



Consumer behavioural style reshaping mobile banking adoption in Southern part of India

Manish M^{1*} & Dr. S. Thandayuthapani²

¹II - M.B.A., ²Assistant Professor,

^{1&2}Department of Management Studies, School of Management, Vel Tech Rangarajan Dr. Sagunthala R&D Institute of Science and Technology

E-mail: ¹vtp3379@veltech.edu.in,

²drthandayuthapanis@veltech.edu.in

Contact: ¹9344739810 ²6381272524

Abstract:

This article aims to shed light on the factors that influence consumers' attitudes and behavioral intentions while using mobile banking services, with a focus on perceived risk, trust, enjoyment, innovation, and accessibility of technology. A suggested study approach is based on the technology acceptance model (TAM) and takes into account the influences of social influence, perceived danger, perceived fun, perceived website design, and trust on TAM components. Through an online survey, a sample of 150 unique Indian mobile banking customers is analyzed using the structural equation modeling approach. The data analysis results validate a few of the theoretical claims made from the literature. Perceived utility, perceived ease of use, perceived enjoyment, and trust are found to be immediate direct drivers of consumers' attitude about utilizing mobile banking, which is consistent with some of the previous studies. The technological accessibility, perceived risk, innovation, and trust all influence consumers' behavioral intentions when it comes to using mobile banking. Perceived website design has a substantial

direct impact only on perceived ease of use, but it also has considerable indirect impacts on perceived usefulness, innovation, and behavioral intentions. Perceived enjoyment also influences perceived usefulness directly and indirectly, but only directly affects perceived ease of use.

Keywords: Consumer behavior, Mobile banking adoption, Innovation, Technology availability, Risk perceptions, Perceived trust.

Introduction:

Consumer behavioural styles play a pivotal role in the adoption of mobile banking services. As technology continues to evolve rapidly, financial institutions are increasingly recognizing the importance of understanding and catering to the diverse preferences and behaviours of their customers. Mobile banking has emerged as a game-changer in the financial services industry, offering convenience, accessibility, and a seamless banking experience. However, its widespread adoption is heavily influenced by the behavioural styles of consumers. The inclination towards digital-first interactions is the driving force behind the proliferation of mobile banking. The younger generation has grown up with technology interwoven in their daily life; they are sometimes referred to as "digital natives." They are more inclined to accept mobile



banking as a logical continuation of their digital lifestyle since they feel at ease using digital platforms. Financial institutions are better positioned to attract this tech-savvy consumer demographic if they provide intuitive interfaces and user-friendly mobile banking applications. Concerns about privacy and security also play a big role in influencing how customers behave. Some people may be reluctant to use mobile banking because they believe there are hazards involved with doing business online, but others value the convenience it provides over security worries. Financial institutions may allay consumer fears and meet the needs of customers who respect privacy and data protection by putting a high priority on strong security measures.

Objectives Of The Study

- Examining the impact of specific consumer behavioural characteristics/styles on mobile banking adoption.
- To study Understanding the relative importance and interplay of factors like innovativeness, technology availability, risk perceptions, and perceived trust.
- Focusing on the adoption rate as well as the extent of usage of mobile banking services.
- To propose recommendations/suggestion to enhance mobile banking adoption in the southern part of India.

Review Of Literature

Lin, H. F. (2011) This study explores the impact of innovation attributes and knowledge-based trust on attitudes and behavioral intention towards mobile banking. Based on a survey of 368 participants, it found that perceived advantages and trust significantly influence attitude and behavioral intention. The study also found that attitudes towards mobile banking differ between potential and repeat customers.

Dash, M. A. N. O. R. A. N. J. A. N., Bhusan, P. B., & Samal, S. (2014) The study explores the acceptance of mobile banking as a global banking channel, focusing on customer attitudes, mimetic force, and innovation diffusion in India. It reveals that compatibility, trialability, and mimetic force significantly influence customer attitudes towards mobile banking adoption, thereby clarifying factors influencing its commercial viability.

