



香港教育大學

The Education University
of Hong Kong

A Project entitled

Social Influence – A factor which affects Mobile Payment (MP) Acceptance of Hong Kong Consumers.

Submitted by

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submitted to the Education University of Hong Kong
for the degree of Bachelor of
Education (Honours) (Business, Accounting and Financial Studies)

in *May 2020*

Declaration

I, Law Hiu Yan, declare that this research report represents my own work under the supervision of Lecturer I – Dr. Cheng Wan Suen, Vincent, and that it has not been submitted previously for examination to any tertiary institution.

Signed _____

Law Hiu Yan

Date: 24th May, 2020

Acknowledgements

I would like to offer my special thanks to my research project supervisor Dr. Vincent Cheng for his constructive and valuable suggestions during the development and planning of this research project. I received a lot of patient guidance and great advices regarding to research structure, and language from him.

It is glad that the informants who shared their experience and opinion about mobile payment.

All their responses and involvements are giving precious insights and ideas in the research.

Last but not least, I wish to express my profound acknowledgment and gratitude to all the courses professors and instructors in this five-year bachelor's degree, for bringing extensive knowledge and fruitful discussion.

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Abstract

More and more mobile payment systems have been introduced in these few years such as Apply Pay, Android Pay, WeChat pay, Alipay, PayMe and so forth. However, Hong Kong people are still lagging behind in using mobile payment to finish transactions. It is interesting for me to investigate the reasons behind. In this research, Technology Acceptance Model 3 (TAM3) will be borrowed to examine the factors that affecting the mobile payment habits among Hong Kong customers with some factors such as perceived usefulness, perceived ease of use, perceived quality, perceived risk and trust are being studied. Although combinations of theories have been used to explain the intentions of customers in using the mobile payments, little research on external variables (i.e. social influences) which may affect the payment behaviors of the Hong Kong's customers have not been done. Therefore, qualitative research will be adopted to investigate the research gap – social influence, which 2 respondents are interviewed and the data will be analyzed with the data collected from qualitative research. Other than the factors of TAM3 and social influence, this research found out another three factors (i.e. infrastructure, political factor and marketing strategies) that also can influence the acceptance of mobile payment by Hong Kong consumers. My research questions are: (1) Is social influence a factor which affects mobile payment intention? (2) How does social influence affect mobile payment intention? (3) To what extent does social influence affect mobile payment intention?

1. Problem Statement

With the technology progression and the expansion and transformation of the Internet, the digital payment platforms have affected the traditional payment methods such as cheques and cash. Moreover, the consumers' payment behaviors have been changing rapidly because of the contribution of the onset of the electronic commerce (e-commerce) (Domingos, & Ergun, 2018). There is a rapid increase in the use of mobile communication devices in consumers' perspective, and the advanced mobile technology has made mobile devices become more common nowadays. As mobile technology allows us to access to services and information universally, ubiquitously and in unison and it is possible for us to exchange personalized and unique information, mobile services are becoming more and more essential for consumers and firms (Nysveen, Pedersen & Thorbjørnsen, 2005). So, there is a payment method which is under wireless environments and with mobile devices called mobile payments (MP), it refers to any payment transactions that involve buying services or goods can be performed at anytime and anywhere through a mobile device (Téllez & Zeadally, 2017). In addition, there are 4 basic types of mobile payments – consumer payments, merchant payments, person-to-person payments and institutional payments (Allums, 2014). MP is embraced by many China's consumers in China, but it still not embraced by most of the Hong Kong people yet. In Mainland China, MPs have become a popular mean to settle the payment, which not only can be used in department stores, restaurants and grocery stores, but it also can be used in the small scale vendors and vegetable markets in China (Teng, Ling, & Seng, 2018). In

2016, China has become the largest MP market over the world by hitting US\$5.5 trillion MP transactions and the two main current MP companies in China are “WeChat” and “Alipay” (Teng et al., 2018). On the other hand, more and more MP systems with same or different functions have been entered and launched in recent years and there are 9 main digital wallets in Hong Kong – PayMe, AlipayHK, Wechat Pay, Google Pay, Apple Pay, O!ePay, TNG Wallet, Tap & Go and UnionPay QuickPass (“Compare 9 digital,” n.d.).

In a theoretical perspective, several previous studies have adopted some well-recognized theories or models to explain Information Systems (IS) adoption behavior; or combined theories or models will be used to explain the issues about security (i.e., trust, perceived security and perceived risk,) which can be constructed to explore the behaviors and intentions of consumers on using MPs. One of the models is Technology Acceptance Model (TAM) and a study has used TAM to indicate a strong evidence of the effects of trust, security, and risk on consumers' intentions to use Near-Field Communication (NFC) based MP technology in restaurant (Khalilzadeh, Ozturk, & Bilgihan, 2017). In the previous studies, the combination of theories have been used to explain the intentions of consumers in using the MPs, but little research or data regarding to the consumers' choices of payment and the external variables (i.e. social influences) affect the payment behaviors of the Hong Kong's consumers. Thus, a study on the factors affecting the MP behaviors of Hong Kong's consumers could figure out whether the MP will be the payment culture of Hong Kong.

Based on the theories of TAM3, the aim of this study is to examine the factors that affecting the payment habits by using M-payments among Hong Kong consumers. The result of this study will show the MP behaviors of Hong Kong consumers not only influenced by perceived usefulness and perceived ease of use, perceived quality, perceived risk and trust but also social influences.

2. Literature Review

2.1. Mobile Payment

Dahlberg, Ondrus, and Zmijewska (2008) stated that mobile payment (MP) is referring to the consumers can take the advantages of using wireless means or other communication technologies such as mobile phone to finish the payment transactions of services, products and bill. Recently, MPs have been classified as an essential alternative payment mean for people, other than using the traditional payment method such as cash or cheques. With the increasing in the popularity of using mobile devices and coming up with the mobile commerce activities, MP systems are foreseen to be major means in finishing the payment transactions (Ondrus & Pigneur, 2006). Although, MP (i.e. digital wallets) has been a popularity payment mean in China or even in other countries, Hong Kong consumers still not get used of it. According to the survey which conducted by the Hong Kong Internet Registration Corporation Limited to forecast the future market of electronic MPs in Hong Kong, it resulted that the top 3 payment methods in Hong Kong

are credit card (37%), octopus card (25%) and MP (23%) by having 1,200 responses from Hong Kong residents and most of them are in age from 18 to 65 and from different industry sectors (“Survey: Exploring Mobile,” 2018).

There are several reasons that cause Hong Kong residents will not embrace with MPs and will be discussed in the followings.

