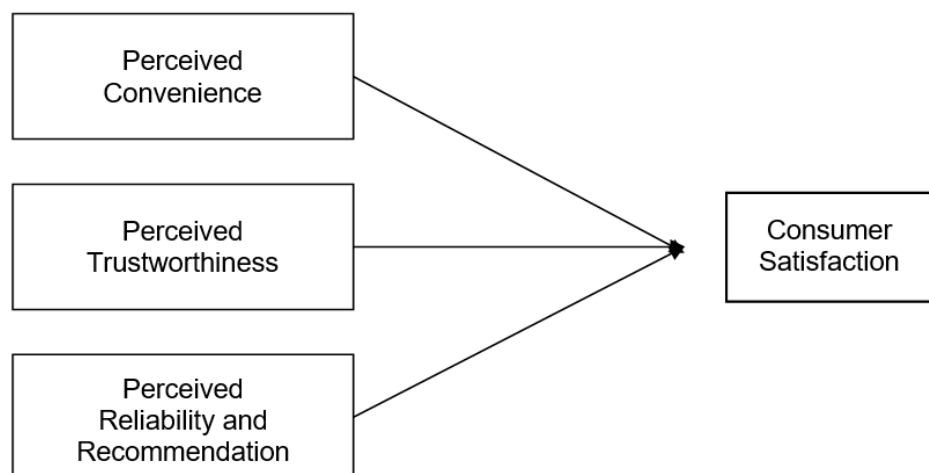
H3: Perceived reliability and recommendation are positively related to customer satisfaction.

Customer Satisfaction

Customers will feel satisfied with the respective e-Wallet when they are aware of the platform, understand it, and trust it. As Touch 'n Go e-Wallet is widely recognized as a platform with many services, such as limitless funds transfer via mobile phones, and the users are secured. The high security of the apps would require a registered username, a strong secured password, and face recognition upon registration (Touch 'n Go, 2021). After the COVID-19 pandemic, the demand for cashless or contactless payments increased. Therefore, the competition amount e-Wallet apps in Malaysia, such as GrabPay, Boost, MAE, and DuitNow has increased (Sinha et al., 2021). In order to be recognized by the user, Touch 'n Go e-Wallet would have to increase the security to provide trust to the users. At the same time, various services provide a lot of discounts and rewards to the user so that the apps can be used anytime, everywhere. For example, Touch 'n Go e-Wallet can offer some lucky draw when users make payments using the QR code scanning function, make payments for bills, or reloads of e-Wallet. These small rewards are given to the Touch 'n Go e-Wallet user will increase their awareness of the apps, encourage them to use the e-Wallet, and increase their level of satisfaction.

Figure 1 shows the interrelationship among the variables of perceived convenience, perceived trustworthiness, perceived reliability and recommendations, and customer satisfaction.

Figure 1. Research Framework



RESEARCH METHOD

An online survey was conducted using Google Forms to gather information about the usage of the Touch 'n Go e-wallet. All the variables shown in Figure 1 were included in the questionnaire. Using the Google Form link provided, our team has posted the questionnaire and shared it across social media channels such as WhatsApp, Telegram, and Facebook. Our team spent approximately three weeks, from May 5 2022 to May 26 2022, completing the collection of respondents for the questionnaire. On May 26 2022, our team ended the survey and stopped accepting further respondents.

A total of 152 users and non-users participated in the survey. The information from the questionnaire was then finalized and combined in a Google Spreadsheet before generating a result using the SPSS software to identify the closeness of the variables and how they are related to each other. We separated the questionnaire into three main parts to evaluate the variable: convenience, trustworthiness, reliability and

recommendations. The multiple-choice method used the Yes, No, and Maybe choices to determine each question. See table 1 below for the questions that the researchers have provided.

Table 1. Variables and items

Variables	Items
Users' satisfaction on Touch 'n Go e-wallet	<ol style="list-style-type: none"> 1. I am satisfied with the services provided by Touch 'n Go e-Wallet. 2. I enjoy making payments using Touch 'n Go e-Wallet. 3. Touch 'n Go e-Wallet provides a lot of rewards for the user. 4. Overall, Touch 'n Go e-Wallet is a good quality product.
Benefits of Touch 'n Go e-wallet	<ol style="list-style-type: none"> 1. Touch 'n Go e-Wallet is convenient where I can make payments easily. 2. The functions on Touch 'n Go e-Wallet is easy to use. 3. Touch 'n Go e-Wallet is a one-stop application because it contains many categories and features to ease the user. 4. I prefer using Touch 'n Go e-Wallet compared to other payment methods like cash, debit or credit card and bank transfer.
Trustworthiness of Touch 'n Go e-wallet	<ol style="list-style-type: none"> 1. Touch 'n Go e-Wallet is user-friendly and trustable. 2. I feel safe when making payments using Touch 'n Go e-Wallet. 3. I often use Touch 'n Go e-Wallet when making cashless payments. 4. I prefer using Touch 'n Go e-Wallet compared to other online payment applications.
Recommendations for Touch 'n Go e-wallet	<ol style="list-style-type: none"> 1. I would highly recommend other people to use Touch 'n Go e-Wallet. 2. I will continue using Touch 'n Go e-Wallet when making payments. 3. I would encourage more people to use Touch 'n Go e-Wallet, especially after undergoing the COVID-19 pandemic.

