

## Factors Affecting the Adoption of Cashless Payment among Guests in the Malaysian Hotel Industry

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### Abstract

Cashless systems have grown in importance in the globalisation period since they facilitate financial transactions. The majority of individuals favour cashless-payment options these days, especially when making purchases and booking hotel rooms. However, many hotel guests are concerned about cashless payment systems due to increasing data breaches and identity theft. Therefore, it is important to understand the challenges Malaysian hotel guests face in adopting cashless practices. The purpose of this study is to identify the applications of cashless payment and the factors that influence its adoption among the Malaysian hotel guests. Convenient sampling has been employed in this study to choose appropriate respondents, and the screening criteria have been incorporated into the instrument. A total of 389 online questionnaires from Malaysian hotel guests have been collected. The result indicate that debit cards are the most often used payment option for guests staying in hotels. Perceived enjoyment, perceived security, and perceived usefulness have all shown positive correlations. Accordingly, Malaysian hotel guests are familiar with the cashless method of the electronic payment because it provides a quick way to make payments using technology gadgets. This study also includes suggestions and initiatives for the benefit of stakeholders.

**Keywords:** Cashless Payment, Perceived Usefulness, Perceived Security, Perceived Enjoyment, Malaysia, Hotel Industry.

**Introduction**

A cashless system is essential to modern living in the globalisation period since it makes payment methods easier to understand. Additionally, it also promotes the expansion of the entire economy by its capacity to generate capital. According to Singh et al (2020), e-wallets have rapidly gained popularity worldwide and cashless transactions have become increasingly frequent. According to Titalessy (2020), cashless-payment systems, such as credit cards, debit cards, and mobile wallets, provide clients with an innovative mode of payment. The reason behind the increasing popularity of these non-cash payment methods is their adaptability, usefulness, and effectiveness. In another context, customers will appreciate not having to carry cash in their pockets thanks to the convenience of high-tech equipment, and the transaction may be performed conveniently by using wireless technologies on a mobile device. Rahman et al (2020) have found that, especially among Malaysian customers, the notion of cashless-payment systems is not well-established in emerging nations at this stage of maturity. This is evident from data on the total amount of transactions made by the Malaysians, which indicates that 18.7% of the transactions have been made online and 58.4% have been made by using e-money (Ellia, 2019). Consequently, it can be said that the Malaysians favour using Internet banking to pay for their purchases. When using cashless transactions, travellers can move freely throughout the entire aircraft from the moment they board until they depart.

From the perspective of this study, according to Bank Negara Malaysia (2022), the percentage of the Malaysians who use Internet banking has risen from 2019 to 2022. In 2019, 97.6% of the country's population has had an Internet-banking subscription; however, by 2022, the number increased to 134.4%. Although there is a growing trend towards cashless transactions, clients still face challenges, according to the group CEO of Payments Network Malaysia Sdn Bhd (PayNet). Many hotel guests still have unpleasant thoughts about cashless-payment systems because of the increasing difficulties with data breaches and identity theft of personal information (Ncr et al., 2021). It has been stated that a cashless society will encounter four challenges, which are resilience, security, privacy concerns, and tracking expenditure, according to (Derahman, 2022). Given these situations, it is important to understand the challenges the Malaysian consumers face in adopting cashless practices, especially in the hotel industry. Hence, the purpose of this study is to identify the applications of cashless payment and the factors that influence its adoption among the Malaysian hotel guests.

**Literature Review****Cashless Payment in the Hotel Industry**

The concept of 'cashless payment' refers to a payment method by which real cash is replaced by a digital or electronic means of payment (2020, Ishak). He has further added that it involves the transfer of funds between parties via a range of electronic instruments, such as digital-payment platforms, credit or debit cards, mobile wallets, and online banking. Besides, travelling without cash is now considered to be the way of the future for the tourist industry worldwide. It is characterised by non-cash financial transactions conducted for tourism (Prawira et al., 2020). In the interim, Suhaimi et al (2021) have defined cashless payment in hotels as using electronic-payment methods for transactions related to hotel services and products, such as using credit cards, debit cards, e-wallets, and mobile payment apps. He has also highlighted how the hospitality industry, particularly hotels, has witnessed an increase in the use of cashless-payment methods because of their speed, convenience, and security.

