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Measuring Factors Influencing the Adoption of OVO Feature in Grab Application in Indonesia

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Abstract:
The increasing number of internet users makes the number of online transactions also increase along with the development of technology for cashless payment system. Started from 2017, cashless payments seem promising for certain types of transactions, such as ride-hailing and food delivery. One of Indonesia's top financial applications since 2017 is OVO. OVO is a technology-based payment services company which uses emerging financial technologies to provide new ways for customers to live their lives. In collaboration with Grab, OVO has a role as a cashless payment system in the Grab application. Since Grab is the second largest online transportation in Indonesia and OVO in the Grab application is the only cashless payment system, it is important to analyze the factors that influence the adoption of OVO feature in the Grab application to improve OVO and Grab service positions in the future.
The objective of this research is to measuring factors influencing continuance intention of OVO feature in Grab application adoption in Indonesia. The research model used in this research is a Modified Unified Theory of Acceptance and Use of Technology 2 (UTAUT2) Model with Trust as a new variable.
This research used data from 30 respondents who lived in Indonesia and the respondents are only the user of OVO feature in Indonesia. The questionnaire was shared and gathered through an online survey, with 45 survey items from 9 construct. Using Gender and Age as moderate variable, the respondents are divided into categories such as young age, adult age, female and male. The data gathered has been fulfilled the validity and readability criteria.

Keywords: *OVO, UTAUT2, continuance intention, trust, price saving orientation*

1. Introduction

The increasing number of internet users makes the number of online transactions also increase along with the development of technology for cashless payment system. In August 2014, Gerakan Nasional Non Tunai was made by Bank Indonesia with the aim of raising awareness while increasing non-cash use among the community, business people and government institutions. So that, it gradually forms a community or society that is more active in using non-tunai (less cash society) in the country, from Sabang to Merauke [i].

Indonesian Internet Service Provider Association (APJII) and Xendit concluded that the use of a cashless payment system has increased every year. They predicted that the use of a cashless payment system will always increase. According to Jajak Pendapat survey report about payment method preferences of Jajak Pendapat panels, e-money seems promising for certain types of transactions including ride-hailing and food delivery. The use of e-money in those types of transactions exceeds the use of other cashless methods. The practicality becomes the main factor of using cashless payment method [ii].

Since cashless payment system is on air and the number of users is increasing every year so there are many new innovations to fulfill people's needs. One of the innovations that can support users' needs is the financial application that can help users' payment easier and manage users' transactions. One of Indonesia's top financial applications since October, 2017 is OVO. OVO is a technology-based payment services company which uses emerging financial technologies to provide new ways for customers to live their lives [iii]. OVO currently facilitates 4 million digital transactions each month with a total value of Rp1 trillion ($74 million) to hospitals, restaurants, department stores, schools, transportation services and toll road operators. By comparison, Indonesian banks facilitate more than Rp550 million transactions each month, which in October 2017 amounted to Rp496 trillion. The value of those transactions, including cash withdrawals, purchases and money transfers, increased 11% year-on-year, according to the latest central bank data. Tech-based financial services company can serve customers at a fraction of the cost compared to traditional banks. Moreover, in this digital era, information on services can be easily obtained, leveling the playing field for banks and financial technology companies to compete.

In June, 2018, OVO announced its next step in collaboration with Grab as a partner in technology and innovation. After the OVO wallet was available in the Grab application, it can now be used as a payment tool for Grab transportation services and Grab Food delivery. From both Grab and OVO have the same mission in realizing financial and digital inclusion. With this collaboration, OVO users can top-up OVO wallets through Grab drivers throughout Indonesia [iv]. With the existence of a strategic partnership, all Grab customers' digital payment needs can be carried out. It is not only online

transportation payment, but also for payment of food-related messages, known as Grab Food, which Grab Pay could not previously do [v].

This paper aims to propose to measuring the continuance intention of OVO feature as payment system in the Grab application in Indonesia. The study is guided by Venkatesh, et al., (2012) UTAUT 2 Model [vi], and this study proposes a new modified model. The proposed model of this study has not been tested yet and the objective of this research is to propose measurement tools to test the model.

