

Why do people use mobile payment technologies and why would they continue? An examination and implications from India

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Abstract

Mobile payment technology continues to spread across the globe, but its diffusion has not been uniform. Its low usage in developing economies is of particular concern to policymakers since this technology has the potential to enable financial inclusion. In this study, in order to develop policy interventions for greater usage, we comparatively analyze factors impacting actual usage and future use intention. India, with its uneven trajectory of mobile payments, gives us an appropriate field to investigate citizens' usage behaviour. Considering users' perceptions of both positive and negative attributes of the technology, we develop research models under the umbrella of the valence framework. We utilize technology affordances and constraints theory (TACT) to refine the research models through an understanding of various innovative uses. To test the valence-TACT models, we collect survey responses of 551 citizens across four Indian cities. The results from the models show how certain factors, such as convenience, reflection, and security, have different impacts on actual usage and future use intention, respectively. These findings have implications for critical issues like security, risk, and digital literacy, and can help in the design of policy recommendations for enhancing the use of mobile payments, thereby impacting financial inclusion for all. The valence-TACT model provides a theoretical contribution to mobile payment and innovation literature and also offers several policy insights.

Highlights

- Addresses the problem of usage and continuity of mobile payment (MP) technology in a developing economy (with evidence from India).
 - Develops research models to capture innovative uses of the MP technology attributes.
 - Examines the comparative impact of factors on actual usage and future use intentions.
 - Presents findings from users spread over four different tiered cities in India.
 - Discusses policy recommendations for greater usage by citizens based on the results of the study.
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