

Current Status of Mobile Banking Services in Jordan

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Abstract: Nowadays, the development of mobile technologies has offered the best opportunity for financial service providers to launch new innovations. One of the promising innovations created by financial providers is mobile banking. This study has conducted a survey to know the current status of mobile banking in Jordan, also to obtain new insights with regard to the factors that can prevent or motivate the adoption of mobile banking among suburban customers in Jordan. The results have shown that only 8 % of the Jordanian banking consumers have used their banking transactions via mobile banking services. In addition, most banking customers believe that they can do their banking transactions without mobile banking (79%).

Key words: Mobile banking • Trust • Suburban areas • Financial services • Mobile phone

INTRUCTION

Globally, the rapid advancement of information technology has impacted the banking sector. An effect of information technology in banking is the new innovation which is mobile banking. According to [1] mobile banking means that we can access our bank or credit union account using a mobile phone. This can be performed through the web browser on mobile phone, via texting, or by using an application downloaded to the mobile device. The mobile phone is considered an additional channel for banks to expand, which allow consumers to perform electronic transactions, such as balance inquiry, funds transfer, payment of bills via mobile devices from anywhere at any time [2-4].

The spread in mobile banking can be attributed to the high ability of technology to launch a diversity of financial services over a large geographical distance, especially where there is a difficulty concerning internet connections, or where creation branches are not easy and unproductive [5]. However, attracting customers to use mobile banking services may not be a simple process [6, 7]. In this context, many researchers have investigated the adoption of mobile banking services universally and concluded that many countries are still suffering from low-level customer adoption of mobile banking services [8, 9].

Therefore, the current study aims to measure the adoption rate of mobile banking services, also to obtain new insights into the factors that can prevent or motivate

the adoption of mobile banking among suburban customers in Jordan. It is hoped that the findings of this study will extend the present knowledge on the acceptance of mobile banking.

Litreature Review: In recent years, many researchers have investigated the adoption of mobile banking services universally and concluded that many countries are still suffering from low-level customer adoption of mobile banking services [8, 9, 10, 11]. Hanafizadeh *et al.* [10] conducted a study on factors affecting the adoption of mobile banking services in Iran. The results showed that perceived usefulness, perceived ease of use, perceived risk, the need for interaction, perceived cost, perceived credibility, compatibility with life style and trust have a positive impact on the adoption of mobile banking.

A study conducted by [12] attempted to identify factors that affect the intention to use mobile financial services. The findings showed that risk, tradition and relative advantage did not have any significant effect on the intention to use mobile financial services. In return, system quality, compatibility, trialability, trust and perceived enjoyment have a significant effect on the intention to use. In addition, system quality has a positive effect on trust. [13] combined the Unified Theory of Acceptance and Use of Technology2 (UTAUT2) with cultural moderators from [14] to provide new insights into factors affecting the acceptance and how culture influences individual use behavior. The findings showed that performance expectancy, hedonic motivation and

habit were found to be statistically significant in explaining behavioral intention, also habit was statistically significant in use behavior. In contrast, effort expectancy, social influence and price value did not have any statistical significance. Also, the effect of behavior intention on use behavior was not found to be statistically significant.

MATERIALS AND METHODS

A survey was conducted to gather data about the current status of mobile banking services in suburban areas in Jordan, using a convenience sample of Jordanian banking customers from three main cities in the north of Jordan: Irbid, Jerash and Ajlun. The survey contains three sections; the first section presents the demographic profiles of respondents (gender, age, annual income and education level). The second section shows the current status of mobile banking services. Finally, section three shows the main reasons that prevent or motivate banking customers to use mobile banking services. The items of the survey were drawn from previous literature such as [15, 16]

Using the back translation method [17] the survey was converted into the Arabic language, due to the fact that Arabic is the official language of the respondents (Jordanian banking customers in suburban areas). Then, the survey was distributed to fifteen postgraduate students in Jordanian universities to provide any comments about it and to avoid any contradictions or confusions before conducting the survey. Obviously, they indicated that the language of the survey was clear and filling it was not time-consuming. Out of 550 surveys, three hundred and thirteen (56.9% response rate) completed surveys were accepted for statistical analysis. Statistical Package for the Social Sciences (SPSS) version 19 was used to analyze the data. The data of the current study were gathered from February to March 2016.

RESULTS AND DISSCUSION

The study sample's characteristics showed that more than half of respondents were male (57%), while female were (43%). Concerning the age, the age range of the respondents is between 20 and 29 (45%). This age group has the greatest potential to be users of mobile banking due to the familiarity with the newest mobile technologies [18]. In terms of the education level, most of the respondents have a bachelor degree or above (87%); Table 1 summarizes the results.

