

FACTORS INFLUENCING E-WALLET USAGE AMONG GENERATION Z IN DENPASAR CITY

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Abstract

Digital transformation has made financial systems more practical through the use of e-wallets as an innovative payment instrument. This study aims to analyze the effects of income, perceived ease of use, social influence, and security on e-wallet usage among Generation Z in Denpasar City. This study employed an associative quantitative approach, with data collected from 100 respondents using a non-probability sampling technique through quota sampling. The data were analyzed using Partial Least Squares-based Structural Equation Modeling (PLS-SEM). The results demonstrate that income, perceived ease of use, social influence, and security have positive and significant direct effects on e-wallet usage among Generation Z in Denpasar City. Security was identified as the most dominant factor influencing the decision to use digital wallets. The R-squared value of 0.607 indicates that the independent variables included in the model explain 60.7% of the variation in e-wallet usage. These findings suggest that higher levels of income, perceived ease of use, social influence, and perceived security are associated with greater e-wallet usage among Generation Z in Denpasar City.

Keywords: E-wallet, Generation Z, Income, Perceived Ease of Use, Social Influence, Security.

INTRODUCTION

The rapid advancement of technology in Indonesia has significantly transformed the payment system. Cash-based transactions, which have long served as the primary medium of exchange, are gradually being replaced by non-cash or digital payment methods that are considered more efficient and convenient. Technological progress has fundamentally reshaped various aspects of society, particularly within the economic sector. As one of the sectors most responsive to technological innovation, the banking and financial industries continue to leverage digital technologies to address the evolving needs and challenges of society. This transformation is reflected in the emergence of financial technology (fintech), a technology-driven innovation in the financial services sector designed to enhance accessibility, efficiency, and convenience in conducting financial transactions (Gulo et al., 2025). One of the fastest-growing fintech products is the digital wallet, commonly known as an e-wallet, an internet-based application that enables users to store and manage electronic money. The stored balance can be used for a wide range of financial transactions, including purchasing goods and services, transferring funds, and paying utility bills.

According to data from the Katadata Insight Center (2023), e-wallets have become the most preferred payment method among Indonesian consumers, with a

usage rate of 84.3%, representing a substantial increase from 60.9% recorded in the previous year. Meanwhile, cash payments or cash on delivery (COD) remain widely used, accounting for 61.4% of transactions. Bank transfers and virtual accounts rank next with a usage rate of 47.8%, while the adoption of paylater services, which allow consumers to defer payments, has grown considerably, reaching 45.9%.

The emergence of e-wallets has transformed payment transactions from conventional cash-based systems into digital payment systems, in line with Bank Indonesia's 2019 initiative to accelerate payment system digitalization. As a smart city, Denpasar has actively supported the implementation of digital non-cash payment systems. The city recorded the highest internet penetration rate in Bali, reaching 92.75% (Statistics Indonesia, 2025), indicating that the majority of its population has easy access to digital information and online services. This condition further reinforces Denpasar's position as a technologically advanced city that actively promotes the adoption of digital payment systems.

Payment systems play a fundamental role in household consumption activities, as they facilitate the allocation of income to fulfill various needs for goods and services. The adoption of e-wallets offers numerous advantages, including faster transaction processing, greater payment convenience, improved operational efficiency, enhanced transaction security, and the development of more personalized banking services tailored to users' preferences.

This innovation provides users with a convenient means of storing funds that can be utilized for various payment transactions. Numerous industries, including leading corporations, logistics and transportation service providers, as well as social media platforms, have adopted and integrated digital wallets as one of their primary payment methods. One notable example is Gojek, which initially operated as a ride-hailing service before expanding its ecosystem by introducing GoPay, a digital payment platform that facilitates seamless transactions across the various services offered by the company. The integration of digital payment systems with app-based transportation services has significantly enhanced transaction convenience for users by providing flexible payment options through e-wallets. Likewise, food and beverage businesses in Denpasar City have increasingly adopted e-wallet payment methods, such as GoPay, as an alternative transaction medium, while local consumers have demonstrated a positive response to the growing trend of digital payments.

According to Katadata.com (2023), the most widely used digital wallet platforms in Denpasar City include OVO, GoPay, DANA, LinkAja, and ShopeePay. The widespread adoption of these platforms has contributed to the growth of the online transportation sector as well as food and beverage outlets throughout the city. This trend reflects the increasing acceptance of and reliance on e-wallets as digital payment instruments in daily transactions, indicating a broader shift in consumer payment behavior toward financial systems that are perceived as more practical, faster, and efficient, particularly among technology-oriented users such as Generation Z.

