Determinants of Consumers Intention to Adopt Mobile Banking Services

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ABSTRACT

The banking industry uses information technology to meet customer needs and create and customer satisfaction through most effective and efficient services. The effective and efficient services through the banking industry creating a mobile banking services. The purpose of the study is to investigate the determinants of consumers’ intention to adopt mobile banking services in Kerala. A survey of 110 mobile banking users was conducted in Kerala, India, using a structured questionnaire with Likert – type questions. Regression analysis, independent sample t-test and one-way ANOVA were used to test research hypotheses. The study found that perceived usefulness, perceived self efficacy, trust and demographic factors (age and education) were significantly influence the adoption intention of mobile banking. Perceived ease of use and demographic factors (gender and income) did not significantly influence the adoption of mobile banking. The results of the study help both academic researchers and practitioners explain and understand the status of mobile banking in Kerala, as well as helping them to formulate strategies to accelerate the use of mobile banking.

Keywords: Mobile Banking, Adoption, demographic factors

1. Introduction

Increased Global competition in the banking sector has spurred banks to device innovative ways to outwit competition (Alalwan et al., 2016; Cudjoe et al., 2015; Koksal, 2016). Information and communication technologies, such as the internet and wireless technologies, have revolutionised the world. Specifically, the mobile sector in both developed and developing countries is growing enormously. According to a report by the Telecom Regulatory Authority of India (TRAI, 2016), there are 936 million wireless subscribers in India. Moreover, the number of mobile Internet users in India is expected to grow to more than 300 million by the end of 2017 (KPMG, Google 2016). As the internet evolved from fixed – line constraints to being mobile, mobile communications devices such as mobile phone, which used to be a preserve for making calls, are now being used to conducting banking transactions (Koenig-Lewis et al., 2010). This platform, which came to be known as mobile banking or m-banking, has ushered a new era in the banking sector all over the world (Laukkanen, 2007; Shambare, 2013; Yang, 2009).

Presently, banking industry of India has engaged the use of Information and Communication Technology (ICT) as a platform for effective and efficient means of conducting financial
transactions. Mobile banking, which was introduced in India in the late 1990s and early 2000s, is defined as “a channel whereby the customer interacts with a bank via a mobile device, such as mobile phone or personal digital assistant” (Barnes and corbitt, 2003). The major advantage of mobile banking is that financial transactions can be conducted anytime and anywhere (Kleijnen et al., 2004; Herzberg,2003; Rivari,2005; Laukkanen, 2007). ATM marked the beginning of the banking self service era that was later followed by the advent of mobile banking (m-banking): a new stage that offered even greater convenience to end-users (Afshan and Sharif, 2016). Today, m-banking allows customers to access a wide variety of banking services, such as account transfers, money deposits, and virtual payment completion (Gu et al.,2009). There are 18.7 bank branches per 100,000 adults in urban areas of India, whereas this proportion is only 7.8 in semi-urban and rural areas. The number of ATMs in India is just 205,151, which indicated that mobile banking in India has great potential to deliver banking services to an untapped market (RBI, 2016). In rural India, only 5 per cent of the adult population has access to a commercial bank branch and only 40 per cent have bank accounts (Indian brand equity foundation, 2016). Furthermore, internet penetration is much less in rural areas in India compared with mobile penetration, it may thus be easier to offer banking services through mobile phone in rural areas, where bank branches are scare, than through any other delivery channel.

