The Satisfaction of Saudi Customers Toward Mobile Banking in Saudi Arabia and the United Kingdom

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ABSTRACT

Rapid advancements in technology over the last two decades played a key role in increasing the utilizations of mobile banking applications. Banks are providing this service to allow their customers to access their accounts anytime anywhere. Although many studies have assessed user satisfaction of mobile banking, most of these studies have been done in developed countries and only a few have compared mobile banking in developing with developed countries. This study assessed user satisfaction of mobile banking in both the United Kingdom and Saudi Arabia. Above 100 online questionnaires were collected from individuals who have experience in using mobile banking applications in both the UK and Saudi Arabia. The results show that system quality has a significant effect on customer satisfaction in the UK, but not in Saudi Arabia. Secondly, both information quality and interface design quality have significant effects on customer satisfaction in both the UK and Saudi Arabia. However, the overall findings from this study suggest that respondents are more satisfied with mobile banking in the UK than with mobile banking in Saudi Arabia.

KEYWORDS

Information Quality, Interface Design Quality, Mobile Banking, System Quality, User Satisfaction

1. INTRODUCTION

The rapid spread of Internet users and adoption of mobile technology have led to the growth of online banking services and more particularly, the growth of mobile banking in many countries. According to the International Telecommunication Union, or ITU, (2015), the number of global internet users has risen steadily from 500 million in 2001 to about 3,207 million users in 2015. Similarly, the number of global mobile subscriptions rose from 962 million in 2001 to over 7,216 million subscriptions in 2015 (ITU, 2015).

It is widely accepted that the development and growth of mobile banking is affected by many factors (i.e. culture, education, average income levels, traditions) which differ greatly between developed and developing counties. For example, the people in Saudi Arabia are strongly attached among each other through family bonds and women represent a much smaller percentage of the workforce (Alhirz and Sajeev, 2015). Previous studies found that the social and cultural differences between Saudi Arabia and other developed countries, like the United Kingdom, for example had

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significant impact on adoption and satisfaction of using technology such as mobile banking (Eid & El-Gohary, 2015; Baker et al., 2011; Al-Gahtani et al., 2007). Consequently, a huge gap exists between developed nations and developing nations in terms of the development of mobile banking (Agwu and Carter, 2014; Yang et al., 2009). Therefore, a comparative study about mobile banking between a developed (UK) and developing country (Saudi Arabia) will provide some useful insights into mobile banking differences and user acceptance between these types of countries.

On the other hand, although internet usage and mobile technology were traditionally well-established in the developed countries, most developing countries are rapidly closing the technology gap between the developed and developing countries. Consequently, mobile banking (m-banking) has started to take off at steady rates in most developing countries and rapidly in some developing countries like Korea and China (Baptista and Oliveira, 2015). This led to the rapid building-up of a large body of literature on mobile banking. However, most of these are covering mobile banking in developed countries and only a fraction of research has been carried out in developing countries.

The use of mobile banking has been widely investigated in developed countries like the USA, the UK and Europe (Shanmugam et al., 2015; Martins et al., 2014; Kundu and Datta, 2012; Yiua et al., 2007; Scornavacca and Hoehle, 2006; Pikkarainen et al., 2004; Karjaluoto et al., 2002; Jayawardhena and Foley, 2000). However, little research investigated mobile banking in Saudi Arabia. Those studies which researched mobile banking and ICT infrastructure of Bank in Saudi Arabia (Al-Jabri, 2015; Khan et al., 2011; Al-Gahtani et al., 2007) did not focus much on user acceptance. Moreover, those studies did not compare user acceptance of mobile banking in developing country such as Saudi Arabia, with a developed country, like the UK. Therefore, this study aims to contribute to the growing literature on mobile banking in a developing country – Saudi Arabia. In general, the aims and objectives of this research are to explore user satisfaction of mobile banking in the UK and Saudi Arabia. More specifically, this research aims to establish whether or not Saudi customers evaluate mobile banking in the UK and Saudi Arabia differently in terms of system quality, information and interface design.

The rest of this paper is structured as follows. Section two reviews the essential body of literature related to this research. Section three presents the theoretical framework. The next section outlines the research methodology used in conducting the research. Section five presents the data analysis, while section six discusses the research findings. Section seven concludes the study, highlights some of the research limitations and offers some recommendations for further studies.

2. LITERATURE REVIEW

2.1. Mobile Banking

While electronic banking is available in different forms, it is internet banking, or i-banking, and mobile banking (m-banking) which are the two fastest growing forms (Kundu and Datta, 2012). I-banking essentially means customers can access banking services anywhere, while mobile banking means customers can access banking services anywhere and anytime (Tiwari et al., 2006). Stated differently, mobile banking refers to financial services and transactions carried out over mobile networks using mobile phones (Kundu and Datta, 2012).

Several changes, especially political, technological and consumer demands have influenced banking to the extent that both i-banking and mobile banking have undergone radical changes (Addy, 2016; Al-Ghaith et al., 2010; Lee and Chung, 2009; Laukkonen and Lauronen, 2005). For instance, it is now fairly common for individuals to have smart phones compared to 20 years ago. Therefore, mobile banking is now much more widespread, whereas 20 years ago, banking services on mobile phones were limited to SMS services (Nicoletti, 2014; Vaidya, 2011). In other similar ways, technology, in particular the global expansion of the Internet, has transformed both i-banking and mobile banking in terms of new products and services to meet consumer demands (Mazhar et al., 2014). Moreover, according to Jayawardhena and Foley (2000), technological developments have led to relaxed banking regulations, making mobile and internet banking more accessible to consumers. Mobile banking users expect to access their banking information at anytime and anywhere (Afshan and Sharif, 2015).
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