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A STUDY ON FACTORS AFFECTING THE ADOPTION OF MOBILE BANKING AMONG USERS

Pramarambigai V J [1] ,Swetha V P [2]

Student[1], Assistant professor[2]
Master of Business Administration[12]
Panimalar Engineering college[12]
Ponnamallee, Chennai.

ABSTRACT :

This study examines consumer acceptance of mobile banking and digital payments amid rapid digital transformation. It addresses challenges such as low digital literacy, trust issues, and limited user awareness, while highlighting key adoption factors like convenience, security, and ease of use. Data on transaction efficiency, usage patterns, and satisfaction levels were collected through structured questionnaires. Statistical tools including H-test, u-test, CFA, chi-square, percentage analysis, and weighted average analysis were used. The findings reveal positive user attitudes but note existing barriers, recommending improved trust-building, user support, and platform usability.

1. INTRODUCTION

With advancements in technology and rising smartphone use, the banking industry has undergone major changes, especially through mobile banking. This innovation enables users to manage finances anytime, anywhere, offering efficiency, accessibility, and ease of use. However, adoption varies by user group and region due to factors like perceived security, digital literacy, internet access, and ease of use. Challenges include limited awareness, privacy concerns, poor rural infrastructure, and affordability of internet services. This study explores key factors influencing mobile banking adoption and provides suggestions to enhance user engagement and financial inclusion.

2. OBJECTIVES OF STUDY

- To evaluate user adoption of mobile banking in relation to simplicity of use.
- To assess how security and trust influence consumers' readiness to use mobile banking tools.
- To examine consumer satisfaction in relation to mobile banking acceptance.
- To find the supposed hazards connected to mobile banking and their influence on user adoption.

3. RESEARCH METHODOLOGY

Element	**Details**
Research Design	Descriptive
Data Type	Primary Data
Data Collection Tool	Structured Questionnaire
Sample Size	174 Respondents
Sampling Technique	Convenience Sampling
Analysis Tools	Percentage Analysis, Chi-Square Test, Weighted Average, CFA, H-TEST, U-TEST.

4. REVIEW OF LITERATURE

Naveed Razaqat Ahmad (2025); By overcoming conventional banking restrictions, digital banking is driving financial inclusion in developing countries. Services like digital wallets and mobile banking give underprivileged groups access to payments, credit, and savings. This study emphasizes how transforming digital banking is in empowering women and promoting financial equity by means of qualitative techniques including surveys and interviews. The results support its influence in transforming conventional banking systems.

Adel M. Qatawneh, Mohammed Hassan Makhlouf (2025); This paper investigates the impact of Smart Mobile Banking Services (SMBS) — including convenience, security, trust, and ease of use — on the intention of top clients (aged 60+) to adopt banking apps. Data gathered from 306 respondents using structured questionnaires was quantitative, and SPSS was used to examine it with a consistent Cronbach's alpha above 0.70. Results showed that main SMBS characteristics influencing user intention were trust and simplicity of use; digital accounting improves stability, security, and content validity. Supported was the hypothesis ($R^2 = 0.73$, $p = 0.5$). Among practical suggestions are improving digital accounting to raise acceptance.

Anas Ali Al-Qudah, Manaf Al-Okaily, Gssan Alqudah & Anas Ghazlat (2024). This paper examines the intention to use the Apple Wallet mobile payment system in the UAE among COVID-19 and digital transformation Using structural equation modeling, a study of 422 respondents finds that mobile user skilfulness is the best predictor of adoption, followed by perceived usefulness and convenience. The UAE's high Cybersecurity Index weakly negative affects perceived risk. The results draw attention to important elements behind the acceptance of mobile payments in a fast changing digital scene.

Y Chauhan, P Sharma (2024); This paper analyzes research trends, methodologies, and theoretical frameworks in a thorough review of newly developing digital payment technologies. Key works from India, China, the USA, Malaysia, and Indonesia are highlighted in data from Scopus, Web of Science, EBSCO, and Elsevier. Common approaches are surveys and quantitative methods; the most often used frameworks are UTAUT and TAM. Along with addressing future research directions for academics, the study notes main themes including adoption, use, engagement, and infrastructure.

