

Effects of Age on Consumers' Intention to Use Mobile Banking

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Abstract: Despite various studies has been carried out on mobile banking adoption but only a limited number of studies focused on effects of age on consumers' intention to use mobile banking. In point of fact, literatures in relation to effects of consumers' age on intention use mobile banking are variant. Therefore, there is a need to understand the effects of age on consumers' intention to use mobile banking services. Additionally, stratified sampling method is adopted to collect data in Klang Valley using questionnaires. A simple linear regression analysis is used to quantify the findings. The results revealed that there is no association between Age and Intention to Use Mobile Banking. This helps to clear the air on the inconsistent findings of previous of researches while providing room for improvement.

Keywords: Age, Intention to Use, Mobile Banking, linear model, Demographic Characteristics, Correlations Analysis.

I. INTRODUCTION

According to Wikipedia, the Mobile banking is a system that allows customers of a financial institution to conduct a number of financial transactions through a mobile device such as a mobile phone or tablet. The Malaysian banking industry first commenced 130 years ago with the inception of a branch of the Chartered Mercantile Bank of India, London and China in Penang in 1875 (Muda, 1995). Since then, it has evolved from paper to card to internet based and now its mobile banking (Mohammad, 2008). Innovative mobile applications are developed whereby Maybank introduced a free banking application, M2UMap, in May 2009, the first financial institution in Malaysia to do so (Maybank2u, 2009). Later, CIMB Bank Berhad brought CIMB Clicks to the table. by all accounts, almost all the banks in Malaysia such as Al Rajhi Banking & Investment Corporation (Malaysia) Berhad, Bank Simpanan Nasional, AmBank (M) Berhad, Bank Islam Malaysia Berhad, CIMB Bank Berhad, Citibank Berhad, Malayan Banking Berhad, Hong Leong Bank Berhad, OCBC Bank (Malaysia) Berhad, Public Bank Berhad, RHB Bank Berhad, and Standard Chartered Bank Malaysia Berhad provides mobile banking services (Masrek *et al*, 2012).

There are numerous researches on the technology adoption but not many studies are carried out on the effects of age on consumers' intention to use mobile banking within the Malaysian perspective. Mobile banking in Malaysia is still at its infancy stages and unpopular to Malaysians that induces underutilization of this feature (Amin *et al*, 2007). This is in tune with the findings of Bank Negara Malaysia in Q1 2016 that reported that there are 7.818 million subscribers of mobile banking services' in Malaysia while Malaysian Communications and Multimedia Commission reported that Malaysia's mobile phone penetration rate is as high as 143.4% in the Q1 2016. Hence, the mobile banking services' subscribers is lower compared to the mobile phone penetration rate (Bank Negara Malaysia, 2016).

The main goal of this study is to discover the effects of age on consumers' intention to use mobile banking within Malaysia.

II. LITERATURE REVIEWS

Demographic characteristics is been used by many researchers to improve the explanatory power of consumer's intention to use new technologies. Kolodinsky *et al* (2004) found that age has significant impact on users' intention to adopt electronic banking technologies in the United States of America. Porter & Donthu (2006) examined the role of demographics and perceived access barriers on internet usage among consumers in a major metropolitan area of Southeastern United States which revealed that consumers' age is significantly associated with perceived ease of use of the internet. Additionally, age is insignificant in relation to perceived usefulness of the internet. Gounaris and Koritos (2008) found that consumer's age influences the decision of internet banking adopters in Greece. However, age is insignificant with respect to the intention to adopt m-banking in rural Bangladesh (Ahad *et al*, 2012).

Yousafzai & Yani-de-Soriano (2012) found that age mitigates the confederation between perceived usefulness of internet banking and behavioural intentions to use internet banking in United Kingdom. Mardikyan *et al* (2012) found that age does not have significant effect on the behavioral intention to use 3G technology among users' of Istanbul. Kurkinen (2013) investigated the effect of age on technology acceptance among field police officers in Finland. The result shows that age did not effect the bond enclosed by perceived usefulness and perceived ease of use. Furthermore, there were no age differences in the relationship between those two factors with behavioral intention. Consumers' age displayed significant effect on individual's attitudes to adopt mobile payment services in Sweden (Arvidsson, 2014). Teo & Milutinovic (2015) found that age to be insignificant among pre-service teachers' intention to teach mathematics using technology for in Serbia. Similarly, Yadav (2016) found that age displayed insignificant effect on the intention of bank customers to adopt i-banking.