2.2. Technology Acceptance Model (TAM)

The Technology Acceptance Model (TAM) is a theory under information systems and it was introduced by Fred Davis in 1989 (Lai, 2017). Lai (2017) defined TAM is used to explain the intentions, behaviors and acceptances of using computerized technology and two elements are tested by it – perceived usefulness (PU) and perceived ease of use (PEU). Perceived usefulness refers to the possible users are likely to use of a particular functional system subjectively such as the e-payment system in mobile platform, will improve his or her work in an organization; while perceived ease of use is defined as the degree to which the users who have potential to use the targeted system are expected it is effortless (Davis, 1989). As more and more advanced technologies and systems, many previous studies adopted TAM to explain the behavior of potential users in using new technology. Aydin and Burnaz (2016) have adopted TAM to explain the behavior and motivation of the potential users in using new means of MPs which offered by telecom

companies like Apply Pay and Android Pay and financial institutions. On the other hand, Teng, Ling, and Seng (2018) have applied TAM to their survey to find out the impacts on the payment behaviors of consumers in Nanjing by using MP systems.

2.2.1. Extensions of TAM

Many previous studies applied TAM to explain the intention of consumers on accepting new technology, however, the TAM is no longer perusable to explain the intention and behaviors of potential user adopt new technology such as MP system because the information system and technology are keep changing rapidly.

Francisco, Francisco, and Juan (2015) have proposed a new behavior model – mobile payment technology acceptance model, which is based on the combination of the external influences from TAM, and the extensions of the variables of perceived quality, perceived risk and trust. For similar new model – TAM3, which was introduced by Venkatesh and Bala (2008). TAM3 (Figure 1) is combined by TAM2 which introduced by Venkatesh and Davis (2000) and the perceived ease of use model's determinants (Venkatesh, 2000). Venkatesh and Davis (2000) have used four different types of perceived ease of use model's determinants in developing TAM3, which included the characteristics of system, individual differences, facilitating conditions and behavioral intension. As shown in the figure

1, the movement between computer anxiety and perceived ease of use; the movement between perceived ease of use and behavioral intention; and the movement between perceived ease of use and perceived usefulness were moderated by experiences. The TAM3 has been investigated with the IT settings and implantations in the real-world.

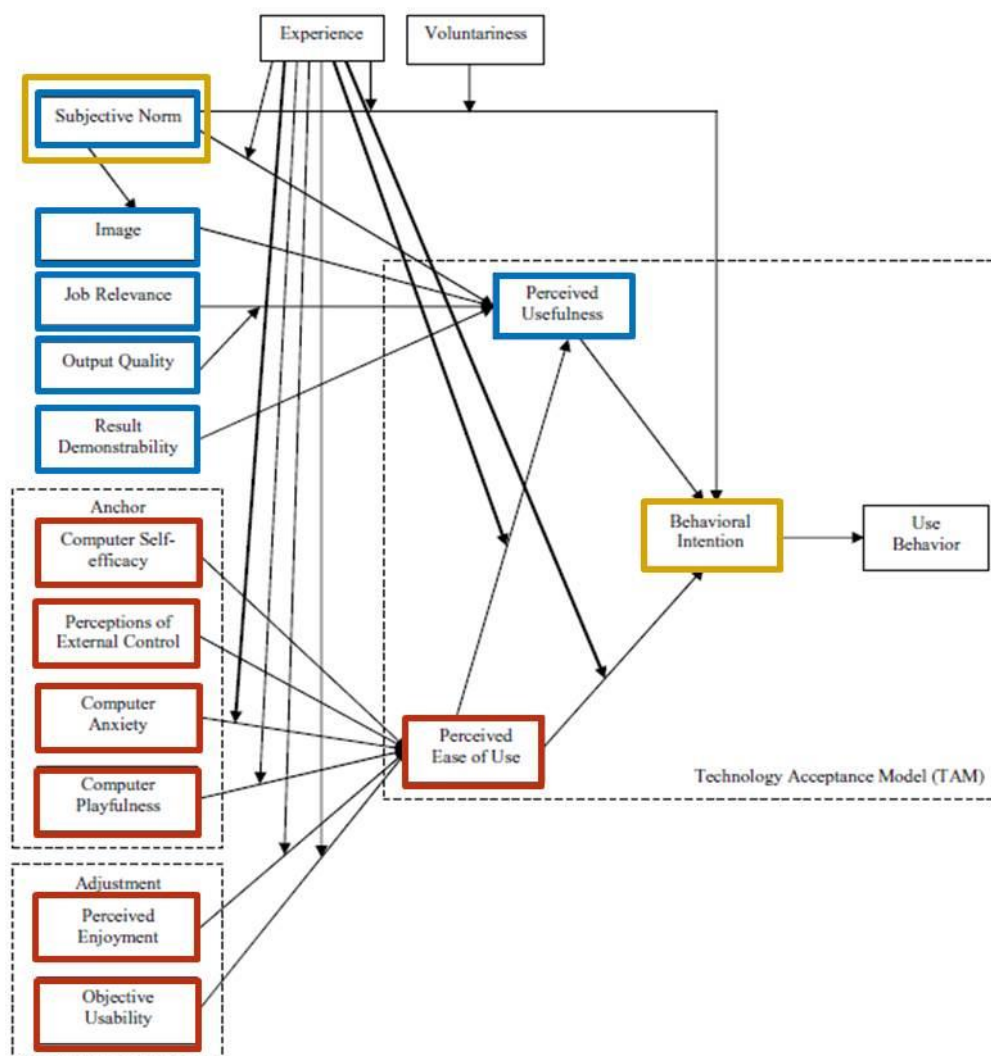


Figure 1: Technology Acceptance Model (TAM 3) (Venkatesh and Bala, 2008).

The TAM is not updated and suitable in the new era of technology, so new combination – TAM3 will be applied in my study and figure out the behavior and

intentions of Hong Kong consumers toward MPs. The relationship between subjective norms and perceived ease of use (Lu et al., 2005; Bhatti, 2007), intention (Glass & Li, 2010; Martins, Oliveira, & Popovič, 2014) and usefulness (Rouibah & Abbas, 2010) have been determined in the previous studies.

2.3. Social influences

When there are humans, social influences will be appeared in which people are easily be persuade by people they appreciate or have regular interaction (Goldsmith, 2015). Furthermore, Goldsmith (2015) classified social influences into four main types – imitation from observations in which people observe how other people behave such as what they wear or eat; people get information in a formal way like seeking advice or read authoritative sources; information from informal listening and conversations; and social groups such as families, networks, workplaces, clubs, organizations and institutions. For example, people can share their experiences in using MP to their friends, colleagues or families immediately which can affect others' values and decisions on using MPs (Venkatesh, Thong, & Xu, 2012).

Furthermore, citizen journalism or user ratings may also affect the choices of Hong Kong people to using MPs (“The economic and social,” 2010). For example, people may read the reviews or ratings of the MP system from the social media. In addition,

Yu (2012) mentioned that social influences can affect the individual intention on using MPs significantly as an individual may have social pressure from close members which cause an individual need to decide to use MPs for payment transactions or not. Some previous studies has study the social influences with TAM to build up a new research model and to find out the adoption behaviors of MP users. For example, Lu, Yao, and Yu (2005) had been done a research on about the internet services adoption of mobile and figured out social influences in form of image and subjective norm influence perceived usefulness positively. However, these studies did not state the specific social factors. So, this study will investigate more specific social impacts such as imitation from observation, seeking advice or read authoritative sources, informal listening and social conversation, with combination of TAM3.