RESULTS

Table 2. Summary of Respondents' Demography (*N*=152)

Summary of Respondents' Demography		
	Frequency	Percentage (%)
Gender		
Male	36	23.7
Female	116	76.3
Age		
Between 10 to 25 years old	122	80.3
Between 26 to 41 years old	22	14.8
Between 42 to 57 years old	6	3.9
58 years old and above	2	1.0
Nationality		
Malaysian	144	94.7
Non-Malaysian	8	5.3
Ethnicity		
Malay	98	64.5
India	9	5.9
Chinese	40	26.3
Others	5	3.3
Current Employment Status		
Student	121	79.6
Employed	27	17.8
Not Employed	4	2.6
Retired	0	0
Monthly Employment Income		
RM4,850 and below (B40)	118	77.6
Between RM4,851 to RM10,970 (M40)	33	21.7
RM10,971 and above (T40)	1	0.7

Table 2 presents the results of the respondents' profiles from the questionnaire. From the table above, we can see that 76.3% of the respondents are female, and the remaining 23.7% are males. Young people aged from 10 to 25 years old seems to be most impacted and advanced about the cashless payment through e-wallet. In contrast, those aged 42 years and above (from the choice 42 years old to 57 years old and 58 years and above) only contributed a small percentage to the questionnaire. As Touch 'n Go is Malaysia's digital payment platform, all respondents are Malaysian (94.7%). Most of the users are students (79.6%) and employed adults (17.8%) whose monthly employment income is RM4,850 and below (B40). This shows that young adults are most influenced to use online platforms.

Table 3. Summary of Respondents' Awareness of E-wallet (*N*=152)

Summary of Respondents' Awareness of E-wallet		
	Frequency	Percentage(%)
Do you hear about Touch 'n Go e-wallet?		
Yes	148	97.4
No	4	2.6

Are you a user of the Touch 'n Go e-wallet?		
Yes	129	84.9
No	23	15.1
How frequently do you use Touch 'n Go e-Wallet?		
Daily	12	7.9
Weekly	34	22.4
Monthly	40	26.3
Yearly	0	0.0
Rarely	47	30.9
No, I didn't use	19	12.5
What is the purpose of your payment using Touch 'n Go e-Wallet?		
Purchase items in the shop	74	48.7
Pay bills	28	18.4
Top-up mobile prepaid	17	11.2
Online buying	22	14.5
Order food delivery	7	4.6
Others	4	2.6
How much do you spend on average per month with Touch 'n Go e-wallet?		
Less than RM500	138	90.8
RM500 to RM1,000	14	9.2
RM1,000 to RM2,000	0	0.0
Over RM2,000	0	0.0

Table 3 indicates the results of the respondents' awareness of the Touch 'n Go e-wallet. From 152 responses answering the questionnaire, most of the respondents heard (97.4%) and are users of the Touch 'n Go e-wallet (84.9%). This shows that e-wallet is highly recognized among the community in Malaysia. Touch 'n Go users use it the most to purchase items in merchants (48.7%), followed by paying bills (18.4%). Most of the respondents are spending an average below RM 500 (90.8%), which may be caused by most of our respondents being students, as stated prior and spending mainly on buying daily items.

Table 4. Descriptive Analysis, Cronbach's Coefficients Alpha, And Zero-Order Correlations of All Study Variables

Variables	1	2	3	4
Perceived Convenience	0.617			
Perceived Trustworthiness	0.743**	0.784		
Perceived Reliability and Recommendation	0.765**	0.692**	0.796	
Dependent Variable: Customer Satisfaction	0.687**	0.601**	0.661**	0.757
M	2.67	2.54	2.68	2.67
SD	0.38	0.52	0.47	0.43
N	4	4	3	4

Note: N=152; * $p < 0.05$, ** $p < 0.01$; Diagonal entries in bold indicate Cronbach's coefficient alpha

Table 4 contains the descriptive statistics, scale characteristics, and interrelationships among the factors. The factors' means, standard deviation, correlation, and Cronbach Alpha are reported in Table 4. The relationship between variables was tested by using

Pearson product-moment correlation. As can be seen, the three perceived factors documented acceptable internal consistency reliability as the coefficient's alpha ranged between 0.62 and 0.80. Therefore, the three factors influencing Touch 'n Go users in Malaysia, including perceived convenience, perceived trustworthiness, perceived reliability and recommendation, are correlated with customer satisfaction as Touch 'n Go users.