As the economic, educational, and administrative center of Bali Province, Denpasar City has experienced rapid progress in the adoption of digital technology. The city's internet penetration rate, which reached 92.75%, has enabled residents to become increasingly familiar with a wide range of digital services, including non-cash payment

systems through e-wallets (Statistics Indonesia of Denpasar City, 2025). This condition is further supported by the sizeable Generation Z population, totaling 218,393 individuals, making this generation a key driver of digital transaction adoption in Denpasar City (Statistics Indonesia of Denpasar City, 2024). Generation Z is widely recognized as a generation that has grown up alongside the internet, smartphones, and social media, resulting in a high level of adaptability to digital technological advancements (Rahmadhani et al., 2022). Their close relationship with technology has made e-wallets one of the most frequently used payment methods for fulfilling everyday consumption needs, including purchasing food, transportation services, online shopping, and paying digital bills. Nevertheless, despite the high level of internet penetration and the rapid expansion of e-wallet services, not all members of Generation Z demonstrate the same level of e-wallet usage. While some actively utilize e-wallets across various transactions, others continue to prefer cash or alternative payment methods.

Despite the high level of internet penetration, the widespread acceptance of digital payments among merchants, and the dominance of Generation Z as technology users, the intensity of e-wallet usage still varies across individuals. This phenomenon indicates that certain factors influence Generation Z's decision to adopt e-wallets as a digital payment instrument.

Differences in usage behavior suggest that several determinants may influence Generation Z's decision to use e-wallets. One of the factors presumed to affect e-wallet usage is income. According to Keynes' theory of consumption, income level determines an individual's purchasing power and consumption behavior. Higher income enables individuals to engage in more transactions and utilize a wider range of digital payment services (Keynes, 1936). In addition to income, perceived ease of use is considered another important determinant of e-wallet adoption. Jogiyanto (2007) defines perceived ease of use as the degree to which an individual believes that using a particular technology requires minimal effort, is easy to learn, easy to understand, simple to operate, and convenient to use. These characteristics are particularly relevant for Generation Z, who tend to prefer technologies that are intuitive and practical for everyday activities. Empirical evidence provided by Khofifah and Kardiyeem (2024) demonstrates that perceived ease of use has a positive and significant effect on e-wallet usage.

The adoption of e-wallets is also closely associated with social influence. As a generation that is highly engaged with social media and digital communities, Generation Z is frequently influenced by recommendations and opinions shared within their social networks. According to Permana and Parasari (2019), the decision to adopt a particular technology is often shaped by recommendations from friends, family members, and the surrounding social environment. Social influence reflects the extent to which individuals develop perceptions based on the views and encouragement of significant others who can affect the adoption of a new system or technology (Kurniawan & Subhi, 2021). Supporting this perspective, Ananda and Lestari (2025) found that social influence exerts a positive effect on e-wallet usage.

Furthermore, security represents a crucial factor in the adoption of e-wallets, as digital transactions involve users' personal and financial information. Nawawi (2020)

argues that cash-based payment systems have become increasingly problematic due to high cash management costs, risks of theft and robbery, health concerns, limited practicality, and the circulation of counterfeit currency. In the digital era, cash transactions are gradually being replaced by non-cash payment systems as consumers increasingly demand more practical and efficient transaction methods. A high level of security enhances users' confidence in conducting digital transactions. According to Mutiara and Wibowo (2020), security is a fundamental component of information systems, particularly in online transactions, as it aims to prevent fraudulent activities or, at the very least, detect potential fraud within information-based systems. Nevertheless, previous studies have reported inconsistent findings regarding the influence of security on e-wallet usage. Ratnasari and Fatmawati (2026) concluded that security has a positive effect on e-wallet usage, whereas Zuniatami and Mahardhika (2025) found that security does not significantly influence e-wallet usage among Generation Z.

Although Generation Z in Denpasar City represents a highly potential user group for digital payment technologies, the factors that most strongly influence their e-wallet usage remain unclear. Considering the high internet penetration rate, the substantial Generation Z population, and the inconsistencies in previous empirical findings, further investigation is required to provide empirical evidence regarding the determinants of e-wallet usage among Generation Z in Denpasar City. Therefore, this study aims to examine the effects of income, perceived ease of use, social influence, and security on e-wallet usage among Generation Z in Denpasar City.