Akturan, U. L. U. N., & Tezcan, N. U. R. A. Y. (2010, October) The study examined the impact of innovative traits on mobile banking usage among 311 college students. Results showed a relationship between relative advantage, compatibility, and adoption intention, but no significant relationship was found with voluntariness, image, result demonstrability, complexity, or trialability.

Mathew, M., Sulphey, M. M., & Prabhakaran, J. (2014) The study proposes a model to differentiate users from non-users and understands attitudes and intents of mobile banking users. It investigates twelve factors using discriminant function analysis, identifying usefulness and facilitating conditions as key determinants. This research aids in creating a segmentation model for user and non-user populations.

Bagadia, P., & Bansal, A. (2016) Although mobile banking is accessible and convenient, security



issues are raised. The market for mobile banking services is still growing, despite its benefits. The literature on mobile banking is reviewed, and factors impacting users' intents are examined. The necessity of taking perceived risks—security, financial, privacy, social, time/convenience, and performance—into account is highlighted.

Research Design:

Descriptive Design:As the study aims to at observe and describe relationships between

variables, determine how various demographic groups react to a certain service, gather

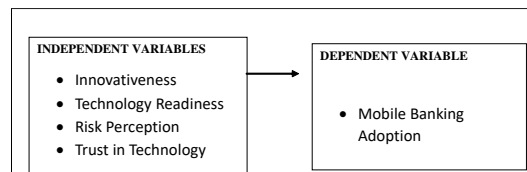
information about sample’s preferences for decision-making, we used this design on the research.

Non-Probability Method:We used this method of sampling as it can be used for quantitative research, where the population of responses are infinite.

Snowball Sampling:We have taken this sampling method as it can be used in quantitative

research and it is a respondent driven sampling. The study is based on the sample participants

and other people who are potential to participate in the research



Dataanalysis And Interpretation

Anova

Hypothesis

Null Hypothesis (H0): There is no significant difference between the age and consumer behavioral factors of Mobile Banking Adoption.

Alternate Hypothesis (H1): There is a significant difference between the age and consumer behavioral factors of Mobile Banking Adoption.

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
innovation	Between Groups	10.055	3	3.352	1.581	.196
	Within Groups	309.445	146	2.119		
	Total	319.500	149			
technologyavailability	Between Groups	6.506	3	2.169	1.523	.211
	Within Groups	207.867	146	1.424		
	Total	214.373	149			
riskperception	Between Groups	1.574	3	.525	.142	.935
	Within Groups	539.926	146	3.698		
	Total	541.500	149			
trust	Between Groups	10.127	3	3.376	1.560	.202
	Within Groups	315.873	146	2.164		
	Total	326.000	149			
adoption	Between Groups	12.014	3	4.005	2.171	.094
	Within Groups	269.319	146	1.845		
	Total	281.333	149			

Interpretation

As the significant values of factors of Mobile banking adoption are greater than 0.05, there is no significant difference among age groupsto the factors of Mobile Banking Adoption.

Regression Analysis:

Hypothesis

Null Hypothesis (H0): There is no influence of factors of consumer behavior factors on mobile banking adoption.

Alternate Hypothesis (H1): There is an influence of factors of consumer behavior factors on mobile banking adoption.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.679 ^a	.461	.447	1.02225

a. Predictors: (Constant), trust, technologyavailability, riskperception, innovation



ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	129.809	4	32.452	31.055	.000 ^b
	Residual	151.524	145	1.045		
	Total	281.333	149			

a. Dependent Variable: adoption
b. Predictors: (Constant), trust, technologyavailability, riskperception, innovation