Table 5. Summary of Multiple Regression Analysis

Customer Satisfaction Towards Touch 'n Go Variables entered	Beta
Perceived Convenience	0.376***
Perceived Trustworthiness	0.121
Perceived Reliability and Recommendation	0.290**
R ²	0.523
F Value	53.679
Durbin-Watson Statistic	1.941

*Note: N=152; *p < 0.05, **p < 0.01, ***p < 0.001*

We tested our hypothesis using regression analysis. As evidenced in Table 5, perceived convenience, perceived trustworthiness, perceived reliability and recommendation were entered as independent variables, while customer satisfaction was entered as the dependent variable. Customer satisfaction was shown to be statistically associated with perceived convenience and perceived reliability and recommendation, as it is positively correlated to customer satisfaction with beta values of 0.376 and 0.290, respectively. Thus, H1 and H3 were supported.

DISCUSSION

The findings revealed that perceived convenience, reliability, and recommendation are the key factors influencing customer satisfaction as a Touch 'n Go user in Malaysia. We found that perceived convenience is the most dominant factor influencing customer satisfaction, with the highest beta value (0.376), followed by perceived reliability and recommendation, with a beta value of 0.290. Perceived trustworthiness did not significantly influence customer satisfaction with Touch 'n Go in Malaysia. Hence, this result indicates that H2 does not receive support. We also found that perceived convenience, reliability, and recommendation can build a Touch 'n Go's user via customer satisfaction. Customer satisfaction represents how well a delivered product or service could meet the customers' expectations and contentment. The value of the coefficient of determination (R²) is 0.523, which shows that 52.3% of the variation in the dependent variable would be affected by independent variables.

These findings indicate that perceived convenience, reliability, and recommendation of the Touch 'n Go e-wallet platform significantly impact customer satisfaction. Consumers execute the checkout process themselves using the e-wallet, which may be completed within a minute to save customers time and effort (Nguyen et al., 2020). The immense scale of Touch n' Go and its adaptability in online transactions such as investments and toll payments are influential as we navigate our lives in an increasingly digital environment, which is just undergoing the COVID-19 pandemic (Andrews, 2021). Compared to traditional payment, consumers who pay offline need to queue for their payment to be processed before they can get their items. Digital payment platform enables people continuously rely on and are highly recommended in the community as e-wallet usage behavior brings good experiences and benefits to the community. Thus,

customers can make payments anytime and anywhere (Boden, Maier, & Wilken, 2020).

In Touch 'n Go, perceived trustworthiness is not a significant factor in influencing customer satisfaction with the digital payment platform. It reduces Touch 'n Go consumer satisfaction in Malaysia, as seen by its low beta value of 0.121. However, it has a positive relationship with consumer satisfaction using Touch 'n Go. Consumers' online paying intents are mostly motivated by a perception of how they may improve their user experience (Szyndlar et al., 2021). Therefore, consumers are more likely to use e-wallets that prioritize time savings and quicker processes (Nguyen et al., 2020). From other perspectives, it is uncertain whether customers are satisfied with e-wallets because they trust the platform or if they are after using the platform and only building up their trust in it (Qayum, 2021).

CONCLUSION

Our research and analysis have shown the relationship between all aspects influencing customers' awareness of the Touch 'n Go e-Wallet. We analyze the key factors influencing users' awareness of e-wallets by reviewing journals, articles, and conducting a questionnaire survey among Malaysians. Convenience, trustworthiness, reliability and recommendation are the key factors that influence customer satisfaction with using Touch 'n Go e-Wallet. Through the result and discussion of the responses received, we can conclude that the customers' usage and level of satisfaction with Touch 'n Go e-wallets are influenced by perceived convenience, perceived trustworthiness, perceived reliability and recommendation. Furthermore, we know that perceived convenience, reliability and recommendation are positively related to customer satisfaction. Touch 'n Go e-wallet should continue to develop and improve these essential criteria to increase the number of users. A cashless or contactless payment platform which able to make payments or purchases at any time and from any location is much needed for a developed nation. This research provides a deeper understanding of consumer behavior and expectations toward future technological development, especially after the global pandemic. However, we are constrained in some ways. The questionnaire was conducted online using Google Forms, and it wasn't easy to gather more responses because many people are not interested in taking an online survey. In terms of future research, it is suggested that the study include additional variables, such as service quality. In summary, the outcomes of this study provide the management team with a comprehensive picture of the platform's improvements, specifically the factors affecting the customer satisfaction.