2. Literature Review

This study was conducted using theories and models related to user adoption towards technology-based service, UTAUT 2. The Unified Theory of Acceptance and Use of Technology 2 (UTAUT 2) is based on the UTAUT model. In the UTAUT 2 model, UTAUT variables are supplemented with hedonic motivation, price and habit. This is done in order to better adjust the model to the consumer context (Venkatesh et al., 2012). Age, gender and experience are the moderating variables in the UTAUT 2 model. In this study, the authors using UTAUT 2 model because the model is the latest theory in technology acceptance and also suitable with the object, also the authors modified the theory of UTAUT 2 model because of the need of the research. The UTAUT 2 model has many advantages in comparison to other technology acceptance models. With the inclusion of variables such as hedonic motivation and habit. The UTAUT 2 model that come from UTAUT model which consists of eight theories, they are: Theory of Reasoned Action (TRA), Theory of Planned Behavior (TPB), Technology Acceptance Model (TAM), Motivational Model (MM), Combined TAM and TPB, Model of PC Utilization (MPCU), Innovation Diffusion Theory (IDT), and Social Cognitive Theory (SCT). Therefore, the more important thing is that the UTAUT 2 model explains to the greatest extent of the divergence between the intention to use and the actual use of technology by consumers. The model in this research is UTAUT 2 modified with an additional variable is Trust. Meanwhile, Price Value is replaced with Price Saving Orientation, dependent variable without experience and the moderate variable is Continuance Intention. The modification of this research model is appeared because of the adaptions of Behavioral Intention and Continuance Intention. Hence, this research aims to analyze the factors influencing OVO feature in the Grab application in continuously.

The modified variable which is Trust comes from “Trust is important because it helps consumers over-come perceptions of uncertainty and risk and engage in “trust-related behaviors” with Web-based vendors, such as sharing personal information or main purchases.” McKnight et al., (2002) [vii]. Then, the theory that based the adaptions of Price Value with Price Saving Orientation is from Escobar-Rodriguez et al., (2014) [viii] stated “…previous studies have an incorporated the variable “price saving” for those technologies, such as purchasing through a website, whose use does not represent a monetary cost for the consumer and, in turn, its use enables a lower price to be obtained (Jensen, 2012 in Escobar-Rodriguez & Carvajal-Trujilo, 2014). Price saving has been considered as a very important factor in consumer online shopping (Bigne et al., 2010; Reibstein, 2012 in Escobar-Rodriguez & Carvajal-Trujilo, 2014). Then, the continuance intention knowledge is taken from Xu (2014) [ix], that conduct study for user’s continued use of online games and using UTAUT2 model to identify the key determinants of Social Network Game (SNG) player’s continuance intention.

In this research, author only use Age and Gender as the moderating variable and not include experience variable from UTAUT2 model. Because variable experience needs a longitudinal study, which in this research is cannot use the longitudinal in term of researcher decision. So, as can be seen in Figure 1, the modified UTAUT2 model in this study consist of 8 independent variables, 2 moderating variables, and 1 dependent variable.

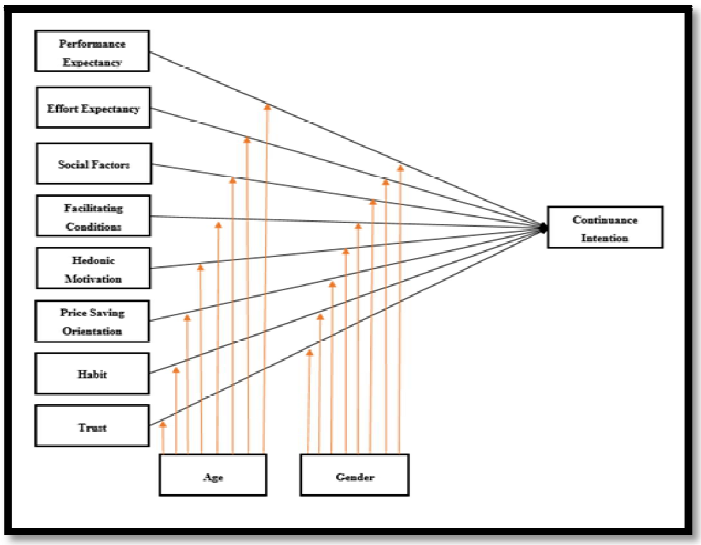

Figure 1: Conceptual Model Adopted From UTAUT2 Model (Venkatesh Et.,Al 2012)