RESEARCH METHOD

This study employed a quantitative approach using a causal associative research design to examine the effects of income, perceived ease of use, social influence, and security on e-wallet usage among Generation Z in Denpasar City. Denpasar City was selected as the research site because it serves as the economic center of Bali and records the highest internet penetration rate in the province, reaching 92.75%, thereby providing a favorable environment for the growth of digital transactions through e-wallets (Statistics Indonesia, 2025). The independent variables consisted of income, perceived ease of use, social influence, and security, while the dependent variable was e-wallet usage. Each variable was measured using a five-point Likert scale based on indicators adapted from previous studies (Sugiyono, 2023; Zulnanda & Muslim, 2023; Himel et al., 2021; Thi Uyen Nguyen et al., 2024; Wu & Peng, 2024; Fauziah & Ashfiasari, 2021; Dhio Ramadhan & Rockhudin, 2022; Ajina et al., 2023; Tran & Nguyen, 2022; Zhang, 2024; Hanif & Lallie, 2021; Liébana-Cabanillas et al., 2024; Song et al., 2021).

The study population comprised 218,393 Generation Z individuals aged 13–28 years residing in Denpasar City (Statistics Indonesia of Denpasar City, 2024). The sample size was determined using the Slovin formula with a 10% margin of error, resulting in 100 respondents proportionally distributed across the four districts of Denpasar City. A non-probability sampling technique was employed through quota sampling combined with purposive and accidental sampling approaches. Eligible respondents were Generation Z individuals residing in Denpasar City who had been using e-wallets and had conducted transactions through e-wallets for at least one year. The study utilized both quantitative

and qualitative data. Primary data were collected through questionnaires, while secondary data were obtained from books, scholarly journals, and official publications. Data collection was conducted using a hybrid approach, combining online questionnaires administered through Google Forms with offline paper-based questionnaires. The research instrument employed a five-point Likert scale, and its validity and reliability were assessed using outer loading, Cronbach's alpha, and composite reliability values (Sugiyono, 2023; Hair et al., 2022).

Data were analyzed using descriptive statistics and Partial Least Squares Structural Equation Modeling (PLS-SEM) with the assistance of SmartPLS 4.1 software. Descriptive statistical analysis was used to describe respondents' characteristics and the distribution of responses, whereas PLS-SEM was employed to examine the causal relationships among variables through the evaluation of both the measurement model (outer model) and the structural model (inner model). The outer model evaluation included assessments of convergent validity, discriminant validity, Average Variance Extracted (AVE), composite reliability, and Cronbach's alpha. Meanwhile, the inner model evaluation involved the assessment of the coefficient of determination (R^2), effect size (f^2), and hypothesis testing using the bootstrapping procedure. A hypothesis was considered supported when the t-statistic exceeded 1.96 and the p-value was below 0.05. Accordingly, the analysis provides empirical evidence regarding the effects of income, perceived ease of use, social influence, and security on e-wallet usage among Generation Z in Denpasar City (Ghozali & Kusumadewi, 2023; Hair et al., 2022).

RESULTS AND DISCUSSION

Respondent Characteristics

Based on the questionnaire distribution, all 100 questionnaires were successfully collected and deemed valid for analysis, resulting in a response rate of 100%. The data were subsequently analyzed using SmartPLS 4.1. The respondent characteristics indicate that the majority of Generation Z respondents in Denpasar City were female (63%), aged 25 years (20%), and relatively evenly distributed across the city's four districts, with the highest proportion residing in West Denpasar (29%). Most respondents had completed senior high school (40%) or held a bachelor's degree (39%), earned income primarily through salaries (61%), and reported monthly expenditures ranging from IDR 1,000,000 to IDR 2,000,000 (50%). Regarding digital financial services, DANA was identified as the most frequently used e-wallet (34%), followed by GoPay (24%). Furthermore, most respondents had used e-wallets for more than one year (69%), indicating that digital payment technology has become an integral part of the daily transaction activities of Generation Z in Denpasar City.

Description of the Research Variables

The research data were collected through both online and offline questionnaire distribution to 100 Generation Z respondents in Denpasar City. Of the total questionnaires, 80 were administered through Google Forms, while the remaining 20 were distributed directly in printed form. The descriptive analysis of the research variables was conducted to illustrate respondents' perceptions regarding e-wallet usage, income, perceived ease of use, social influence, and security. After the

questionnaires were completed, respondents' answers were converted into measurement scales for subsequent data analysis. Based on the minimum score of 1 and the maximum score of 5, the class interval was calculated to be 0.80, which was subsequently used to classify respondents' responses into the appropriate assessment categories.

