

Influential Factors in Rising Needs of Mobile Banking

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Abstract:- The widespread use of smartphones and the growing reliance, on services have led to a notable change in how consumers behave resulting in a greater desire for mobile banking services. This research aims to explore the factors that contribute to the increasing demand for mobile banking solutions. By reviewing existing literature and conducting analysis this study reveals the factors that drive consumer's preference for mobile banking. The findings provide insights, for institutions and policymakers who wish to adapt their strategies according to the changing landscape of mobile banking.

Keywords:- Financial technology (FinTech), Mobile app adoption, User experience, User interface design, Security measures, Regulatory framework, Consumer behavior, Technological innovation, Trust and confidence, Economic incentives, Data privacy, Regulatory compliance, Emerging technologies, Mobile banking ecosystem, User-centric design, Financial accessibility.

I. INTRODUCTION

The financial services industry is currently going through a transformation due, to advancements and the digitization of various aspects of modern life. One notable development in this shift is the growth of banking (Aboelmaged, M., & Gebba, T. R, 2013). With smartphones being widely available and the appeal of access to services mobile banking has evolved from merely a convenient option to an essential tool for managing personal finances. This leads researchers and experts to question what factors are driving the increasing demand for mobile banking services. Mobile banking, which falls under the category of technology (FinTech) represents a crucial intersection where cutting edge technology meets fundamental human needs. In an era characterized by lifestyles and the expectation for satisfaction mobile banking provides unparalleled convenience. From checking account balances to transferring funds paying bills and even making investments – all can be done with a glance at a mobile device. This level of accessibility has not transformed how consumers engage with their finances. Has also created new

expectations regarding how financial services should be delivered (Ajzen, I, 2020).

As the popularity of banking continues to rise researchers and industry stakeholders have been striving to understand the underlying factors, behind this trend. In light of the situation this research aims to understand and analyze the factors that contribute to the increasing demand, for mobile banking (Attaran, M, 2020). These factors include user experience, security concerns, demographic characteristics and regulatory environments. By examining these aspects in a manner this study seeks to provide an understanding of why consumers are increasingly choosing mobile banking. This research aims to contribute to the discussion on the revolution of banking. It intends to shed light on the motivations behind individuals adopting mobile banking solutions. How these motivations interact with each other. As financial institutions and policymakers navigate the challenge of meeting changing customer expectations in a world insights, from this investigation can guide strategies and policies towards a future where mobile banking is not just a passing trend but an essential part of everyday financial life (Aboelmaged, M., & Gebba, T. R, 2013).

II. PROBLEM STATEMENT

This study aims to fill a knowledge gap by investigating the factors that contribute to the increasing demand, for mobile banking services. The main issue is multifaceted; as mobile banking continues to reshape the financial services industry it's crucial to understand the dynamics that govern its adoption. This involves exploring why consumers are drawn towards banking, which aspects of the service they find most appealing and how factors like convenience, security and demographics play a role in this shift (Attaran, M, 2020).

Furthermore as the demand for banking grows it presents both challenges and opportunities for institutions, regulatory bodies and policymakers. It is essential for institutions looking to optimize their mobile banking offerings and for regulators striving to strike a balance,

between innovation and consumer protection to comprehend these factors (Ajzen, I, 1991). Therefore this research aims to shed light on this matter by providing insights that can guide strategies, policies and future studies in the field of banking (Ajzen, I, 2020).

III. AIM & OBJECTIVES

➤ *Aim:*

The main objective of this research is to investigate the factors that contribute to the increasing demand, for mobile banking services. By examining these factors this study aims to provide an understanding of the phenomenon and its implications for institutions, regulators and consumers.

➤ *Objectives:*

Identify Key Drivers; The goal is to identify and explain the factors behind the growing need for mobile banking services, including convenience, accessibility and security. **Examine User Experience;** This research will analyze how user experience and interface design influence the adoption of banking. It will focus on aspects such as ease of use and customer satisfaction. **Investigate Security Concerns;** An assessment will be made regarding how security concerns impact the adoption of banking. Factors like data protection, privacy and trust in institutions will be considered. **Assess Regulatory Impacts;** The influence of environments and policies, on the adoption of mobile banking will be evaluated. Areas where adjustments may be necessary will also be identified (Attaran, M, 2020).