Despite the advantage of mobile banking, few customers actually use these services in India (Poddar et al., 2016). The surge in the use of mobile wallet from non – bank companies, such as paytm, also poses completion to banks. According to a survey conducted by (Poddar et al., 2016), 21 per cent out of 32 per cent of customers using online banking use a mobile wallet from a non- bank instead of mobile banking from their own banks. India is presently in a demonstration wave, with the Government of India and the Reserve Bank of India (the banking regulatory authority) encouraging more and more cashless transactions. Cultural settings and economic factors also play a major role in the adoption of mobile banking (Koksal, 2016; Baptista and Oliveira, 2015; Bankole et al., 2011; Ainin et al., 2007; Amin et al.,2006). Hence, the findings of prior studies conducted in different parts of the world can be used as a guide, but they cannot solely explain the current banking climate in India. Indeed, limited research studies have examined the adoption of mobile banking in India (Dasgupta et al., 2011; Ketkar et al., 2012, Kumar et al., 2017), which indicates a need for further research to understand the influencing factors of mobile banking adoption in the country. The study was conducted to investigate factors that influence consumers’ intention to adopt mobile banking services in India. Among the major factors that influence the adoption of mobile banking and other innovations are perceived usefulness, perceived ease of use, perceived self efficacy, social influence, facilitating conditions, perceived trialability, perceived advantage, perceived complexity, perceived compatibility, privacy and security, reliability and trust, efficiency and demographic factors (Alalwan et al.,2016; Carlsson et al., 2006; Chitungo and Munongo, 2013; Cudjoe et al., 2015; Davis 1989; Gu et al., 2009; Hanafizadeh et al., 2014; Harsono and Suryana, 2014; Koksal, 2016; Koenig – Lewis et al., 2010; Laukkanen, 2007; Laukkanen and Kiviniemi, 2010; Luarn and Lin, 2005; Mathieson, 1991; Min et al., 2008; Park et al., 2007; Riquelme and Rios, 2010; Shaikh and Karjaluto, 2015; Shambare, 2013; Venkatesh et al., 2003,2012; Zhou et al., 2010). The first objective of the study was to test
the influence of perceived usefulness, perceived ease of use, perceived self efficacy and trust on consumers’ intention to adopt mobile banking in India. The second objective sought to test the effect of consumers’ demographic characteristics (age, gender, qualification, occupation and monthly income) on consumers’ intention to adopt mobile banking services in India.

2. Literature Review

2.1 Overview of Mobile Banking

Financial institutions and commercial banks are one of the leading industries in applying technological advances to provide innovative services to customers (Kim et al., 2009; Nejad and Estelami, 2012). As stated by Ratten (2011), the current revolution in the banking sector is the application of wireless technology to facilitate “on-the-go” financial services via all type of mobile devices. Shaikh and Karjaluoto (2015) define m-banking as “A product or service offered by a bank or a microfinance institution for conducting financial and non-financial transactions using a mobile device, namely mobile phone, smart phone, or tablet.” A wide array of m-banking services have been introduced by banks which can be used to access account information (e.g. mini statements, monitoring of loans), make transactions (e.g. fund transfer, third party payments), do investments (e.g. real – time stock quotes) or seek support (e.g request for cheque book, ATM location) (Luarn and Lin, 2005). M-banking is a self-service delivery channel that provides enormous benefits to the consumers including ubiquitous access, convenience, personalization and mobility (Laforet and Li, 2005; Lee, 2005; Zhang et al., 2012) and is free from temporal and spatial constraints (Laukkanen, 2007).

2.2 Factors influencing the adoption of mobile banking

The subject of factors influencing the adoption of mobile banking and other information systems has received a great deal of attention in marketing research. Majority of the past studies have used TAM framework to understand the characteristics of M-banking in varying regional and cultural contexts (Akturan and Tezcan, 2012; Cruz et al., 2010; Hoehle et al., 2012; Kim et al., 2007; Laukkanen and Kiviniemi, 2010; Luo et al., 2010; Puschel et al., 2010; Luarn and Lin, 2005; Thakur, 2014). The major determinants of mobile banking adoption include perceived usefulness, perceived ease of use, perceived credibility, trust, self – efficacy, trialability, system compatibility, relative advantage and personal innovativeness (Chitungo and Munongo, 2013; Koksal, 2016; Mohammadi, 2015).

Perceived Usefulness and Perceived Ease of Use. The pre – requisites for consumers to consider usage or trial of any product or service is that the new product should be useful and easy to use for consumers to intend to use the product. Perceived Usefulness is defined as the degree to which a person believes that using a particular system would enhance his/her job performance (Davis, 1989). PEOU refers to the degree to which a person believes that using a particular system would be free of effort (Davis, 1989). Evidence has shown that PEOU and PU have an influence on user attitude towards acceptance of a new technological innovation (Agarwal and Prasad, 1998; Davis et al., 1989; Davis and Venkatesh, 1996; Venkatesh and Morris, 2000).
Trust. Trust can be defined as the willingness to make one vulnerable to actions taken by a trusted part based on the feeling of confidence or assurance (Gefen, 2000). Trust thus plays a significant role in the adoption of mobile banking, helping customers overcome the fears of security or privacy risks and fraudulent activities in the mobile environment (Gu et al., 2009; Zhou, 2011; Afshan and Sharif, 2016). Trust is enhanced by the security mechanisms provided by mobile banking services.