Table 1. Interpretation Criteria for Mean Scores

Mean Score Assessment Category

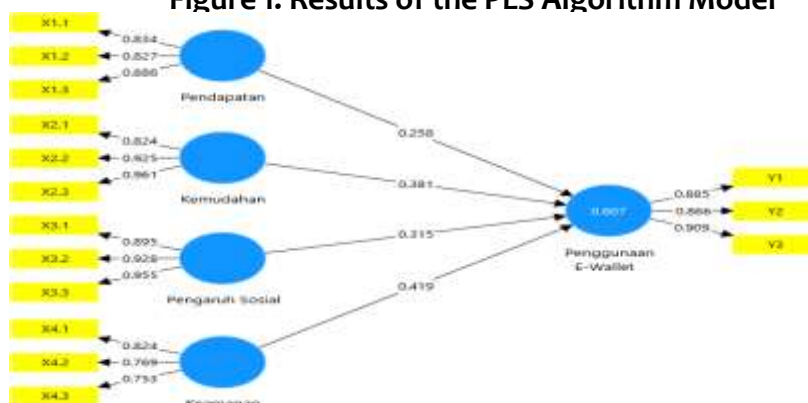
1.00–1.79	Very Low
1.80–2.59	Low
2.60–3.39	Moderate
3.40–4.19	High
4.20–5.00	Very High

Source: Sugiyono (2022).

The descriptive analysis revealed that all research variables were classified within the high category, indicating that Generation Z in Denpasar City has a favorable perception of e-wallet usage. The e-wallet usage variable obtained a mean score of 3.93, with promotional offers and discounts identified as the most influential indicator, followed by the absence of administrative fees. Meanwhile, transaction convenience received the lowest mean score, although it remained within the high category. The income variable achieved a mean score of 3.70, indicating that respondents' income levels adequately supported e-wallet usage, particularly by enabling them to meet their digital transaction needs and being supported by relatively stable sources of income. Furthermore, the variables of perceived ease of use (3.92), social influence (3.80), and security (3.81) also recorded high mean scores. Perceived ease of use was primarily influenced by the application's simple interface and flexible accessibility. Social influence was largely driven by recommendations from friends, family members, and the surrounding social environment. Regarding security, respondents perceived e-wallets as providing greater protection due to the reduced risk of counterfeit currency and the availability of well-documented transaction histories. Nevertheless, some respondents continued to express concerns regarding potential digital security risks. Overall, these findings suggest that e-wallet usage among Generation Z is supported by a combination of economic factors, perceived ease of use, social influence, and positive perceptions of security.

Inferential Analysis Using the Partial Least Squares (PLS) Method

Figure 1. Results of the PLS Algorithm Model



Source: Processed data, 2026

Outer Model Evaluation

1. Convergent Validity

Table 2. Outer Loadings

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Y1 ← E-wallet Usage	0.885	0.886	0.025	36.064	0.000
Y2 ← E-wallet Usage	0.866	0.861	0.024	36.781	0.000
Y3 ← E-wallet Usage	0.909	0.910	0.020	45.664	0.000
X1.1 ← Income	0.834	0.831	0.097	8.570	0.000
X1.2 ← Income	0.827	0.811	0.084	9.841	0.000
X1.3 ← Income	0.886	0.880	0.050	17.872	0.000
X2.1 ← Perceived Ease of Use	0.824	0.811	0.046	17.884	0.000
X2.2 ← Perceived Ease of Use	0.925	0.927	0.023	40.956	0.000
X2.3 ← Perceived Ease of Use	0.961	0.958	0.011	89.808	0.000
X3.1 ← Social Influence	0.895	0.888	0.044	20.160	0.000
X3.2 ← Social Influence	0.928	0.933	0.022	42.725	0.000
X3.3 ← Social Influence	0.955	0.950	0.028	34.474	0.000
X4.1 ← Security	0.824	0.817	0.046	17.783	0.000
X4.2 ← Security	0.769	0.760	0.058	13.282	0.000
X4.3 ← Security	0.753	0.752	0.055	13.619	0.000

Source: Processed data, 2026

As presented in Table 2, the measurement model satisfies the criterion for convergent validity, as all outer loading values exceed the recommended threshold of 0.70. The constructs of e-wallet usage (Y), income (X1), perceived ease of use (X2), social influence (X3), and security (X4) all demonstrate satisfactory indicator loadings. These results indicate that every measurement indicator is valid and adequately reflects its corresponding latent construct.