IV. LITERATURE REVIEW

Mobile banking, which involves using devices to access and manage services has experienced significant growth in recent years (Danyali, A. A, 2018). Numerous studies have examined the factors that contribute to the increasing demand, for banking among consumers (Arandara, R., & Gunasekera, S, 2020). **Perceived usefulness:** Studies consistently highlight that one of the reasons people adopt banking is because they perceive it as useful. The convenience of being able to access accounts transfer funds and make payments through devices greatly influences users’ decisions. **Ease of use;** The user-friendly interfaces and seamless functionality of mobile banking platforms have an impact on adoption rates (Changchit, C., Lonkani, R., & Sampet, J, 2018). Research emphasizes the importance of design and easy navigation as these factors enhance the user experience (Ajzen, I, 2020). **Security concerns:** Security is a factor for users engaging in banking. People expect safeguards to protect their information. Perceptions of trustworthiness in institutions and transaction security greatly affect adoption rates. **Variables:** Demographics also play a role in determining adoption rates. Factors such as age, income, education level and location influence how readily people embrace banking (Aboelmaged, M., & Gebba, T. R, 2013).

Younger individuals who are tech savvy tend to adopt it compared to older demographics who may be more cautious. **Regulatory environment:** Research highlights the

influence of environments, on mobile banking adoption (Danyali, A. A, 2018). A supportive regulatory framework encourages innovation. Builds consumer confidence while excessive regulation can hinder growth.

Trust and the reputation of mobile banking providers play a role, in encouraging consumers to adopt banking services (Central Bank of Sri Lanka, 2020). When consumers have trust in the entity providing the service, they are more likely to embrace banking. Raising consumer awareness through education and informative campaigns can have an impact on adoption rates. By informing consumers about the benefits and security features of banking they become more inclined to use it. Sociocultural factors, such as norms and social influences have an influence on individuals’ attitudes and behaviors towards banking (Attaran, M, 2020). These factors shape how people perceive and interact with this form of banking. Economic incentives, such as reduced fees or rewards for using mobile banking services can also stimulate adoption rates (Ajzen, I, 2020). Offering these incentives encourages users to make use of mobile banking platforms. The extensive body of literature emphasizes that various factors influence the increasing demand, for banking (Chen, L., 2008). These factors interact in ways with their significance varying across user segments and geographic regions (Cirera, X., & Maloney, W. F, 2017). As the popularity of banking continues to grow understanding these factors becomes increasingly important for financial institutions, regulators and policymakers who aim to leverage digital banking’s potential while ensuring consumer trust and security (Aboelmaged, M., & Gebba, T. R, 2013).

V. CONCEPTUAL FRAMEWORK & HYPOTHESIS

Figure-01, Explains the Conceptional framework of the factors influencing the Increasing demand of Mobile Application Adaptation for Banking Activities.

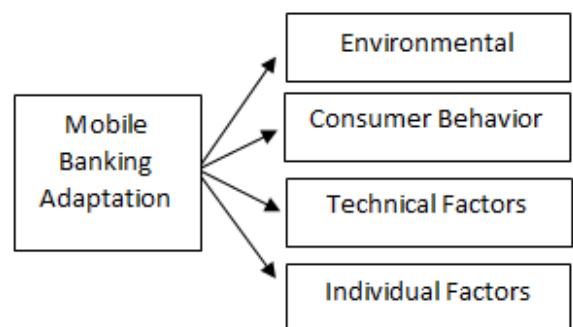


Fig 1: Conceptional Framework

The framework considers factors that influence the adoption of banking (Chavali, K. & Kumar, A., 2018). These factors include aspects such, as demographics, perceived usefulness ease of use and security concerns. Technological elements such as the quality of mobile banking apps user interface design, data security measures and innovation in mobile banking technologies also play a role in shaping user experience and perceived benefits

(Bhatt, A. & Bhatt, S., 2015). The external environment is another factor that impacts mobile banking adoption. This includes frameworks, cultural norms and economic incentives (Central Bank of Sri Lanka, 2020). Regulatory environments can.. Hinder the adoption process while cultural norms and economic incentives influence user attitudes and behaviors. Consumer behavior is an aspect recognized by the framework.