Perceived Self efficacy. Self efficacy could be identified as perception and confidence of individuals in their ability to manage and conduct a set of particular action needed to achieve specified kinds of performances (Bandura, 1986). According to Davis (1989), perceived self efficacy is similar to perceived usefulness.

Demographic factors such as age, gender, qualification, occupation and monthly income are important in marketing practices. Differences in behaviours of consumers can be attributed to such demographic factors. In this regard, consumer markets can be segmented based on these demographic characteristics (Du Plessis et al., 2007; Schiffman and Kanuk, 2004).

3. Development of Hypothesis and Conceptual Framework

In Hanafizadeh et al., (2010), Perceived usefulness was found to positively influence the intention to use mobile banking. Perceived usefulness was reported to positively influence the behavioural intention to adopt mobile banking (Shaikh and Karjaluoto, 2015). In Germany, perceived usefulness was found to positively influence the adoption of mobile banking among young consumers (Koenig – Lewis et al., 2010). It is therefore, hypothesised that:

H1: Perceived usefulness has a positive impact on mobile banking adoption

Mobile banking technology should be simple and easy for the customer to understand in order to enhance acceptance (Chitungo and Munongo, 2013; Mortimer et al., 2015; Koksal, 2016). Puschel et al., (2010) suggest that ideally high perceived ease of use should translate to increased adoption to an innovation. Hanafizadeh et al., (2014) found that perceived ease of use has a positive effect on the intention to use mobile banking. In this regard, the following hypothesis is proposed:

H2: Perceived ease of use has a positive effect on mobile banking adoption

Mayer et al., (1995) defined trust as the “trustor’s intention to take a risk and proposed the trustor’s perception about a trustees characteristics”. Trust is an especially important construct in the case of new self-service technologies because these applications lack personal interaction and are related to financial matters that tend to be sensitive in nature (Alalwan et al., 2015). Thus, trust is considered a critical motivator of consumer mobile banking adoption intention (Shankar and Kumari, 2016). Therefore, this study articulate the following hypothesis
**H3: Trust has positive effect on mobile banking adoption**

Perceived self efficacy is a basic capability in using mobile banking (Luran and Lin, 2005). The higher the degree of perceived self efficacy, the more likely is an innovation to be adopted (Cudjoe et al., 2015). Among South African students, it was found that self-efficacy positively influences the adoption of cell phone banking (Shambare, 2013). Hence this study deduces that:

**H4: Perceived self efficacy has positive effect on mobile banking adoption**

Mixed findings have been reported on the effect of demographic variables on the adoption of innovations. The adoption of online banking was reported to be high among the young German consumers (Koenig-Lewis et al., 2010) Gender was found to have an insignificant effect on the adoption of mobile banking (Koksal, 2016). No significant differences on online and mobile banking were found due to education (Koksal 2016; Laforet and Li, 2005). People with higher incomes are likely to be more positive about accepting new information technology related products (Du et al., 2012). Therefore, it is hypothesised that,

**H5a: There are significant differences in the intention to adopt mobile banking services due to gender.**

**H5b: There are significant differences in the intention to adopt mobile banking services due to age.**

**H5c: There are significant differences in the intention to adopt mobile banking services due to education.**

**H5d: There are significant differences in the intention to adopt mobile banking services due to income.**

Based on the forgoing hypotheses, the conceptual framework of the determinants of mobile banking is,

![Conceptual framework of the determinants of mobile banking](image_url)

**Figure 1:** Conceptual framework of the determinants of mobile banking
4. Research Methodology

4.1 Questioner design and measure

A quantitative study was conducted to grasp precise understanding of how the factors impact customer adoption Intention and usage with regards to mobile banking. The researchers designed a structured questioner obtain the response from the targeted population. The questioner was divided into two parts. The first part of the questionnaire consists of demographic factors. Measures of demographic factors include age, gender, education & monthly income. The second part of the questionnaire employed a series of multi - item scale to measure the interrelationships between each of the mobile banking factors – namely, Perceived usefulness, Perceived ease of use, Perceived self-efficacy, trust and adoption intention. Items used to measure Perceived usefulness, Perceived ease of use, Perceived self-efficacy, trust and adoption intention where based on the works of Brown et al.(2003), Davis (1989), Du et al. (2012), Gu et al.(2009), Hanafizadeh et al.(2014), Khraim et al.(2011), Koenig – Lewis et al.(2010), Laukkanen and Kiviniemi (2010), Luarn and Lin (2005), Mathieson (1991), Poon (2007), Sahin (2006), Shaikh and Karjaluoto (2015), Shambare (2013), Venkatesh et al.(2012), Yang (2007) and Zhou et al.(2010). The items for all constructs were modified to suit this study. It utilizes a five – point Likert scale with end points 1= strongly disagree and 5= strongly agree.