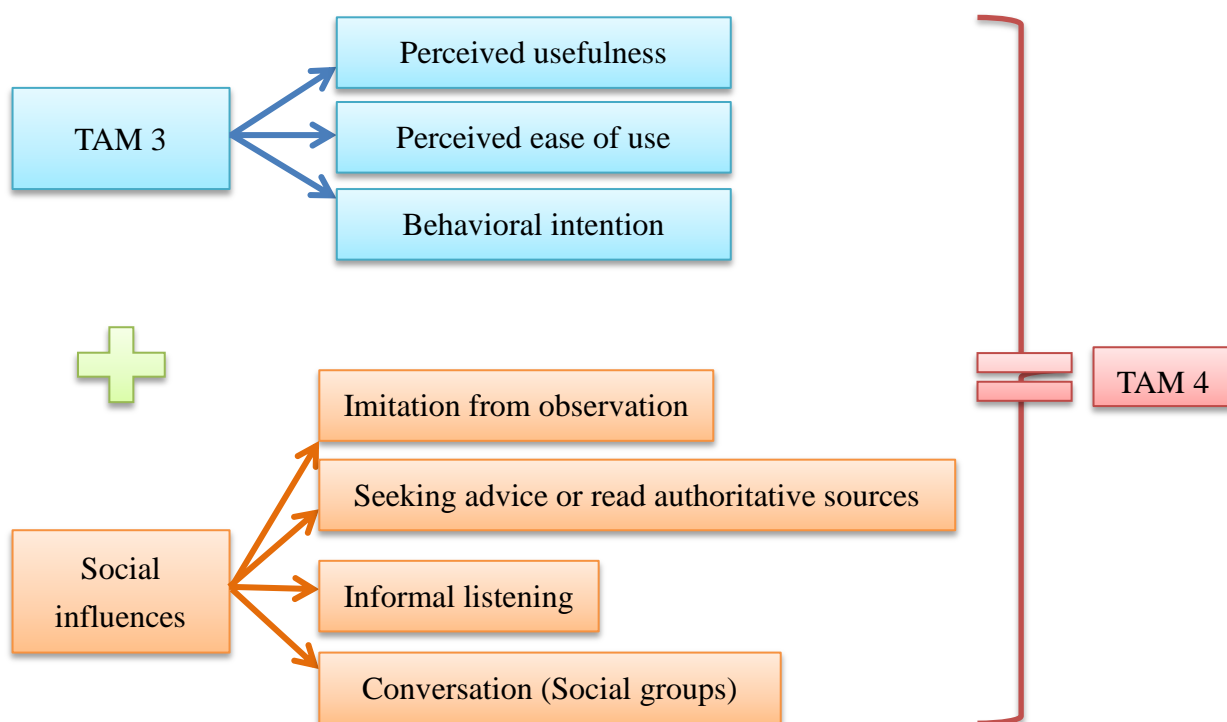


Figure 2: Technology Acceptance Model (TAM 4)

3. Research Questions

- 3.1.** Is social influence a factor which affects mobile payment intention?
- 3.2.** How does social influence affect mobile payment intention?
- 3.3.** To what extent does social influence affect mobile payment intention?

4. Research Methodology

Quantitative Research is used to generate factual data by collecting data that can be converted into numerical data or valuable statistics in order to let the problem to be quantified (Bryman, 2006). Also, McCusker and Gunaydin (2014) stated quantitative research is usually used to quantify behaviors, opinions, attitudes or other possible variables and these results will be generated from a large sample size. Besides of quantitative research, qualitative research is a primarily exploratory research and it is normally purposed on understanding the underlying opinions, motivations, and reasons as to help to develop hypotheses or ideas for potential quantitative research (Hammarberg, Kirkman, & Lacey, 2016). David (2006) mentioned authenticity is often being the issue in qualitative research and he believed that the most effective way is to set up open-ended questions. Moreover, interviews conducted by using qualitative research method are usually in a small sample size with no any rules (David, 2006).

Moreover, qualitative research techniques are including ‘small group discussions’ to study the

attitudes, and beliefs concepts of normative behavior; ‘in-depth interviews’ to figure out the experience, event, or condition from a personal attitude; ‘semi-structured interviews’ to investigate views on a focused topic or with main informants to get background or an institutional information; and ‘analysis of texts and documents’, like media articles, diaries or websites, government reports, to gain more about private or distributed knowledge (Hammarberg et al., 2016).

In this research, qualitative research method will be applied instead of quantitative research method because as mentioned above, using the result of quantitative is to finding the facts, but this study is going to discover the phenomenon or the behavior of the Hong Kong people by using the MP. In addition, this study will only conduct 4 in-depth interviews with the CEO of SHOPLINE, CEO of AlipayHK, founder (CEO) of TNG Wallet and one of the IT staff of PayMe. I chose to conduct interviews with the mentioned experts because they are either the founder of the MP or co-operating with the MP companies, so they may provide some professional answers to us. Moreover, by using “in-depth interviews”, I can get deep answers with open-ended questions from interviewees or even experts according to my research questions (Guest, Namey, & Mitchell, 2013). Before having interviews with informants, I will set a same set of questions for different informants and invite them through e-mail.

