FACTORS AFFECTING THE ADOPTION OF MOBILE MONEY PAYMENT SYSTEM IN SRI LANKA

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Degree of Master of Business Administration in Information Technology

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Thesis submitted in partial fulfillment of the requirements for the degree of Master of Business Administration in Information Technology

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DECLARATION

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

…………………………..                                                   …………………………..

Dr. Malaka J. Walpolo                                                   Date
ABSTRACT

Mobile money has become a major technology which makes a great impact in improving the livelihood of people by further extending the financial facilities. There is a lower demand for the mobile money services in Sri Lanka when compared with other countries. Therefore, it’s very important to identify the factors which influence the behavioral intention of users and non-users to use mobile money.

The main objective of this study was to identify the factors affecting the adoption of mobile money payment system in Sri Lanka. Quantitative research methodology was used to conduct the research. Seven factors were considered; perceived usefulness, perceived ease of use, perceived cost, perceived credibility, facilitating conditions, awareness and promotions in order to develop research model for the study. This conceptual model is based on the concepts proposed by theoretical models such as Technology Acceptance Model (TAM), Theory of Reasoned Action (TRA), Trust Enhanced Technology Acceptance Model and Unified Theory of Acceptance and Use of Technology (UTAUT) Model.

The target population for this study was the mobile money users and non-users who use mobile phones in Sri Lanka. Based on the conceptual model, hypotheses were defined and two questionnaires were distributed among mobile money users and non-users separately. There were 385 effective responses from mobile money-non users and 102 responses from mobile money users for this study after eliminating incomplete responses. According to the binary logistic regression, perceived credibility and perceived cost are the most significant factors affect for the behavioral intention of users to use mobile money continuously. In addition, facilitating conditions, awareness, education qualification and occupation affect for the behavioral intention of non-users to use mobile money in future.

Based on the research findings, mobile money service providers should enhance the trust of the users on the mobile money services, make fair charges, and ensure the sufficient mobile money outlets and merchants who accept mobile money. Further, they should enhance the awareness on mobile money services.

Keywords: Mobile money, Mobile money transfer, Technology Adoption, Sri Lanka
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<th>Description</th>
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<tbody>
<tr>
<td>ATM</td>
<td>Automated Teller Machine</td>
</tr>
<tr>
<td>B2B</td>
<td>Business to Business</td>
</tr>
<tr>
<td>B2C</td>
<td>Business to Consumer</td>
</tr>
<tr>
<td>IDT</td>
<td>Innovation Diffusion Theory</td>
</tr>
<tr>
<td>IFC</td>
<td>International Finance Corporation</td>
</tr>
<tr>
<td>KYC</td>
<td>Know Your Customer</td>
</tr>
<tr>
<td>LCPL</td>
<td>Lanka Clear (Pvt) Ltd</td>
</tr>
<tr>
<td>MNO</td>
<td>Mobile Network Operator</td>
</tr>
<tr>
<td>NFC</td>
<td>Near Field Communication</td>
</tr>
<tr>
<td>POS</td>
<td>Point of Sale</td>
</tr>
<tr>
<td>RTGS</td>
<td>Real Time Gross Payment System</td>
</tr>
<tr>
<td>SIM</td>
<td>Subscriber Identity Module</td>
</tr>
<tr>
<td>SLIPS</td>
<td>Sri Lanka Interbank Payment System</td>
</tr>
<tr>
<td>SMS</td>
<td>Short Message Service</td>
</tr>
<tr>
<td>TAM</td>
<td>Technology Acceptance Model</td>
</tr>
<tr>
<td>TRA</td>
<td>Theory of Reasoned Action</td>
</tr>
<tr>
<td>USSD</td>
<td>Unstructured Supplementary Service Data</td>
</tr>
<tr>
<td>UTAUT</td>
<td>Unified Theory of Acceptance and Use of Technology</td>
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