

# **To identify the Relationship between Demographic Factors and the Adoption of Mobile Banking among Rural People**

W.D.V. Dilaksha<sup>1</sup>

## **1. Introduction**

Sustainable development has 17 objectives, the eighth of which is named the Decent Work and Economic Growth. To this end, the concept of strengthening the capabilities of local financial institutions to enhance access to financial services for income management, asset accumulation, and effective investment has been introduced to enable access to banking facilities, insurance, and financial services for all. Accordingly, new global targets are emerging in the banking sector as well as in other sectors.

The banking environment around the world is undergoing a massive transformation. Technology and banking together increase the competitive intensity of the banking industry. Thus, with the rapid advancement and growth of technology, even banking is undergoing unprecedented changes. Banking is a service company that is constantly innovating to compete with other financial institutions. Mobile banking, which has already been introduced, is a result of this. It enables individuals to access banking services anywhere, anytime. Information system research has proven that mobile banking is emerging as the most powerful platform for banking transactions and is, therefore, a great technological innovation today (Priya, Shaikh, & Gandhi, 2017).

In Sri Lanka, the introduction of the mobile banking has completely changed the history of the banking sector. Nowadays with the emergence of m-banking customers, they have the facility to do banking transactions without entering the bank. And through this, customers can make transactions from one country to another. But the number of Sri Lankans using this facility is very limited in their day-to-day activities.

---

<sup>1</sup> Department of Social Statistics, University of Kelaniya  
vihangidilaksha@gmail.com

## **2. Research Methodology**

The study was conducted in the Kalutara district. According to Census of Population and Housing although the Kalutara district is generally considered an urban area, 10 out of the 14 Divisional Secretariat Divisions in the district are rural. Therefore, 5 rural divisional secretariat divisions have been selected out of 10 rural divisional secretariat divisions in the Kalutara district using the cluster sampling method. These are Bulathsinhala, Madurawala, Millaniya, Agalawatta, and Palindanuwara. The sample for this study was 399 rural people.

Data are obtained from a questionnaire to achieve the objectives of this study. The first section of the questionnaire examines demographics such as gender, age, level of education, and employment status. Also, Cross tabulation and chi-square are used to achieve the objective of the study.

## **3. Data Analysis**

Accordingly, out of the 399 respondents interviewed, 109 (27.3%) indicated that they use mobile phones to carry out their banking activities, while 209 (72.7%) stated that they do not use mobile phones for banking services. The data show that a total of 290 respondents did not use mobile phones for banking purposes. The results show responses received for reasons for non-usage, 48 (12%) respondents claimed not to have a mobile phone, 65 (16.3%) respondents claimed that they were unaware of mobile banking services, and 57 (14.3%) respondents indicated that they do not like using mobile phones for banking purposes. Furthermore, 55 (13.8%) respondents indicated that they would register later for the service, while 65 (16.3%) claimed that they do not understand mobile banking services.

This section examines the relationship between demographic factors and adaptation to mobile banking in individuals who responded to the study. Accordingly, the results of the analysis are represented using chi-square tests.

Table 1: Chi-square value of Demographic Factors

Demographic Factor	Chi-Square Value	Significance Value
Gender	4.612	.330
Age group	151.624	.000
Marital status	72.074	.000
Education level	161.068	.000
Occupation	82.727	.000
Monthly income	36.763	.002

*Source: Survey Data, 2022*

Table 1 above shows that the demographic factors such as gender, age gap, marital status, educational status, employment status, and income level show the relationship between rural people to adopt mobile banking. Therefore, it was identified that there is no statistically significant relationship between gender and adoption of mobile banking. Also, other demographic factors all show a relationship to the adoption of mobile banking.

Accordingly, the following table shows the responses of both sexes who responded to the study regarding their adoption of mobile banking.

Table 2: Percentage of gender responses

Would you like to adopt mobile banking?	Gender		Total
	Female	Male	
Strongly Disagree	53	38	91
	13.3%	9.5%	22.8%
Disagree	43	40	83
	10.8%	10.0%	20.8%
Neutral	13	16	29
	3.3%	4.0%	7.3%
Agree	47	41	88
	11.8%	10.3%	22.1%
Strongly agree	68	40	108
	17.0%	10.0%	27.1%
Total	224	175	399
	56.1%	43.9%	100.0%

*Source: Survey Data, 2022*

Among these respondents, 53 (13.3%) women strongly agree to adopt mobile banking, and 38 (9.5%) men strongly disagree. Most women strongly agree to adapt to mobile banking and most men equally strongly agree or disagree to adapt to mobile banking. Also, most women and men

have strongly agreed to adopt mobile banking. Accordingly, it is clear that there is no significant relationship between the adoption of mobile banking and gender.

#### **4. Conclusions and Suggestions**

This research has revealed that traditional banks are not currently providing services to the non-banking population, which has led to a market gap; It is truly a unique market for m-banking service providers. The results of the study provide an insight into the application of mobile banking based on the findings. In addition, banks need to design their websites as effective distribution channels and provide information beyond banking services. Providing a well-designed and user-friendly website is essential to attract the attention of potential users. Mobile banking services should be widely publicized, emphasizing the benefits and ease of use. Thus, mobile banking also contributes to achieving sustainable development.

#### **References**

- Kariyawasam, N., & Jayasiri, N. (2016, June). Awareness and usage of internet banking Facilities in Sri Lanka. *International Journal of Scientific Research and Innovative Technology*, 03, 173-190. Retrieved from <https://www.researchgate.net>
- Census of Population and Housing, (2012). *Census Report*. Ministry of Finance and Planning, Department of Census and Statistics, Colombo 07. Retrieved from <http://www.statistics.gov.lk>
- Priya, R., Shaikh, A., & Gandhi, A. (2017, February 28). Mobile banking adoption in an emerging economy - An empirical analysis of young Indian consumers. *Benchmarking: An International Journal*, 25, 743-762. doi:10.1108/BIJ-01-2016-0009
- Ramnath, N. (2018). Factors affecting the adoption of mobile banking among rural South Africans. Phd thesis, University of Pretoria, Communication Management in the Faculty of Economic and Management Sciences, Pretoria. Retrieved on 20<sup>th</sup> March, 2022 from <https://www.google.com/search>