Chapter 71

Factors for Resistance to the Use of Mobile Banking:
A Study on the Resistance of Brazilian Internet Users Aged 45 Years or Older

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ABSTRACT

In spite of the great potential for the development of mobile banking in Brazil, since the banking index reaches more than half of the population and the number of internet users is even higher, this potential is not evenly distributed among the age groups in the country. Taking into account the tendency to resist new technologies as one ages, this chapter aimed to identify the factors that lead the Brazilian population aged 45 years or over to use the internet and, within this spectrum, identify the barriers to the adoption of mobile banking technology. A questionnaire was applied and 113 responses were analyzed and categorized between functional and psychological aspects in these barriers. This chapter presents the results of this research.

INTRODUCTION

In the last decade, most consumers have adopted new mobile devices at a very fast pace. The Internet made it possible to access personal and financial information, gave access to communication interactively through social networks and made life more efficient overall. The technology of mobile devices (cell phones, PDAs, smartphones) not only provides voice or text messages, but also multimedia files, navigation services (GPS) and even financial transactions such as e-commerce and banking (CRUZ *et al*., 2010).

Mobile phones are rapidly replacing computers. Sales of smartphones – handsets with an operating system, such as computers – surpassed for the first time the number of "common" mobile phones sold in the first quarter of 2013 in Brazil, accounting for 54% of the total in the country (TELECO, 2016a). The transformation of mobile phones into computers is just one part of the technology convergence phenomenon, which also involves video, audio, among others. The challenge now is to deliver services in line with the perception of value and consumers' confidence.

Mobile banking, also known as m-banking, is the evolution of Internet banking, passing on financial transactions through a computer to through a mobile device. Although ATMs (Automatic Teller Machines), call centers and Internet banking can offer effective delivery established by retail and microfinance banks in the world, according to Safeena *et al*. (2012), m-banking brings significant effects on the market. This is related to the fact that m-banking provides a relatively large number of banking operations, with the advantage of immediate access with the independence of the consumer on the wireless networks or Internet providers, since they are used through the telephony channels.

According to Shaikh (2013) and Shaikh and Karjaluoto (2015), the expanded uses of smartphones in many developed and developing countries have instigated the emergence of new m-banking services, demanding that many more financial institutions offer this type of service together with their sets of products to extend their client reach (including unbanked populations), to retain customers and to increase market share.

On the other hand, despite such benefits mentioned above, the use of mobile phones to conduct banking transactions, such as payment or access to financial information is not as widespread as might be expected (Kleijnen; De Ruyter; Wetzels, 2007; Dineshwar; Steven, 2013, Shaikh; Karjaluoto, 2015). It seems, therefore, the mobile use for banking purposes has not yet reached a maturity level (CRUZ *et al*, 2010).

The strategy to boost the adoption of m-banking was to enable the banking of the low-income segment of the population, initiated in North America and, more recently, followed in Brazil, rather than merely complementing the channels already available. In addition, the Brazilian government has also acted in this direction, achieving in 2013 the approval by the Chamber of Deputies and the Senate the Provisional Measure 615/2013 which deals with the implementation of mobile payments.

According to the Brazilian Federation of Banks (Febrabran, 2017), the Brazilian banking system reached 60% of the population in 2016, meaning a great potential for the development of m-banking in Brazil (CRUZ *et al*, 2010). Considering that Brazilian Internet users totaled 83 million people in 2013 – that is, 46.5% of the urban population over 10 years old (Telecon, 2016b) – it is possible to imagine that the process of banking can be accelerated by m-banking. However, at the current pace, it is estimated that Brazil reaches a level of banking of more than 90% only in 2023 (Febrabran, 2017). Besides that, Internet usage varies by age group: people aged 45 years or older – population range that was born before the invention of Personal Computer (PC), and therefore have to adapt to technology – represent 31.45% of the urban population over 10 years of age. However, only 21.8% of the mentioned group declared themselves to be Internet users (data based on IBGE (2010) and Teleco (2016c)). IBGE (2010) estimates show that the Brazilian male population from 45 years old adds more than 27.97 million people. In the same estimate, the Brazilian female population within the same age group surpasses 31 million people.

Considering the complexity of mobile technology and the variety of services being offered, this chapter seeks to contribute to the m-banking literature by conducting a research, in a Brazilian context, about determining factors for resistance to the m-banking use by Brazilian Internet users aged 45 years or older.

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