### **Technology Acceptance Model (TAM)**

The Technology Acceptance Model (TAM) is utilised to determine what barriers exist for customers to adopt cashless trends. According to Davis (1989), TAM is a well-known idea that addresses how people accept and use information technology. It is based on users' psychological interactions with technology. Wiradinata (2018) has added additional elements to the Technology Acceptance Model, such as the risk of unauthorised transactions, possibility of financial losses, lack of privacy, and possible faults. However, Maranguni and Grani (2015) have claimed that the model has had multiple extensions and changed during research to become the TAM model that exists now. It shows that additional variables will be added to the model annually once the problem has developed. Meanwhile, Chin and Ahmad (2015) have stated a conceptual framework based on the previously mentioned related ideas and literature that have addressed the issues of the study, such as perceived security (PS), perceived utility (PU), perceived ease of use (PEOU), perceived risk (PR), and perceived enjoyment (PE).

### **Perceived Usefulness (PU)**

According to Venkatesh and Davis (2000), perceived utility is more important than behaviour and attitude interest. De Luna et al (2018) have stated that perceived usefulness is a level to which a user's trust in technology can increase and improve his or her effectiveness and performance. Perceived usefulness, according to Davis (1989), is an individual's perception of a technology's ability to increase productivity. Thus, a person's intention to use a technology or system is influenced by its perceived effectiveness. According to Ali et al (2019), people are more likely to believe that using technology would improve their efficacy and performance when they view it as helpful. The perception of usefulness can be influenced by the technology's advantages, user-friendliness, and a person's confidence in the technology's abilities (Davis et al., 2003). The impact of perceived usefulness on consumer acceptance has been demonstrated by numerous studies. For example, Davis (1989) has concluded that consumers' perceptions of the efficiency of technology have a significant influence on their intentions to purchase and utilise it.

### **Perceived Security (PS)**

Sullivan et al (2018) have stated that consumers' trust and confidence in utilising technology or services are influenced by their perceptions of security. It is closely related to the perceived danger of using a system and the perceived reliability of the system. According to Enck et al (2009), since customers' trust and willingness to use this technology are influenced, perceived security plays a crucial role in the adoption of a cashless-payment system. Perceived security has been defined by Sullivan et al (2018) as a person's subjective assessment of the level of security offered by goods, services, or pieces of technology. Perceived security influences people's behavioural intentions to use a certain technology or system. They are more likely to trust a system or piece of technology and feel at ease using it to transact business or reveal personal information when they think it is safe (Moorthy et al., 2019). According to Jasmine et al (2021), many factors, including the implementation of strong security measures, transparent communication on security protocols, and a history of protecting user data, impact how security is viewed. Moreover, organisations must prioritise and invest in efficient security measures to enhance customers' perceptions of security and address any concerns or apprehensions they may have. Chuttur (2009) has stated that the way consumers have felt about security positively affects their trust and propensity to make purchases online.

### Perceived Enjoyment (PE)

Perceived enjoyment is a satisfaction and positive experience gained from utilising a certain technology or system (Suhaimi et al., 2022). According to M J et al (2019), perceived enjoyment is a satisfaction and pleasant experience that come with using cashless payments and these help to foster a positive attitude among customers. Besides, perceived enjoyment also refers to individuals' subjective perceptions of enjoyment, pleasure, or satisfaction gained from using technology or doing a specific behaviour. It significantly impacts their readiness to accept and utilise technology (Balakrishnan & Shuib, 2021). As a result of their research, Chin and Ahmad (2020) have revealed that customers' decisions to utilise payment systems can be directly impacted by felt enjoyment, which is often mediated by perceived usefulness and perceived ease of use. For example, Balog and Pribeanu (2010) have found that a level to which students have expressed satisfaction with a virtual-reality teaching platform is a crucial factor in their acceptance of it.

