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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DECLARATION

I declare that this is my own work and this thesis 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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Dr. Malaka J. Walpola 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 moneys services.

Keywords: Mobile money, Mobile money transfer, Technology Adoption, Sri Lanka

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LIST OF ABBREVIATIONS

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