

Chapter 19

Factors Affecting User Intention Towards Mobile Banking Applications in Henan, China

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ABSTRACT

With the rapid development of mobile applications, the people of China have become increasingly dependent on mobile finance applications such as Alipay, WeChat pay, and some other finance applications. These finance applications seriously affect the number of mobile banking users. Hence, it is important to investigate the factors affecting the users' intention of mobile banking users. In this research, quantitative technique via survey research was used. The sample data was collected from Henan, China. The data collected were analysed with Pearson correlation analysis as well as multiple regression analysis. The results of the analyses show that client demand, banking services, and quality of mobile applications possess significant relationships with users' intention. Among these independent variables, the quality of mobile applications possess the strongest positive relationships with user intention followed by banking services and client demand.

INTRODUCTION

Human lives have been changed by mobile applications through smartphones as well as by a variety of advanced mobile web services. In China, there is strong competition between mobile banking applications and some emerging finance applications. In such an environment with high uncertainty and challenges, commercial banks can only maintain their advantages and viability through the usage of advanced technologies e.g., mobile banking applications, etc. This study explains how general factors affect clients' intention towards mobile banking applications in China's banking industry. Initially, this study will discuss the background of China's banking industry and briefly discuss client demand, banking services and quality of mobile banking applications as well as their relationships with the factors affecting users' intention towards mobile banking applications. Subsequently, the research gap and justification of this study will be discussed.

BACKGROUND

Mobile applications are very popular, and the relationship between mobile applications and the financial industry is getting closer. In China, new mobile finance applications such as Alipay, WeChat pay and other applications continue to emerge (Cao & Niu, 2019). Initially, Alipay and WeChat pay possess payment functions only, but in recent years, many new features have been added, such as loans, insurance, financial products, etc. These new features provide services which are almost identical to banking services.

For example, Ant Credit Pay is the financial product of Alipay's Ant Financial Services Group, which has a sophisticated system for using big data to analyse customer demand, which directly affects the credit card business of commercial banks (Zhao, 2017). Under this influence, the consumption habits of the vast majority of consumers have been affected. Great changes have taken place in business behaviour and the market environment of enterprises and institutions, and profound changes are taking place in all kinds of industries (Chen, Li, Wu, & Luo, 2017). As a result, the traditional banking sector in China are encountering huge competitive pressures. In this new situation, commercial banks are facing unprecedented challenges, but also encounter new opportunities to fasten the adoption of mobile finance among its customers, which is not only of great practical significance to commercial banks, but also an inevitable choice for future transformation and development (Wang Y. X., 2021; Boot, 2020).

In the context of rapid development of financial applications, this study analysed the factors influencing users' intention to use mobile banking applications. Past studies have only shown that factors such as security and privacy can affect users' trust in mobile banking (Arcand, 2017). We extend previous studies by investigating how other factors i.e., client demand, banking services and the quality of mobile banking applications can influence users' intention to use mobile banking applications. It is important to investigate the quality of mobile banking applications because mobile banking applications can enhance customer service by providing convenience (i.e., 24/7 services), as well as provide diversity of services, which include money transfer, payment, online shopping and auction. All these increase the quality of banking services to the customers which can affect their willingness to use mobile banking applications (Zhang, Lu & Kizildag, 2018).

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