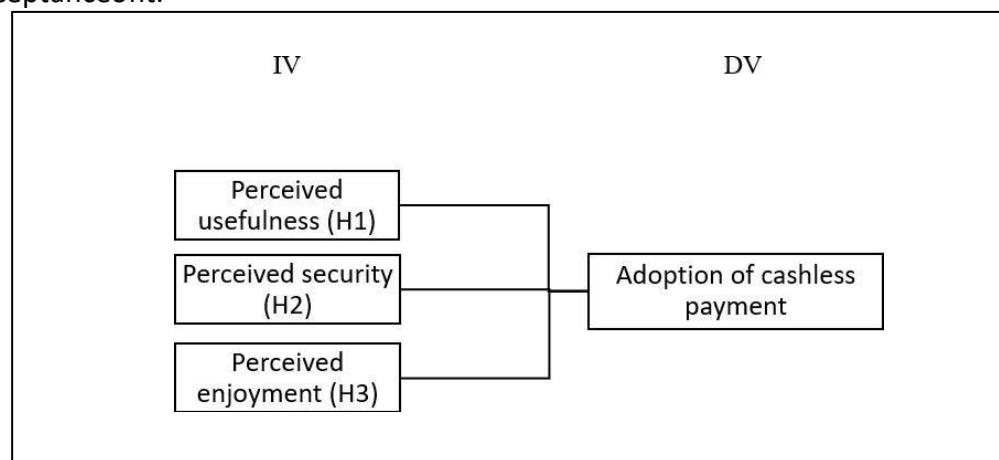


Figure 1: Study framework

### Methodology

The purpose of this descriptive study is to discover if hotel guests use cashless payments and what factors that influence their use of these types of payments. Since quantitative research has offered a bigger sample size and might represent both the diversity of the population and the guests in the Malaysian hotel businesses more properly, it has been the most appropriate method for this study. Each participant has been provided with the identical survey instrument and guidelines under the same situations. Using a cross-sectional study, the data for this quantitative research has been collected all at once. The purpose of this cross-sectional study is to ascertain a relationship between the Technology Acceptance Model (TAM) and customer acceptance of cashless payments by using correlation research, which is commonly referred to as a correlation study. However, the unit of analysis for this study has been the Malaysian citizens who have visited any types of hotels in Malaysia. This study has focused on the respondents who have used cashless-payment methods in the Malaysian-hotel industry. Thus, the customers who have dealt with the cashless-payment systems in the Malaysian hotels have become the analysis unit for this study.

### Population and Sample Size

As previously stated, the unit of analysis for this study has been the Malaysian-hotel industry and the cashless-payment users. Since it is challenging to find accurate data from any sources, especially when it comes to hotel guests who have made purchases by utilising cashless

means, the researchers have chosen to employ convenient sampling to achieve non-probabilities. Besides, in the first quarter of 2023, 33.2 million people were registered as the Malaysian citizens, according to the Department of Statistics Malaysia (DOSM). Although there are many methods for determining sample size, for the sake of this study, the researchers have decided to use an online sampling calculator to get a sample size that is comparatively appropriate for generalisation. The specific objectives outlined in this study have led to the selection of non-profitability sampling. Consequently, the instrument has been made to follow the screening questions in the first section to obtain the relevant data and reliable respondents.

### Instrument and Data Collection

As mentioned in Chapter 1, the main objective of this study has been to use the Technology Acceptance Model (TAM) to examine how the consumers embrace the cashless payments. This survey has been available in both *Bahasa Melayu* and English to avoid misunderstandings and to make it easier for the respondents to complete it. For the respondents to provide their responses based on the numerical Likert scale, this study has used closed-ended questions. In survey research, a Likert scale is a rating system that is commonly used to examine beliefs, attitudes, or actions because it makes it possible for researchers to quickly operationalise personality traits or impressions, which is very well-liked (Bhandari, 2020). All the questionnaire's sections have used the closed-ended questions, and the demographic portion has utilised the nominal, ordinal, and ratio scales while the other sections have used the Likert scales like those previously described. In the meantime, the respondents have received the questionnaire via an online survey link. The link to the online survey has taken the respondents to Google Form, which has been the researchers' preferred platform due to its ease of use and familiarity. Screening questions have been provided to ascertain which visitors have previously utilised the cashless-payment methods for hotel transactions. Only those who have done would have moved on to the subsequent section, which denotes that those who have not would not be able to access it.

### Pilot Study

A pilot study has been conducted, involving a total of the 33 randomly selected respondents. The demographic background results, which have included gender, education, age, and income level, are shown below using the SPSS.

Table 3.3  
*Demographic profiles of the pilot test*

Variable	Category	Frequency	Per Cent
Gender	Male	15	45.5
	Female	18	54.5
Education	SPM (or equivalent)	3	9.1
	Bachelor's Degree	22	66.7
	Postgraduate	7	21.2
	Diploma	1	3.0
Age	<20	3	9.1

	21-25	13	39.4
	26-30	3	9.1
	31-35	2	6.1
	36-40	2	6.1
	41-45	2	6.1
	46-50	8	24.2
<b>Income</b>	<RM1,000	5	15.2
	RM1,000- RM1,999	4	12.1
	RM2,000-RM2,999	10	30.3
	RM3,000-RM3,999	3	9.1
	RM4,000- RM4,999	2	6.1
	>RM5,000	9	27.3

In the interim, a reliability test has also been carried out to see if all the questions developed could be used or not in this survey. When running the reliability test for the pilot study, it has been found that all the corrected item-total correlations for the all variables are positive. Therefore, all the items for the variables are useable for the final data. If the values of Cronbach's Alpha are within a range between 0.60 and 0.80, it means that they are moderate and acceptable (Taber, 2018). In this study, the degree of reliability for the minimum Cronbach's Alpha is 0.788, while the maximum is 0.926. Below are the results of the reliability test.

