

The Influence of Customer Lifestyles on the Use of Mobile Banking Applications in Lampung

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ABSTRACT

Advances in technology provide convenience for each company in developing its business, especially in establishing communication with its customers. The banking business has implemented an information system by maximizing the use of the Mobile Banking application. This technology focuses on providing financial banking services using Android devices and is the main transaction for today's diverse daily needs. This study aims to clarify the importance of mobile banking applications in the banking sector in Lampung. The data was collected using a questionnaire distributed to 300 customers from several Islamic banks in Lampung. The results showed that there was no statistically significant difference between the lifestyle patterns of users and non-users of the mobile banking application. However, the user's lifestyle has several common themes. Fashion, leadership, family awareness, health awareness, neglect, public awareness, and usability all have a significant impact on mobile app users, but cost awareness is where users use mobile banking apps. It does not have a significant impact on the methodology.

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1. Introduction

Technological developments make it easy for the public to access various information and use various facilities, especially banking services, and products. Many features or applications are offered by banking companies to make it easier for customers to make financial transactions, one of which is the Mobile Banking application. As a result of this favorable development, it is necessary to study consumer lifestyles for a deeper use of information and communication technology. One of the most important factors that can determine which banks prefer to use the successful application of Mobile Banking. Because Mobile Banking is used to carry out various transactions, most consumers may not be familiar with their daily needs.

This Mobile Banking application is the most effective communication with customers and provides better opportunities to build networks through banking applications on Android. (Alalwan et al.2018) This means of communication is very cost-effective. Because of this large effect, consumers' needs may be the same despite having different lifestyles. Today, consumers are influenced by the many services offered by banks. So, banks need to study consumer lifestyles to know how to offer services that can meet their needs, and in the process, gain a competitive advantage in this dynamic market (Tirtana and Sari 2014). This study emphasizes the importance of lifestyle patterns, activities, interests, and opinions of Islamic Bank customers in Lampung, and their influence on the use of Mobile Banking applications. Therefore, This study will examine the correlation between the use of Mobile Banking and the lifestyle of Mobile Banking users and find out whether lifestyle influences their decision to use the Mobile Banking application by answering the following questions: (1) What is the perceived influence of the lifestyle of bank customers in using the application? Mobile Banking in the people of Lampung? (2) What are the most important dimensions of the customer's lifestyle that can influence the use of the Mobile Banking application?

So this research aims to help Islamic banks in Lampung to better understand their customers because this can reduce costs and maximize profits for the bank itself. This article investigates the influence of a customer's lifestyle on the use of the Mobile Banking application and explains how lifestyle can affect the use of the Mobile Banking application.

2. Research Method

2.1. Independent Variable

Customer behavior and lifestyle as a manifestation of the economic level at which customers spend their money and how they allocate their time. Customer activity refers to actual observable behavior, customer interest refers to continuous attention to a particular object and customer opinion refers to responses to certain events. To identify the lifestyle of Islamic banking customers in Lampung, eight factors were used, namely, fashion awareness factor, leadership factor, family concern factor, health awareness factor, cheerful factor, community awareness factor, cost awareness factor, and practicality factor. The Likert scale is worth five points, ranging from 1 strongly disagree to 5 strongly agree, used to measure these eight factors. (Koenig, et.al., 2010)

2.2. Dependent Variable

The dependent variable is the Mobile Banking application. It refers to the terms and facilities of banking and financial services, with the help of an android device. The range of services offered may include facilities for conducting bank transactions, managing accounts, and accessing required information.

2.3. Population and sampling design

The banking sector is one of the largest sectors in the economy of Lampung, customers of Indonesian Sharia Banks in Lampung were selected as the study population. The characteristics of this market are high competition and dynamism. Due to an unknown population size, a convenience sample was used to conduct this study. The population in this study are android owners and local bank customers who provide m-banking services. As no information is available on the size of the target population but it is estimated that the population is greater than 100,000. As per Saunders statistical tables, a sample size of 300 is therefore required to achieve a 95% confidence interval. (Saunders et al. 2002). Data for this study were collected through a questionnaire. Respondents were informed that the information they provided would be used only for research purposes and that their answers would be kept confidential. This research was conducted in an ethical manner where confidentiality was of utmost importance. The anonymity of the respondent is respected and the respondent is not forced in any way to participate in the survey.