Aulia Rahmi, Putu Wiri Handayani (2024); This study investigates elements affecting mobile banking adoption in Indonesia. Important elements are health consciousness, resource availability, personal inventiveness, and judged information quality. It underlines how stages of adoption affect one another. Practical advice mostly addresses infrastructure readiness, security, laws, and user experience. For a fresh viewpoint, the paper combines the e-government adoption model with CRM model.

5. DATA ANALYSIS & INTERPRETATION

Demographic Variable	Category	NO.OF. Respondents	% of Respondents
Gender	Male	95	55%
	Female	79	45%
Age Group	18–25	26	15%
	26–35	67	39%
	36–45	60	34%
	46-55	17	10%
	56& above	4	2%
Education Level	Undergraduate	68	39%
	Graduate	97	56%
	Postgraduate	9	5%
Income level	Below 10,000	4	2%
	10,000 – 25,000	31	19%
	25001- 50,000	48	28%
	50,001- 1,00,000	58	33%
	ABOVE 1,00,000	32	18%

HYPOTHESIS

Null hypothesis Ho: There is no significance difference between mean ranks of age with respect of Easy to use, Trust & security, User satisfaction, Perceived risk, Mobile banking widely used in future.
Alternative hypothesis H1: There is significance difference between mean ranks age with respect of Easy to use, Trust & security, User satisfaction, Perceived risk, Mobile banking widely used in future**.**

H-TEST

Test Statistics[a,b]					
	Easy to use	Trust and security	Perceived risk	User satisfaction	Widely used in future
Chi-Square	.865	2.213	.882	1.302	4.636
df	4	4	4	4	4
Asymp. Sig.	.930	.697	.927	.861	.327
a. Kruskal Wallis Test					
b. Grouping Variable: age					

INFERENCE

The p value > 0.05, null hypothesis is accepted. There is no significant difference between mean ranks of age with respect of easy to use, trust & security, user satisfaction, perceived risk and mobile banking widely used in future**.**

MANN-WHITNEY U-TEST

Test Statistics[a]					
	Easy to use	Trust and security	Perceived risk	User satisfaction	Widely used in future
Mann-Whitney U	3.741E3	3.696E3	3.630E3	3370.500	3.712E3
Wilcoxon W	6.901E3	6.856E3	8.190E3	7930.500	6.872E3
Z	-.036	-.181	-.378	-1.193	-.185
Asymp. Sig. (2-tailed)	.971	.856	.706	.233	.853
a. Grouping Variable: gender					

INFERENCE

The p value > 0.05, null hypothesis is accepted. There is no significant difference between mean ranks of age with respect of easy to use, trust & security, user satisfaction, perceived risk and mobile banking widely used in future.

CHI-SQUARE

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.353[a]	4	.852
Likelihood Ratio	2.060	4	.725
Linear-by-Linear Association	.007	1	.934
N of Valid Cases	174		
a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is .74.			

INFERENCE

The p value > 0.05, Null hypothesis is accepted, There is no significance difference between income level of respondents with respect of mobile banking will become more widely used in the future.

CONFIRMATORY FACTOR ANALYSIS (CFA)

Factor analysis was carried out to reduce the number of variables under study. The overall aim is to identify latent variables that may influence implementation of Green HRM. The model fit indices used to evaluate the model's overall fit are CMIN (Chi square p value), Chi square Degrees of Freedom, CFI (Comparative Fit Index), TLI (Tucker Lewis Index) and RMSEA (Root Mean Square of Approximation).