Table 3.4  
*Reliability test for the pilot study*

<b>Variable</b>	<b>Number of items</b>	<b>Cronbach's Alpha</b>
Perceived Usefulness	5	0.926
Perceived Security	4	0.844
Perceived Enjoyment	3	0.877
Cashless Payment	3	0.788

## Data Analysis and Findings

### Normality Test

Normality analysis is significant because it demonstrates the fundamental concept of statistics, which is caused by a normal distribution, commonly known as a bell curve. To ensure the validity of a statistical analysis, the findings of normality tests have an impact on the selection of statistical methods. When large deviations from normalcy are found, they may prompt data changes or the use of other procedures (Muksalmina et al., 2023). To check whether or not the data are normal, skewness and kurtosis have been used. The skewness and kurtosis for perceived usefulness are 1.743 and 1.859. Thus, it means that perceived usefulness can still be considered as a slightly normal distribution. Besides, the skewness and

kurtosis for perceived security are 1.763 and 1.834, which denote that it is also regarded as a normal distribution. Meanwhile, the skewness and kurtosis for perceived enjoyment are 1.896 and 2.087, which also signify that it is a normal distribution. According to George and Mallery (2010), the values for asymmetry and kurtosis between -2 and +2 are considered as acceptable to prove a normal univariate distribution. Thus, this is considered acceptable to prove a normal univariate distribution.

Table 4.1  
Summary Normality Analysis

Variable	Skewness		Kurtosis	
	Statistics	Std. Error	Statistics	Std. Error
Perceived Usefulness	1.743	.130	1.859	.260
Perceived Security	1.763	.130	1.834	.260
Perceived Enjoyment	1.896	.130	2.087	.260

**Outliers Analysis**

Outliers are typically explored by using a box plot method. Box plots are important because they highlight outliers in the data. An outlier is a data point that is outside the whiskers of the box plot and is defined as a quantitatively distinct observation from the rest of the data. By showing data quartiles and averages, an outliers analysis seeks to draw attention to numerical data spreads and patterns (McLeod, 2019). Consequently, the process is often applied in the analysis of explanatory data due to its simplicity and organisation. Figure 4.2 below displays the results of the first box plot analysis. The boxplot’s outliers have been removed until the data are clean. The multiple box plot analyses might have been required, depending on how serious the data are. The findings of the final box plot analysis are displayed in Figure 4.3, indicating that the algorithm has identified several respondents as the outliers. This is because the respondents have responded to the survey based on their preferences rather than providing identical responses for every question once the researchers have reviewed their data. The data have then been forwarded to the following processing process after that.

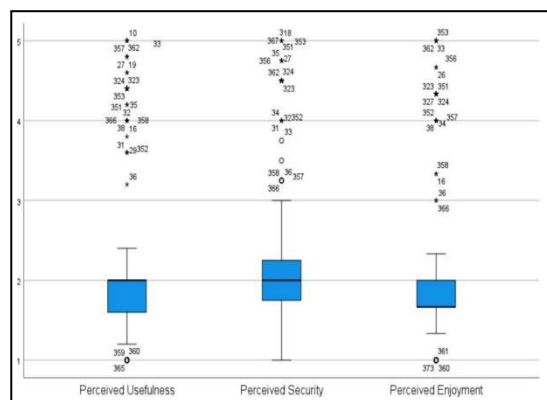


Figure 4.2: The first outliers’ analysis conducted

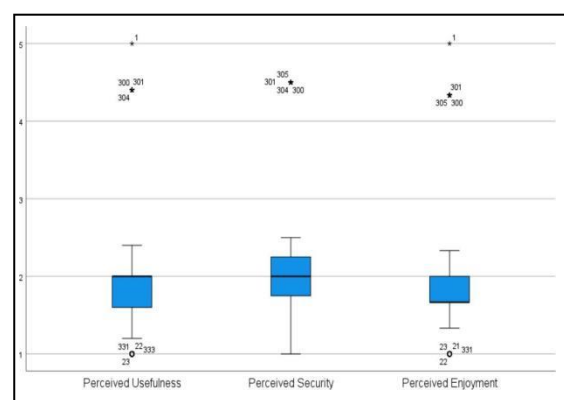


Figure 4.3: The second outliers’ analysis conducted.

