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A STUDY OF MOBILE BANKING ADOPTION AMONG UNIVERSITY STUDENTS

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ABSTRACT

The main objective of this study is to investigate factors that can predict the adoption of mobile banking in Malaysia. This research also investigates the mediating role of hedonic motivation between mobile banking and its predictor: hedonic motivation, perceived ease of use, perceived usefulness, perceived compatibility, and perceived complexity. Inconsistency of finding in the past literature between the relationship of adoption of mobile banking and its determinant has driven the researcher to explain the inconsistencies. Survey questionnaires were distributed using an online questionnaire to the undergraduate students of Universiti Utara Malaysia. 386 usable questionnaires used for the analysis. The direct and indirect relationship has been analyzed by using the PLS-SEM method. The results show that hedonic motivation, perceived usefulness, perceived compatibility, and perceived complexity has a significant relationship to the adoption of mobile banking while perceived ease of use is found to be insignificant. For the indirect relationship, the results show that hedonic motivation mediates the relationship between perceived usefulness, perceived compatibility, and perceived complexity to the adoption of mobile banking, and hedonic motivation found out that it did not mediate the relationship between perceived ease of use and adoption of mobile banking. Finally, managerial implications, limitations of the study, and recommendations of future research are discussed.

Keywoards: Perceived Ease of Use, Perceived Usefulness, Perceived Compatibility, Perceived Complexity and Hedonic Motivation.

ABSTRAK

Objektif utama kajian ini adalah untuk mengkaji faktor-faktor jangkaan dalam penerimaan terhadap perbankan mudah alih di Malaysia. Kajian ini juga mengkaji peranan perantaraan diantara motivasi hedonik dan faktor-faktor yang mempengaruhi perbankan mudah alih. Faktor-faktor tersebut terdiri daripada motivasi hedonik, tanggapan mudah digunakan, tanggapan penggunaan, tanggapan keserasian, dan tanggapan kerumitan. Dapatan kajian yang tidak konsisten dari kajian-kajian yang terdahulu telah mendorong pengkaji untuk mendapatkan jawapan terhadapan ketidakkonsistensi. Boring soal selidik telah diedarkan menggunakan kaedah soal selidik dalam talian kepada pelajar ijazah sarjana muda Universiti Utara Malaysia. Sebanyak 386 borang soal selidik yang digunakan untuk dianalisa. Analisis terhadap hubungan langsung and hubungan tidak langsung telah dianalisa menggunakan kaedah PLS-SEM. Dapatan kajian bagi hubungan langsung menunjukkan motivasi hedonik, tanggapan penggunaan, tanggapan keserasian, tanggapan niversiti Utara Malavsia kerumitan mempunyai hubungan yang signifikan terhadap penerimaan perbankan mudah alih manakala tanggapan mudah digunakan menemukan hasil yang tidak signifikan. Bagi hubungan tidak langsung, dapatan kajian menunjukkan bahawa motivasi hedonik menjadi perantara diantara tanggapan penggunaan, tanggapan keserasian, dan tanggapan keruumitan terhadap penerimaan perbankan mudah alih dan motivasi hedonik juga didapati tidak menjadi perantara diantara tanggapan mudah alih dalam penerimaan perbankan mudah alih. Akhir sekali, implikasi pengurusan, batasan kajian, dan cadangan untuk kajian pada masa hadapan juga dibincangkan di dalam kajian ini.

Kata kunci: Persepsi kemudahan penggunaan, persepsi penggunaan, persepsi keserasian, persepsi kerumitan dan motivasi hedonik.

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PERMISSIC	ON TO USE	iii
ABSTRACT	Г	V
ABSTRAK.		vi
ACKNOWL	LEDGMENT	vi
TABLE OF	CONTENTS	vii
LIST OF TA	ABLES	xii
LIST OF FIG	GURES	xiv
CHAPTER	ONE INTRODUCTION	1
1.1	Background of the Study	1
1.2	Problem Statement	7
1.3	Research Question	11
1.4	Research Objective	12
1.5	Scope of the Study	13
1.6	Significance of the Study	14
1.7	Definition of Key Terms	15
1.8	Organization of Thesis	15
CHAPTER	TWO LITERATURE REVIEW	16