4.2 Sampling and Data Collection

The population of our research includes all mobile banking users in Kerala. Data were collected with the help of an online survey via Google forms and offline survey method in the period of December 2019 to February 2020. A total of 250 questionnaires were sent to the mobile banking users in Kerala. Out of which 162 were returned, and 110 were found to be usable for the analysis. The profile of the sample is presented in Table 1.

As shown in Table 1, the sample was dominated by males (59.1 percent). The majority of respondents were 26-35 years old (50.9 percent). In terms of education, most of the respondents either Post graduate (70.0 percent) or graduate (23.6 percent). The highest proportion of the respondents (44.5 percent) were earning between ₹20001 – ₹40000.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Groups</th>
<th>Class</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Cumulative Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Gender</td>
<td>Male</td>
<td>65</td>
<td>59.1</td>
<td>59.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>45</td>
<td>40.9</td>
<td>100.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total</strong></td>
<td><strong>110</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Age</td>
<td>18-25</td>
<td>31</td>
<td>28.2</td>
<td>28.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>26-35</td>
<td>56</td>
<td>50.9</td>
<td>79.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>36-45</td>
<td>17</td>
<td>15.5</td>
<td>94.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>46-55</td>
<td>4</td>
<td>3.6</td>
<td>98.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Above 56</td>
<td>2</td>
<td>1.8</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total</strong></td>
<td><strong>110</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Education</td>
<td>Up to plus two/Diploma</td>
<td>7</td>
<td>6.4</td>
<td>6.4</td>
</tr>
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<td></td>
<td></td>
<td>Graduate</td>
<td>26</td>
<td>23.6</td>
<td>30.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>PG/Professional</td>
<td>77</td>
<td>70.0</td>
<td>100</td>
</tr>
</tbody>
</table>
5. Analysis and Results

Before conducting the regression analysis, independent sample t-test and one way ANOVA to test the hypothesis, confirmed the reliability of data. To reconfirm the reliability of instruments, Cronbach’s Alpha test was employed with the help of SPSS software.

5.1 Reliability Analysis

As quantitative research depends on the accuracy and reliability of the data so for this study used Cronbach’s Alpha to assess the reliability of variables. According to Field (2009) and Tan & Teo (2000), Cronbach’s Alpha of subscales ranged from 0.690 to 0.925 which indicate an acceptable internal consistency and reliability measures for questionnaire meaning that if the results exceed the minimum alpha of 0.690 the construct measures were be deemed reliable. Table 2 depicts that all values are greater than 0.690, perceived ease of use 0.871, perceived usefulness 0.860, perceived self efficacy 0.888, trust 0.898 and adoption intention 0.893 that shows significant validity of the questionnaire.

Table 2: Reliability Analysis

<table>
<thead>
<tr>
<th>Construct</th>
<th>Valid - N</th>
<th>Number of items</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived Ease of Use</td>
<td>110</td>
<td>5</td>
<td>0.871</td>
</tr>
<tr>
<td>Perceived Usefulness</td>
<td>110</td>
<td>4</td>
<td>0.860</td>
</tr>
<tr>
<td>Perceived Self-Efficacy</td>
<td>110</td>
<td>3</td>
<td>0.888</td>
</tr>
<tr>
<td>Trust</td>
<td>110</td>
<td>4</td>
<td>0.898</td>
</tr>
<tr>
<td>Adoption Intention</td>
<td>110</td>
<td>6</td>
<td>0.893</td>
</tr>
</tbody>
</table>

5.2 Testing Hypothesis

Regression Analysis was used to test H1 to H4, Independent sample t-test was conducted to test H5b and one way ANOVA was used to test H5a, H5c, and H5d. Results of H1 to H4 testing are presented in Table 3 and Table 3.1, H5a in Table 4 and H5b - H5d presented in Table 5.