Table 1: Characteristics of the study sample

Gender	No	%
Male	178	57%
Female	135	43%
Age	No	%
Below than 19	8	2%
20-29	141	45%
30-39	112	36%
40-49	37	12%
50-59	10	3%
60 or over	5	2%
Annual income	No	%
Below than 5000\$	33	10%
5000-6000\$	134	43%
6000-7000\$	90	29%
7000-8000\$	40	13%
8000-9000\$	11	3%
Above than 9000\$	5	2%
Education level	No	%
High school	26	8%
Diploma degree	17	5%
Bachelor degree	228	73%
Master degree	36	12%
Doctoral degree	6	2%
Total	313	100%

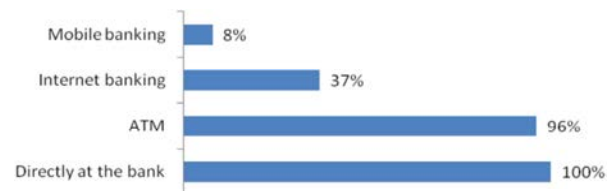


Fig. 1: Preferred Financial banking transactions among Jordanian banking customers



Fig. 2: Knowledge of customers about mobile banking services provided by their banks

Findings from the survey confirmed that the usage of mobile banking services among customers in Jordan is still low. The findings showed that only 8 % of the Jordanian banking consumers have used their banking transactions via mobile banking services as presented in

Table 2: Factors preventing customers from using mobile banking services

Factors	Frequency	%
My banking needs are met without mobile banking	230	79%
I do not see any reason to use mobile banking	192	66%
I do not trust the technology	98	34%
Mobile banking is not compatible with my life style	84	29%
I do not perform any banking transactions in my house	73	25%
It is too difficult to use mobile banking	67	23%
I am concerned about the security of mobile banking	63	22%
The mobile phone screen is too small	57	20%
I do not find it fun to use the technology	45	15%
No training is given by the bank to use mobile banking	45	15%
The bank does not offer any mobile banking services	18	6%
I don't know about the existence of mobile banking	14	4%

Number of respondents was 290

Table 3: Factors motivating customers to use mobile banking services

Factors	Frequency	%
I can do mobile banking anywhere and anytime	20	87%
Mobile banking make my banking transactions easier	18	78%
I trust the technology	13	57%
Mobile banking is compatible with my life style	13	57%
I find security in mobile banking	11	48%
Mobile banking is easy to use	10	43%
I do the banking transactions in my house	7	3%
I find it fun when using technology	4	2%

Number of respondents was 23

Figure 1, also 26 % of banking consumers did not know about the mobile banking services provided by their banks (as presented in Figure 2), while 12% of customers answered that their banks do not offer this service. These findings are similar to an earlier survey findings conducted by [19].

The researchers attempted to discover the strongest reasons that prevent customers from using mobile banking services. Noticeably, most of banking customers believed that they can do their banking transactions without mobile banking (79%), also (66%) did not see any reason to use mobile banking; Table 2 summarizes the main results. For another question directed at mobile banking users, they asked about reasons which motivate them to use mobile banking services. Out of 23 respondents, 20 customers believed that they can do mobile banking anywhere and anytime, also 18 of them saw that mobile banking makes their banking transactions easier, as presented in Table 3.

Based on Table 2, the survey strongly confirmed that Jordanian customers are still unconvinced about using mobile banking services. Noticeably, two reasons obtained the highest percentage among customers: customers banking needs are met without mobile banking, banking customers do not see any reason why they should use mobile banking services, possibly due to the

lack of interest, training, promotion by the banks to their customers to disseminate the benefits of using mobile banking services, hence to encourage them to use mobile banking services [20].

In addition, the lack of trust, compatibility with life style and security are found to be important reasons why customers do not use mobile banking. These reasons were repeatedly examined by researchers in the context of mobile banking services, thus the study result confirmed the results of previous studies [2, 10, 12, 21, 22].

Another important factor that prevents users from using mobile banking; is that mobile phone is limited by small screen size and improper keyboard, which may be distinct from those of the other banking channels such as the ATM and internet banking. Therefore, the banking sector should be able to develop an interesting innovative user interface design and it must be compatible with client needs so the use of mobile banking application can be incited [19].

CONCLUSION

The idea of this study is to recognize a better understanding of the main drivers which motivate or prevent bank customers towards using mobile banking services. The results indicate that the level of using

mobile banking services in Jordan is still very low. Just about 8 % of the Jordanian banking consumers have used their banking transactions via mobile banking services. In addition, most of banking customers believed that they can do their banking transactions without mobile banking (79%). Therefore, understanding the factors that affect the intention to use mobile banking can affect its acceptance. The results in this study provide insights to banks in Jordan to promote the use of mobile banking. In order to attain this, it is vital for banks to consider the reasons found by this study to affect the use of mobile banking. These important reasons can be used to make good promotional mix strategies to boost the use of mobile banking among the customers of Jordanian banks.

Limitations and Future Research Directions: This study is restricted by some limitations and they are as follows. First of all, this study merely investigates mobile banking, which may negatively reflect on the findings' generalisability to other online banking channels. Hence, future research should take into account other channels such as tele-banking and Internet banking. Secondly, there are other reasons that have not been mentioned and should be tested by future researches such as financial limitations to get Internet connection, user interface design in the mobile banking application and the lack of proper keyboard on mobile phones. Thirdly, this study has been managed in Jordan so it is difficult to generalize the current results; future researches can apply comparative studies by taking into account cultural, technological and human differences between the developing and developed countries.

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