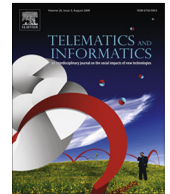




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Mobile banking adoption: A literature review



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ABSTRACT

Electronic commerce (e-commerce) continues to have a profound impact on the global business environment, but technologies and applications also have begun to focus more on mobile computing, the wireless Web, and mobile commerce. Against this backdrop, mobile banking (m-banking) has emerged as an important distribution channel, with considerable research devoted to its adoption. However, this research stream has lacked a clear roadmap or agenda. Therefore, the present article analyzes and synthesizes existing studies of m-banking adoption and maps the major theories that researchers have used to predict consumer intentions to adopt it. The findings indicate that the m-banking adoption literature is fragmented, though it commonly relies on the technology acceptance model and its modifications, revealing that compatibility (with lifestyle and device), perceived usefulness, and attitude are the most significant drivers of intentions to adopt m-banking services in developed and developing countries. Moreover, the extant literature appears limited by its narrow focus on SMS banking in developing countries; virtually no studies address the use of m-banking applications via smartphones or tablets or consider the consequences of such usage. This study makes several recommendations for continued research in the area of mobile banking.

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1. Introduction

Mobile banking (m-banking) is among the latest in a series of recent mobile technological wonders. Although automated teller machine (ATM), telephone, and Internet banking offer effective delivery channels for traditional banking products, but as the newest delivery channel established by retail and microfinance banks in many developed and developing countries, m-banking is likely to have significant effects on the market (Safeena et al., 2012). In particular, the expanded uses of smartphones has increased demand for m-banking services, prompting many more banks, microfinance institutions, software houses, and service providers to offer this innovative service together with new sets of products and applications designed to extend their client reach (including to unbanked populations), improve customer retention, enhance operational efficiency, increase market share, and provide new employment opportunities (Shaikh, 2013).

Despite such benefits, the use of mobile phones or tablets to conduct banking transactions or access financial information is not as widespread as might be expected (e.g., Dineshwar and Steven, 2013; Luarn and Lin, 2005; Shih et al., 2010), as demonstrated by popular media reports (e.g., Accenture, 2013). Juniper Research (2013) has revealed that more than 1 billion people are expected to use m-banking globally by 2017, but that level represents only 15% of the global mobile subscription base—a base that accounts for approximately 96% of the world's population (International Telecommunication Union, 2011). In addition, approximately half of all mobile subscribers remain unbanked, with limited access to traditional financial services, as Table 1 reveals.

These trends suggest that significant growth opportunities remain, leading to predictions of potentially massive increases in the number of m-banking users. These figures also warrant further investigations of any persistent adoption issues in m-banking, especially in the case of mobile subscribers.

Several studies analyze m-banking and associated factors that influence consumers' adoption of it, using both qualitative and quantitative methods. Despite considerable research on m-banking adoption that has appeared in international journals across disciplines, a review of literature on m-banking adoption remains missing. Such a review represents an important milestone in the development of a research field. It provides an opportunity to step back and review the collective intelligence that has been amassed from an eclectic body of research that uses various samples, methods, and theories. This effort is particularly important when the findings of isolated studies contradict one another (Hanafizadeh et al., 2014). This study accordingly seeks to extend the understanding of mobile technologies by undertaking a detailed review of m-banking adoption.

Considering the complexity of mobile technology and the variety of services being offered, this study seeks to contribute to the m-banking literature by exploring and analyzing the current state of knowledge on m-banking and its adoption across various strata of populations living in both developed and developing countries. In so doing, it can unify and synthesize disparate streams of research into a more coherent body of knowledge, as well as identify and discuss the methodologies, frameworks, and models applied in this field. Finally, this study summarizes the major findings and identifies gaps that demand further research. For these efforts, this study relies on the term “participant” to denote the unit of analysis used in any reviewed study. Only factors or antecedents that determine m-banking adoption, pre-adoption, or acceptance appear in this review.

The next section contains a brief overview of m-banking and its definition. After presenting the research methodology, this article outlines the results of the analysis, some conclusions and limitations, and finally, recommendations for research.

2. M-banking

M-banking dates back to the end of the 1990s when the German company Paybox, in collaboration with Deutsche Bank, launched the first service. Initially, it was deployed and tested mostly in European countries: Germany, Spain, Sweden, Austria, and the United Kingdom. Among developing countries, Kenya was the first to introduce a text-based m-banking service, M-Pesa, in 2007. By 2012, there were more than seven million registered M-Pesa users in Kenya. As Veijalainen et al. (2006) argue, the main driving force for the rapid acceptance of small mobile devices is the capability they offer for obtaining services and running applications at any time and any place, including while on the move.

Table 1
M-banking users (International Telecommunication Union, 2011).

Global population	7.100 billion	100%
Mobile phone subscription	6.835 billion	96%
M-banking accounts/users	0.590 billion	8.6%

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