Regression analysis has been employed to check the level of dependency of customer adoption intention with perceived ease of use, perceived usefulness, perceived self efficacy and trust. The individual β values for each independent variable indicate the significance of the variable in the model. The independent variables are suitable explanatory variables if the p – values are less than 0.05, which indicate significance. Results in Table 3 show that
perceived usefulness ($\beta = 0.627, p = 0.000$), trust ($\beta = 0.342, p = 0.000$) and perceived self efficacy ($\beta = 0.509, p = 0.000$) are statistically significant. Perceived ease of use ($\beta = 0.068, p = 0.571$) is not statistically significant, indicating that these variables do not influence the adoption of mobile banking. Therefore, H1, H3, and H4 were supported and H2 was not supported.

Table 3.1 shows the overall model fitness in which significance of F – test is less than 0.01 and on half of these values it can be concluded that model is good fitted. Furthermore value of adjusted R square is 0.707 which show the combined effect of all independent variables on adoption intention and in other words it can be explained that independent variables perceived ease of use, perceived usefulness, perceived self efficacy, and trust, have combined effect of 70% on adoption intention.

Independent – sample t-test was conducted to test H5a. Results show that there were no significant mean difference in the adoption of mobile banking services due to gender ($t = 1.568, df = 108, p = 0.120$) (See Table 4). This implies that gender did not influence the adoption of mobile banking services. Therefore, H5a was not supported.

One – way ANOVA was conducted to test H5b to H5d. Results show that there were significant mean differences in adoption of mobile banking services attributable to age ($F = 4.601, p = 0.002$), and education ($F= 3.570, p = 0.032$) and there were no significant mean difference in the adoption of mobile banking services due to income ($F= 1.842, p = 0.111$) as shown in Table 5. These results imply that age and education significantly influence the adoption of mobile banking services and monthly income did not significantly influence the adoption of mobile banking services. Therefore, H5b and H5c were supported and H5d was not supported.

### Table 3: Regression Analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>(Constant)</td>
<td></td>
<td>1.189</td>
<td>1.635</td>
<td>.727</td>
</tr>
<tr>
<td>peou</td>
<td></td>
<td>.068</td>
<td>.120</td>
<td>.568</td>
</tr>
<tr>
<td>Pu</td>
<td></td>
<td>.627</td>
<td>.154</td>
<td>.387</td>
</tr>
<tr>
<td>TRUST</td>
<td></td>
<td>.342</td>
<td>.085</td>
<td>.257</td>
</tr>
<tr>
<td>Perceived Self Efficacy</td>
<td></td>
<td>.509</td>
<td>.139</td>
<td>.291</td>
</tr>
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</table>

a. Dependent Variable: ADOPTION

### Table 3.1 Necessary Statistics

<table>
<thead>
<tr>
<th></th>
<th>Adj. R²</th>
<th>F- Statistic</th>
<th>Prob. (F – Statistic)</th>
</tr>
</thead>
<tbody>
<tr>
<td>R²</td>
<td>0.717</td>
<td>66.649</td>
<td>.000⁰</td>
</tr>
<tr>
<td>Adjusted R²</td>
<td>0.707</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Predictors: (Constant), Perceived self-efficacy, Trust, PEOU, PU
### Table 4: Independent – sample t – test results

<table>
<thead>
<tr>
<th>Adoption Intention</th>
<th>N</th>
<th>M</th>
<th>SD</th>
<th>t</th>
<th>df</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Male</td>
<td>65</td>
<td>26.492</td>
<td>3.709</td>
<td>1.568</td>
<td>108</td>
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<td>Female</td>
<td>45</td>
<td>25.267</td>
<td>4.459</td>
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</table>

### Table 5: ANOVA results on age, education and income

<table>
<thead>
<tr>
<th>Adoption Intention</th>
<th>N</th>
<th>M</th>
<th>SD</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18-25</td>
<td>31</td>
<td>25.161</td>
<td>3.634</td>
<td>4.601</td>
</tr>
<tr>
<td>26-35</td>
<td>56</td>
<td>26.893</td>
<td>3.948</td>
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<td>36-45</td>
<td>17</td>
<td>26.177</td>
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<td>46-55</td>
<td>4</td>
<td>23.750</td>
<td>3.096</td>
<td></td>
</tr>
<tr>
<td>Above 56</td>
<td>2</td>
<td>16.500</td>
<td>7.778</td>
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<td>Upto plus two/ Diploma</td>
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<td>22.143</td>
<td>7.712</td>
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<td>PG/Professionals</td>
<td>77</td>
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<td>Income</td>
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<td>Upto Rs. 20000</td>
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<td>23.357</td>
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<td>17</td>
<td>25.471</td>
<td>4.033</td>
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</table>

