Determinants of Mobile Banking Adoption: A Comparative Study Between U.S. and Thailand

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ABSTRACT
With a rapid increase in smart phone users, mobile banking is becoming an available banking channel that allows consumers to perform banking transactions at their own convenience. However, not all customers are ready to embrace this new channel of services. It is crucial for banks to fully understand the preferences of their customers, especially which factors play an important role in encouraging or discouraging customers from using this banking channel. It is also important to further investigate whether their customers’ perceptions on mobile banking is influenced by culture. This article aims at comparing the mobile banking perceptions between the consumers in the U.S. and in Thailand. The research findings reveal the various factors that influence mobile banking adoption for these two nationalities. The results should help banks gain an understanding of these factors, and thus direct their efforts to develop features that satisfy the needs of their target customers and alter their business model to promote factors that have a positive influence on mobile banking adoption.

KEYWORDS
Comparative Study, Culture, Mobile Banking, Technology Acceptance Model (TAM), Thailand, U.S

INTRODUCTION
The increasing popularity of the Internet has created great challenges for companies to offer products or services via this new distribution channel (Chau & Lai, 2003). This Internet explosion has opened the door to a new electronic world, and with a growing number of households turning towards the world of e-commerce, it is crucial for online businesses to realize the need to run their business to suit the convenience of their customers. Consumers are now able to use the Internet for a variety of purposes such as research, communication, shopping, and online banking. However, while consumers have increasingly exploited online intermediated shopping (OIS) to facilitate Internet shopping through the assistance of online intermediaries, many remain hesitant to do so for various perceptual reasons (Zhang et al., 2015).

As with other types of online businesses, Internet and mobile banking has gained significant importance, and the growth of the field is accelerating (Afshan & Sharif, 2016; Kim et al, 2013). The Internet-based technologies enable banks to provide customized content that can educate and cross-sell while strengthening the long-term relationship between banks and customers (Chau & Lai, 2003).

Recently, the number of consumers owning sophisticated mobile handheld devices, i.e., smartphones, has rapidly increased (Gerpott et al., 2013; Kim et al., 2013). The functionalities of this communication device not only enable consumers to make voice calls but also allow them to perform
several transactions via mobile applications (West & Mace, 2010). The mobile devices can be used not only for personal activities, but also for business-related activities, particularly in mobile environments (Zhang & Jasimuddin, 2015). Rapid advances in mobile technologies and devices have made mobile banking increasingly important in mobile commerce and financial services (Lin, 2011). This service provides a more convenient means for customers to meet their banking needs with more complete and timely information (Baptista & Oliveira, 2015; Gerrard & Cunningham, 2003).

Cross cultural effect has been found to be important in many studies (Al-Refaie, 2014; Ao & Liu, 2014; Bin et al., 2003; Greenberg et al., 2008; Yan et al., 2014; Lippert & Volkmar, 2007; Chang et al., 2015). For instance, Chang et al. (2015) gathered survey data from university students in Cambodia, Iran, and South Korea producing results showing that country development index has a significant effect on the levels of the digital divide. A study conducted by Hung et al. (2012) revealed that respondents from different cultures prefer different communication methods. Shin and Choo (2012) use the sample from U.S. and Korea to study the cross-cultural effect on smart phone users and find that different value preferences, intention, and adoption patterns were observed for the two countries.

Even though the literature on the adoption of mobile banking is quite extensive (Afshan & Sharif, 2016; Lee et al., 2013; Lin, 2011; Nel & Boshoff, 2014; Staff, 2013), few studies have explored the motivations for mobile banking adoption in a cross-cultural manner (Baptista & Oliveira, 2015; Yu & Chantatub, 2015). In particular, there is no prior study comparing consumers’ attitude toward the usage of mobile banking between the U.S. and Thailand. The comparison between the U.S. and Thailand was chosen because both countries show a high percentage of mobile banking usage (64% in Thailand and 42% in the U.S.), as reported by Statista (2015). In addition, despite many prior studies in mobile banking, this study provides several contributions to the literature. First, since smart phone technology has dramatically changed since the last five years, many mobile banking features have been either added or improved as well. Although some constructs in the proposed model were examined in the past, the findings may not be relevant nowadays. Second, this research extends the study of factors investigated in prior studies to include the factor “Previous Experiences”. It was hypothesized that consumers’ experiences on using mobile banking should influence their attitudes toward mobile banking adoption. Third, unlike prior studies that did not track whether subjects have used mobile banking before or not, subjects in this study contain only those who have experience using mobile banking before. Attracting potential customers and retaining existing customers is crucial to the long-term business success of mobile banking firms (Gu et al., 2009). Therefore, the responses gathered from this target group of subjects should not only help banking services understand the needs of their customers in regard to the adoption of mobile banking but also help them improve the retention rate of their existing customers.

Contributions from this study can be obviously obtained both academically and practically. The research findings should provide a better understanding of localized demand for mobile banking. It is apparent that better serve quality should be met by the devotion to serving local need (Singh et al., 2003). In other words, suggestions from this study should allow banking institutions to provide a better quality of mobile banking services and expand their target customer base by providing information regarding the specific needs of customers from different cultures. This study aims at comparing the mobile banking perceptions between the consumers in the U.S. and in Thailand. The research findings should reveal various factors that influence mobile banking adoption for these two nationalities. These results should help banks gain an understanding of these factors, and thus direct their efforts to develop features that satisfy the needs of their target customers and alter their business model to promote factors that have a positive influence on mobile banking adoption.

This study is structured as follows. First, the rationale of the study is mentioned. The second section discusses the literature review, which will present related empirical studies. The mobile banking situation in Thailand as well as related literature on cross-cultural influences is also discussed in this section. In the third section, a theoretical framework, a research model, and hypotheses are proposed. The forth section presents the data and analytical model with the results. The fifth section is the conclusion. Practical implication is also discussed in this section.
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