

A CRITICAL REVIEW ON MOBILE BANKING ADOPTION LITERATURE – TRUST, PERCEIVED RISK AND PERCEIVED EASE OF USE

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ABSTRACT: Mobile banking is most advanced tool used by the banks to provide effective services to their customers, which help the banks to attract new customers and retain the exiting customers. The paper review the key literature on mobile banking adoption covering various factors includes trust, perceived risk and system quality. The paper identifies the importance of trust and its dimensions, perceived risk and its dimensions and system quality for an adoption of mobile banking.

KEYWORDS:- Mobile banking adoption, trust, perceived risk, system quality.

INTRODUCTION:-

Mobile banking is emerging concept and its market potential is expected to be high (Ulun Akturan et al., 2012). Several studies have shown that mobile banking adoption is increasing among the users (ulun akturan and nuray tezcan, 2012, Sylvie Laforet and Xiaoyan Li, 2005 and Tao Zhou, 2014). In mobile banking adoption, attitude is most important determinant, if customer feels that using of mobile banking is desirable, wise to use for financial transactions and pleasant to operate, they move towards to adoption of mobile banking (ulun akturan et al., 2012). So, that bank should use the marketing communication to develop the positive attitude towards the mobile banking (Lisa Wessels and Judy Drennan, 2010).

Quality of information plays significant role in adoption of mobile banking. Low quality of information will reduce their evolution on the utility of mobile banking (Tao Zhou, 2011). Suppose information quality is poor, customers may feel that service providers are incapable to provide the quality of services. Information and guidance of service providers greatly influences on the decreasing of usage barrier of mobile banking application. Information and guidance of a bank also influences the image barrier and risk barrier. For

example proper information and guidance regarding the mobile banking leads to increase of usage of mobile banking, improves positive image of mobile banking and decreasing the risk of usage of mobile banking (Tommi Laukkanen et al., 2010). Apart from the customer attitude, risk and information quality, there one important factor is compatibility. Service providers should design system which should be compatible work life of the mobile banking users. (Julio Puschel and Jose´ Afonso Mazzon, 2010). Peter tobbin (2012) note that perceived economic factor refers to the availability of surplus money being determinant of adopting of mobile banking.

LITERATURE REVIEW:-

Motivators and inhibitors of mobile banking useful for service providers who aims increase the customer adoption of this self-service banking technology (Lisa Wessels and Judy Drennan, 2010).

Perceived risk defined as a perception about implicit risk in using the open internet infrastructure to exchange private information, and it is often operationalized as a multi-dimensional construct (ChauShen Chen, 2013). Perceived risk is composed of five dimensions in the context of retail banking services: financial, performance, time, psychological, and security risks. Chaushen (2013) found that in perceived risk components for frequent users are more concerned with psychological risk rather than with time risk and performance risk, financial risk and privacy risk is relatively less important risk. However, infrequent users are more concerned with financial risk and psychological risk and relatively unconcerned with time risk. However some research found that Perceived social risk and perceived performance risk is affected the attitude of the user to adopt the mobile banking and there is no connections found between perceived financial risk,

perceived security risk, perceived privacy risk and attitude. But relationship between risk factors and attitude is depends on age of the respondents (Ulun akuturan, 2012). Customers perceived high risk in monetary transaction and fear of losing personal information. This may due to system fails to send the information in the case of miss happening (Purnima S. Sangle and Preety Awasthi, 2011). Perceived risk one of the significant factor, which can influence negatively to intention use the mobile banking (Lisa Wessels and Judy Drennan, 2010). The higher numbers users feels that the using of mobile baking is makes suffering a loss. Perception of risk reduces the intention use the mobile payment, which in turns initial trust in mobile payment negatively influences the perceived risk (Yaobin Lu. et al., 2011). In china, researchers done the research and proven that trust is the critical factor to influence to intention use the mobile banking (Sylvie Laforet and Xiaoyan Li, 2005).

Several studies indicates that trust is important determinant of customers intentional behaviour towards the adoption of mobile banking (Madhurima Deb and Ewuuk Lomo-David 2013, Toa Zhou, 2011, peter tobbin 2012). Peter tobbin (2012) found that in the issue of trust and rural unbanked, he identifies three levels of complexities: first, the trust of the unbanked in the technology being offered; then the trust of the MNO (Mobile network operators), the trust of the agents. Trust is more important in case of mobile banking rather than face to face service in banking (Madhurima Deb and Ewuuk Lomo-David, 2013). Banking transaction through on online is more risky due to lack physical presence of physical branch, as well as face to face interaction between bank and customer (Aladwani, 2001). Mobile banking positive attitude towards the mobile banking is determined by the following trust factors like competence, benevolence, communication, privacy and security. Madhurima Deb and Ewuuk Lomo-David (2013) found that competence and communication to attitude towards mobile banking is positive, while relationship between benevolence and privacy and security is negative. Security and benevolence are intangible factors, customers expectation are high but banks are not able the meet customer expectations. Trust received greater attention in electronic commerce due to risk and uncertainty (Toa Zhou, 2011). Initial trust is most important factor for adoption and continuous usage

of mobile banking. Thus service providers need to highlight improving the initial trust (Toa Zhou, 2011). Initial trust in mobile payment services affects the user's intention to use mobile payment services. Customer's initial trust is positively affects with their relative advantage of mobile payment services, which leads to increases their intention use the mobile payment (Yaobin Lu. et al., 2011)

Perceived ease of use is the extent to which an individual believes that using a technology will be free of effort (Peter Tobbin 2012). In mobile banking context, perceived of ease of use is the degree which mobile banking system is easy to operate. Suppose, if the mobile banking system user friendly then there is no need of significant time spend on mobile banking interface. Previous studies have also proven the there is significant relationship exists between the perceived of use and attitudes towards the mobile banking (Madhurima Deb and Ewuuk Lomo-David, 2013, Tao Zhou, 2014, ulun akuturan, 2012). Peter tobbin (2012) note that in his qualitative study proven perceived ease of use is critical factor affect the mobile banking adoption in rural unbanked population. Chinese banking customer did not feel ease of use is important factor to influence intention to use the mobile banking (Sylvie Laforet and Xiaoyan Li, 2005).

CONCLUSION:-

Mobile banking adoption is one the important tool to build the better customer relationship with existing customers. Perceived trust is one of important factors which highly influence the intentions to adopt the mobile banking. Several studies conducted on trust and its dimension like competence, benevolence, communication, privacy and security. Competence and communication positive towards the mobile banking adoption, benevolence and privacy not makes positive towards the mobile banking adoption due its intangible nature (Madhurima Deb and Ewuuk Lomo-David 2013). Several studies proven that perceived risk is significant factor to influence the mobile banking (Ulun akuturan, 2012, Purnima S. Sangle and Preety Awasthi, 2011, Lisa Wessels and Judy Drennan, 2010). Perceived risk is composed of five dimensions: financial, performance, time, psychological, and security risks. For frequent users psychological risk more affect the mobile banking

rather than the time, financial, performance and security risks. For infrequent users are least concerned about time risk and they more concerned about financial and psychological risks (ChauShen Chen, 2013). Some qualitative studies identified the significance of perceived ease of use in adoption of mobile banking (Peter Tobbin, 2012). Several studies proven Perceived ease of use is one of the important factor which can influence the mobile banking adoption (Madhurima Deb and Ewuuk Lomo-David, 2013, Tao Zhou, 2014, Ulun Akturan, 2012). But even some studies proven the ease of use is not important factor adoptin mobile banking adoption (Sylvie Laforet and Xiaoyan Li, 2005).

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