### Respondents' Demographics

Table 4.5 below displays the demographics of the respondents. The descriptive analysis of the data has revealed that, out of the 350 respondents, there are more female respondents than the male ones. Specifically, 180 female respondents, or 51.4 per cent of the total, are larger than the male-respondent group, which is made up of 48.6 per cent of the male respondents and considerably fewer than the female respondents, with 170 respondents. Most of the respondents (52.6%) have held a bachelor's degree, followed by a postgraduate (31.7%), *Sijil Pelajaran Malaysia* (SPM) (15.4%), and a diploma (0.3%). Additionally, the age range with the highest percentage of the respondents belongs to the respondents aged between the 21 and 25 years old (124 respondents), represented by 35.4 per cent, followed by those aged between 26 and 30 (31.4 per cent representing 110 respondents), those below 20 years old (28.9 per cent representing 101 respondents), and those aged between 31 to 35 years old and 41 to 45 years old, which are 0.6 per cent with a total of 4 respondents respectively. For the income levels, most of the respondents have an income below RM1,000, which are 153 respondents (43.7 per cent), followed by 67 respondents (19.1 per cent) with an income below RM3,999. There are 57 respondents (16.3 per cent) who have a salary below RM2,999, and only 2 respondents with a salary below RM4,999 (0.6 per cent).

Table 4.5

*Table of the respondents' demographics*

Variable	Category	Frequency	Per Cent
Gender	Male	170	48.6
	Female	180	51.4
Education	SPM (or equivalent)	54	15.4
	Bachelor's Degree	184	52.6
	Postgraduate	111	31.7
	Diploma	1	0.3
Age	<20	101	28.9
	21-25	124	35.4
	26-30	110	31.4
	31-35	2	0.6
	36-40	3	0.9
	41-45	2	0.6
	46-50	8	2.3
Income	<RM1,000	153	43.7
	RM1,000- RM1,999	61	17.4
	RM2,000- RM2,999	57	16.3
	RM3,000- RM3,999	67	19.1
	RM4,000- RM4,999	2	0.6
	>RM5,000	10	2.9

### Descriptive Analysis

Descriptive analysis consists of a standard deviation and means based on a five- point Likert scale used for each item that influences the factor of acceptance for cashless in the hotel



industry. Note: Likert Scale (1: Strongly Agree; 2: Agree; 3: Neither Agree nor Disagree; 4: Disagree; 5: Strongly Disagree).

### Descriptive Analysis for the Independent Variable

#### 1) Perceived Usefulness

The first independent variable in this study is perceived usefulness. According to Table 5 below, the mean score distribution for the items under perceived usefulness ranges from 4.16 to 4.3, indicating that the respondents neither agree nor disagree with the factor. As a result, the findings on the usefulness of the cashless-payment methods are reported in the table below:

Table 5

*Mean Score for the Independent Variable (Perceived Usefulness)*

Number	Survey Item	N	Mean	Std. Deviation
1	It saves a lot of time.	350	2.200	0.779
2	It minimises the time spent on payment.	350	2.111	1.337
3	It helps in terms of making better payment decisions.	350	2.500	1.234
4	It is easier for me to make product comparisons among payment modes.	350	2.225	0.941
5	It accomplishes tasks more quickly.	350	1.894	0.968

According to Table 5 above, the highest mean score goes to Number 3 (M=2.5, SD=1.234), indicating that the respondents agree and strongly agree that using the cashless-payment methods can help them in terms of making better payment decisions. Number 4 has the second-highest mean (M=2.22, SD=0.941), indicating that the respondents believe that the cashless-payment methods make it easier to make product comparisons among the payment modes. The lowest mean score for this category is under Number 5 (M=1.89, SD=0.96), indicating that the respondents neither agree nor disagree that the cashless-payment methods can help them to accomplish tasks faster than the other payment methods.

#### 2) Perceived Security

Table 6 below shows the independent variable for the factors that influence customer acceptance towards the cashless-payment methods. The mean value for perceived security runs from 4.01 to 4.07, showing that the respondents are either neutral or disagree and the majority agree that the hotel's theme and design influence the guests' decision-making.