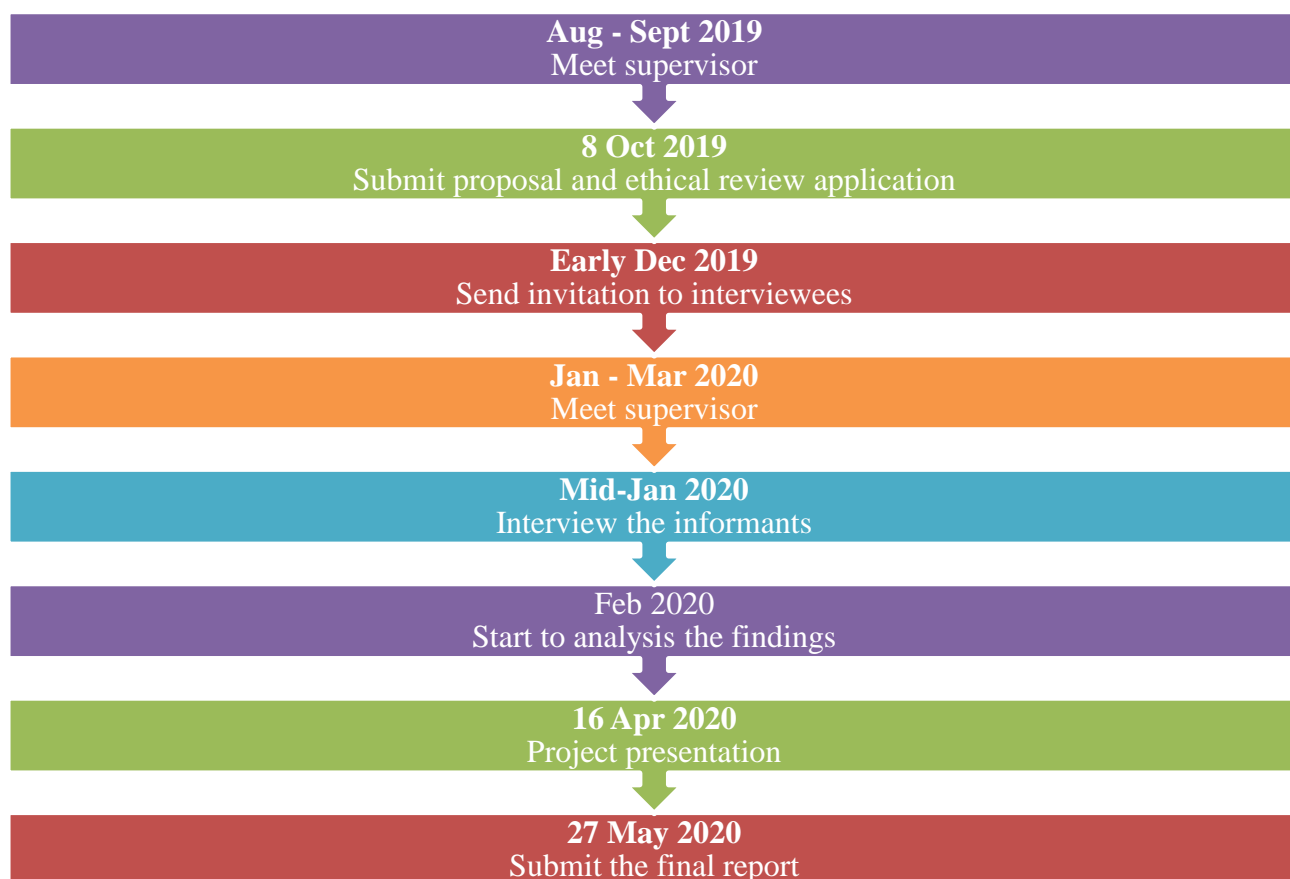


Figure 3: Research Timeline

When I am planning my research, I used to protect the right of participants. The participants have the right to refuse in doing my questionnaire; they have the right to know the basic information of my research; they have right to avoid negative outcomes and have positive outcomes; and I will promise the participants that the data will be collected confidentially.

4.1. Limitations

As mentioned above, I have planned to conduct 4 in-depth interviews with the 4 mentioned interviewees. However, due to the social movement and the break out of

Coronavirus, I have not got any reply from the interviewees after I have sent my invitations to them through e-mail or their official websites in December 2019 and January 2020. Luckily, I got replies from a Foreign Exchange Specialist at Wisdom Asset Management Limited and a founder of HeyCoins. Due to the break out of Coronavirus, I conducted the interview with the founder of HeyCoins through a phone call. To conclude, it was a hard time to find experts to conduct interviews due to the succession of incidents happened in recent months.

5. Findings

5.1. Data summary

5.1.1. *Informant A*

Informant A is a Foreign Exchange Specialist at Wisdom Asset Management Limited. I chose to conduct an interview with her because she has experience in traditional financial services for over 15 years and she joined FinTech as co-founder and chief operating officer (COO) at Valoot Limited HK recently and over the past 2 years. She has co-operated with some mobile payment companies such as WeChat Pay, Alipay.

Firstly, she thinks social influence will influence the acceptance of Mobile Payment (MP) by consumers in Hong Kong. She took herself as an example, and mentioned

her friends helped her to buy personal stuff and she was asked to pay back the amount by using PayMe. She said that was the first time to hear PayMe apps. Also, she got another friends helped her to pay for a trip first, she also required to pay by PayMe at that time. Under peer pressure, she needed to get use to PayMe. Besides of peer pressure, she was willing to use PayMe because she knew the background of HSBC and she got a HSBC account which allows her to transfer money to friends in a convenience way. On the other hand, she thinks people will observe what MP will be used by peers or others. For example, if most of the friends use WeChat Pay, people will accept, trust and try to use it too because their friends tried it.

Besides of the social influence, Informant A also mentioned that the payment methods provided by the stores in Hong Kong will also affect the acceptance of mobile payment by Hong Kong consumers. Some HongKongers will go to some stores frequently, we need to consider what MP the stores provided, then the Hong Kong consumers will choose to accept and use which MP. For example, most of the HongKongers will go to ParknShop or Taste frequently, the customers will then use the MP that the ParknShop cooperated with in order to pay in a convenience way. HongKongers will not only shop in brick-and-mortar stores but also shop in online stores such as Taobao. Informant A indicated that the Hong Kong users of Taobao

mostly will use Alipay because it is more user-friendly which can link to the account and less transaction fees. Therefore, the linkage between the mobile payment and the online shop also will affect the acceptance and use of MP by Hong Kong consumers.

Lastly, Informant A mentioned that the Hong Kong consumers will accept and use MP in a slow pace. It is because Hong Kong consumers get used of credit cards or octopus to make transactions in the past 20 years. It is totally different from Mainland in which Mainland did not have a trend of using credit cards or octopus to make transactions before the implementation of mobile payment, so the acceptance of MP by Mainlanders will be faster than HongKongers.

5.1.2. *Informant B*

Informant B is one of the founders of HEYCOINS. I chose to conduct an interview with him because his company has cooperated with one of the mobile payment companies (i.e. Tap & Go).

Firstly, he mentioned that social influence can be one of the factors that affect the acceptance of mobile payment by Hong Kong consumers. Nowadays, with advanced technology, Hong Kong people will get different information from

different social media (i.e. online news, blog). For example, Hong Kong consumers will read the reviews of different mobile payment applications from blog or YouTube in order to get more useful information. Also, he mentioned that some mobile payment companies will implement some marketing strategies to attract the Hong Kong consumers to use their services. For instance, Hong Kong consumers can get coupons or discounts if they share the mobile payment apps and hash tag its name to social media (i.e. Facebook, Instagram). Besides of getting information of mobile payment applications from social media, Hong Kong consumers may also get the related information through the informal communication with friends. For example, friends will use the same mobile payment (i.e. PayMe) to finish the Peer-to-peer (P2P) transaction. Nowadays, many Hong Kong consumers will have PayMe application in their mobile phones.

On the other hand, he mentioned that political factor can be related to the social factor and can be one of the factors that affect the acceptance of mobile payment by Hong Kong consumers. At the current Hong Kong social status, many local youngsters have participated in the social movements due to the political matters of Hong Kong. These social movements are reflecting the number of Hong Kong youngsters who do not like China much. At the same time, these youngsters will choose to boycott the companies or restaurants which have Chinese background, for

example they will not use WeChat Pay and Alipay. The reason that he said political factor can be under social factor is youngsters will advise their friends try not to patronize Chinese companies or restaurants.

Besides of social and political factor, Informant B also explained the popularity and convenience of the mobile payment will also be the factors that affect the acceptance of mobile payment by Hong Kong consumer. He mentioned Hong Kong consumers not only can use Alipay through online shopping but also use in supermarkets (i.e. ParknShop) with promotions which Hong Kong consumers can redeem rewards in stores by using Alipay for transactions.