From the model above, it is the UTAUT2 model with modified model. Here is the definition of each variable based from the Venkatesh, et al., (2012), Escobar-Rodriguez, Gefenand from the author based for this research describes as follows: Performance Expectancy is “the degree to which using technology will give benefits to consumers in performing

certain activities" Venkatesh, et al., (2012). The Performance Expectancy variable in this research is defined as the degree to which the users believe that using OVO feature in Grab application will bring benefits in conducting of OVO feature services. Effort expectancy can be defined as the "degree of ease/effort associated with consumers' use of the technology" (Venkatesh et al., 2012). In this research, the Effort Expectancy variable defined as the degree of easily using OVO feature in Grab application. Social Influence is as "the degree to which an individual perceives that important others believe he or she should use the new system" (Venkatesh et al., 2003) [x]. In this research, the Social Influence variable is the people/members of social networks, give or bring influence to another about their behavior using OVO feature in Grab application. Facilitating conditions is described as "consumers perceptions of the resources and support available to perform a behavior" (Venkatesh et al., 2003). In this research, facilitating conditions is if the users social and technology can support the use of OVO feature in Grab application. Hedonic motivation is referred to as "the fun or pleasure derived from using a technology, and it has been shown to play an important role in determining technology acceptance and use" (Brown and Venkatesh in Venkatesh, 2012). In this research, hedonic motivation is defined as the degree of users feeling about OVO feature in Grab application. In this research, the author adapts the Price Value with Price Saving Orientation variable. The price saving orientation in this research is the benefit according with the price. Limayem et al. in Venkatesh et al., (2012) defines habit as "the extent to which people tend to perform behaviors automatically because of learning". In this research, the habit is defined as the extent to how people using OVO feature in Grab application as attitude in user's daily life. Trust is a set of specific beliefs dealing primarily with the integrity, benevolence, and ability of another party can be trusted (Gefen and Silver in Gefen et al., 2003) [xi]. Continuance Intention is the degree to which a person has formulated conscious plans to perform or not perform some specified future behavior (Venkatesh et al., 2012).

3. Measurement Material

In this research, the authors need to test the measurement material that valid and reliable. First, the authors conducted a content validity. Content validity means (logical validity) is the extent to which items used to measure research variables logically are in accordance with what will be measured. This content validity is obtained by looking at the items that will be used in the questionnaire logically it is suitable to measure the variables that want to be measured, seen from the definitions and indicators that have been set. In this research content validity has been done by adopting and modifying questionnaire items from previous research and the items proposed relate to Performance Expectancy, Effort Expectancy, Social Influence, Facilitating Conditions, Price Saving Orientation, Hedonic Motivation, Habit, Trust, Continuance Intention. Then to conduct content testing, some experts in related fields were asked for their opinions. And in testing the content of survey items, opinions were from three experts.

In this study, before the questionnaire published and ready to share with the respondent, the authors conducted a readability test to few persons and the results is they could understand the questionnaire and without any confusions while filling the questionnaire. The items of each variable are presented in Table 1.

Item Code	Items of Performance Expectancy
PE1	OVO feature in Grab application is useful for my daily transaction.
PE2	Using OVO feature in Grab application increases my chances of achieving transaction.
PE3	Using OVO feature in Grab application increasing my productivity of transaction process.
PE4	OVO feature in Grab application enable me to pay faster.
PE5	OVO feature in Grab application makes Grab payment processing service become faster than paying by cash.
Item Code	Items of Effort Expectancy
EE1	Learning to use OVO feature in Grab application is easy for me.
EE2	My interaction with OVO feature in Grab application is understandable.
EE3	I find OVO in Grab application is easy to use.
EE4	It is easy for me to become skillful at using OVO feature in Grab application.
EE5	OVO feature in Grab application can be used anytime when needed.
Item Code	Items of Social Influence
SI1	People who are close to me think that I should use OVO feature in Grab application as payment method.
SI2	People who influence my behavior suggest that I should use OVO feature in Grab application.
SI3	People whose opinions I value prefer that I use OVO feature in Grab application.
SI4	People that familiar with me are using OVO feature in Grab application.
SI5	People who closed with me supports the use of OVO feature in Grab application.
Item Code	Items of Facilitating Conditions
FC1	I have the resources (handphone and internet connection) necessary to use OVO feature in Grab application.
FC2	I have the knowledge necessary to use OVO feature in Grab application.
FC3	OVO feature in Grab application can be used in my smartphone.
FC4	I can get help from others when I have difficulties using OVO feature in Grab application.
FC5	OVO feature in Grab application has comprehensive features required in the process of using it (TopUp and get Rewards).
Item Code	Items of Hedonic Motivation
HM1	Using OVO feature in Grab application is fun.
HM2	I enjoy using OVO feature in Grab application.
HM3	Using OVO feature in Grab application gives me personal satisfaction (Grab Rewards).
HM4	I feel trendy when using OVO feature in Grab application as my payment method.
HM5	I feel prestige when using OVO feature in Grab application.

