

# The Role of Trust and Technology Acceptance Model(TAM) on Customer Acceptance of Mobile Banking: An Integrated Model to Improve Mobile Banking in Banking Sector-A Conceptual Paper

*R. K. Srivastava, SYDENHAM Institute of Management Studies and Research and Entrepreneurship Education, B-ROAD, Churchgate, Mumbai, India*

*Sindhu Singh, K. J. Somaiya Institute of Management Studies and Research, Vidyavihar, Mumbai, India*

*Vivek Srivastava, CISCO Systems, Inc., San Jose, CA, USA*

---

## ABSTRACT

*This paper studies the need to integrate trust and Technology acceptance model (TAM) to understand the behaviour intention of the customer to use mobile banking. The present study focuses through literature review on trust related antecedents and technology related constructs and its influence on customer decision. It covers disposition to trust, institution-based trust, cognitive-base trust, security and privacy as five potential antecedents of trust. The study concludes that two technology attributes which are perceived ease of use and perceived usefulness to be beneficial for the usage of mobile banking. It suggests an integrated model that incorporates the five trust antecedents and two technology-related antecedents on its influence on customers' decision to use mobile banking.*

*Keywords: Mobile Banking, Privacy, Security, Technology Acceptance Model (TAM), Trust*

---

## 1. INTRODUCTION

The wireless technology and the large penetration of mobile devices have created tremendous business opportunities. The mobile device enables a customer to do the banking opera-

tion at anytime and anywhere. The introduction of smart phones and high speed internet made customer to access various services and information at anywhere. Banks offers a wide variety of services through mobile devices, but only few percentages of people have accepted to

DOI: 10.4018/jabim.2013010104

use these services. Even though the technology and required services are available, the usage rate of mobile banking is very low. Mobile banking is new to the customer even today in emerging market. Therefore, it is important to attract customers to use these services. The new system should be less complicated and useful for day to day activities. This will help the customers to use mobile banking service. In emerging markets, banking facilities of any type are often in short supply; particularly in remote rural areas where traditional banking services are too expensive to serve low-income customers. One of the most noteworthy examples of a new entrant meeting the unfulfilled banking needs of rural populations is mobile banking. Products should be developed to simplify sales, back-office and information technology (IT) processes. Branch networks can be reshaped to reflect a better mix of multi-channel services and offerings. Direct channels such as mobile banking and mobile payments can be deployed wherever appropriate to reduce the cost to serve. While mobile banking has become an integral part of banking activities, it has also caused systems-related stress and consequent distrust among mobile banking users. *This study looks into the phenomenon of technology adoption for mobile banking users and identifies potential factors that nurture positive intentions toward mobile banking usage.* It also examines the effects of a customer's mobile experience and technical support on mobile banking acceptance and explains how some variables affect this intention. To understand the customer acceptance, this study aims to focus on the role of trust and the impact of technology to use the mobile banking service. They were selected because as they could be important variables for acceptance of the usage of mobile banking

### **1.1. Role of Trust in Acceptance of Mobile Banking:**

Trust is a central construct in the study of commercial transactions. Trust plays an important part in both offline and online commercial transactions (Yoon, 2002). Existing research (Gefen, 2000; Gefen et al., 2003; Jarvenpaa et

al., 2000; Gefen & Straub, 2003; Pavlou, 2003) have identified that trust plays a major role to attract new customers as well as retaining the existing customers to any business. In mobile banking, the primary interface with the bank is an information technology (IT), a small screen provided by the mobile device. This study incorporates the perceived technological attributes of IT as an additional set of explanatory variable to understand the usage pattern of customers.

Many researchers (Davis, 1989; Venkatesh & Davis, 2000; Gefen et al., 2003) have already studied ICT (Information and Communication Technology) end users' adoption and acceptance of different kinds of ICT systems and applications. The Technology Acceptance Model (TAM), is the predominant model used to study the technology adoption of end user (Davis, 1989). According to this model, perceived usefulness and perceived ease of use are the two primary determinants of any technology adoption. *The primary objective of this research is to integrate trust based antecedents and the technological attribute-based antecedents found in TAM into a theoretical model.*

## **2. LITERATURE REVIEW**

### **2.1. Mobile Banking**

Mobile banking is considered to be one of the most value-added and important mobile commerce applications currently available (Lee et al., 2003, Varshney & Veter, 2002). Mobile banking services allow customers to check account balances, transfer funds between accounts and order for electronic bill payments. There is vast market potential for mobile banking due to its always on functionality and the option to bank virtually any time and anywhere. The mobile phone especially supports the provision of time-critical information, like for trading in stocks or if of acute need for money transfer or request of account balance. The key players for mobile financial applications include banks and other financial institutions such as credit card companies, mobile operators and retailers (Mallat et al., 2004). The customer considers

11 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the product's webpage:

[www.igi-global.com/article/role-trust-technology-acceptance-modeltam/78162?camid=4v1](http://www.igi-global.com/article/role-trust-technology-acceptance-modeltam/78162?camid=4v1)

This title is available in InfoSci-Journals, InfoSci-Journal Disciplines Business, Administration, and Management.

Recommend this product to your librarian:

[www.igi-global.com/e-resources/library-recommendation/?id=2](http://www.igi-global.com/e-resources/library-recommendation/?id=2)

## Related Content

---

### The Critical Success Factors of Agricultural Cooperatives in Mekong River Delta, Vietnam

Binh Cong Nguyen, Biao Jun Zhang and Zhi Liu (2014). *International Journal of Asian Business and Information Management* (pp. 1-13).

[www.igi-global.com/article/the-critical-success-factors-of-agricultural-cooperatives-in-mekong-river-delta-vietnam/126501?camid=4v1a](http://www.igi-global.com/article/the-critical-success-factors-of-agricultural-cooperatives-in-mekong-river-delta-vietnam/126501?camid=4v1a)

### Impact of Structures on Knowledge Contribution in Virtual Organizations: The Asian Case

Xi Zhang (2011). *International Journal of Asian Business and Information Management* (pp. 40-53).

[www.igi-global.com/article/impact-structures-knowledge-contribution-virtual/58499?camid=4v1a](http://www.igi-global.com/article/impact-structures-knowledge-contribution-virtual/58499?camid=4v1a)

### Creating a Chinese "Miele"? Asymmetries in the Consumer Perception of Chinese and German Brands

Cora F. Jungbluth (2010). *International Journal of Asian Business and Information Management* (pp. 30-42).

[www.igi-global.com/article/creating-chinese-miele-asymmetries-consumer/49553?camid=4v1a](http://www.igi-global.com/article/creating-chinese-miele-asymmetries-consumer/49553?camid=4v1a)

## A Strategic Model for Entering African Markets

(2014). *Emerging Business Opportunities in Africa: Market Entry, Competitive Strategy, and the Promotion of Foreign Direct Investments* (pp. 167-196).

[www.igi-global.com/chapter/a-strategic-model-for-entering-african-markets/80144?camid=4v1a](http://www.igi-global.com/chapter/a-strategic-model-for-entering-african-markets/80144?camid=4v1a)