

FACTORS WHICH INFLUENCES CUSTOMERS IN ADOPTING MOBILE BANKING TRANSACTIONS

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ABSTRACT

As the technology and life style change, the conventional banking activities giving way to digital banking (e-banking) recently in the form of mobile banking (m-banking). This paper examines which factor is having major influence on adopting mobile banking and also examines the relationship exists among the factors to mobile banking adoption in Kottayam District. Primary Data were collected by adopting stratified sampling method and a questionnaire was send through an online to mobile user respondents. A total of 134 responses were collected from m-banking users. A review of related literature has been used to establish hypothesis for the study stating that there is no significant relationship between factors influencing to adopt mobile banking by a customer. Regression analysis is used to analyse the significant factors affecting adoption of m-banking in Kottayam District. Findings: A total of six factors has been identified which affect m-banking adoption. The most influencing variable is to be found by Perceived Usefulness in adopting mobile banking by a customer. The study conclude that mobile banking adoption and the independent factors have a perfect relationship.

INTRODUCTION

Mobile banking is a concept that is playing an important role in the field of banking services by way of making the ease of payments in trade and aids to trade. The financial sector services using the mobile technology among the mobile users for the financial transactions taken place every day. Consumers can access a variety of banking services such as getting account balance information, transferring money between accounts, receive text message alerts etc. Mobile banking ensures more convenience to the customers in paying their bill. Mobile banking technology has established as the critical part of all customer-focused banking strategies during the past decades. Related studies shows that mobile banking apps aims to reduce cost in addition to enhancing customer loyalty and advocacy. Whenever customers visit the branch, a trained staff of Bank will help the customer to show how they can complete the same transaction through the app can be a great way to introduce some of the more advanced features.

Adoption -Adoption in the context of mobile banking means acceptance given by the customers in doing bank related transactions.

Customer- A customer is an individual who uses a service whereas in this context it means an individual that uses mobile banking services.

Mobile Banking -Mobile banking is an electronic banking system which allows customers to get access to their bank accounts via SMS (supported by telecommunication networks), website of the bank (internet) and smart phone applications..

STATEMENT OF THE PROBLEM

Mobile banking allows consumers to be able to access banking services from anywhere. A number was selected of customers using mobile banking from the different commercial banks in India. The researcher believes that the adoption of mobile banking is being influenced by various factors like Perceived usefulness, perceived credibility, attitude, social influence,

facilitating conditions and compatibility. Hence the problem is stated that “factors which influences customers in adopting mobile banking transactions

LITERATURE REVIEW

Bhatti (2007), used all the three models TAM, TPB and IDT and found out that the perceived ease of use, perceived usefulness, subjective norm, personal innovativeness and perceived behavioural control are strong determinants of the intention to adopt M-commerce. The study has revealed that subjective norms and perceived behavioural control impact perceived ease of use and intention to adopt mobile commerce. Perceived control of users can be increased by offering them free use of service for a short period of time. Rapid adoption of technology, because of its social influence, is studied in terms of subjective norms and it is found to be a significant factor as the behavioural intention is very much affected by peer group influence.

SCOPE AND SIGNIFICANCE OF THE STUDY

Mobile banking allows consumers to be able to access banking services from anywhere. Businesses and business owners are now able to save time by making use of mobile applications to process their payments or even receive funds from clients directly to their phone numbers. This study aims to find out the factors influencing mobile banking adoption by customers in Kottayam district.

OBJECTIVES

1. To examine which factor influence more on mobile banking adoption
2. To know the relationship between factors influencing mobile banking adoption

HYPOTHESIS

HO: There is no significant relationship between factors influencing mobile banking adoption of a customer.

METHODOLOGY

The present study is conducted in Kottayam district. Primary data are collected through online questionnaire for the respondents of Kottayam District, Kerala. Stratified sampling method were followed to collect the samples. The researcher received 134 samples and inference were made accordingly. The data were analysed using SPSS statistical program. Regression technique is used to measure the relationship between factors influencing mobile banking adoption.

RESULT AND DISCUSSION

Table No: I- Shows the descriptive statistics of factors influencing Mobile Banking Adoption

Descriptive Statistics			
	N	Mean	Std. Deviation
Perceived Usefulness(4.1940)			
24*7 accessibility to my bank account	134	4.38	.783
I can Pay my Bill	134	4.30	.814
Free from standing in a queue for long time	134	4.52	.743
Conveniently get information about all the services offered by the bank	134	4.20	.821

