FACTORS INFLUENCING THE ACCEPTANCE OF MOBILE BANKING SERVICES AMONG STUDENTS OF HIGHER EDUCATION AT KLANG VALLEY IN MALAYSIA

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By

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ABSTRACT

The mobile banking in Malaysia is still in its infancy stage and the reason to explain the acceptance as well as the understanding of the actual usage level of mobile banking services still remains unclear. Various models have been developed and proposed to increase the understanding of this issue. The proposed model of Decomposed Theory of Planned Behaviour was empirically evaluated by decomposing the attitude, perceived behavioural control, subjective norm, perceived risk and perceived trust. The decomposition approach adopted by models provide a detailed set of antecedents that could better explain the intention to adopt mobile banking. Data was collected through self administered survey questionnaire from 302 full time students in local public universities in Klang Valley, Malaysia. Structural Equation Modeling is the main statistical technique applied in this study. This study revealed that actual use of mobile banking recorded low level of usage. In particular, the study found that the attitude, perceived behavioural control and perceived trust are found to have a significant effect on the students’ intention to use mobile banking except for subjective norm and perceived risk which were partially supported. However, on the antecedent effect of the main belief, the perceived ease of use and perceived security was found to have insignificant result. Overall, the result signifies that the model support a good understanding of the factors that influence the intention to use and actual usage of mobile banking. As expected, the main belief provides more decomposition of the specific factors that influence behaviour. Finally, limitations of the research and recommendations for future research are presented.

Keywords: decomposed theory of planned behavior, mobile banking services, acceptance, perceived risk, perceived trust and actual use.

**Kata kunci:** teori penguraian gelagat terancang, perkhidmatan perbankan mudah alih, penerimaan risiko ditanggap, penerimaan kepercayaan ditanggap, penggunaan sebenar.
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LIST OF ABBREVIATIONS

AMOS : Analysis of Moment Structures
ANOVA : Analysis of Variance
AVE : Average Variance Extracted
BTOS : Bartlett Test of Sphericity
B2C : Business to Consumer
CFA : Confirmatory Factor Analysis
CFI : Comparative Fit Index
CR : Critical Ratio
DF (df) : Degree of Freedom
DTPB : Decomposed Theory of Planned Behavior
EFA : Exploratory Factor Analysis
GFI : Goodness of Fit Index
GOF : Goodness of Fit
ICT : Information Communication Technology
IDI : ICT Development Index
IDT : Innovation Diffusion Theory
IS : Information System
IT : Information Technology
ITU : International Telecommunication Union
KMO : Kaiser-Meyer-Olkin
MCMC : Malaysian Communications and Multimedia Commission
MSA : Measure of Sampling Adequacy
MI : Modification Index
MSE : Mobile Self-Efficacy
NFI : Normed Fit Index
PBC : Perceived Behavioral Control
PCA : Principal Component Analysis
PEOU : Perceived Ease of Use
RMSEA : Root Mean-square Error of Approximation
SEM : Structural Equation Modeling
SMC : Squared Multiple Correlation
SPSS : Statistical Package for the Social Sciences
TAM : Technology Acceptance Model
TB : Trusting Beliefs
TI : Trusting Intention
TLI : Tucker-Lewis Index
TPB : Theory of Planned Behavior
TRA : Theory of Reasoned Action
UIA : Universiti Islam Antarabangsa
UPM : Universiti Putra Malaysia
UKM : Universiti Kebangsaan Malaysia
UM : Universiti Malaya
VIF : Variance Inflation Factor
WAP : Wireless Application Protocol
CHAPTER 1
INTRODUCTION

1.1 Background

Mobile banking is defined as provisions and specific banking and financial services with the supports by mobile telecommunication devices. The scope of services offered include carrying out bank transactions including to administer accounts and to get specific information. One of the academic conceptual models (as seen in Table 1.1) for mobile banking consists of three interrelated concepts which are mobile accounting, mobile brokerage, and mobile financial information services. Mobile banking is a new strategy for banks to enhance their latest technology in a new dynamic marketing environment. With the technology, bank will facilitate their online transactions and information (Aboelmaged & Gebba, 2013). In the meantime, technological advances in the field of information technology and telecommunications has continued to transform the banking industry (Al-Jabri & Sohail, 2012). According to Enser and Wannemacher (2012), there are advantages and opportunities to the bank clients when using mobile banking transactions such as funds transfer and checking of account balance anywhere at any time. According to Devlin and Devlin (2006), customers only need a lesser time to conduct their banking activities such as visiting a bank and also want a high expectation in term of comfort and accessibility.
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