It acknowledges that the decision to adopt banking is influenced by factors, technological factors, and environmental factors. Consumer behavior encompasses the decision-making process, including awareness, consideration, trial usage and ongoing usage of mobile banking services. Financial institutions, regulators and policymakers consider the evolving needs of consumers, as technological advancements in order to shape the widespread usage and integration of mobile banking (AbuShanab, E., & Pearson, J. M, 2007).

VI. DATA COLLECTION & ANALYSIS

A. H-01: *Factors such as demographics (age, income, education), perceived utility, ease of use, and security concerns will Influence the Hike of Mobile Banking Adaptation.*

Various factors, such, as age, income and education along with how user friendly and secure they perceive it to have an impact on the adoption and popularity of mobile banking. Younger people, those with incomes and individuals with education tend to be more open to using mobile banking because they are familiar with technology and comfortable navigating digital platforms. People are attracted to banking because it provides convenience in accessing account information making transactions and paying bills easily (Arandara, R., & Gunasekera, S, 2020). The user-friendly aspect is also crucial; having an intuitive interface and easy navigation encourages people to use these services (Bhatt, A. & Bhatt, S., 2015). However, security is of importance. Implementing measures like factor authentication and encryption is essential for building trust in mobile banking platforms and alleviating concerns, about data breaches or fraud. Financial institutions need to understand how these factors intersect and influence users behavior in order to tailor their mobile banking services effectively. They must prioritize security while ensuring ease of use and meeting the needs of groups (AbuShanab, E., & Pearson, J. M, 2007).

➤ *Result: Individual Factors has a Significant Relevance in the Higher rate of Mobile Banking Adaptation*

B. H-02: *Factors such as quality of mobile banking applications, user interface design, data security measures, and the level of innovation in mobile banking technologies will Influence the Hike of Mobile Banking Adaptation.*

Factors such as the quality of mobile banking applications, user interface design, data security measures, and the level of innovation in mobile banking technologies indeed play pivotal roles in influencing the adoption and

hike of mobile banking. High-quality mobile banking applications, characterized by reliability, speed, and overall performance, can enhance user satisfaction by providing a seamless experience. An intuitive and user-friendly interface design reduces friction and appeals to a broader user base (AbuShanab, E., & Pearson, J. M, 2007). Equally critical are robust data security measures, such as encryption and multi-factor authentication, which instill trust by assuring users that their financial information is well-protected. Moreover, the level of innovation in mobile banking technologies introduces novel features and conveniences like biometric authentication and contactless payments, making mobile banking an attractive choice over traditional banking methods. These factors collectively contribute to the overall user experience and can significantly impact users' decisions to adopt and continue using mobile banking services (Ajzen, I, 2020).

Financial institutions that prioritize these aspects are better poised to meet the rising needs of consumers and drive higher adoption rates. However, the influence of these factors may vary among different user segments and individual preferences (Central Bank of Sri Lanka, 2020).

➤ *Result: Technical Factors has a Significant Relevance in the Higher rate of Mobile Banking Adaptation*

C. H-03: *Encompassing regulatory frameworks, cultural norms, and economic incentives are some of the Environmental Factors will induce the Mobile Banking Usage.*

Certainly various external factors play a role, in influencing the adoption of banking. These factors include frameworks, cultural norms and economic incentives. When it comes to regulations they can.. Hinder the growth of mobile banking. Regulations that prioritize consumer protection, data security and innovation create an environment to the expansion of mobile banking services. On the hand restrictive regulations can act as barriers and limit the availability of such services (Chavali, K. & Kumar, A., 2018). Cultural norms also shape the acceptance of technology; societies that are open to embracing advancements are more likely to adopt banking quickly compared to those deeply rooted in traditional banking practices (Central Bank of Sri Lanka, 2020). Additionally financial institutions offer incentives like reduced transaction fees, cashback rewards or exclusive deals for mobile banking users. These incentives serve as motivators for individuals to opt for banking as it provides tangible benefits and convenience. Recognizing and effectively navigating these factors is crucial, for institutions, policymakers and regulators as they work towards promoting mobile banking adoption while prioritizing consumer trust and security in the rapidly evolving digital financial landscape (Bhatt, A. & Bhatt, S., 2015).