TABLE SHOWING THE GOODNESS OF FIT TEST FOR THE CFA

MEASURE	ESTIMATE	THRESHOLD	INTERPRETATION
CMIN	103.102	--	--
DF	95	--	--
CMIN/ DF	1.085	Between 1 to 3	Excellent
CFI	0.959	>0.95	Excellent
SRMR	0.0612	<0.08	Excellent
RMSEA	0.022	<0.06	Excellent
PCLOSE	0.969	>0.05	Excellent

INFERENCE

The Chi square value is 103.102 and the degrees of freedom for the particular model is 95.

- The CMIN value is 103.102. It is clear that the Chi square value is greater than the reference range 0.05
- The chi-Square/ Degrees of Freedom: CMIN/DF is 1.085. The ratio is below 5 suggesting a good model fit.
- The Standardized Root Mean Square (SRMS) is 0.0612 which is lesser than 0.08 hence indicating a fit.
- The Root Mean Square Error of Approximation (RMSEA)- 0.022, The RMSEA less than 0.06 which is acceptable and good model fitness which was achieved after conducting modification indices.
- Therefore from the above it is clear that the model fitness has improved significantly

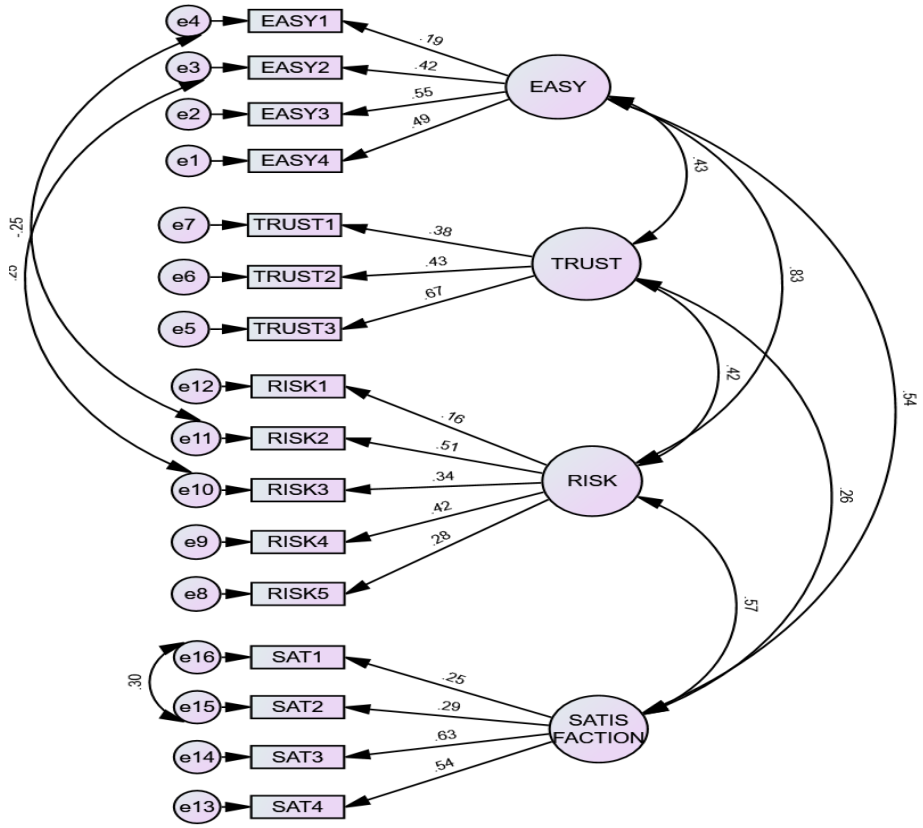
TABLE SHOWING STATEMENTS ACCEPTED OR REJECTED

	Accepted / Rejected
Mobile banking are user-friendly	Rejected
Banking app is easy to navigate	Accepted
Banking app is easy to navigate	Accepted
Mobile banking service offers smooth and hassle free experience.	Accepted
Adequate fraud protection	Accepted
Safe and secure of financial transaction	Accepted
Financial data are well protected when using mobile banking.	Accepted
Sufficient security to protect personal information.	Accepted
Mobile banking platform can handle technical issues effectively.	Accepted
Mobile banking promptly notify suspicious activity.	Accepted
Mobile banking protects from unauthorized access.	Accepted
Mobile banking platform is regularly updated for security and protection.	Accepted
Mobile banking increase overall satisfaction	Accepted
Mobile banking saves time than traditional banking	Accepted
Mobile banking transactions are easier their daily life.	Accepted
Mobile banking services control financial transaction.	Accepted

