

Mobile phones have emerged as one of the most successful electronic products during the last few years. These are not only used as communication devices but are also being used as payment devices. So it is important for cellular companies and banks to understand that what can be the significant factors that are important for customers while taking a decision related to adoption of mobile payment services. Drawing from the Diffusion of Innovation Theory, Technology Acceptance Model, and previous literatures, eight constructs were hypothesized to investigate the factors that play an important role in the adoption of Mobile Payment services of Pakistani customers. For this study, 250 survey questionnaires were distributed out of which 236 responses were received. SEM in AMOS is used to analyze the results of proposed model.

The results show that Relative advantage, complexity, Perceived ease of use, and cost are the main factors that affect the behavioral intention of Pakistani customers while taking a decision regarding adoption of mobile payment services. Then mediating effects of perceived ease of use and perceived usefulness were also analyzed between cost and behavioral intention and compatibility and behavioral intention and found that partial mediation of perceived ease of use and perceived usefulness exists between cost and behavioral intention and compatibility and behavioral intention. Perceived usefulness (PEU) was found insignificant while testing the mediating effect between PEU and trust and security and behavioral intention while there was no mediation through perceived ease of use between relative advantage and behavioral intention. While analyzing the results of uncertainty avoidance, it was also found that uncertainty avoidance does not moderate the relationship between trust and security and behavioral intention.

These findings will appeal banks and cellular companies to quickly migrate the customers towards mobile banking which can result in significant decrease in their operating costs.