TABLE OF CONTENTS

2.1 Introduction	.16
2.2 Overview of the Banking Sector in Malaysia	.16
2.3 Mobile Banking	.19

2.4 Benefit of Mobile Banking21
2.4.1 Benefit of Mobile banking to Financial Institution22
2.4.2 Benefit of Mobile Banking to User
2.5 Issues and Challenges with Mobile Banking in Malaysia23
2.6 Mobile Banking Adoption
2.7 Hedonic Motivation27
2.8 Perceived Ease of Use
2.9 Perceived Usefulness
2.10 Perceived Compatibility
2.11 Perceived Complexity
2.12 Summary of the Chapter
CHAPTER THREE RESEARCH METHODOLOGY
3.1 Introduction
3.2 Research Framework
3.3 Hypothesis Development
3.3.1 Hedonic Motivation and Adoption of Mobile Banking
3.3.2 Relationship between Perceived ease of use (PEOU) and Hedonic Motivation
3.3.3 Relationship between Perceived Usefulness with Hedonic Motivation
3.3.4 Relationship between Perceived Compatibility with Hedonic Motivation
3.3.5 Relationship between Perceived Complexity with Hedonic
Motivation

viii

3.3.6 The Mediating Role of Hedonic Motivation
3.4 Research Design41
3.5 Population and Sampling Procedure43
3.5.1 Population
3.5.2 Sampling Frame43
3.5.3 Unit of Analysis44
3.5.4 Sample Size44
3.5.5 Sampling Procedure46
3.6 Data Collection Procedure46
3.7 Research Instrument
3.7.1 Adoption of Mobile Banking48
3.7.2 Perceived Ease of Use49
3.7.3 Perceived Usefulness
3.7.4 Perceived Compatibility
3.7.5 Perceived Complexity
3.7.6 Hedonic Motivation53
3.8 Summary of the Chapter54
CHAPTER FOUR FINDINGS55
4.1 Introduction55
4.2 Profile of Respondents55
4.3 Testing of Goodness of Measurement
4.3.1 Assessment of Reflective Measurement Model
4.3.1.1 Composite Reliability

4.3.1.2	Convergent Validity	59
4.3.1.3	Assessment of Construct	59
4.3.1.4	Discriminant Validity	60
4.4 Assessmer	nt of Structural Model	63
4.4.1 D	Direct Relationship	63
	4.4.1.1 Summary of Result for Direct Relationship	66
4.4.2 In	ndirect Relationship	67
	4.4.2.1 Summary of Indirect Relationship	69
4.5 Analysing	Predictive Relevance Q^2 and R^2 Value	70
4.6 Summary	of Findings	71
4.7 Summary	of Chapter	71
CHAPTER FIVE DI	SCUSSION AND CONCLUSION	73
5.1 Introduction	Universiti Utara Malaysia	73
5.2 Recap of the	ne Study	73
5.3 Discussion	of the Results	74
5.3.1 D	Direct Relationship	75
	5.3.1.1 Hedonic motivation (HM) is positively related adoption of mobile banking	
	5.3.1.2 Perceived ease of use (PEOU) positively related Hedonic Motivation	
	5.3.1.3 Perceived usefulness (PU) is positively related Hedonic Motivation.	
	5.3.1.4 Perceived compatibility is positively related to the Motivation	

5.3.1.5 Perceived complexity is negatively related to the Hedonic
Motivation77
5.3.2 Mediating Effects of Hedonic Motivation78
5.4 Contribution of the Study
5.4.1 Managerial Implication80
5.5 Limitation of the study81
5.6 Recommendations for Future Research
5.7 Conclusion
References
Appendices
Appendix A: Research Questionnaire

