The Mediating of Perceived Usefulness and Perceived Ease of Use: The Case of Mobile Banking in Yemen

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ABSTRACT

While there are a wide range of business opportunities available via mobile technologies, mobile banking services have not been widely accepted by bank clients in Yemen. This article aims to test the mediation effect of TAM core constructs between the external factor self-efficacy and the intention. Questionnaire survey data collected from Four hundred and eighty-two valid responses from bank clients. SEM via AMOS was utilized to determine the importance levels of associations and interactions between the factors tested. The proposed model evidenced by goodness of fit of the model to the data, explained 81% of the variance in intention. The findings of the multivariate analysis reveal that self-efficacy has had a significantly positive affect on the perceived usefulness, and perceived ease of use. In addition, ease of use and usefulness has a positive important direct influence on the intention. Also, usefulness and ease of use mediated the relation between self-efficacy and intention. The results of the current article might give further insights into mobile banking strategies.

KEYWORDS

Intention to Use Mobile Banking Services, Mediation, Mobile Banking, Self-Efficacy, Technology Acceptance Model (TAM)

INTRODUCTION

E-commerce is changing how firms design, produce and deliver their products and services. In banking industry, rather than traditional banking channels, mobile banking is one of the e-services that delivers banking services via ICT (Information and communication technology) (Barnes & Corbitt, 2003; Turban, King, Lee, & Viehland, 2006). Mobile banking refers to the ability to use a mobile device to conduct financial transactions such as balance inquiries of bank account, money transfers, bill payments via mobile devices like cell phones, smartphones, PDAs, and tablets without time and place limitations (Elbadrawy & Aziz, 2012; Koenig-Lewis, Palmer, & Moll, 2010; Lin, 2011; Zhou, 2012). Even with the advantages of Mobile banking for instance cost savings, efficiency, ubiquity,

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convenience, and interactivity (G. Kim, Shin, & Lee, 2009; Lin, 2013), above and beyond, it requires little or no infrastructure (Khraim, Shoubaki, & Khraim, 2011); the rates of usage worldwide is not as much as the level expected by the experts of this industry (Kleijnen, de Ruyter, & Wetzel, 2004; Laukkanen & Cruz, 2009; S.-G. Lee, Trimi, & Kim, 2013; Luarn & Lin, 2005; Luo, Li, Zhang, & Shim, 2010; Riivari, 2005; Suoranta & Mattila, 2004). In Yemen, mobile technology has evolved significantly over recent years; this is proved by the increasing penetration rate of the mobile service which had climbed to almost 70% by 2014 (World Development Indicators, 2016). Therefore, under intense competition, mobile banking has received particular attention from the Yemeni banks as 10 banks out of 18 are providing mobile banking services. However, the evolution in mobile banking services is not in line with the thriving of mobile technology (Shaikh & Karjaluoto, 2015), statistics provided by some of the largest banks in Yemen (CAC bank, and IBY bank) suggest that only 27% of Yemeni banks clients have adopted mobile banking up to 2014 (Quality Assurance reports in CAC bank, and IBY bank, 2014). Therefore, Yemeni banks have begun to express concern regarding the low adoption rate of mobile banking services. Regardless of the availability of technology and applications. Therefore, studies are required to understand consumers’ willingness to use the new technology (Sindhu Singh, Srivastava, & Srivastava, 2010).

According to the Global Innovation Index (2015), Yemen is one of the weakest countries in ICT access and ICT use among Arab countries. Meanwhile Qatar ranks 21 and 27 in term of ICT access and use respectively in the world, and the highest among the Arab world; Yemen ranks 123 and 115 out of 141 countries in the world (see Figure 1). On the other hand, Saudi Arabia ranks 44 and 41 in the world, while United Arab Emirates ranks 31 and 21 in term of information and communication access and use, meanwhile Jordan ranks 73 and 61 in information and communication technology access and use. That shows a big concern and gap that Yemen is lagging behind in using ICT (O. Isaac, Abdullah, Ramayah, & Mutahar, 2017), which hinders Yemen from ICT benefits. In addition, through the Global competitiveness report 2014 (World Economic Forum, 2014); Yemen ranks as the

Figure 1. ICT access and use: Yemen vs. Arab countries by The Global Innovation Index (2015)

(Source: The Global Innovation Index, 2015)
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