

REVIEW OF CUSTOMER ADOPTION ON MOBILE PAYMENT

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ABSTRACT : Mobile payments become a familiar tool in internet banking that the transaction are made by online banking through virtual transaction. In accordingly with current technological advancements, mobile payments are very popular and became the pattern for customers to pay in online ways. Although at the beginning it was introduced into the payment method to pay for mobile reception is very small that will receive the benefits and advantages but the day it was acceptable and was proven through studies on mobile payments in some countries and some researchers. Because of marketing system change in accordance with the situation and present an advanced and requires time and circumstances quickly, efficiently and effectively, now mobile payments become a tools that customer easy to pay and buy online without going to the bank. There are many theory of researchers tried to use to determinants of mobile payments adoption and they used a variety model to tested and analyzed what the relevance characteristics that determine an intention of customer to adopt this technology in social networks. For this review, we just look at the popular method in research for mobile payments is Technology Acceptance Model (TAM) that almost researchers used to make a hypotheses and measure what a strongly factors that affected the intention to use mobile payments whether perceived ease to use, perceived of usefulness, perceived of risk, perceived of trust, are safe to use in adoption to use mobile payment.

KEYWORDS - *Mobile Payments, Technologies, Customer Adoption, Intention to use, Technology Acceptance Method, Online Banking, Ease to use, Usefulness, Risk, Trust.*

1.0 INTRODUCTION

This paper is prepared to summarize some of factors that affected customer adoption of mobile payments from a few journals. We have look some research from researcher that have done to prove that customer behaviour are very important to valuate that new technologies such as mobile payments are fast to adopt to customer. There are few angle that researcher done their research and for this assignment, I just take four of factors that affected the customers accept to use this in their daily routine to get faster and efficiency in services. The four factors are

Customer adoption, perceived risk, perceived trust and perceive ease to use. All the researcher for this research are subject to the analysis differences method what they are used and come out with a prove from the surveyed.

The book title *Mastering Marketing* wrote by Douglas Foster, second edition of publication, 1986 mentioned that a marketing research is one of the marketing mix that can be as a way to choose and select the most relevant and most important to the business to counter the competition more effectively. There are eleven (11) type of marketing research that for this my review paper, will we use the effectiveness of research whereby this research was determined how effectiveness of the research methods, whether the best choice is use is have been made of developments in research methods, what the changes most necessary in the marketing research techniques are choosing to will use, is it the research method will be give the effective cost and the effective time .As I mentioned early above that from the book of *Mastering Marketing*, the marketing research is a part of marketing mix and the researcher and practitioners was agreed that the phrase of 'marketing mix' are including the activities that involved the goods and services that was moved from producers to final consumer, whether they are involved in such of individuals or corporations. There are amount of data and information that to be consider that flows from marketing research. Accordingly to the book of *Mastering Marketing*, "Information" is a mechanism that explore and give the explanation about the reason why, what and what for it was happened and from that it will show what the guide to the next step and show what the purpose of, the compilation of data. Compilation data or information of data that known as raw data is very important to get the last result whether is irrelevant or relevant to prove the hypothesis.

The journal that I took was tried to prove that which factors that are highest ranking that affected the customer whether they are interested or not and make a decision to use the mobile payments. In other view, the author or researchers look for best solution to the businessman/businesswoman to involve in marketing intelligence.

In this summarized of the journal also will show that the factors that effected the intention of the customer is more to customer behaviour and social factors (culture elements and traits elements).

This assignment aims to measure and review some of the journal to prove that the factors of the customer adoption of the mobile payments through the hypothesis of the TAM method data.

1.1 Mobile Payments

A mobile payment is a new technology that becomes driver for customer intention to use mobile services in for payments. This service is highly rapid and faster parallel with the rapid growth of technologies. Before this, customers were not familiar with the internet and just consider it as platform and medium to get information but nowadays the customers are seen to accept and realize that the internet could make their life more convenient and it is very beneficial.

Relations in the mobile payment is a new payment method that uses online internet business transaction in which the method of payment that the money is to be a transfer to another person of other people through your mobile device using the network without intermediaries. (Tai and Liu, 2015). They stated that micropayments in e-commerce and mobile phone create certain advantages to customers when they have a need for small transactions. Menke & Lussanet (2006) defines mobile payment as the normal way to conduct transactions with a mobile phone service to send messages to the structure that has been set to object to sell or buy. In other words, payment for goods and services is then to charge to the customer's mobile phone bill or deducted from your prepaid airtime prepaid customers. Thus, mobile payments can be defined as mobile money, mobile money transfer, and mobile wallet that generally refer to a payment service is managed under the financial regulations and conducted from or through a mobile device.

