



CUSTOMERS' PERCEIVED RISK, TRUST, PERCEIVED EASE OF USE, PERCEIVED USEFULNESS AND MOBILE BANKING ADOPTION (MBA) IN UGANDA

ABSTRACT

Mobile banking (m-banking) is a new platform for financial services delivery in Uganda. M-banking in this case enables a customer of a commercial bank to access banking services 24/7 using a mobile phone for example checking her bank account details, withdrawing or depositing money from a mobile money account to his or her commercial bank account etc. In Uganda, only half of the commercial banks provide m-banking service. However, the adoption of m-banking in Uganda by commercial banks' customers has not taken shape. This dissertation sought to establish the relationship between the variables that influence m-banking adoption based on perceived risk, trust, perceived ease of use and perceived usefulness.

The research design adopted was cross-sectional, correlational and quantitative in nature. Data was collected from a sample of 188 m-banking users. Data was analyzed using SPSS based on 143 respondents (76 percent response rate). Pearson correlation coefficient was used to determine the relationships between study variables and linear regression was used to predict m-banking adoption. The findings indicate that perceived risk had a significant negative relationship with m-banking adoption while perceived ease of use, perceived usefulness and trust

had a significant positive relationship with m-banking adoption. Perceive risk, perceived ease of use, perceived usefulness and trust account for 48.8 percent of the variations in m-banking adoption. Perceived risk was found to be a better predictor of m-banking adoption, followed by usefulness, trust and lastly perceived ease of use.

Thus commercial banks should focus on lowering the risks involved in m-banking through creation of awareness about what they have in place and offer special guarantees to protect the customers. Commercial banks can also enhance usefulness through providing benefits to customers and making m-banking interface easy to use by customers while transacting. To build trust, commercial banks should ensure secure and safe transactions of customers' information.