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.671	.796		2.100	.037
	innovation	.219	.078	.233	2.816	.008
	technologyavailability	.101	.075	.088	1.351	.179
	riskperception	-.067	.052	-.092	-1.271	.206
	trust	.424	.078	.457	5.473	.000

a. Dependent Variable: adoption

Interpretation

The P-value in the coefficient table indicates that there is a relationship between the consumer behavioral factors and mobile banking adoption. F-value in the ANOVA table is 31.055 which is greater than 1.96 which means that the influence of consumer behavioral factors is higher on mobile banking adoption. Influence of Trust perception is 42.4% stronger and Innovation influence is 21.9% stronger on mobile banking adoption. The value of R square is 0.461 which means that about 46.1% of the variance in Mobile banking adoption.

$$Y = a + bx$$

$$Y = 1.671 + 0.219 (\text{innovation}) + 0.101(\text{technologyavailability}) - 0.067 (\text{risk perception})$$

$$+ 0.424 (\text{trust})$$

The above equation denotes that for every unit of increase in innovation, technology availability, perceived trust, Mobile banking adoption increases by 0.219, 0.101, and 0.424. For every unit decrease in risk perception, Mobile banking adoption decreases by 0.067.

Summary Of Findings

Customers of different age groups view and experience the elements of mobile banking adaption (intention to adopt and degree of usage) in much the same ways.

- Depending on the age of the consumers, there is little variation in the association between their behavioral types and the adoption of mobile banking.
- The results indicate that the understanding of how behavioral patterns impact the adoption of mobile banking may be applied to a larger segment of the southern Indian customer base, regardless of age disparities.

Low p-values in the coefficient table imply that the study shows that innovativeness, technology readiness, risk perception, and trust in technology substantially impact mobile banking uptake among customers in southern India.

- The ANOVA table reveals an overall strong and statistically significant influence of the independent variables (Innovativeness, Technology Readiness, Risk Perception, and Trust in Technology) on the dependent variable (mobile banking adoption), with an F-value of 24.765 exceeding the threshold of 1.96.
- The relationship between the independent and dependent variables is made clear by the regression equation ($Y = 100.89 + 0.215 (\text{innovation}) + 0.096 (\text{tech availability}) + (-0.065) (\text{risk perception}) + 0.404 (\text{trust}) + 0.040 (\text{use extension})$). The adoption of mobile banking is positively impacted by innovativeness, technology readiness, and trust in technology; risk perception has the opposite effect.



Conclusion

The study examines the use of mobile banking in southern India with an emphasis on customer behavior patterns. The study discovered similar attitudes and actions toward the use of mobile banking, notwithstanding age disparities. Innovativeness, technological preparedness, risk perception, and technological trust are factors that affect adoption. The greatest beneficial effect was found to be trust in technology, which was followed by innovativeness and technological preparedness. Perceived risk was a disincentive, highlighting the need of reducing perceived risks to improve acceptance. The results imply that in order to improve the usability and attraction of mobile banking services, financial institutions and legislators should concentrate on initiatives that promote innovation, establish confidence, and deal with issues related to technical preparedness. Understanding common behavioral patterns throughout age groups enables the development of customized marketing campaigns that appeal to a wider range of consumers, supporting the ongoing expansion and evolution of mobile banking in the region.

References

1. Shaikh, A. A., Glavee-Geo, R., & Karjaluoto, H. (2021). How relevant are risk perceptions, effort, and performance expectancy in mobile banking adoption?. In *Research anthology on securing mobile technologies and applications* (pp. 692-716). IGI Global.

2. Bagadia, P., & Bansal, A. (2016). Risk Perception and Adoption of Mobile Banking Services: A Review. *IUP Journal of Information Technology*, 12(1).

3. Mathew, M., Sulphay, M. M., & Prabhakaran, J. (2014). Perceptions and intentions of customers towards mobile banking adoption. *Journal of Contemporary Management Research*, 8(1), 83.

4. Kumar, R., Singh, R., Kumar, K., Khan, S., & Corvello, V. (2023). How does perceived risk and trust affect mobile banking adoption? Empirical evidence from India. *Sustainability*, 15(5), 4053.