On the other side of view, Chang (2007) claimed that the mobile payments will be money given to a product or service through a mobile electronic device such as mobile phone, smartphone or PDA. In addition to that, mobile payment, also known as m-payments, which means any payments using mobile devices to initiate, authorize and confirm the currency exchange in return for goods and services. In addition to cell phones, PDAs, wireless also on tablets and other devices that can connect to a mobile telecommunications network (Thai, Jeon, Kang and Lim, 2014). Soon, the advantages of m-payments is that it can be an alternative to cash, checks, credit cards and debit cards and can also make possible new opportunities for trade facilitation. Currently, there are many of type mobile payments systems such as Mobile wallet, Wireless Application Protocol (WAP), Bank Account, Credit Card, Telecommunication company billing, Unstructured Supplementary Services Delivery (USD), Near Field Communication (NFC), Dual Chip, and Short Message Services (SMS) and General Packet Radio Service (WAP/GPRS). In 2015, Mobile Payments are growing rapidly in all the country. According to the report from World Bank (2015) that have released by the last year, approximately 40% of less than quarter of Arica's are mostly have a bank account is own mobile phone. But the data in 2013 showed that just only 4.3% globally were using payments services. Compared to Europeans and Central Asians just only 0.4% used such services respectively. Data also shown that China use of mobile payment apps grew 73.2% and 69.2% is grown in use of mobile banking apps (World Bank, 2015).

2.0 LITERATURE OF REVIEWS

2.1 The Research Methodology: Technology of Acceptance Model – TAM

What are the definitions of technology? In science perspective, technology is one of the science of craft, part of art, skill expert, intrigue hand and also a collection of techniques, skills, methods and processes used in the production of goods or services in the achievement of objectives, such as scientific investigation (Chang, 2007). Technology is part of the factors that influence the strategic marketing needs to be considered because this product is dependent on the level of technology development and further advancement opportunities and can also affect the likelihood of product markets. According to the book *Mastering Marketing* also mentioned that the industrial revolution never ending thought at the time the recession has slowed down. The growth of technology gave the advantages and disadvantages in the marketing.

Every researcher has their way to shown the result of their studies with doing their research by model such TRA, TPB, UTAUT. According to the research that was done by Chang (2007) with the title "Understanding Consumer's Behavior When Using a Mobile Phone as a Converged Device". That result of research mentioned that despite the TAM is an effective method in concept of single function technologies but it can be enriched with the element multi-function (converged) technologies.

The researchers that Yemen people have found that Technology Acceptance Model (TAM) is the method of the research to make a hypothesis to identify and to make a evaluation how far of the acceptance of costumer to the new technology that know as a mobile banking. TAM was introduced by Davis (1989).

3.0 The factors that will affect or influence a Customer adoption or the Intention of Using a Mobile Payments

Regularly, the researchers found that the customers nowadays can adopt the new way of transaction in payments method although customer nowadays are complicated (Shamsudin M. F. et al., 2015b). Previously the customer only use treat the internet just for the gathering information by Thai, Jeon, Kang and Lim (2014) have found that the intension of using in continuously way, have a good quality in compilation of information will giving the most significant affected to the factors. Three researcher (ChanchaiPhonthanukitithaworn, Carmine Sellito and Michelle Fong; 2015) are made their research to measure some of factors that most highly influence in the scope of the consumer adoption of mobile payment services. The results shown that the pattern and thinking styles

customer m-payments are influenced by factors such as perceived trust and other factors that are significant to the m-payments. They result shown in surprisingly when the perceived usefulness and perceived ease to use do not directly give the affect or will be influence to the behavioural and mind of customer in Thailand.

3.1 Perceived of risk and trust

The Technology Acceptance Model was used by Norman (2014). He empirically tested the customer in Canadian respondent who are very concerned about trust in associating with purchase via technology. Norman studied the behaviour of customers in Canada and he found that technology is not widely accepted in purchase due to retailers' reluctant to invest into this technology. He also found that most retailers hesitant to technology usage in selling because the customer are not yet associate with it. Here, both retailers and customers are reluctant to accept the technology in buying and selling due to lower trust against technology.

According to the webmaster dictionary (2016), risk is defined as a liability for losses or damaged if they occurred (side of uniform commercial code view definition) but in the case and comment view of definition, the risk is about personal injury and property damage should be placed with the producers instead of consumers. In the general view, webmaster dictionary defined in three areas based on the circumstances at the time, first the definition is given is to put a something in a state where it can be lost or something was damaged; secondly, the risk is to do something that could cause that's looks like something is too bad or unpleasant; and the third of risk definition is to do something which may have a harmful or bad decision.