LIST OF TABLES

Table 1.1 Internet User in Malaysia. 2
Table 1.2 Percentage of Internet User who used Online Banking
Table 1.3 Reason of Internet User not using Online Banking
Table 1.4 Mobile Banking Subscriber
Table 2.1 List of the Factor Used in Predicting Adoption of Mobile Banking
Table 3.1 Sample Size based on the Desired Accuracy with Confodence Level of 95% and Variance of Population 50%
Table 3.2 Variable of Adoption of Mobile Banking and Measurement Item
Table 3.3 Variable of Perceived Ease of Use and Measurement Item
Table 3.4 Variable of Perceived Usefulness and Measurement Item
Table 3.5 Variable of Perceived Compatibility and Measurement Item
Table 3.6 Variable of Perceived Complexity and Measurement Item
Table 3.7 Variable of Hedonic Motivation and Measurement Item
Table 4.1 Profile of Respondent
Table 4.2 Results Summary for Reliability and Validity of the Construct First
Table 4.3 Discriminant Validity using Fornell and Larcker Criterion61
Table 4.4 Loadings and Cross Loadings
Table 4.5 Summary of Results for Direct Effect for Hedonic Motivation
Table 4.6 Summary of Results for Direct Effect for Perceived Ease of Use towards Hedonic Motivation
Table 4.7 Summary of Results for Direct Effect for Perceived Usefulness towards Hedonic Motivation
Table 4.8 Summary of Results for Direct Effect for Perceived Compatibility towards Hedonic Motivation
Table 4.9 Summary of Results for Direct Effect for Perceived Complexity towards Hedonic Motivation
Table 4.10 List Summary of Direct Relationship
Table 4.11 Summary of Result for Indirect Effect of Perceived Ease of Use

Table 4.12 Summary of Result for Indirect Effect of Perceived Usefulness	67
Table 4.13 Summary of Result for Indirect Effect of Perceived Compatibility	68
Table 4.14 Summary of Result for Indirect Effect of Perceived Complexity	.68
Table 4.15 List of Summary of Indirect Relationship	.69
Table 4.16 Predictive Relevance Q^2 and R^2 Value	.70
Table 4.17 List of Hypothesis Result	.71



LIST OF FIGURES

Figure 3.1 Research Framework	35
Figure 4.1 Research Model of the Study	57



CHAPTER ONE

INTRODUCTION

1.1 Background of the study

In this technological age, mobile technology is one of the technological advancements that happen in the world. Nowadays, the business improvement must be involving the use of applications and technology. Internet is one of the technologies that any business needed. With the benefit of the internet, it is easier and faster for people or organizations to gain information, knowledge, and also for learning. It also helps people and organizations to communicate, connecting, and sharing ideas and thought between any other side. The Internet also helps in the area of banking, bills, and shopping system (Help & Hope, 2019).

According to Bank Negara Malaysia (2019), there is five licensed financial organization that operates in Malaysia. There is twenty-six bank of commercial, sixteen Islamic banks, one bank that provides international Islamic bank service, eleven bank of investment, and two other financial institutions, but only eighteen banks provide mobile banking to their customer.

Banking is a legal organization that handles money either in forms of money and credit and other financial transactions (Amadeo, 2019). Borrowing and lending money are examples of banks operating activities. Banks play a vital role in the business and also for economic development because banks are the organization that handles trade and investment money (Pettinger, 2017).

According to Statista.com (2019), Malaysia internet penetration ranked at tenth with a penetration rate of internet 80.1%. While comparing with other ASEAN countries,

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Appendices

Appendix A: Research Questionnaire



COLLEGE OF BUSINESS

UNIVERSITI UTARA MALAYSIA

QUESTIONNAIRE

"A STUDY OF MOBILE BANKING ADOPTION AMONG UNIVERSITY

STUDENTS" Malaysia

Dear student,

You have been chosen to be the respondent for the survey research as the title above. This research conducted to examine the influencing factor about the adoption of mobile banking services in Malaysia. All information provided will be kept confidential and used for academic purposes. Your honesty and sincerity to answer this questionnaire are much appreciated. Thank you for your time and cooperation in answering this questionnaire.

Researcher:

FARAH DHIBA ABD AZIZ

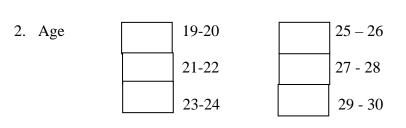
MSc. Management 823251

SECTION A

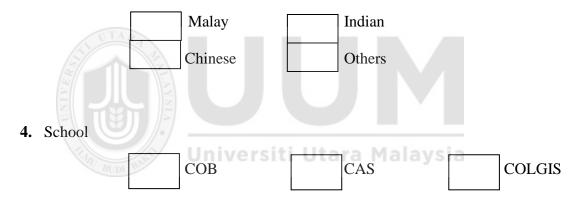
PERSONAL INFORMATION

- 1. Gender
- Male

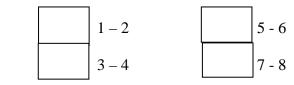
Female



3. Race/Ethnicity



5. Semester



SECTION B

Instructions: Please read each question carefully and respond to all questions to the best of your ability by placing a check (\Box) for each question.