➤ *Result: Environmental Factors has a Significant Relevance in the Higher rate of Mobile Banking Adaptation*

D. H-04: Consumer behavior encompasses the decision-making process, including awareness, consideration, trial, and continuous usage of mobile banking services

Absolutely consumer behavior is a process that covers stages starting from becoming aware of mobile banking to considering it as an option trying it out and eventually using it on a regular basis. Initially consumers become aware of banking, through advertisements, recommendations or interactions with their institutions. As they move into the consideration phase they weigh the pros and cons of banking based on factors like convenience, accessibility, security and ease of use. Once they decide to give it a shot in the trial stage they download banking apps register themselves and carry out transactions (Arandara, R., & Gunasekera, S, 2020). At this point their behavior revolves around their experience with banking and how useful it is for them. Finally after the trial period ends, consumer behavior shifts, towards usage and retention which involves transactions and exploring additional features. The quality of user experience transaction security measures and perceived benefits compared to other banking methods influence consumer behavior (Boonsiritomachai, W., & Pitchayadejanant, K, 2017). Understanding these stages and factors holds importance for institutions and mobile banking providers who want to engage users effectively in today's fiercely competitive mobile banking landscape (Ajzen, I, 1991).

➤ *Result: Consumer Behavior has a Significant Relevance in the Higher rate of Mobile Banking Adaptation*

VII. RECOMMENDATION

To tackle the hurdles and encourage the integration of banking there are a few important suggestions to consider. The first and foremost step is to prioritize educating and informing users. By organizing campaigns and providing user friendly guides we can help users grasp the advantages of mobile banking as well as understand its security measures (Changchit, C., Lonkani, R., & Sampet, J, 2018). Secondly we should focus on simplifying the user interfaces and continually refining app design to enhance the user experience (AbuShanab, E., & Pearson, J. M, 2007). It is vital to give priority to security measures such, as encryption and multi factor authentication in order to establish and maintain user trust. Customizing services for groups streamlining regulatory compliance processes and incentivizing adoption through rewards and gamification can further encourage usage (Chavali, K. & Kumar, A., 2018). It's important that we have customer support channels along with financial literacy programs to assist users throughout their mobile banking journey. Moreover staying up to date with advancements and actively seeking feedback from users, for improvement are crucial strategies. By implementing these recommendations we can overcome adaptation challenges increase user satisfaction and drive adoption of mobile banking services (Boonsiritomachai, W., & Pitchayadejanant, K, 2017).

VIII. FUTURE SCOPE

The future potential, for research in the adaptation of banking offers a range of exciting avenues to explore (Arandara, R., & Gunasekera, S, 2020). By studying economics and psychological factors we can delve into the workings of user decision making and how trust and risk perception influence their choices (Danyali, A. A, 2018). Cross cultural studies can shed light on how different cultural norms shape the adoption of banking. As technology continues to advance it becomes crucial to investigate the impact of emerging technologies like 5G, intelligence and augmented reality on mobile banking services and user experiences. Additionally it is essential to conduct research on how mobile banking promotes inclusion addresses privacy concerns and navigates landscapes (Ajzen, I, 2020). Understanding the changing ecosystem prioritizing user design principles and considering sustainability aspects, in banking can guide financial institutions, policymakers and researchers in adapting to the ever evolving landscape of digital finance while meeting the evolving needs of consumers worldwide.

IX. CONCLUSION

In summary the research, on the adoption of mobile banking highlights how digital technology is transforming the financial services industry. As mobile banking becomes more popular it becomes clear that understanding the factors that influence its adoption is crucial. This research has provided insights into aspects like individual preferences, technological advancements, environmental factors and user behavior that contribute to the growth of mobile banking (Changchit, C., Lonkani, R., & Sampet, J, 2018). It has emphasized the importance of designing user interfaces implementing security measures establishing regulatory frameworks and considering cultural differences for successful adaptation. Furthermore with its nature and potential to promote inclusion, sustainability and innovation mobile banking offers a promising future in digital finance.

As our financial landscape evolves it is essential, for institutions, policymakers and researchers to embrace these insights. Continuously explore emerging trends and challenges. By doing we can ensure that mobile banking effectively meets consumers increasing needs while creating an inclusive, secure and efficient financial ecosystem (Danyali, A. A, 2018).

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