Although we cannot compare the importance of different factors, social factor influences the acceptance of mobile payment by Hong Kong consumers much. It is because Hong Kong people live without phones and friends, they put much time on social media and informal communication with friends. Therefore, they can get different information on about mobile payment from different platforms or methods.

Lastly, he mentioned that Hong Kong people use mobile payment for completing transactions will become a trend in coming years. It is because there are more and

more Hong Kong people use mobile payment to settle the payment such as electricity, pay for friends and so forth.

6. Data analysis and discussion

According to the responses from the two informants, they both agreed that social influences will be one of the factors that can affect the acceptance of mobile payment by Hong Kong consumers. In my previous literature review, one of the social factors is people will get information from informal listening or conversation from social groups like family or friends. The two informants also gave examples based on this point. For example, they both mentioned friends will persuade others to use the well-known mobile payment application – PayMe, to settle the payments. In addition, informant A has claimed that social influences can affect the individual intention on using MPs significantly as an individual may have social pressure from close members which cause an individual need to decide to use MPs for payment transactions or not. For example, a friend of informant A has downloaded and used PayMe for payment transactions under peer pressure. This point also has been mentioned in the literature review part. On the other hand, Hong Kong consumers will also read the authoritative sources like the official website of the mobile payment companies. The informant A pointed out that the development or the background of the mobile payment companies also essential as the Hong Kong consumers will read the press releases of these

companies. Informant A has taken Alipay as an example which Alipay was set up as a financial company, so it developed the payment platform and it will release the functions of its application through social media and some users will also rate or comment on it. Besides, informant B pointed out that friends will share different promotions of different mobile payments applications to others and they will accept and use the mobile payment for payment transactions because it was recommended by friends and has promotions. For example, Hong Kong consumers can enjoy discounts in ParknShop if they settle the bills by using Alipay.

Besides of mentioning how the social factor can influence the intention of Hong Kong consumers on using mobile payments, informant A and B claimed that we cannot compare the importance of different factors that affect the acceptance of mobile payment by Hong Kong consumers. Social influence is one of the factors but it may not be the most important factor because different people will consider different factors when they are deciding which mobile payment should be used. In the perspective of informant A, she thinks “trust” will come first; second is the user-friendly of the mobile payment application and social factors will come to the last. For informant B, he also claimed that we cannot do the comparison between different factors because there are many variables like people will consider different factors based on different mobile payments. For example, youngsters will not use Alipay or WeChat Pay to state their

political affiliation (i.e. political factors).

However, to a large extent I think social factor influences the acceptance of mobile payment by Hong Kong consumers. People are tended to be influenced by close friends or family members in the usage of mobile payment. For example, I will choose to trust or accept to use a mobile payment application because my friends used it to settle the payments for several times and I will choose to trust them. Informant A claimed that “trust” will be came first, but I think to “trust” a mobile payment due to we trust our friends. Informant A also mentioned that if she is going to develop a new mobile payment system, her friends will use it because they trust her. Thus, I think “trust” is belonging to social factor. On the other hand, I seldom use mobile payment application previously because I was lazy to open a new account and I did not trust the mobile payment systems especially the ones are developed by Chinese Enterprises (i.e. poor security systems). However, I try to get use of PayMe few months ago because my friends persuaded me to use it and told me the pros of this mobile payment. I agree with informant A and B that we cannot compare the importance of different factors, however, I think social factor is the most significant factor that affect Hong Kong consumer to accept a mobile payment or not. It is because no matter the Hong Kong consumers trust the mobile payment company or not, they will use it because of their important people will change their mind and assist them to use the mobile payment application (i.e. peer

pressure).

Besides of the social factors and the factors included in the TAM3, informant A and B also stated other factors that may affect the acceptance of mobile payment by Hong Kong consumers. These factors will be discussed in the following paragraphs.

6.1. Others factors influence the acceptance of mobile payment by Hong Kong consumers

6.1.1. Infrastructure

Mobile payment infrastructure refers to the payment platform that allows consumers to settle and process the payments from a party to another (i.e. consumers pay to a business) (Téllez, & Zeadally, 2017). Moreover, the consumers need to understand and accept the rules of mobile payment application for example to buy and sell goods among each other or pay for services by using contactless, QR code or barcode which generated by the mobile payment applications (Téllez, & Zeadally, 2017). Informant A mentioned that different Hong Kong consumers will go to different stores to purchase goods, so they need to consider whether the merchants provide the mobile payment methods to consumers or not. If more merchants adopt the same mobile payment, the Hong Kong consumers will accept and download the mobile payment for payment transactions. Furthermore, informant A explained that the mobile payment

infrastructures are developing slowly in recent years. They are not developing in a fast pace because Hong Kong consumers usually use credit cards or octopus for payment transactions, so the merchants may not willing to implement or use the new mobile payment infrastructures. Different stores will accept different types of mobile payments which based on the cooperation between the stores and the mobile payment companies. Normally, Hong Kong consumers can use mobile payment in some chain stores like ParknShop, Wellcome, 7-Eleven, Watsons, McDonald's and so forth, but not popular in small company like the non-chain stores which sell clothes or other goods. If the restaurants or stores that regularly patronized by Hong Kong consumers do not provide well-known mobile payment, the Hong Kong consumers may not accept or willing to download the mobile payment application as they will not use it frequently. Also, many stores will mostly accept the common traditional non-cash payment means such as credit cards and Octopus cards because most of the Hong Kong consumers hold credit cards or Octopus cards. According to Octopus Cards Limited, there are more than 2,500 small and medium-sized enterprises outlets installed the Portable Octopus Processor (Octopus Cards Limited, n.d.). Also, there are about 10,000 merchant locations in Hong Kong have installed the contactless point-of-sale terminals, which accept payments from Apple Pay users with either debit or credit cards from American Express, Visa or MasterCard (Perez, 2016). However, there are only around 300 Hong Kong offline merchants such as travel agents and department stores accept WeChat Pay HK and these

outlets do not provide top up services for Hong Kong consumers' accounts (Perez, 2016). Therefore, we can see that not many offline merchants have the mobile payment infrastructures, so Hong Kong consumers are not willing to accept or use the mobile payment like WeChat Pay.

6.1.2. *Political factors*

In the business world, an external factor – political environmental factor refers to the stability or instability of political, consequences of political, political changes, national policies changes, government actions and stability, government support to the organization and the industry, impact of governmental policies like fiscal policy, monetary policy, foreign trade policy, exchange rate policy and so forth on the business activities. The political consequences or pressures are highly affecting the key incomes of the company (Perera, 2017). In informant B's point of view, he claimed that political factor should be under the social factors because the choices or acceptance of mobile payment by Hong Kong consumers, especially youngsters, will be affected by political factor under peer pressure. Started from June 2019 onwards, a series of large-scale protests have been assembled because the Hong Kong government tried to pass an extradition bill which many Hong Kong people felt that the city's autonomy and rule of law will be threatened. If the bill had passed, both Hong Kong residents and foreigners afraid they could be extradited to mainland China where legal proceedings are not

completely safe. Under this political environment, it is very clear that most of the Hong Kong people, especially youngsters, do not like or even hate the Chinese government. Therefore, they will boycott the mobile payment companies such as WeChat Pay and Alipay, which are operated by Chinese enterprises or people who have conflicts of political opinions with them. This phenomenon is similar to the cases that the Hong Kong people produced, circulated and patronized Yellow Economic Circle in order to have a new consumption pattern and to boycott the Pro-government shop which betrayed the Hong Kong people and supported the tyranny. Why informant B claimed the political factor should under social factor? It is because there are many Hong Kong youngsters who are still feeling indifferent in political incidents. These teenagers will be discriminated by their friends who are boiling with anger under the current political environment and they will live under peer pressure. Hong Kong youngsters who are characterized as politically apathetic will be persuaded by friends not to use Chinese mobile payment and they will choose to listen to their friends because they do not want to be edged out.