5. Jouda, H., Abu Jarad, A., Obaid, T., Abu Mdallalah, S., & Awaja, A. (2020, July). Mobile banking adoption: decomposed theory of planned behavior with perceived trust. In *The 1st International Conference on Information Technology & Business ICITB2020*.

6. Aldammagh, Z., Abdeljawad, R., & Obaid, T. (2021). Predicting mobile banking adoption: An integration of TAM and TPB with trust and perceived risk. *Financial Internet Quarterly*, 17(3), 35-46.

7. RAMLI, Y., HARWANI, Y., SOELTON, M., HARIANI, S., USMAN, F., & ROHMAN, F. (2021). The implication of trust that influences customers' intention to use mobile banking. *The Journal of Asian Finance, Economics and Business*, 8(1), 353-361.

8. Sankaran, R., & Chakraborty, S. (2021). Factors impacting mobile banking in India: Empirical approach extending UTAUT2 with perceived value and trust. *IIM Kozhikode Society & Management Review*, 11(1), 7-24.

9. Kumar, A., Dhingra, S., Batra, V., & Purohit, H. (2020). A framework of mobile banking adoption in India. *Journal of Open Innovation: Technology, Market, and Complexity*, 6(2), 40.

10. Souiden, N., Ladhari, R., & Chaouali, W. (2021). Mobile banking adoption: a systematic review. *International Journal of Bank Marketing*, 39(2), 214-241.

11. Chauhan, V., Yadav, R., & Choudhary, V. (2019). Analyzing the impact of consumer innovativeness and perceived risk in internet banking adoption: A study of Indian consumers. *International*



Journal of Bank Marketing, 37(1), 323-339.

12. Catherine, S., Kiruthiga, V., Suresh, N. V., & Gabriel, R. (2024). Effective Brand Building in Metaverse Platform: Consumer-Based Brand Equity in a Virtual World (CBBE). In *Omnichannel Approach to Co-Creating Customer Experiences Through Metaverse Platforms* (pp. 39-48). IGI Global.

13. Suganya, V., & Suresh, N. V. (2024). Potential Mental and Physical Health Impacts of Spending Extended Periods in the Metaverse: An Analysis. In *Creator's Economy in Metaverse Platforms: Empowering Stakeholders Through Omnichannel Approach* (pp. 225-232). IGI Global.

14. Suresh, N. V., & Remy, V. A. M. (2024, February). An Empirical Study on Empowering Women through Self Help Groups. In *3rd International Conference on Reinventing Business Practices, Start-ups and Sustainability (ICRBSS 2023)* (pp. 957-964). Atlantis Press.

15. Poongavanam, S., Srinivasan, R., Arivazhagan, D., & Suresh, N. V. (2023). Medical Inflation-Issues and Impact. *Chettinad Health City Medical Journal (E-2278-2044 & P-2277-8845)*, 12(2), 122-124.

16. Suresh, N. V., & Bhavadharani, S. (2021). An Empirical Study on the Impact of Passenger Loyalty Program on Passenger Retention with Reference to Air India. *Productivity*, 62(1).

17. Selvakumar, A., Kumar, G., & Santhanalakshmi, K. (2024). 'Experiential Learning' A Corporate Change: Opportunities and Challenges on Gaps in Skill Development. *Contemporary Challenges in Social Science Management: Skills Gaps and Shortages in the Labour Market*, 159-171.

18. Suresh, N. V., Selvakumar, A., Sasikala, B., & Sridhar, G. (2024, June). Integrating Environmental, Social, and Governance (ESG) Factors into Social Accounting Frameworks: Implications for Sustainable Business Practices. In *International Conference on Digital Transformation in Business: Navigating the New Frontiers Beyond Boundaries (DTBNNF 2024)* (pp. 18-28). Atlantis Press