

IDENTIFICATION OF MOBILE PAYMENT OPPORTUNITIES IN SRI LANKA

By

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Declaration

This thesis is a presentation of my original research work. Wherever contributions of others are involved, every effort is made to indicate them clearly, with due reference to the literature, and acknowledgement of collaborative research and discussions.

The work was done under the guidance of Prof. Sarath Dasanayaka, at the University of Moratuwa, Sri Lanka as a fulfilment of MBA in MOT programme.

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In my capacity as supervisor of the candidate's thesis, I certify that the above statements are true to the best of my knowledge.

Sarath Dasanayaka

Prof. Sarath Dasanayaka

04/01/2011
Date

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Abstract

This study was done with the objectives of identifying mobile payment opportunities in Sri Lanka and finding what factor affects the user acceptance of mobile payments in Sri Lanka. Mobile payments opportunities were identified through finding applications areas mentioned in the literature and qualitatively evaluating their applicability to Sri Lanka. Preferences of end users on those applications were also investigated as a part of questionnaire survey.

Factors affecting user acceptance were listed by referring literature and those factors are grouped in to six main factors: Perceived Usefulness (PU), Perceived Ease of Use (PEOU), Perceived Mobility (PM), Perceived Cost (PC), Perceived Stability (PS), and Product Communication (PCom). First four factors are taken from COMPASS acceptance model suggested by Amberg et al(2004). Other two factors are incorporated to reflect specific needs of evaluating mobile payments. To identify the importance of the factors importance score is calculated for each of the six factors using answers to the questionnaire survey.

Findings of the research indicated Sri Lankan prefer m-pay services that can be used for multiple of applications while providing seamless interoperability between banks and mobile networks. PEOU, PU, PS and PCom were identified as high important factors while PM and PC were identified as medium important factors.

Major limitations of the research were mobile payment services still is at its infant stage so the user responses could have been distorted due to lack of experience in using m-pay services. Also sample was taken only from the western province of Sri Lanka.

The research work is original as it attempts to identify factors affecting the user acceptance of mobile payment services in Sri Lanka based on the COMPASS acceptance model; but study didn't strictly followed the procedures suggested in COMPASS acceptance model. The research outcomes provide insight to what Sri Lankans consumers expects from mobile payments. These findings could be used by mobile payment service providers in implementations of m-pay. Also finding could also be used by regulatory authorities.

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List of Abbreviations

ARPU	Average Revenue Per User
ATM	Automated Teller Machine
BI	Behavioural Intention
BOP	Bottom of the Pyramid
CAM	Compass acceptance model
CAPEX	Capital Expenditure
CBSL	Central Bank of Sri Lanka
CGAP	Consultative Group to Assist Poor
CIB	Card Issuing Bank
CMU	Critical Mass of Users
DCMX	Mobile Phone Credit service by NTT DoCoMo
EPS	Electronic Payment System
GSM	Global System for Mobile
GSMA	GSM Association
IFC	International Finance Corporation
IMF	International Monetary Fund
LCB	Licensed Commercial Bank
LSB	Licensed Specialised Bank
MMT	Mobile Money Transfer
MNO	Mobile Network Operator
M-PESA	Mobile money implementation of Safaricom Kenya
NFC	Near Field Communication
NTT DoCoMo	Incumbent Mobile Operator in Japan
PC	Perceived Cost
PCom	Product Communication
PDA	Personal Digital Assistant



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PEOU	Perceived Ease of Use
PIN	Personal Identification Number
POS	Point Of Sale
PU	Perceived Usefulness
PS	Perceived Stability
RFC	Registered Finance Company
RFCA	Resident Foreign Currency Account
SE	Secure Element
SIM	Subscriber Identity Module
SMS	Short Message System
SWIFT	Society for Worldwide Interbank Financial Telecommunication
TAM	Technology acceptance model
TSM	Trusted Service Manager
TRCSL	Telecommunication Regulatory Committee of Sri Lanka
UICC	Universal Integrated Circuit Card
USIM	Universal Subscriber Identity Module
USSD	Unstructured Supplementary Service Data



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