6.1.3. Marketing strategies of Mobile Payment Companies

Nowadays, there are more and more mobile payment released in the Hong Kong market. In order to enhance the popularity of a mobile payment, the company may need to have marketing strategies to attract more Hong Kong consumers to accept and use it. There is

no obvious and clear marketing strategy for the mobile payment company. Informant B mentioned that some mobile payment companies always offer discounts by using their services to purchase goods in specific stores. For example, WeChat Pay will cooperate with some shopping malls or large chain stores to offer discounts to WeChat Pay users. Some of the Hong Kong consumers may not consider the security of the mobile payment once they can enjoy discounts on purchasing goods. This marketing strategy not only can enhance the level of acceptance of mobile payment by Hong Kong consumers but also can increase the sales of specific stores. In 2020, WeChat Pay Hong Kong Limited has cooperated with Times Square, which Hong Kong WeChat Pay users can scan to get a HK\$25 e-cash voucher for order over HK\$500. It also cooperated with 7-Eleven to offer a random e-cash voucher if the Hong Kong users purchase goods with HK\$10 or more in a single transaction. Besides of WeChat pay, a local mobile payment company – TNG (Asia) hongkong, also cooperated with different merchants for example it cooperated with Japan Home Centre (JHC) which offer HK\$20 e-cash voucher to the first 10,000 Hong Kong consumers who purchase over HK\$50 in JHC and pay the bill by using TNG wallet. Thus, the marketing strategies of mobile payment companies such as offering discounts to Hong Kong users, may affect the acceptance of mobile payment by Hong Kong consumers because Hong Kong consumers may not consider the security of the mobile payment but to use the mobile payment that offers discounts.

To sum up, besides of the factors (i.e. perceived usefulness, perceived ease of use and behavioral intention) of TAM3 and social factors, the two informants also mentioned 3 factors that will also affect the acceptance of mobile payment by consumers in Hong Kong.

7. Conclusion

After analyzing and discussing the collected data from the two respondents, the results can support the first two research questions clearly and relevantly. However, there is an argument on the research question 3 which the two informants explained that we cannot compare the importance of the social influence and other factors. On the other hand, this research also found out another three factors that also can influence the acceptance of mobile payment by Hong Kong consumers. It can be summarized that besides of the factors stated in TAM3 – perceived usefulness, perceived ease of use and behavioral intention, the social factor can also be one of the factors that affect the acceptance of mobile payment by Hong Kong consumers. From literature review, social factors refer to imitation from observation, advice seeking or read authoritative sources, informal listening and Conversation (Social groups). Besides of these, informant A also stated that peer influence is the direct social influence on Hong Kong people by peers. For example, a Hong Kong consumer may be persuade or encouraged to follow their peers by changing they payment method (e.g. PayMe) in order to feel comfortable in their friend zones. On the other hand, political factor and social factor can be

related. Under the current political environment of Hong Kong, there is significant phenomenon which most of the Hong Kong youngsters object to Hong Kong Government's objectionable actions with China and they boycott the Chinese enterprises. With this phenomenon, an individual will persuade their peers who are disinterested towards politics and political activities to boycott Chinese mobile payment companies such as WeChat Pay and Alipay. They will choose to obey because they may feel pressured and do not want to lose a friend.

Besides of social and political factors, the two informants also explained two other factors – infrastructures of the stores and marketing strategies of mobile payments companies. Not every store in Hong Kong has sufficient infrastructures to support mobile payments, especially small stores. We need to know the preferences of Hong Kong consumers, for example a Hong Kong consumer will always patronize a shop, if that shop does not have any or insufficient infrastructures for mobile payment, then the customers may not accept or willing to use a mobile payment application. On the other hand, the marketing strategies of mobile payment companies also significant to affect the acceptance of mobile payment by Hong Kong consumers. For example, the mobile payment companies (i.e. Alipay) may offer discounts to the Hong Kong users in buying staff in some large chain stores (i.e. ParknShop). This may attract more Hong Kong people to use its mobile payment though they do not want to accept it previously. After conducting interviews with two experts, a new TAM (i.e. TAM 4)

is formed and it is different from the one (figure 2) showed in the literature review part.