ACKNOWLEDGEMENT

N/A

DECLARATION OF CONFLICTING INTEREST

The author(s) declare(s) that there is no conflict of interest.

REFERENCES

- Alagesh, T. N. (2020). *Cashless payment: It may not be well-received by the elderly*. Retrieved from <https://www.nst.com.my/news/nation/2020/01/556069/cashless-payment-it-may-not-be-well-received-elderly>
- Andrews, P. (2021). Updated: Which app is leading the great Malaysian e- Wallet showdown? Retrieved from <https://loanstreet.com.my/learning-centre/ewallet-malaysia-comparison>
- Bernama. (2022). E-wallet usage increased by 131% in 2020. Retrieved from <https://www.theedgemarkets.com/article/ewallet-usage-increased-131-2020>
- Blockchains. (2018). Growing use of digital wallets [Summary of studies by country]. Retrieved from <http://bcm.io/blog/growing-use-of-digital-walletssummary-of-studies-by-country/>
- Boden, J., Maier, E., & Wilken, R. (2020). The effect of credit card versus mobile payment on convenience and consumers' willingness to pay. *Journal of Retailing and Consumer Services*, 52(C), 101910. doi: 10.1016/j.jretconser.2019.101910
- Komba, K. J., & Razak, K. A. (2021). Factors influencing customer retention for electronic wallet services in Malaysia. *International Journal of Social Science and Humanity*, 44–47. doi: 10.18178/ijssh.2021.v11.1037
- Liébana-Cabanillas, F. J., Sánchez-Fernández, J., & Muñoz-Leiva, F. (2014). Role of gender on acceptance of mobile payment. *Industrial Management & Data Systems*, 114(2), 220–240. doi: 10.1108/imds-03-2013-0137
- Liu, D., & Li, M. (2019). Exploring new factors affecting purchase intention of mobile commerce: trust and social benefit as mediators. *International Journal of Mobile Communications*, 17(1), 108. doi: 10.1504/ijmc.2019.096519
- Nguyen, T. P. L., & Nguyen, V. H. (2020). Factors affecting online payment method decision behavior of consumers in Vietnam. *The Journal of Asian Finance, Economics and Business*, 7(10), 231–240. doi: 10.13106/jafeb.2020.vol7.n10.231
- Oh, A. (2018). The e-wallet infinity war in Malaysia - Everything you need to know about e-wallet starts here. Retrieved from <https://www.ecinsider.my/2018/12/malaysia-ewallet-battle-landscape-analysis.html>
- Qayum, A. (2021). Customer satisfaction: 6 reasons why customer satisfaction is important. Retrieved from <https://my.oberlo.com/blog/customer-satisfaction>
- Rhodes, D. (2018). The importance of brand awareness. Retrieved from <https://baerpm.com/2017/06/28/importance-brand-awareness/#:~:text=Brand%20awareness%20is%20important%20when,market%20share%20and%20incremental%20sales>
- Sinha, R., Nair, R. K., Naik, V., Ganatra, V., Singri, P., Singh, P., ... Modawal, I. (2021). New norm in consumer buying pattern: Online shopping swing amid the Coronavirus pandemic. *International Journal of Accounting & Finance in Asia Pasific*, 4(2), 118–128. doi: 10.32535/ijafap.v4i2.1119
- Spacey, J. (2018). 14 elements of brand image. Retrieved from <https://simplicable.com/new/brand-image>
- Szyndlar, M. (2021). Customer satisfaction: Why it's important in 2022. Retrieved from <https://survicate.com/customer-satisfaction/importance-customer-satisfaction/>
- Tan, J. (2021). E-Wallet basics: What all Malaysians should know. Retrieved from <https://ringgitplus.com/en/blog/e-wallet/e-wallet-basics-what-all-malaysians-should-know.html>
- The Economic Times. (2022). What is e-wallets? Retrieved from <https://economictimes.indiatimes.com/definition/e-wallets>
- Touch 'n Go. (2021). What is the Touch 'n Go eWallet? Retrieved from <https://support.tngdigital.com.my/hc/en-my/articles/360036093973-What-is-the-Touch-n-Go-eWallet->