### 6. Discussion

Factors influencing adoption of mobile banking have been studied widely in both developed and developing countries. Results from such studies vary between contexts and individuals. Uniqueness of the study is that it tested factors that influence the adoption of mobile banking services in the context of Kerala.

The objective of the present study was to determine the factors that influence the adoption of mobile banking in Kerala. The empirical results identified the factors that influence customers’ intention to use mobile banking: perceived ease of use, perceived usefulness, perceived self efficacy, trust and demographic factors such as age, gender, education and monthly income. The relationship between these factors and the adoption of mobile banking were specified by H1, H2, H3, H4 and H5a – H5d. All these hypotheses were supported, indicating that Kerala banking customers perceive these factors as most important in their intention to use mobile banking.

The factor of perceived ease of use represents the ease of learning and using mobile banking. The results obtained confirm that the variable do not significantly influence customers’ adoption to use mobile banking. Customers place less importance on a simple, easy to use interface on their mobile phone to conduct banking activities.
The study established that perceived usefulness positively influences the customers’ intention to adopt mobile banking services. This implies that customers who deem mobile banking services to be useful are likely to adopt the innovation. This findings consolidates the current understanding that perceived usefulness enhances the adoption of new technologies (Du et al., 2012; Koksal, 2016; Riquelme and Rios, 2010).

The study found that perceived self efficacy positively influences the adoption intention of mobile banking services. This suggests that as individuals’ confidence in using mobile banking services increases, they are likely to use the services. This finding substantiate that the higher the degree of perceived self efficacy, the more likely mobile banking technology is to be adopted by customers (Alalwan et al., 2016; Cudjoe et al., 2015; Shambare, 2013).

It was found that trust positively influences the adoption intention of mobile banking services in Kerala. Trust plays a significant role in the adoption of mobile banking, customers are more likely to trust the new services if adequate security is provided for their transaction data.

The study established that demographic factors such as age and education significantly influence the adoption of mobile banking. Other demographic factors, gender and monthly income do not significantly influence the adoption of mobile banking services in Kerala.

7. Theoretical and Managerial Implications

The study was conducted by the need to have a better understanding of the factors that influence the adoption of mobile banking services, particularly in Kerala. A sound understanding of these factors is critical for the development of appropriate strategies that enhance the adoption of mobile banking services (Koenig-Lewis et al., 2010; Laukkanan and Kiviniemi, 2010). As such, the findings of this study provide insight into what banks should do if they are to improve the adoption of mobile banking.

This study helps bank manager’s focus on initial trust building to facilitate and accelerate the usage of mobile banking. Banks should provide customer services during and after mobile banking transactions. The findings of the study advises banks to pay particular attention to perceived usefulness, perceived self efficacy, trust and perceived ease of use when designing new mobile banking services for their bank customers. Banks should ensure that customers understand the usefulness of mobile banking services. Aggressive marketing promotions can be done, emphasising how customers would find it useful to embrace mobile banking services. To attract new customers to these services, customer awareness must rise and technical support must be offered. To increase the customers’ confidence in the use of mobile banking, banks should increase the awareness of mobile banking by uploading online demonstrations or providing usage instructions in the mass media. Social networks such as Facebook and WhatsApp can be used to influence users to appreciate mobile banking services.

8. Limitations and Recommendations for future research

The study only focused on the customers in Kerala. Therefore, it is recommended that future research be expanded to include other major cities in India. Another limitation of this study is
that a convenience sample was used that may not be an effective method of representing entire population. Hence, the results must be interpreted cautiously, especially when generalising.

This study suggested certain directions for future research. Future research could focus on antecedents such as technical readiness, mobile interface quality and compatibility and examine their relations to customers’ decision to use mobile banking. Future research could carry out further conceptual and empirical work to measure customers’ perceived service quality and satisfaction level with mobile banking services. Similarly, future research might also investigate the different characteristics of the adopters and non-adopters of mobile banking services.

References