III. MATERIALS AND METHODS

Based on established relationship found by Kolodinsky *et al* (2004) & Arvidsson (2014) a simple linear model is developed for this study in which Age is the independent variable and Intention to Use Mobile Banking as the dependent variable as shown in Fig. 1.

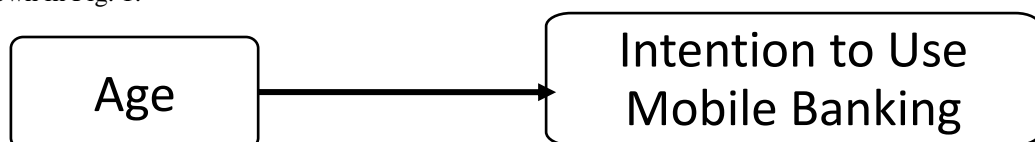


Fig. 1. Research Framework

Kolodinsky *et al* (2004) found that age has significant chain reaction on users' intention to adopt electronic banking technologies in the United States of America. Persistently, the age of consumers displayed significant effect on individual's attitudes to adopt mobile payment services in Sweden (Arvidsson, 2014). Based on that, the below hypothesis is devised:

H_{01} : There is no association between Age and Intention to Use mobile banking.

H_{A1} : There is an association between Age and Intention to Use mobile banking.

Stratified sampling method was adopted in this research whereby Malaysia's age pattern is used as base to group the population into subgroups. In this vaguely biased technique, the findings are appreciatively rationalizable. Furthermore, it conserves money and time for the tight budget available for this study. In this research, personally distributed questionnaire is used as a data collection method to obtain data. In addition, questionnaires to large groups, thus, allowing me to put forward my research topic to the respondents and clarifying their doubts on the spot (Sekaran & Bougie, 2009). 1000 questionnaires was distributed in Klang Valley, upon data screening 398 usable data was put to use for analysis.

IV. RESULTS AND DISCUSSIONS

Table I presents the summary of descriptive statistics of the sole independent variable of this study.

Table I: Descriptive statistics of the Age of the respondents.

Age Grouping	Frequency	Percent
18 to <26	40	10.1
26 to <30	79	19.8
30 to <35	80	20.1
35 to <40	59	14.8
40 to <45	61	15.3
45 to <50	40	10.1
>50	39	9.8
Total	398	100

Table II shows that age exhibited weak negative correlation with intention to use mobile banking. In plain English, younger users have higher levels of intention to use mobile banking and vice versa. On the contrary, age exhibited weak correlation with intention to use mobile banking as in the r values are less than 0.3 although the p values are significant, less than 0.05 (Cohen, 1989).

Table II: Summary of Demographic Correlations Analysis

	Intention to Use Mobile Banking	Age
Intention to Use Mobile Banking	1	-.153**

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

In a capsule, there is no association between Age and Intention to Use Mobile Banking. Hence, the null hypothesis is failed to be rejected, Thus, the alternative hypothesis is not supported by the data.

V. CONCLUSION

In this study, it is proven that Age is insignificant in connection with consumers' Intention to Use Mobile Banking. This is similar with the findings of Ahad *et al* (2012) that age is insignificant with the intention to adopt m-banking. Furthermore, Mardikyan *et al* (2012) confirmed that age does not impose significant effect on the behavioral intention to use 3G technology among consumers' of Istanbul. On top of that, Teo & Milutinovic (2015) hit on that age is insignificant among pre-service teachers' intention to use technology to teach mathematics. As a matter of fact, Yadav (2016) found that age imposes insignificant effect on the intention of bank customers to adopt i-banking services. The findings of this study further clears the ongoing confusion of effects of consumers' age on their intention to use mobile banking. Furthermore, it is an addition to the limited number of literatures in the mobile banking domain. Perhaps, a similar study in a bigger scale is to be done in the near future to see evolvement of consumers' intention to use mobile banking.

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