Every research has to look into this factor to prove that perceived of risk is also should be considered as the factors give affected the customer behaviour (Shamsudin M.F. et al., 2015a). Uncertainties about how to handle the business transaction and how high the consumer acceptance level towards the adoption of technology in payments is the major problem that make the customer refused to adopt the mobile payment in online payments. These statements were supported by some researches from some of journal in various countries. Tobbin (2010) from his research by title "Modelling Adoption of Mobile Money Transfer: A consumer Behaviour Analysis" mentioned that the result from hypothesis for the customer in Ghana shown that perceived of risk is quite strong factors that quite to influencing and most significance to the customer adoption and intention to use the mobile payments. Also, the journal wrote by three researcher reveal (Belabab, Jong and Steckhouder, 2011) that that perceived risk is related to the contribution for customer adoption to use the mobile payments through their hypothesis from Dutch case whereby they tried to find the prove from the respondent whether it is true that the trust is significant or not to the perceived of risk reveal that the personal data for e-government transactions is positive or negative to the trust of customer. The researchers found that the personal information are very significant to the perceived risk and to the e-government transactions in negative and positive way respectively. In other research by the other researcher was Yang, Pang, Lin, David Yen and Tan (2015), found the result from data of the 870 respondents in Shanghai and Macao, China. They reported that, the younger generation in China was built the trust as antecedent risk assumption. The results also shown that the trust was contributed to the perceived total risk in negative way which is in two dimensions; trust positively contributed in system dependent risk and trust negatively contribute in transactional risk. Kevriler, Demoulin and Zidda, (2016) proven that the perceived benefits and perceived risk given the strong impacts to the on mobile payments compared to the store m.infosearch while using the smartphone.

3.2 Perceived of easy to use and Perceived of Usefulness

Kim, Mirusmonov and Lee (2010), have proven that the factors perceived of easy to use play their role to make the customer get their intention to use the mobile payments. In observation from Tai and Liu (2015) found that the strong factors that influencing the customer adoption to use mobile payments system are perceived ease of use and perceived usefulness. The customer did not care about risk. The most significant impact on Ease of use is mobility, convenience, compatibility and mobile payment knowledge. Tobbin (2010) claimed that the perceived of ease of use and perceived of usefulness are strong factors that affected intention to use the mobile payments In

Ghana. The research model by Technology Acceptance Model that are used by Norman (2014) shown that perceived usefulness is a main factor is influencing the Canadian Customer adoption of mobile payments (mobile wallet). Sen and Chiou, (2009) found that perceived of ease to use was affected to the customer adoption or customer intention. The perceived of ease to use also have found significant by Rodrigues, Oliveira and Costa (2014). They stated that the factors perceived easy to use was contributed to the perception of enjoyment in online banking one of the e-commerce payments. The results from Yemen study also has proven that the previous studies shown of perceived of easy to use and perceived of usefulness is very importance and mostly high significant and the studies also shown that ease of use played as a role of customer intention to use the mobile payments.

4.0 CONCLUSIONS

This review paper is prepared to compile the result of the some of the research about the factors that affected the influence of customer adoption on using mobile payments. The researchers have found the prove to show whether the factors used the TAM method is relevant and will be give the result relatives advantages. Then, TAM was extended by the large of number of empirical studies that tried to measure what the variables that related to the advantage and disadvantage in adoption on mobile payment in their payment transaction (Yang, Lu, Gupta, Cao and Chang, 2011). Generally, every journal mentioned that the first findings and observation from empirical study are found through research model that measured from customer behaviour or consumer perception are the factors are very strong and quite high contribute to the intention to customer to use a mobile payment in their payment transaction. Almost journal that researchers done their review paper mentioned the several name of researcher that almost agree that the customer trust, intention to adopt and perceived risk are the strong factors that give the strong impact of customer behaviour to adopt to use the mobile payment. In customer trust are proven by the hypotheses of Gefen (2000), Teo and Liu (2007) and Kim et el (2008, 2010). In Intention to adopt are proven by Kim et. al. (2008 and 2010), Gefen (2000), Gefen and Atraub (2004), Nyscreen and Pederson (2007), Rouibah and Abbas (2010) and Ramayah et al (2005). Finally, for the factors of perceived of risk is proven by Kim et el (2008 and 2010) while the new hypothesis by Teo and Liu (2007).

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