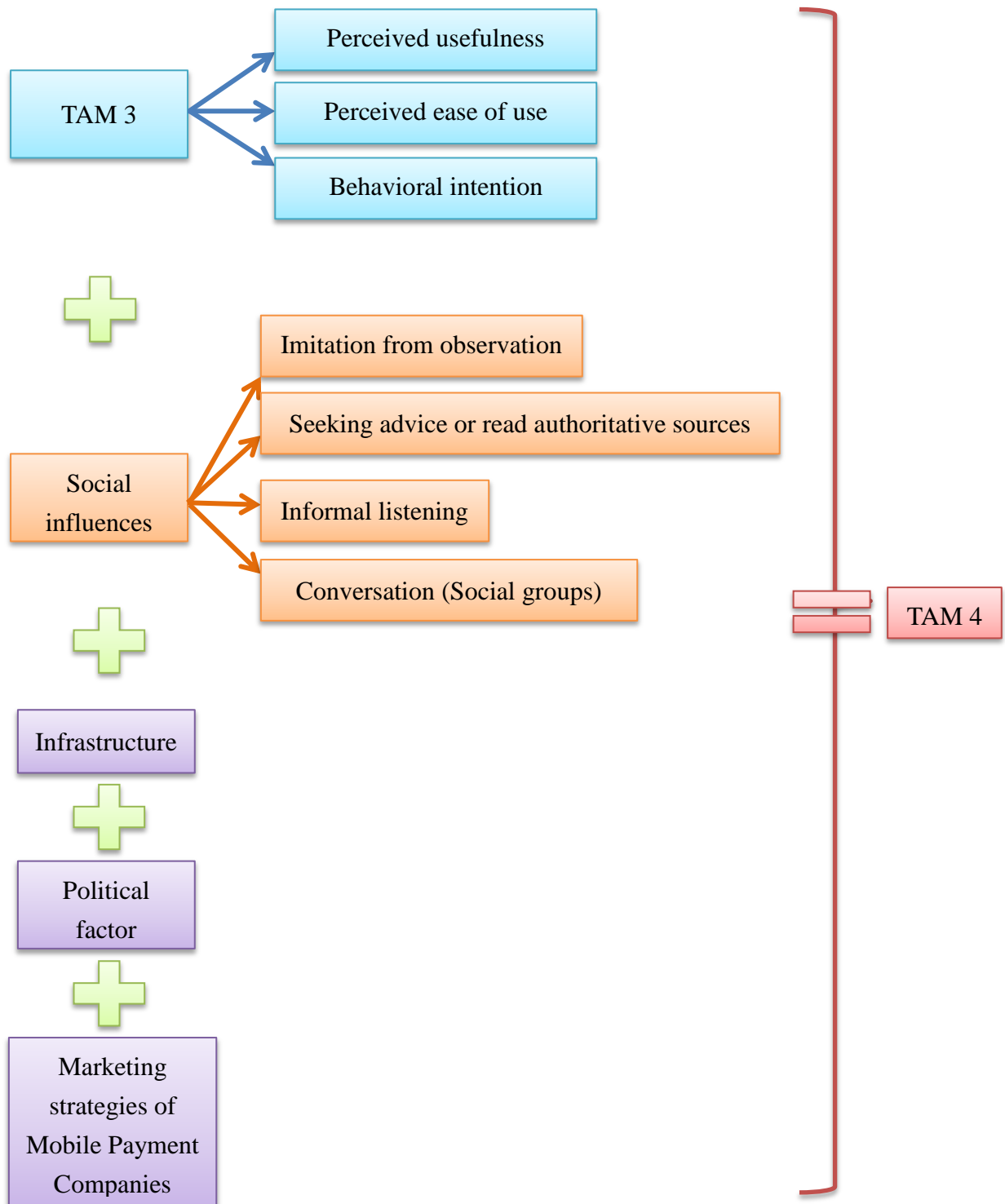


Figure 4: Technology Acceptance Model (TAM 4)

Last but not least, both informant A and B stated that more and more Hong Kong people will use mobile payment in the coming future. However, informant A explained that the using rate will rise in a slow pace because credit cards and octopus have been developed well in the past 10 years.

8. Limitations

8.1. Lack of face-to-face interviews with mobile payment companies

In this research, experts who cooperated with mobile payment companies have been interviewed by me to figure out whether the social factor can influence the acceptance of mobile payment by Hong Kong consumers or not. However, the experts from mobile payment companies cannot be interviewed although I have invited them (i.e. PayMe, TNG wallet, Alipay HK). Their standpoints are so essential to this research as they can provide more accurate first-hand information based on the mobile payment. So, this research lacks of face-to-face interviews with mobile payment companies to get more accurate information.

9. Recommendations for Further Research

In this research, it has already found out that the social factors can influences the acceptance of mobile payment by Hong Kong consumers. There are three more factors stated by the two informants and these factors can be discussed in the coming future. For example, we can

focus on finding out how these factors can affect the acceptance rate of Hong Kong consumers or how these factors can affect the development of the mobile payment in the near future.

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Appendices**Appendix A: Information Sheet****INFORMATION SHEET****Social Influence – A factor which affects Mobile Payment (MP) Acceptance of Hong Kong Consumers.**

You are invited to participate in a project supervised by Dr. Cheng Wan Suen, Vincent and conducted by Law Hiu Yan, who are staff / students of The Department of Social Sciences in The Education University of Hong Kong.

The Introduction of the Research*A) What does the research involve?*

Based on the theories of TAM3, the aim of this study is to examine the factors that affecting the payment habits by using M-payments among Hong Kong consumers.

B) Why were you chosen for this research?

The result of this study will show the mobile payment behaviors of Hong Kong consumers not only influenced by perceived usefulness and perceived ease of use but also perceived quality, perceived risk and trust and social influences. Also, this study can help the Hong Kong people to determine they should use mobile payment or not and which MPS they should use.

The Methodology of the Research*A) Describe how many participants you will include in this study*

Qualitative research method will be adopted.

4 in-depths interviews will be conducted with the following experts:

1. CEO of SHOPLINE;
2. CEO of AlipayHK;
3. founder (CEO) of TNG Wallet; and
4. one of the IT staff of PayMe.

B) Procedure of the research

I chose to conduct interviews with the mentioned experts because they are either the founder of the MP or co-operating with the MP companies, so they may provide some professional answers to us. Invitation will be sent through email in early December and interviews are expected to conduct from late December to January. On the other hand, each interview will be conducted for around 30-45 minutes.

C) Potential benefits (including compensation for participation)

N/A

The Potential risks of the research (State explicitly if none)

This study involves no potential risk.

Your participation in the project is voluntary. You have every right to withdraw from the study at any time without negative consequences. All information related to you will remain confidential, and will be identifiable by codes known only to the researcher.

Describe how results will be potentially disseminated

The result will only be presented during oral presentation session. It will not be disseminated to public. Permission will be obtained in advance from informants to videotape or voice record. All the information and data are kept in strict confidentiality. The personal information of the informants will not be identified. Identifying information will be removed from the data file and stored separately, with the link between identifying information and data made through codes only. Permission will be obtained in advance from informants for sound recording of the interviews and the interview data will be used for this study only and will be destroyed after the submission of this study (not later than 31 May 2020).

If you would like to obtain more information about this study, please contact Law Hiu Yan at telephone number _____ or their supervisor Dr. Cheng Wan Suen, Vincent at telephone number _____.

If you have any concerns about the conduct of this research study, please do not hesitate to contact the Human Research Ethics Committee by email at hrec@eduhk.hk or by mail to Research and Development Office, The Education University of Hong Kong.

Thank you for your interest in participating in this study.

Law Hiu Yan

Principal Investigator

Appendix B: Consent Form

THE EDUCATION UNIVERSITY OF HONG KONG

The Department of Social Sciences

CONSENT TO PARTICIPATE IN RESEARCH

Social Influence – A factor which affects Mobile Payment (MP) Acceptance of Hong Kong Consumers.

I _____ hereby consent to participate in the captioned research supervised by Dr. Cheng Wan Suen, Vincent and conducted by Law Hiu Yan, who are staff and students of The Department of Social Sciences in The Education University of Hong Kong.

I understand that information obtained from this research may be used in future research and may be published. However, my right to privacy will be retained, i.e., my personal details will not be revealed.

The procedure as set out in the attached information sheet has been fully explained. I understand the benefits and risks involved. My participation in the project is voluntary.

I acknowledge that I have the right to question any part of the procedure and can withdraw at any time without negative consequences.

Name of participant

Signature of participant

Date

Appendix C: Interview Questions

Interview Questions

Title: Social Influence – A factor which affects Mobile Payment (MP) Acceptance of Hong Kong Consumers.

1. What transfer services does your company provide to the customers? (e.g. peer-to-peer (P2P))
2. Which age group uses your mobile payment frequently?
3. Do you think social influence is one of the factors that affecting people intention in using mobile payment?
4. Why do you think the customers have confidence in using your mobile payment?
5. Any other social influences that would affect the mobile payment intention?
6. Nowadays, there are different mobile payment systems in Hong Kong. How can you ensure the customers will choose to use your mobile payment instead of others?
7. How can you attract more customers to use your mobile payment?
8. In a few years, will people hardly use cash to make a purchase? Why?