Item Code	Items of Price Saving Orientation
PSO1	Using OVO feature in Grab application help me save my money.
PSO2	OVO feature in Grab application offers cheaper price rather than similar application.
PSO3	OVO feature in Grab application offers interesting promo.
PSO4	I like to search for promo in OVO feature in Grab application.
PSO5	Transportation service cost by OVO feature in Grab application is inexpensive.
Item Code	Items of Habit
H1	The use of OVO feature in Grab application has become a habit for me.
H2	I am addicted to using OVO feature in Grab application.
H3	I must use OVO feature in Grab application.
H4	Using OVO feature in Grab application has become my necessary.
H5	Using OVO feature in Grab application has become the main choice for me.
Item Code	Items of Trust
T1	I believe that OVO feature in Grab application is trustworthy.
T2	I can rely on OVO feature in Grab application.
T3	I do not doubt the credibility of OVO feature in Grab application.
T4	OVO feature in Grab application never show any indications of fraud.
T5	I trust in the safety of personal information in Grab application.
Item Code	Items of Continuance Intention
CI1	I intent to continue using OVO feature in Grab application.
CI2	I will keep using OVO feature in Grab application periodically as I do now.
CI3	I plan to use OVO feature in Grab application to support my daily transaction.
CI4	My intention is to continue using OVO feature in Grab application rather than other payment applications.
CI5	I will strongly recommend other people to use OVO feature in Grab application.

Table 1

4. Method and Result

The authors use a pilot study. Using pilot study means that the researcher conducts a small sample with the sample size is 30 respondents and only for testing the validity and readability items. The data is processed by using IBM SPSS 24. According to Friedenberg and Kaplan in Indrawati (2015) to conducting the validity test is using "Corrected Item – Total Correlation" (CITC) method [xii]. The correlation coefficient is needs to be > 0.3 to be valid*. According to Indrawati (2015), to test the readability of the items, Cronbach-Alpha technique is the most widely used and a good Cronbach-Alpha is > 0.70. The result of pilot test presented in Table below.

Item Codes	Corrected Item – Total Correlation	Cronbach-Alpha	Item Codes	Corrected Item – Total Correlation	Cronbach-Alpha
PE1	0.749	0.875	HM4	0.696	0.830
PE2	0.834	0.854	HM5	0.662	0.842
PE3	0.656	0.893	PSO1	0.795	0.867
PE4	0.713	0.882	PSO2	0.728	0.890
PE5	0.789	0.866	PSO3	0.762	0.874
EE1	0.842	0.858	PSO4	0.707	0.885
EE2	0.785	0.872	PSO5	0.819	0.866
EE3	0.864	0.863	H1	0.703	0.935
EE4	0.868	0.858	H2	0.871	0.905
EE5	0.501	0.936	H3	0.791	0.919
SI1	0.723	0.897	H4	0.853	0.909
SI2	0.715	0.899	H5	0.881	0.902
SI3	0.868	0.866	T1	0.862	0.876
SI4	0.725	0.897	T2	0.757	0.897
SI5	0.820	0.877	T3	0.648	0.918
FC1	0.765	0.771	T4	0.787	0.890
FC2	0.469	0.836	T5	0.846	0.878
FC3	0.692	0.780	CI1	0.843	0.910
FC4	0.683	0.794	CI2	0.874	0.904
FC5	0.630	0.796	CI3	0.831	0.912
HM1	0.712	0.825	CI4	0.820	0.915
HM2	0.622	0.846	CI5	0.753	0.929
HM3	0.780	0.812			

Table 2

As shown in Table above, the results of the pilot study in this study revealed that all the 9 variables and 45 items of this measurement model fulfil the requirements of validity and reliability.

5. Conclusion

The measurement criteria of this study have been tested with 30 respondents as pilot study samples. The respondent is the user of OVO feature in Grab application in Indonesia. The pilot test proven that the measurement material which consist of 45 items proposed in this study are valid and reliable. Therefore, this proposed measurement material is ready to be used in further study.

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