2. Discriminant Validity

Table 3. Cross Loadings

Item	Y	X ₁	X ₂	X ₃	X ₄
Y ₁	0,885	0,247	0,307	0,243	0,529
Y ₂	0,866	0,314	0,435	0,283	0,479
Y ₃	0,909	0,308	0,385	0,403	0,564
X _{1.1}	0,294	0,834	0,033	0,173	0,065
X _{1.2}	0,228	0,827	0,236	-0,081	-0,078
X _{1.3}	0,305	0,886	0,096	0,072	-0,028
X _{2.1}	0,277	0,015	0,824	-0,182	0,140
X _{2.2}	0,433	0,178	0,925	-0,277	0,223
X _{2.3}	0,418	0,131	0,961	-0,241	0,228
X _{3.1}	0,247	0,108	-0,217	0,895	0,207
X _{3.2}	0,427	0,058	-0,230	0,928	0,334
X _{3.3}	0,237	0,059	-0,296	0,955	0,201
X _{4.1}	0,477	-0,015	0,254	0,215	0,824
X _{4.2}	0,355	-0,029	0,113	0,293	0,769
X _{4.3}	0,523	0,013	0,145	0,185	0,753

Source: Processed data, 2026

As shown in Table 3, each indicator of the e-wallet usage construct (Y) exhibits a higher correlation with its own construct than with the constructs of income (X₁), perceived ease of use (X₂), social influence (X₃), and security (X₄). Similarly, the indicators of income (X₁) demonstrate stronger correlations with the income construct than with the remaining constructs. The same pattern is observed for perceived ease of use (X₂), social influence (X₃), and security (X₄), where each indicator correlates more strongly with its respective construct than with any other construct included in the model.

Furthermore, the cross-loading values indicate that each indicator loads highest on its intended construct, with outer loading values exceeding the recommended threshold of 0.70. These findings confirm that the measurement model has achieved satisfactory discriminant validity, indicating that each construct is empirically distinct and accurately measured by its corresponding indicators.

3. Composite Reliability

Table 4. Cronbach's Alpha, Composite Reliability, and Average Variance Extracted (AVE) of the Research Constructs

Variabel	Composite Reliability	Cronbachs Alpha	AVE	Description
Y	0,917	0,865	0,787	Reliable
X ₁	0,886	0,808	0,721	Reliable
X ₂	0,931	0,890	0,819	Reliable
X ₃	0,948	0,923	0,858	Reliable
X ₄	0,825	0,688	0,612	Reliable

Source: Processed data, 2026

Based on Table 4, all constructs, including e-wallet usage (Y), income (X1), perceived ease of use (X2), social influence (X3), and security (X4), have Average Variance Extracted (AVE) values greater than 0.50. This indicates that each construct explains more than half of the variance of its indicators, thereby confirming adequate convergent validity at the construct level.

Composite reliability is used to assess the internal consistency of indicators in measuring a latent construct within the research model. It reflects the extent to which the indicators of a construct consistently measure the same underlying concept. A construct is considered reliable when its composite reliability exceeds 0.70 and its Cronbach's alpha exceeds 0.60.

The results show that all constructs have Cronbach's alpha values above 0.60 and composite reliability values greater than 0.70. Therefore, all research constructs demonstrate satisfactory internal consistency and reliability, indicating that the measurement model is reliable and appropriate for subsequent structural model analysis.

Structural Model Evaluation (Inner Model)

The structural model (inner model) was evaluated by examining the coefficient of determination (R^2), which serves as an indicator of the model's goodness of fit. In PLS-SEM, the R^2 value is used to assess the predictive relevance of the endogenous construct by indicating the proportion of variance explained by the exogenous variables. Furthermore, the R^2 value reflects how well the model reproduces the observed data and estimates the relationships among the constructs.

1. Coefficient of Determination (R^2)

Table 5. Results of the Coefficient of Determination (R^2)

Variabel	R-Square	R Square Adjusted	Keterangan
E-wallet Usage	0,607	0,591	Moderat

Source: Processed data, 2026.

Based on Table 5, the R^2 value for the e-wallet usage construct (Y) is 0.607, which is classified as moderate. This result indicates that 60.7% of the variance in e-wallet usage can be explained by the four exogenous variables, namely income (X1), perceived ease of use (X2), social influence (X3), and security (X4). The remaining 39.3% of the variance is explained by other factors that were not included in the present research model.

2. Effect Size (f^2)

Table 6. Effect Size (f^2) Results

Variable	f^2 Value Category
Income	0.164 Moderate
Perceived Ease of Use	0.299 Moderate
Social Influence	0.200 Moderate
Security	0.364 Large

Source: Processed data, 2026.

