An Investigation of Consumers’ Acceptance of Mobile Banking in Bangladesh

Mohammad Majedul Islam, Department of Marketing, University of Rajshahi, Rajshahi, Bangladesh

Md. Enayet Hossain, Department of Marketing, University of Rajshahi, Rajshahi, Bangladesh

ABSTRACT

This study attempts to explore the effects of different key factors influencing the consumer acceptance of mobile banking, particularly those that affect the consumer’s attitudes towards, and intention to use, this self-service banking technology in Bangladesh. The demographic, attitudinal, and behavioural characteristics of mobile bank users were examined. Consumer survey on 292 mobile bank users of different mobile network operators was undertaken where respondents completed questionnaire about their perceptions of mobile banking’s ease of use, infrastructural facility, self-control, social influence, perceived risk, perceived usefulness, and customer service with their lifestyle, and need for interaction with personnel. Correlation and One Sample t-test were used to determine whether these factors influence consumers’ attitude and intention to use mobile banking. By addressing the concerns of and benefits sought by the consumers, marketers can create positive attractions and policy makers can set regulations for the expansion of mobile banking services in Bangladesh. This study offers an insight into mobile banking in Bangladesh focusing influencing factors, which has not previously been investigated.

Keywords: Bangladesh, Consumer Attitude, Influencing Factors, Mobile Banking, Mobile Phone

1. INTRODUCTION

Mobile banking is a system that allows customers of mobile financial institution (MFI) to offering banking services of make deposits, withdraw, and to send or receive funds from a mobile account through a mobile device such as a mobile phone or personal digital assistant. Mobile banking offers services of banking like account information; payments, deposits, withdrawals, and transfers;
investments; ATM support; and content services.

Bangladesh Bank has introduced permissions for mobile banking on July 2011 to promote market development. Initially five banks have responded positively to establish active deployments where three largest of these were launched immediately at the time of launching and others in early 2012. By the end of the first quarter of 2012 the fastest early expansion has come from bKash (Brac Bank) and Dutch Bangla Bank Limited (DBBL).

Most retail banks in Bangladesh is providing online banking as add-on services to the existing branch activities while mobile banking is in the initial stage of implementation. This service is enabled here by the use of bank agents that allow mobile account holders to transact at independent agents locations outside of the bank branches. This involves a sequenced set of activities includes finding and training agents, marketing to bring attention to the service, and acquiring customers using know-your-customer (KYC) and account opening processes while at the same time helping new customers to begin to transact.

There are 55.6 million Bank accounts are operating through branch banking in July 2012 which is only 36% of total population. The maximum portion of the population is outside from banking sector. It is certainly shows a positive sign to intensification of the capital flows by the introduction of mobile banking. Within two years of operation mobile banking customers proliferated at 7.21 million in September 2013 (Saha, 2013). Though the increasing rate is little fast mobile banking customers are very low considering mobile phone subscribers’ penetration rate or coverage of rural population. The mobile phones’ subscribers in Bangladesh are 109.35 million (Subscribers Report, 2013) and 71.9% people are living in low banking coverage are in rural (Trading Economics, 2010). So, enormous opportunities are waiting for the banking industry of Bangladesh in the platform of mobile banking service.

The existing features are primarily beneficial for the consumers. But all the banks are not so much aggressive to attract their respective customers. This research aims to investigate the factors influencing the consumer acceptance of mobile banking so that MFIs can improve their facilities and make people aware for the development of banking sector in Bangladesh.

2. LITERATURE REVIEW
2.1. Mobile Phone Banking

M-banking involves conducting account balance and transaction history inquiries, funds transfers, bill payments, stock trades, portfolio management, as well as insurance ordering, via a mobile device (Suoranta & Mattila, 2004). An emerging component of M-services that could become a significant revenue source to both banks and telecom service providers is M-banking (Nysveen et al. 2005) It provides value for consumers, above other banking channels, through
Related Content

Maximising Value Through IT and Business Alignment: A Case of IT Governance Institutionalisation at a Thai Bank
[www.igi-global.com/article/maximising-value-through-it-and-business-alignment/167816?camid=4v1a](www.igi-global.com/article/maximising-value-through-it-and-business-alignment/167816?camid=4v1a)

Usability Evaluation of Hospital Websites in Pakistan
[www.igi-global.com/article/usability-evaluation-hospital-websites-pakistan/84160?camid=4v1a](www.igi-global.com/article/usability-evaluation-hospital-websites-pakistan/84160?camid=4v1a)
Does the Digital Divide Extend to Minority- and Women-Owned Small Businesses?
[www.igi-global.com/chapter/does-digital-divide-extend-minority/38320?camid=4v1a](www.igi-global.com/chapter/does-digital-divide-extend-minority/38320?camid=4v1a)

Telematics Business and Management in the Bahrain Market: Challenges and Obstacles