24*7 accessibility to my bank account	134	4.38	.783
Perceived Credibility(3.4683)			
Privacy of my personal information is ensured in mobile banking	134	3.75	.853
Bugs and viruses are less likely to threaten mobile banking because its technology is reliable	134	3.43	.921
Mobile Banking Offers good security	134	3.57	.854
Less risk of online fraud	134	3.13	.921
Attitude(3.9496)			
Positive attitude towards mobile banking	134	4.16	.784
I intend to use mobile banking in the future	134	4.26	.803
No anxiety while using mobile banking	134	3.60	.996
It fits with my self image	134	3.78	.881
Social Influence(3.7015)			
Mobile Banking is trendy	134	3.93	.947
It increases my social esteem	134	3.39	.996
Peers influenced to use mobile banking	134	3.60	.934
[Innovative features of mobile banking app motivated me to adapt it	134	3.89	.931
Facilitating Condition(3.4459)			

Personal Banker influenced	134	3.40	.951
Awareness and training Program influenced	134	3.31	.905
Ads of mobile banking	134	3.36	.976
Availability of Proper network connectivity encouraged me to have mobile banking	134	3.71	.941
Compatibility(4.0933)			
Transfer banking related data faster	134	4.09	.827
Access any banking information instantly	134	4.13	.750
Compatible with my work style	134	4.15	.741
Provides transparent operations	134	4.01	.790

(Source: Primary data)

Table No:II- Shows the of factors influencing Mobile Banking Adoption

Descriptive Statistics				
	N	Mean	Std. Deviation	Mean Rank
Perceived Usefulness	134	4.1940	.61745	1
Compatibility	134	4.0933	.63399	2
Attitude	134	3.9496	.72469	3
Social Influence	134	3.7015	.75436	4

Perceived Credibility	134	3.4683	.71728	5
Facilitating Condition	134	3.4459	.68507	6
Mobile Banking Adoption Score				
Mobile Banking Adoption	134	3.8094	.54024	
Valid N (listwise)	134			

(Source: Primary data)

Interpretation:

From the above table, it is clear that the most influential factor is Perceived Usefulness (4.1940) for mobile adoption by a customer and followed by Compatibility (4.0933), Attitude (3.9496), Social Influence (3.7015), Perceived Credibility (3.4683) and Facilitating Condition (3.4459).

Hypothesis Test

HO: There is no significant relationship between factors influencing mobile banking adoption of a customer.

Table III Showing Model Summary of Mobile Banking Adoption

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	1.000 ^a	1.000	1.000	.00265

a. Predictors: (Constant), Compatibility, Perceived Credibility, Facilitating Condition, Social Influence, Perceived Usefulness, Attitude

b. Dependent Variable: Mobile Banking Adoption

Interpretation

The above table shows that, R value is 1.000 which reveals that there is a perfect relationship between independent variables such as Compatibility, Perceived Credibility, Facilitating Condition,

Social Influence, Perceived Usefulness, Attitude towards the dependent variable Mobile Banking Adoption. R^2 shows the 1.000 degree of variation in the dependent variables is zero.

Table IV Showing ANOVA of Mobile Banking Adoption

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	38.817	6	6.469	917855.150	.000 ^b
1 Residual	.001	127	.000		
Total	38.818	133			

a. Dependent Variable: Mobile Banking Adoption

b. Predictors: (Constant), Compatibility, Perceived Credibility, Facilitating Condition, Social Influence, Perceived Usefulness, Attitude

Interpretation

This table indicates that the regression model predicts the dependent variable significantly well. The regression model statistically significantly predicts the outcome variable. That is, it is a good fit for the data.

Hence the null hypothesis is rejected and alternative hypothesis is accepted. That is there is significant relation between factors influencing mobile banking adoption by customers.

Table V showing the Coefficients of the Mobile Banking Adoption

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.002	.002		1.338	.183
1 Perceived Usefulness	.166	.001	.190	267.772	.000
Perceived Credibility	.168	.000	.223	405.313	.000
Attitude	.167	.001	.224	292.397	.000

Social Influence	.166	.000	.232	377.303	.000
Facilitating Condition	.166	.000	.210	342.851	.000
Compatibility	.167	.001	.196	274.958	.000

a. Dependent Variable: Mobile Banking Adoption

Interpretation

Mobile Banking Adoption(mba) constant (.002)=Perceived Usefulness(pu) (.166) , Perceived Credibility (pc) (.168), Attitude(a) (.167), Social Influence(si) (.166), Facilitating Condition(fc) (.166) and Compatibility(c) (.167)

$$mba = (pu+pc+a+si+fc+c)$$

$$.002 = .166(pu) + .168 (pc)+ .167 (a) + .166 (si) +.166 (fc)+ .167 (c)$$

CONCLUSION

The study was conducted in Kottayam District among the mobile banking customers about the factors influencing mobile adoption by a customer. The study highlighted six major factors which influences the mobile banking adoption such as Perceived usefulness, Perceived credibility, Attitude, Social influence, Facilitating conditionand Compatibility. The study reveals that Perceived Usefulness is the highly influenced variable. The regression modelling exhibits that Mobile banking adoption is have perfect relation with the all the factors.

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