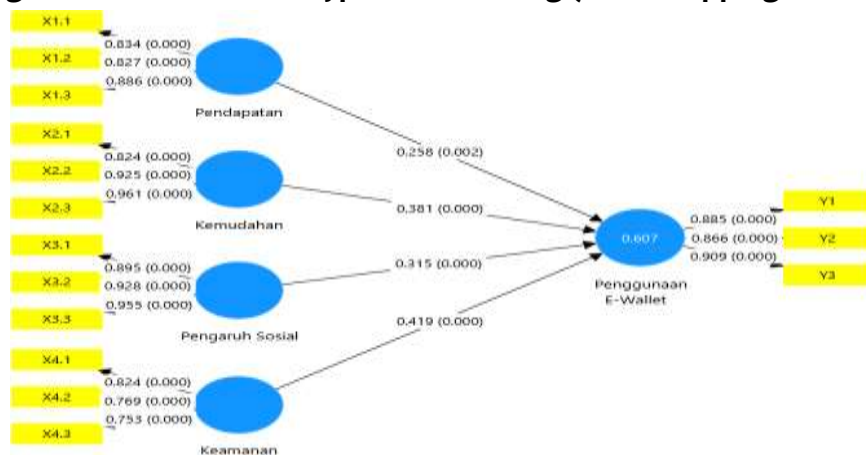
According to the f^2 results presented in Table 6, the effect size of income (X1) on e-wallet usage (Y) is 0.164, indicating a medium effect. The effect size of perceived ease of use (X2) on e-wallet usage is 0.299, which is also categorized as medium. Likewise, social influence (X3) demonstrates an f^2 value of 0.200, indicating a medium effect. In contrast, security (X4) exhibits an f^2 value of 0.364, representing a large effect on e-wallet usage. These findings suggest that security contributes the strongest effect to explaining e-wallet usage among Generation Z in Denpasar City.

Hypothesis Testing

Hypothesis testing was conducted using the bootstrapping procedure in SmartPLS 4.1. The bootstrapping analysis was employed to estimate the significance and direction of the relationships between the exogenous and endogenous constructs. This procedure generated t-statistics for each structural path, which were subsequently compared with the critical t-value.

At a 95% confidence level with a significance level of $\alpha = 0.05$, the critical t-value is 1.96. A hypothesis is accepted when the calculated t-statistic exceeds 1.96 ($t > 1.96$), whereas it is rejected when the t-statistic is less than 1.96 ($t < 1.96$) (Ghozali & Latan, 2015). In addition, a relationship is considered statistically significant when the corresponding p-value is less than 0.05.

Figure 2. Results of the Hypothesis Testing (Bootstrapping Results)



Source: Processed data, 2026.

Figure 2 presents the results of the hypothesis testing using the bootstrapping procedure. In this analysis, a relationship is considered statistically significant when the p-value is less than 0.05, whereas a p-value greater than 0.05 indicates that the relationship is not statistically significant. The detailed results of the hypothesis testing are presented in Table 7.

Table 7. Hypothesis Testing Results

Hypothesis	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics	P Values	Result
Income → E-wallet Usage	0.258	0.274	0.079	3.255	0.002	Significant

Hypothesis	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics	P Values	Result
Perceived Ease of Use → E-wallet Usage	0.381	0.376	0.064	6.172	0.000	Significant
Social Influence → E-wallet Usage	0.315	0.309	0.069	4.571	0.000	Significant
Security → E-wallet Usage	0.419	0.404	0.064	6.565	0.000	Significant

Source: Processed data, 2026.

Based on Table 7, all proposed hypotheses are supported. The path from income (X1) to e-wallet usage (Y) produced a standardized path coefficient (β) of 0.258, a t-statistic of 3.255, and a p-value of 0.002, indicating that income has a positive and significant effect on e-wallet usage. The relationship between perceived ease of use (X2) and e-wallet usage (Y) yielded a path coefficient (β) of 0.381, a t-statistic of 6.172, and a p-value of < 0.001, demonstrating a positive and significant effect. Similarly, social influence (X3) significantly affects e-wallet usage, with a path coefficient (β) of 0.315, a t-statistic of 4.571, and a p-value of < 0.001. Furthermore, security (X4) exhibits the strongest positive effect on e-wallet usage, with a path coefficient (β) of 0.419, a t-statistic of 6.565, and a p-value of < 0.001. These findings indicate that all four exogenous variables significantly influence e-wallet usage among Generation Z in Denpasar City.

Discussion

The Effect of Income on E-wallet Usage among Generation Z in Denpasar City

The findings demonstrate that income has a positive and significant effect on e-wallet usage among Generation Z in Denpasar City. This indicates that as individuals' income increases, their likelihood and frequency of using e-wallets as a non-cash payment instrument in daily transactions also increase.