Appendix D: Interview Schedule

| Informants | Date | Time | Duration | Venue |
|-------------------|--------------|---------------|-----------------|---------------------|
| A | Jan 15, 2020 | 15:00 – 15:30 | 30 mins | The Hive Sheung Wan |
| B | Mar 01, 2020 | 15:30 – 15:55 | 25 mins | Phone interview |

Appendix E: Interview Transcription**Researcher: R****Informant A: A**

R: Good morning Bei, I'm from EdUHK. The purpose of interview is to investigate whether the Social Influence will affect the Acceptance of Mobile Payment (MP) by consumers in Hong Kong or not. First of all, I know that you have been cooperated with WeChat Pay and Alipay, I wonder these mobile payment are usually used for P2P, P2B or other purposes?

A: Thanks for your time. I worked for a startup fintech company which mainly cooperate with mobile payment company. The popular mobile payment methods in Hong Kong are Alipay, WeChat Pay, TNG wallet. Different companies have different strategies, some companies more for B2B, vendors will find some retail sales companies to implement their mobile payment in the stores. On the other hand, some companies may involve an in-house sales team and will cooperate with some big companies to conduct a direct transaction.

R: Which means the services are mainly focused on B2B. Nowadays, there are different mobile payment methods, so what factors need to be considered when the company decides to use which mobile payment method?

A: Actually we need to consider the development of a company. For example, WeChat was just focusing on the development of communication channel but not payment method. However, there is a trend of transferring money between peers recently, so WeChat has developed WeChat Pay. On the other hand, Alipay is started up as a financial company, so it developed a payment platform based on its business model. For example, consumers can settle the amount in Taobao by using Alipay. On the other hand, people who have HSBC account will choose to use PayMe because they know the background of HSBC and feel confident when using PayMe (**Trust**). Another reason is people can link their HSBC saving account with PayMe which let them to transfer money in a **convenience** way.

R: As you mentioned, the Hong Kong consumers will choose the mobile payment based on the background of the company and the ease of use of the mobile payment. Other than these 2 factors, are there any other factors like social factor? For example, peers will recommend

mobile payment to each other based on its ease of use and trust through their daily conversation.

A: Social factor must affect the Hong Kong consumer on deciding which mobile payment to be used. **Take me as an example**, one of my friends helped me to buy something and she recommended me to pay her via PayMe and this was my first time to use PayMe. I chose to use because my friend recommended me to use and I got a HSBC account. Another example, my friend helped me and my other friends to pay for the trip in advance, and we wanted to pay back the amount via PayMe, my friend told me she has been asked whether she got PayMe or not for 5 times in a week. Her friend has **peer pressure** of not having PayMe.

R: I also think we can't live without PayMe nowadays. On the other hand, many Hong Kong consumers will buy things and pay online, what do you think on the consumers choosing which mobile payment?

A: I think it depends on the linkage between the mobile payment and the platform of selling products. For example, Taobao mainly link with Alipay. On the other hand, consumers can choose different mobile payment method such as credit cards, WeChat pay, Alipay, to buy train tickets. Therefore, I think it depends on the stores preferred which mobile payment method.

R: From my perspective, I will consider the security of the mobile payment and get comments from my friends. Do you think social factor is the most important factor among other factors like ease of use and security of the mobile payment?

A: I think **it is hard to compare** because **different people will consider different factors**. In my own perspective, "trust" will be came first other than other factors; second, the apps is user-friendly or not; third, the **social factors like our friends most likely use which mobile payment, so we will choose trust and use it**. If we need to compare the factors and I am going to open a mobile payment company, my friends will choose to use mine if they trust me.

R: So, will Hong Kongers hardly use cash to make a purchase in a few years? Just like the Mainlanders usually use mobile payment to pay for their staff in Mainland.

A: I think Mainland could implement mobile payment in a fast pace because they didn't get use of credit cards before. However, in the past 20 years, **most Hong Kongers will use credit cards or octopus for payments**, so mobile payment takes over credit cards and octopus in a slow pace. Hong Kong consumers will choose to use octopus rather than mobile payment

because it takes time for them to open an apps and scan the QR code for payment.

R: Thank you for your time again, hope to see you again.

Researcher: R

Informant B: B

R: Good morning Eddie, I'm from EdUHK. The purpose of interview is to investigate whether the Social Influence will affect the Acceptance of Mobile Payment (MP) by consumers in Hong Kong or not. First of all, I know that you are the founder of HeyCoins and your purpose is to let Hong Kongers to change their coins into digital money (Tap & Go). Normally, which age groups will use your services?

B: Our consumers mainly aged from 18 to 35.

R: As I know the people who use your services can transfer the money to Tap & Go, why you will choose to cooperate with this mobile payment company (i.e. considered factors)?

B: We are a start-up business and found different mobile payment companies and Tap & Go was the fastest company said to be cooperated with us, so we chose it.

R: When you chose Tap & Go, did you consider whether most Hong Kong consumers will use or not or consider its security?

B: First of all, we trust Tap & Go as it got license from HKMA. On the other hand, I believe that it would not launch their services without any preparation.

R: Other than your company's perspective, do you think social factor will be one of the factors that influence the decisions of Hong Kong consumers on choosing mobile payment method? For example, social factors like peer communication/ recommendations.

B: Of course, social factor influences the Hong Kongers choose to use which mobile payment. First, we need to see which mobile payment is using by our friends for example our friends may use PayMe to do **P2P** transactions. At this moment, you will also choose to use PayMe. On the other hand, some mobile payment companies will implement some **marketing strategies** like offering discounts by using their services, but we are required to share and **hash tag in the social media** (i.e. Instagram). This is also belonging to social factors. Also, people would read the reviews on the social media like Facebook, instagram and YouTube. I

would like to explain more that social factor may also include the political factor. Nowadays, the adolescents mostly will not use Alipay, WeChat pay because they may refuse to use China-related services. However, some of the elderlies may hear from friends or get information from social media that Alipay and WeChat pay always offer discount, so they will choose to use these two mobile payments.

R: Besides of social and political factors, any other factors will also be considered by Hong Kong consumers when they choose to use which mobile payment?

B: The **popularity and convenience** of the use of mobile payment are also important. For example, some mobile payment can be used in many stores like ParknShop. You can redeem rewards in ParknShop by using Alipay application.

R: From my perspective, I will consider the security of the mobile payment and get comments from my friends. Do you think social factor is the most important factor among other factors like ease of use and security of the mobile payment?

B: I think it **cannot be compared** because there are many variables like people will consider different factors based on different mobile payments. As I mentioned before, youngsters will not use Alipay or WeChat Pay to state their political affiliation.

R: So, will Hong Kongers hardly use cash to make a purchase in a few years? Just like the Mainlanders usually use mobile payment to pay for their staff in Mainland.

B: I think there will be more and more Hong Kongers use mobile payment as there are more people chose to use mobile payment apps to transfer money to their friends or to pay electricity, etc.

R: Thank you for your time again.