

# The Impact of E-Service Quality of E-Wallet to Customer Loyalty in Malaysia

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## ABSTRACT

The government of Malaysia is promoting a cashless society. With the government's intention to introduce the "National QR Code Standard" in 2018, customers will be able to make payments with a single QR code at participating retailers. In addition, the government has partnered with e-wallet providers that provide cashback rewards and waive transaction fees. The e-Tunai and e-belia programmes, which grant electronic wallet credits to Malaysians who meet certain conditions, have increased the number of e-wallet users in Malaysia. The Malaysian central bank is working closely with financial service providers to combat fraud and fraudulent activity. Covid-19 acts as a catalyst to accelerate the use of electronic wallets in Malaysia for security and convenience. The Malaysian contactless payments market is competitive with 50 licenced e-wallet providers, mobile banking apps, credit cards, and newly issued credit cards. E-service quality is critical in the e-wallet business to increase customer loyalty, satisfaction, and retention. The objective of the study is to find out which critical e-service quality feature has a greater impact on customer loyalty among Generation Y in Malaysia. App design, ease of navigation, reliability, and responsiveness were discovered as e-service quality characteristics for mobile banking services in Malaysia. There is a lack of quality research on e-wallets in the Malaysian Gen Y environment. Therefore, this study will provide new insights on e-service quality. This study also examines the role of customer satisfaction in influencing customer loyalty. According to the regression study, all elements of app design, such as ease of navigation, reliability, and responsiveness, have a positive impact on customers.

**Keywords:** E-Wallet, E-Service Quality, Customer Loyalty, Generation Y, Malaysia