Income represents an individual's financial capacity derived from employment, secondary occupations, or personal allowances, which serves as the primary determinant of purchasing power and the ability to allocate financial resources for consumption through digital platforms. The results reveal that most Generation Z respondents in Denpasar City perceive their current income as sufficient to support the transition from cash-based transactions to cashless payment systems.

These findings are consistent with previous studies conducted by Hanum (2017) and Aksami and Jember (2019), which reported that higher income levels are associated with greater utilization of digital financial services. The decision to adopt digital wallets as a payment instrument is also influenced by income, as higher income enhances individuals' purchasing power and consumption levels (Hanum, 2017). The present study shows that most respondents believe their income is sufficient to support non-cash transactions through e-wallets. Generation Z individuals who receive income from full-time employment, part-time jobs, business activities, or personal allowances generally possess greater financial flexibility to allocate funds for digital transactions.

Moreover, Generation Z users are motivated not only by their financial capacity but also by the various monetary incentives provided by e-wallet service providers, such as promotional campaigns and discounts. Consequently, the combination of adequate income and attractive promotional offers encourages greater e-wallet adoption among Generation Z in Denpasar City. Price discounts and promotional incentives, when supported by stable income, act as important drivers that increase the intensity of digital wallet usage among urban youth, positioning e-wallets as a one-stop solution for fulfilling their daily financial needs.

From a theoretical perspective, these findings support the Consumption Theory, which emphasizes that financial capacity, represented by income, constitutes the fundamental basis for consumption activities. Individuals with higher income generally possess greater purchasing power, resulting in a higher frequency of consumption transactions, including those conducted through e-wallets.

The Effect of Perceived Ease of Use on E-wallet Usage among Generation Z in Denpasar City

The results indicate that perceived ease of use has a positive and significant effect on e-wallet usage among Generation Z in Denpasar City. This finding suggests that the greater the perceived ease of using an e-wallet application, the more frequently individuals utilize it to support both productive activities and everyday consumption transactions.

Perceived ease of use refers to an individual's belief that a digital technology can be operated conveniently, is easy to learn, and can be understood without requiring substantial effort in terms of time or energy. The findings reveal that most Generation Z respondents perceive current e-wallet applications as having well-designed, intuitive, and user-friendly interfaces. The simplicity of the main menu and the systematic organization of application features enable users to complete a variety of financial transactions efficiently, including retail payments, interbank fund transfers, mobile credit purchases, and balance top-ups.

Generation Z's preference for practical and convenient financial solutions contributes to their perception that e-wallets provide a highly user-friendly payment system. This technical convenience, combined with the dynamic lifestyle of Generation Z, accelerates technology acceptance and increases their tendency to adopt e-wallets as a one-stop solution for fulfilling daily needs through digital transactions. From the perspective of Consumption Theory, perceived ease of use facilitates the expenditure of income by reducing transaction complexity. The easier the payment process, the more likely individuals are to conduct consumption activities through e-wallets.

According to Jogiyanto (2007), perceived ease of use refers to the extent to which individuals believe that a technology can be utilized without considerable effort, is easy to learn and understand, and offers simple operational procedures. The present findings indicate that respondents perceive the e-wallet user interface as intuitive, uncomplicated, and easy to navigate. Such convenience not only transforms individual payment behavior toward cashless transactions but also contributes to the efficiency and expansion of the digital economy in Denpasar City. These findings are empirically consistent with previous studies by Meuthia et al. (2020) and Putri and Susanti (2022),

both of which concluded that perceived ease of use has a significant positive influence on the adoption of digital financial services.

The Effect of Social Influence on E-wallet Usage among Generation Z in Denpasar City

The findings indicate that social influence has a positive and significant effect on e-wallet usage among Generation Z in Denpasar City. This suggests that stronger social influence arising from peer groups, lifestyle, and social interactions increases Generation Z's intention and tendency to adopt e-wallets as a digital payment instrument. The increasing practicality of financial transactions reflects the ongoing transition from conventional payment methods to digital and online transactions.

Social influence encourages the adoption of online transaction applications, particularly e-wallets, by facilitating consumption activities and cashless payments. The influence of the social environment, including the growing preference for practical and efficient digital transactions, has made e-wallets an increasingly attractive payment option. In addition, recommendations, encouragement, and support from friends, family members, and surrounding communities play an important role in motivating individuals to conduct transactions through e-wallets.

Social influence shapes individuals' attitudes, beliefs, perceptions, and behavioral intentions toward adopting new technologies. According to Kurniawan and Subhi (2021), social influence refers to the extent to which individuals perceive that people who are important to them can affect their decision to adopt a new technology or information system. As one of the key determinants of consumer decision-making, the social environment becomes an important consideration for Generation Z when deciding whether to adopt products that offer greater convenience through digital platforms. The findings of this study indicate that Generation Z's decision to use e-wallets is influenced not only by personal considerations but also by their surrounding social environment. Since Generation Z actively engages in both offline and online social interactions, they tend to follow prevailing trends within their social groups to remain socially relevant.