INFERENCE

Factor loading values for all indicators in the measurement model is between 0.3 to 0.7 which is moderate. The EASY 1 variable had a significant residual covariance with other variables in model, indicating that it may not been adequately accounted for by the underlying factors. Removing this variable has led to better fitting model, suggesting that the remaining variables more accurately represent the latent constructs being measured. Based on the residual covariance and model fit measures recommendation, the EASY 1 variable has be removed to better fit the model. In order to make EASY 1 fit the model, consider refining EASY 1 to better align with the model by gathering additional data, reducing its construct or exploring alternative measurement techniques.

FINAL CFA MODEL WITH STANDARDISED FACTOR LOADING



INFERENCE

- From the above indices, The CFA model appears to have a good to excellent fit to the data, as all the indices meet their respective criteria.
- This indicates that the proposed model is a good representation of the underlying data structure.
- Based on the structured model, it is possible to conclude that Mobile Banking App Usability, Security, User Experience, and Trust are statistically significant. This means that Mobile Banking App Usability has a significant influence on User Experience, Security, and Trust; Security has a significant influence on Mobile Banking App Usability, User Experience, and Trust; User Experience has a significant influence on Mobile Banking App Usability, Security, and Trust; and Trust has a significant influence on Mobile Banking App Usability, Security, and User Experience.

6. SUMMARY OF FINDINGS

- Factor loading values for all indicators in the measurement model is between 0.3 to 0.7 which is moderate. The EASY 1 variable had a significant residual covariance with other variables in model, indicating that it may not been adequately accounted for by the underlying factors. Removing this variable has led to better fitting model, suggesting that the remaining variables more accurately represent the latent constructs being measured. Based on the residual covariance and model fit measures recommendation, the EASY 1 variable has be removed to better fit the model. In order to make EASY 1 fit the model, consider refining EASY 1 to better align with the model by gathering additional data, reducing its construct or exploring alternative measurement techniques.
- From the above indices, The CFA model appears to have a good to excellent fit to the data, as all the indices meet their respective criteria.
- The p value > 0.05, null hypothesis is accepted. There is no significant difference between mean ranks of age with respect of easy to use, trust & security, user satisfaction, perceived risk and mobile banking widely used in future**.**
- The p value > 0.05, null hypothesis is accepted. There is no significant difference between mean ranks of age with respect of easy to use, trust & security, user satisfaction, perceived risk and mobile banking widely used in future.
- The p value > 0.05, Null hypothesis is accepted, There is no significance difference between income level of respondents with respect of mobile banking will become more widely used in the future.

7. SUGGESSTION

- Frequent awareness campaigns and training courses inside the company will help staff members understand the advantages and features of mobile banking. This will boost confidence in using digital platforms and help to lower uncertainty.
- Motivational satisfied users should inspire colleagues to share their great experiences. Influencing others to try out new technologies depends mostly on peer recommendations.
- Frequent awareness campaigns and training courses inside the company will help staff members understand the advantages and features of mobile banking. This will help to lower uncertainty and boost confidence in using digital platforms.

8. CONCLUSION

The research looks at elements affecting mobile banking and digital payment acceptance. While security issues and lack of knowledge remain main obstacles, convenience, speed, and simplicity of use inspire adoption. Still, consistent use shows a good trend. The research underlines the need of user support and instruction. Trust might be raised with better awareness, customer service, and simplified interfaces. Appropriate policies will help to increase adoption rates, so supporting digital financial inclusion.

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