Table 6

*Mean Score for the Independent Variable (Perceived Security)*

Number	Survey Item	N	Mean	Std. Deviation
1	I have enough information about the secure use of cashless-payment methods.	350	2.222	0.773
2	I use cashless-payment methods securely.	350	2.477	1.222
3	Sensitive data are safe during cashless-payment methods.	350	2.371	1.201
4	Overall, using cashless-payment methods is secure.	350	1.905	1.107

Table 6 above shows that the highest value of the means and standard deviation for perceived security belongs to Number 2 (M=2.47, SD=1.222), which presents the fact that the respondents agree that the cashless-payment methods are secure for them to use. It is then followed by Number 3 (M=2.37, SD=1.201), which exhibits that most of the respondents feel that their informational data are safe when using the cashless-payment methods. The lowest means and standard deviation belong to Number 4 (M=1.90, SD=1.107), which means that the respondents neither agree nor disagree that the cashless-payment methods are secure to use for the time being.

### 3) Perceived Enjoyment

The last independent factor in this study is perceived enjoyment. According to Table 7 below, the mean score distribution ranges from 1.90 to 2.25, indicating that the respondents neither agree nor disagree that perceived enjoyment influences customer acceptance.

Table 7

*Mean Score for the Independent Variable (Perceived Enjoyment)*

Number	Survey Item	N	Mean	Std. Deviation
1	Using cashless-payment methods are pleasant.	350	2.062	0.883
2	Using cashless-payment methods give a positive experience.	350	1.900	1.117
3	Overall, using cashless-payment methods is a good idea.	350	2.254	1.298

According to Table 7 above, the highest mean score belongs to Number 3 ( $M=2.25$ ,  $SD=1.298$ ), indicating that the respondents feel that using the cashless-payment methods is a good move as a substitute for cash payment. Number 1 has the second-highest mean ( $M=2.06$ ,  $SD=0.883$ ), indicating that the respondents agree that the cashless-payment methods give them a pleasant feeling. The lowest mean score for this category is goes to Number 2 ( $M=1.90$ ,  $SD=1.298$ ), which demonstrates that the respondents neither agree nor disagree that using the cashless-payment method gives them a positive experience.

### Descriptive Analysis for the Dependent Variable

The dependent variable in this study is the adoption of the cashless-payment methods. As what can be seen from Table 8 below, the mean score ranges from 1.31 to 1.38, which shows that almost all the respondents agree with the adoption of the cashless-payment methods in the hotel industry in Malaysia.

Table 8

*Mean Score for the Dependent Variable*

Number	Survey Item	N	Mean	Std. Deviation
1	I have been using cashless-payment methods for some time now.	350	1.388	0.569
2	I am likely to increase the use of cashless-payment methods in my daily life.	350	1.311	0.475
3	I always recommend others to use cashless-payment methods.	350	1.357	0.503

The highest mean score for the dependent variable belongs to Number 1 (M=1.38, SD=0.569), indicating that most of the respondents agree that they have used cashless payment for a long time when visiting hotels. The second highest means score goes to Number 3 (M= 1.35, SD= 0.503), which shows that the respondents agree to recommend the cashless-payment methods to others to use. The last mean score belongs to Number 2 (M=1.31, SD=0.475), which shows that the respondents agree that they will be likely to increase the use of the cashless-payment methods in their daily lives after this.

**Pearson’s Correlation Analysis**

To assess the hypothesis, the researchers have used a descriptive statistics in correlation by producing a scatterplot diagram and running the Pearson’s correlation coefficient. This analysis has been used to investigate the relationship between the independent variables, which are perceived usefulness, perceived security, and perceived enjoyment, with the dependent variable, which is the adoption of the cashless-payment methods. Table 9 below shows the results of the Correlation Coefficient Analysis.

Table 9  
Results of the Correlation Coefficient Analysis

		PU	PS	PE	ACP
PU	Pearson Correlation	1	.969**	.945**	.925**
	Sig. (2-tailed)		<.001	<.001	<.001
	N	350	350	350	350
PS	Pearson Correlation	.969**	1	.952**	.928**
	Sig. (2-tailed)	<.001		<.001	<.001
	N	350	350	350	350
PE	Pearson Correlation	.945**	.952**	1	.944**
	Sig. (2-tailed)	<.001	<.001		<.001
	N	350	350	350	350
ACP	Pearson Correlation	.925**	.928**	.944**	1
	Sig. (2-tailed)	<.001	<.001	<.001	
	N	350	350	350	350

\*\* . Correlation is significant at the 0.01 level (2-tailed).