Once e-wallet usage becomes a common practice within their social circles, Generation Z is psychologically encouraged to adopt the same payment method. Moreover, social support enhances individuals' confidence and trust in using digital payment technologies. From the perspective of Consumption Theory, consumption behavior is influenced not only by financial capability but also by prevailing social norms, social pressure, and collective behavioral patterns. As e-wallets have become part of modern lifestyles and social trends, both social pressure and social support contribute to increasing the propensity of Generation Z to engage in digital transactions.

These findings are consistent with previous studies conducted by Bayu Setiawan (2020), Subhi (2021), and Permana and Parasari (2019), all of which reported that social influence significantly affects e-wallet adoption. Such influence may originate from family members, friends, colleagues, or the broader social environment, all of which play an essential role in shaping individuals' attitudes, lifestyles, and intentions toward using e-wallets as a practical payment solution in Denpasar City.

The Effect of Security on E-wallet Usage among Generation Z in Denpasar City

The results demonstrate that security has a positive and significant effect on e-wallet usage among Generation Z in Denpasar City. This finding indicates that the higher the perceived level of security, including data protection, fraud prevention mechanisms, and system reliability, the greater the intention of Generation Z to use e-wallets for digital payment transactions. The transformation of payment systems from conventional cash transactions to digital payment methods has made security an increasingly important consideration in consumers' adoption decisions.

Perceived security encourages the use of online transaction applications, particularly e-wallets, by supporting cashless consumption activities while minimizing transaction risks. Secure payment systems enable users to conduct transactions more efficiently by reducing the risk of physical cash loss, counterfeit currency, and payment fraud. Furthermore, the automatic recording of transaction histories provides users with additional confidence and psychological reassurance when conducting digital transactions.

Security assurance also influences individuals' attitudes, beliefs, perceptions, and behavioral intentions toward adopting new financial technologies. According to Mutiara and Wibowo (2019), security is a fundamental component of information systems, particularly in online transactions, as it aims to protect users from fraudulent activities while enabling the detection of potential security threats within digital information systems.

Security plays a crucial role in consumers' decision-making processes, particularly through the protection of personal privacy and financial information. The findings reveal that Generation Z perceives e-wallets as a safer payment method than cash transactions because they reduce the likelihood of receiving counterfeit currency and provide greater financial protection. As a generation actively involved in urban economic activities, Generation Z is increasingly aware of financial risks. Consequently, when digital payment systems are perceived as capable of protecting their financial assets, they are more willing to adopt e-wallets. From the perspective of Consumption Theory, consumption decisions are influenced not only by financial capability but also by individuals' perceptions of transaction security. When users perceive digital payment systems as secure, they develop greater confidence in conducting financial transactions, thereby strengthening their intention to use e-wallets for everyday consumption.

These findings are consistent with those of Sulistyo et al. (2017), who reported that security has a positive effect on e-wallet adoption. Strong system protection plays a fundamental role in shaping users' attitudes, lifestyles, and intentions toward financial technology. Therefore, the higher the perceived level of security offered by an e-wallet, the greater the likelihood of its adoption among young consumers, particularly Generation Z, as a practical solution for conducting daily transactions in Denpasar City.

CONCLUSION

This study aimed to examine the effects of income, perceived ease of use, social influence, and security on e-wallet usage among Generation Z in Denpasar City. The data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with

SmartPLS 4.1 software. Based on the empirical findings, the following conclusions can be drawn:

1. Income has a positive and significant effect on e-wallet usage among Generation Z in Denpasar City. This finding indicates that higher income levels increase the likelihood of Generation Z adopting e-wallets as a digital payment instrument.
2. Perceived ease of use has a positive and significant effect on e-wallet usage among Generation Z in Denpasar City. The findings suggest that the greater the perceived convenience and simplicity of using e-wallet applications, the higher the level of e-wallet adoption among Generation Z.
3. Social influence has a positive and significant effect on e-wallet usage among Generation Z in Denpasar City. Support and encouragement from family members, friends, and the surrounding social environment significantly promote the adoption of e-wallets for everyday financial transactions.
4. Security has a positive and significant effect on e-wallet usage among Generation Z in Denpasar City. The findings indicate that stronger perceptions of transaction security enhance users' trust and confidence, thereby increasing the adoption and continued use of e-wallets among Generation Z.

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