

**DEVELOPMENT OF A MOBILE CASH ACCEPTANCE  
MODEL: STRUCTURAL EQUATION APPROACH**

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Dissertation submitted in partial fulfillment of the requirements for the degree of  
Master of Science in Business Statistics

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Sri Lanka

June 2018

## DECLARATION

I declare that this is my own work and this dissertation does not incorporate without acknowledgement any material previously submitted for a Degree or Diploma in any other University or institute of higher learning and to the best of my knowledge and belief it does not contain any material previously published or written by another person except where the acknowledgement is made in the text.

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The above candidate has carried out research for the Masters dissertation under my supervision.

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## ABSTRACT

### **Development of a mobile cash acceptance model: structural equation approach**

This study intends to develop a conceptual model integrating the dimensions of mobile service quality (MSQ) in to other determinants of usage intension (UI) of Mobile Cash (MC) services using Partial Least Square – Structural Equation Modeling (PLS-SEM). The Extended Unified Theory of Acceptance and Use of Technology (UTAUT2) has been selected as the theoretical base for the study. Considering both functional and technical quality aspects of MSQ, seven dimensions have been used (Reliability (REL), Responsiveness (RES), Assurance (ASU), Empathy (EMP), Tangibles (TAN), Convenience (CON), and Customer Perceived Network Quality (NQT)). A survey was carried out in a Higher Education Institute with a sample of 272 MC users. The measurement model assessment has revealed an adequate level of reliability, and validity in the measurement instrument. Therefore, eight different models have been formulated and tested using PLS-SEM to identify a statistically significant model. The standardized root mean square residual (SRMR) used as the determinant of model goodness of fit and bootstrapping procedures were used to determine the significant paths within each model. Based on the indications of the Recommended model, it was concluded that only five UTAUT2 variables (Performance Expectancy, Social Influence, Facilitating Conditions, Price Value and Habit) have direct effects ( $p < 0.05$ ) on UI and only the six dimensions that represent the functional quality aspect of MSQ (RES, ASU, CON, TAN, EMP and REL) have shown significant indirect effects ( $p < 0.05$ ) on UI where RES alone showed a negative effect. Since the technical quality dimension (NQT) did not show any significant effect on UI, the service providers are recommended to pay more attention on the functional quality rather than technical quality to improve future usage of Mobile cash services.

Key words: Mobile Cash Services, Mobile Service Quality, PLS-SEM, Usage Intension, UTAUT2

## **DEDICATION**

This dissertation is dedicated to my beloved mother and all my dearest teachers for teaching me the very difficult subject of life

## **ACKNOWLEDGEMENTS**

First of all I would like to convey my gratitude to my supervisor, Dr. P.M. Edirisinghe, Senior Lecturer, Department of Mathematics, Faculty of Engineering, University of Moratuwa for the encouragement, guidance and support extended throughout the project.

I also would like to pay my sincere gratitude to Prof. T. S. G. Peiris, Professor in Applied Statistics and Head of the Department of Mathematics, Faculty of Engineering, University of Moratuwa for the inspiration, guidance and support extended throughout the course. I would further like to extend my gratitude to Mrs. H.V.S. De Silva for the guidance and support provided as the course coordinator of the Degree Program of M.Sc in Business Statistics,

Moreover, I gratefully acknowledge all the lectures for their advisees and instructions during the course. Furthermore, I would like to thank non-academic staff of the Department of Mathematics, University of Moratuwa for their invaluable help and support.

At last but not least, I would like to thank all my family members, friends and all others who helped me in numerous ways in completing this research.

A.M.A.S.M. Bandara

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## LIST OF ABBREVIATIONS

AVE	Average Variance Extracted
CMV	Common Method Variance
GoF	Goodness of Fit
HTMT	Heterotrait-Monotrait Ratio
IT	Information Technology
MMT	Mobile Money Transfer
MP	Mobile Payments
MSP	Mobile Service Provider
PLS	Partial Least Squares
SEM	Structural Equation Modelling
SQ	Service Quality
SRMR	Standardized Root Mean Square Residual
TAM	Technology Acceptance Model
TRA	Theory of Reasoned Action
TRCSL	Telecommunication Regulatory Commission of Sri Lanka
UTAUT	Unified Theory of Acceptance and Use of Technology
UTAUT2	Extended Unified Theory of Acceptance and Use of Technology
VAS	Value Added Services

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