According to Table 9 above, there is a significant two-tailed connection between perceived usefulness, perceived security, and perceived enjoyment with the independent variable, which is the adoption of cashless payments. The correlation coefficient below 0.01 – 0.29 is considered a small relationship, the range from 0.30 – 0.49 is considered a medium relationship, and 0.50 – 1.0 is considered a large relationship. Based on the analysis, all the five factors have been found to be positively correlated as the contributing factors to the adoption of the cashless-payment methods in the Malaysian hotel industry. The highest correlation is 0.944, which is smaller than 0.925. In the meantime, perceived usefulness (PU) and the Adoption of cashless payment (ACP), with 0.925, display a large, positive relationship. This is because the cashless-payment methods allow the respondents to make transactions

more efficient and effective. Meanwhile, perceived security (PS) and the adoption of cashless payment (ACP), with 0.928, show that the respondents believe that their data are safely secured when using the cashless-payment systems. Finally, perceived enjoyment (PE) and the adoption of cashless payment (ACP) have a large, positive relationship with the value of 0.944. This means that the respondents agree that the use of the cashless-payment methods is a good substitute for the cash-payment method.

### **Hypothesis-Testing**

Hypothesis-testing is a statistical technique used to conclude population variables based on sample data. Three hypotheses can be concluded based on the analysis that has been run using the Pearson's coefficient correlation where the researchers have wanted to see if there are any relationships between the dependent variable and the independent variables.

### **Perceived Usefulness (PU)**

H1: There is a relationship between perceived usefulness and the customer adoption of the cashless-payment methods in the hotel industry.

H0: There is no relationship between perceived usefulness and the customer adoption of the cashless-payment methods in the hotel industry.

Since the  $r$  value is 0.925, H0 is rejected. Thus, it means that there is a positive relationship between perceived usefulness and the customer adoption of the cashless-payment methods in the hotel industry.

### **Perceived Security (PS)**

H1: There is a relationship between perceived security and the customer adoption of the cashless-payment methods in the hotel industry.

H0: There is no relationship between perceived security and the customer adoption of the cashless-payment methods in the hotel industry.

Since the  $r$  value is 0.928, H0 is then rejected. Thus, it can be concluded that there is a positive relationship between perceived security and the customer adoption of the cashless-payment methods in the hotel industry.

### **Perceived Enjoyment (PE)**

H1: There is a relationship between perceived enjoyment and the customer adoption of the cashless-payment methods in the hotel industry.

H0: There is no relationship between perceived enjoyment and the customer adoption of the cashless-payment methods in the hotel industry.

Since the  $r$  value is 0.944, H0 is then rejected. Therefore, it can be said that the customer adoption of the cashless-payment methods has a positive correlation with perceived enjoyment.

### **Discussion**

There are three objectives of this study, which are 1) to study the cashless-payment methods in the hotel industry; 2) to study the adoption of the Technology Acceptance Model (TAM); and 3) to examine the relationship between the Technology Acceptance Model (TAM) and customer adoption towards the cashless-payment methods. The first objective has been to study the cashless-payment methods in the Malaysian hotel industry. From the total of the 389 respondents who have answered this survey, most of them (383 respondents) have

experienced using cashless as their payment methods in any hotels in Malaysia. According to the Malaysia Fintech Report 2023, e-payment transactions grew 31.5% from 7.2 billion in 2021 to 9.5 billion in 2022. This shows that the use of the cashless-payment methods has increased from year to year, which signifies that people have started to trust the use of the cashless-payment methods.