1) ADOPTION OF MOBILE BANKING

Item code	Description of items	1- Strongly Disagree (SD)	2- Disagree (D)	3- Neutra l (N)	4- Agree (A)	5- Strongly Agree (SA)
AM1	I use m-banking application	1	2	3	4	5
AM2	I use the m-banking application to handle my accounts	Initersi	ti l2 E hra	13 a a	ys4	5
AM3	I use m-banking application to do a transaction	1	2	3	4	5
AM4	I subscribe to financial products that are exclusive to the mobile banking application	1	2	3	4	5

2) HEDONIC MOTIVATION

Item code	Description of items	1- Strongly Disagree (SD)	2- Disagree (D)	3- Neutral (N)	4- Agree (A)	5- Strongly agree (SA)
HM1	I feel using a m- banking application is enjoyable	1	2	3	4	5
HM2	I feel using a mobile banking application is pleasurable	1	2	3	4	5
HM3	I will have fun if I'm using m- banking application	1	2	3	4	5
HM4	I feel using a m- banking application is to be interesting	1	2	3 Maray 3	4	5

3) PERCEIVED EASE OF USE

		1-	2-	3-	4-	5-
Item code	Description of items	Strongly Disagree (SD)	Disagree (D)	Neutral (N)	Agree (A)	Strongly Agree (SA)
PEOU 1	I feel it it's easy to understand how to use m-banking application	1	2	3	4	5
PEOU 2	I feel that it's easy to get m-banking application services to do what I want		2	3	4	5
PEOU 3	I feel it is easy to memorize how to use a m-banking application	Universit	i Utara 2	Malay 3	sia 4	5
PEOU 4	I feel m-banking application is simple to use	1	2	3	4	5
PEOU 5	I feel it is easy to become skilful in handling mobile banking application	1	2	3	4	5

4) PERCEIVED USEFULNESS

Item	Description of	1- Strongly	2- Disagree	3- Neutral	4- Agree	5- Strongly
code	items	Strongly Disagree	(D)	(N)	(A)	Agree
		(SD)				(SA)
PU1	I feel that using m- banking application makes me save time	1	2	3	4	5
PU2	I feel that using m- banking application makes me a great user	1	2	3	4	5
PU3	I feel that using m- banking application increase my efficiency as a user	Jniversit	2 Li Utara	3 Malays	4	5
PU4	I feel that mobile banking application is useful to me as a consumer	1	2	3	4	5
PU5	I feel that using m- banking application improve my effectiveness as a user	1	2	3	4	5

5) PERCEIVED COMPATIBILITY

Item code	Description of items	1- Strongly Disagree (SD)	2- Disagree (D)	3- Neutral (N)	4- Agree (A)	5- Strongly Agree (SA)
PC1	I think mobile banking application fits with my life of style	1	2	3	4	5
PC2	I feel mobile banking application fits well with the way I live	1	2	3	4	5
PC3	I feel that m-banking application services are compatible with my ongoing environment	1 Iniversit		3 Matays	4 ia	5
PC4	I feel m-banking application fits well with every element of my banking needs	1	2	3	4	5

6) PERCEIVED COMPLEXITY

Item code	Description of items	1- Strongly Disagree (SD)	2- Disagree (D)	3- Neutral (N)	4- Agree (A)	5- Strongly Agree (SA)
PC1	workingwiththemobilebankingapplicationiscomplicatedandto realize the situation	1	2	3	4	5
PC2	mobile banking application requires a lot of time doing mechanical operations	1	2	3	4	5
PC3	Learning how to use mobile banking application taking a long time to be meaningful	1	2	3	4	5
PC4	In general, the mobile banking application is really complex to handle	1	2	3	4	5

Thank You