

# **A PROPOSED MODEL FOR M-BANKING ADOPTION**

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**Master of Science (ICT)**

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# A PROPOSED MODEL FOR M-BANKING ADOPTION

**A Thesis Submitted to the Faculty of Information Technology in Partial Fulfillment of  
the Requirement for the Degree of Master of Science (Information & Communication  
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By

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**2010**

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## **ABSTRACT**

The evolution of powerful and versatile information systems have altered the way business transactions are made. Millions of dollars are spent by organizations in developing and maintaining these technologies in quest of gaining competitive edge. This cherished goal can only be realized if the target market adopt and use these technologies. Technologies such as Automated Teller Machine (ATM), internet banking, and mobile banking have now become a prerequisite in the banking business. This study extends the applicability of TAM and TPB constructs to investigate the significant factors influencing users' adoption of m-banking services in Universiti Utara Malaysia. The research model was empirically tested through a questionnaire of 125 respondents. Findings showed that perceived usefulness and social influence have significant impact on mobile banking adoption. In contrast with previous studies, perceived ease of use, perceived credibility, image, perceived financial cost, and computer/internet experience were not significant in explaining mobile banking adoption. In summary, perceived usefulness contributed the most in explaining mobile banking adoption. The research findings have both practical and theoretical implications. Practically, the study is hoped to serve as a useful insight for banks and system developers in developing and deploying mobile banking systems that are in consonance with the needs of the target customers. Theoretically, the study extends to the body of literature in mobile banking adoption.

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# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Overview of Study**

The rapid advancement in the field of Information Technology (IT), specifically in wireless technology has significantly altered the way and manner financial transactions are conducted. Banks being the central nerve of financial activities have undergone series of transitions and transformations in their life cycle induced majorly by technological break-through. From banking under the mattress to banking: ‘anywhere-anytime’; from fixed, traditional cash-based banking to a mobile, wireless and cashless banking system. The “brick and mortar” system of banking is fast receding. Customers can now perform their banking transactions from the comfort of their beds; pay their bills, transfer funds, check account balance and monitor their finances in a risk free environment. The fear of theft, robbery during the days of hard currency no longer exist now, money now travels in digital space.

The business world today is highly turbulent; waves of change are experienced in high proportion. Consumers of today are highly sophisticated and their need for personalized service is ever increasing by the day. The digital age customers now require banking services to be rendered to them anywhere they are, around the clock.

M-banking (mobile banking) is a technology that has emerged in recent times to augment the shortfalls of e-banking and extend the reach of financial services across all socio-economic groups and geographical boundaries. M-banking is defined as a system used to perform banking (financial) transactions through customers’ handheld

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