The second objective has been to study the adoption of the Technology Acceptance Model (TAM). This objective has aimed to study how the TAM model helps the guests decide to use the cashless-payment methods. For this study, the researchers have chosen to use three factors from the original framework, which has initially come with five factors. The researchers have chosen perceived usefulness (PU), perceived security (PS), and perceived enjoyment (PE). As what can be seen from the descriptive analysis of these three factors, the mean score shows that the respondents agree that using cashless is easier for them to make payments. This is evident that people often overlook the written documentation of money that has been spent (Putri et al., 2022). Thus, by using cashless, the evidence of payment is automatically recorded into the e-wallet application. In addition, the respondents also agree that using the cashless-payment methods helps them to accomplish tasks more quickly. Besides, using e-wallets can also help to prevent the spread of fake money (Halim et al., 2020). This is because they do not have to think about the balance of their money or the originality of the money since they do not use physical money anymore. For security, the respondents agree that the cashless-payment methods can be used securely. According to Rahman et al (2020), the more customers feel comfortable with making cashless payments, the faster they will adopt cashless-payment systems. The researchers' findings have shown that the security of the cashless-payment methods is considered safe since most of the respondents agree that their data are safe while using these cashless-payment methods. In terms of enjoyment, the researchers' findings have also shown that the respondents have fun when using the cashless-payment methods. This is because, based on the mean score, they agree that the cashless-payment methods give them a good experience when making payments. Hence, it is clear that customers will be encouraged to use a single-platform e-payment system if they think that it is enjoyable, easy to use, and beneficial (Suhaimi et al., 2022). This can be seen that, when using cashless, they do not have to bring out their cash and do not have to count the money first. Apparently, this gives them an enjoyable moment where they just need to tap their cards on the payment machines.

The final objective of the study has been to examine the relationship between the Technology Acceptance Model (TAM) and the customer adoption of the cashless-payment methods. Through the analysis that has been done by using the Pearson's Correlation Coefficient, all the dependent variables, which are perceived usefulness (PU), perceived security (PS), and perceived enjoyment (PE), have a positive relationship with the independent variable, which is the adoption of the cashless-payment methods. The researchers' findings have shown that perceived enjoyment has a large, positive relationship with the adoption of the cashless-payment methods. According to Sigar (2016), perceived enjoyment has an impact on the adoption of electronic money where the more individuals find using electronic money enjoyable, the more inclined they are to utilising it as a form of payment when making purchases of products or services. Most people enjoy using cashless because it is faster and more convenient. By tapping their cards on the machines, they settle their payments automatically and at ease. Meanwhile, the next independent variable is perceived security, which has a positive relationship with the adoption of the cashless-payment methods. This shows that the customers believe that the cashless-payment methods are safe and secure to use nowadays although they have had some issues with data leaking from the systems when

they have still been not stable in the beginning. According to Ginantra et al (2020), users need a dependable and safe system. This means that they want to have options for cashless-payment methods, but, at the same time, they want to make the payments securely without having any issues like being scammed or hacked, where their money will be automatically deducted without their permission. Finally, perceived usefulness is another independent variable, which, through the researchers' findings, also has a positive relationship with the adoption of the cashless-payment methods. The findings have indicated that people's desire to use the cashless-payment methods is influenced by their perceptions of the technology's usefulness. In other words, if the individuals believe that the technology will speed up payments, enhance their performance, or be helpful in their daily lives, then they are more likely to intend to use it. This has been supported by Putri et al (2022), who have stated that a person will utilise e-wallet if he or she believes that information it contains would be helpful. According to research, customers are more likely to adopt and frequently use cashless-payment methods if they believe them to be beneficial.

### **Conclusion**

Based on the researchers' extensive study that has delved into the cashless-payment methods in the Malaysian hotel businesses, perceived usefulness, security, and enjoyment of these systems have a major effect on their acceptance. Using the Technology Acceptance Model (TAM), the researchers' investigation has shown that the users view the cashless-payment methods as very useful, safe, and entertaining, which help to explain their widespread acceptance and implementation. According to the Malaysia Fintech Report 2023, there has been a significant increase in e-payment transactions, which highlights the increasing confidence and dependence of the consumers on cashless-payment solutions. For instance, the results of this study have underscored the critical role that the customers' views and behaviours regarding the cashless payments are shaped by their perceptions of perceived usefulness, security, and enjoyment. As more people recognise the ease, security, and enjoyment that cashless transactions provide, they are more likely to accept and use these cashless-payment methods, resulting in the continuous expansion and integration of the cashless-payment systems in the hospitality sector.

### **Research Contribution**

This study makes a theoretical contribution by explaining the relationship between perceived usefulness, perceived safety, perceived enjoyment, and the use of cashless payment methods by customers in the hospitality industry. It emphasizes the importance of user awareness regarding the usefulness, safety, and convenience of cashless transactions to facilitate the continuous expansion and integration of cashless payment systems in the hospitality sector. The proposal aims to increase the adoption of non-cash payment methods among hotel guests. However, further research is needed to expand the scope of application, highlighting the need for continued innovation and longitudinal studies. Overall, this study enhances the understanding of cashless payment methods in the Malaysian hotel industry, providing valuable insights into consumer acceptance. This understanding can help hotels improve their cashless payment systems, thereby increasing customer satisfaction.

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