2.4. Data analysis

Demographic characteristics of respondents

Data for this study were collected via a self-administered questionnaire with a response rate of 66.25. The majority of respondents hold bachelor's and master's degrees 64.7%. Based on gender, 48% were female respondents and 52% were male respondents. By age, almost 77% of the respondents were between 19 and 50 years old. The sample size in this study was 212 samples, of which 124 people used the Mobile Banking application, or 70.7% while those who did not use the application were 88 people, or 29.3%.

Descriptive statistics

This study uses descriptive statistical methods to summarize all the data used. The results showed that the means for all items were above the midpoint and indicated positive answers to the questions measured. Also, the standard deviation ranges from 0.8 to 1.4, indicating a narrow spread around the mean.

Hypothesis test

This section presents a statistical examination of the research hypothesis. The main purpose of this test is to identify whether the formulated hypothesis is acceptable. The test is run at a significance level of 95% therefore if the probability of the observed data is less than the significance level then the data suggests the hypothesis must be accepted. The t-test is used to test the first hypothesis.

H1: There is no statistically significant difference between the lifestyle patterns of users and non-users of the Mobile Banking application.

The calculated t values are -0.20, 0.11, -0.74, 1.44, 0.69, 0.70, -0.79, and 0.27 for the customer's lifestyle domain: fashion awareness, leadership, family concern, health awareness, happiness, community awareness, cost awareness, and practicality of each. All t values are not significant at the 0.05 level, thus the

null hypothesis is accepted. In this case it can be stated that there is no statistically significant difference between the lifestyle patterns of customers who use and do not use the Mobile Banking application.

H2: There is no significant effect of all components of lifestyle (fashion awareness, leadership traits, family care, health awareness, cheerfulness, community awareness, cost awareness, and partiality) on the level of use of the Mobile Banking application by users; taken separately.

To test the above hypotheses, a simple regression analysis was performed for each sub-hypothesis. The results of simple regression analysis with the F ratio test for seven of the eight sub-hypotheses showed significant results of less than 0.05. Only the cost awareness sub-hypothesis has a significant value of more than 0.05, namely 0.342. This means that all sub-hypotheses have a significant effect on the level of use of mobile bank applications by users except cost awareness. So it can be concluded that there is a significant relationship between lifestyle (fashion awareness, leadership traits, family care, health awareness, cheerfulness, community awareness, and partisanship) with the level of use of the Mobile Banking application by users. However, the cost awareness found is not an important indicator of the level of mobile banking application usage. So this may need further investigation.

3. Results And Discussions

Mobile Banking application has become very important for today's banking industry and is a competitive advantage to survive in a dynamic market. For customers or customers, the use of this technology saves time and effort. Banks understand how to allocate their resources appropriately to create and further develop these mobile services that will meet customer needs and demands because this satisfaction will build long-term relationships with them, and reduce switching costs from customers (Anas Hidayat and BA, 2020).

The purpose of this research is to find out whether there is an influence of the customer's lifestyle on the owner and use of Mobile Banking services. What was observed related to lifestyle were: fashion awareness, leadership factor, family concern factor, health awareness factor, cheerful factor, community awareness factor, cost awareness factor, and practicality factor. Based on the results of data analysis, no statistical significance was found between the lifestyle of Mobile Banking customers and users and non-users, because all t values for the domain of customer lifestyle were not signed up to the 0.05 level. These results indicate that market segmentation of Mobile Banking application users according to the lifestyle of customers in Lampung was not successful. This is due to the similarity in lifestyle patterns of customers who are users and non-users of the Mobile Banking application. This is the main reason why this segmentation process is hampered. no statistical significance was detected between lifestyle patterns of Mobile Banking customers and users and non-users, as all t-values for the customer lifestyle domain were not significant to the 0.05 level.

Most of the study sample consisted of men because men are more likely to use Mobile Banking applications to pay bills, check balances and request transfers, and so on. Men in Lampung society have more roles, especially in carrying out various transactions so the use of applications is more prevalent among men. Women in general are less inclined to adopt new technologies. The sample age group was concentrated between 19 and 40 years. This could mean that respondents over the age of 40 are less interested in using the Mobile Banking app, compared to other age groups. Most parents avoid using the Mobile Banking application due to privacy and security concerns and difficulties in using the application. \ They prefer traditional banking methods. The sample with a bachelor's degree made up 64% of the entire research sample. This percentage indicates that younger people are more motivated and willing to adopt new technologies, thus, they will be more eager to try new applications such as Mobile Banking applications.

The percentage with the highest frequency of using the Mobile Banking application is 30% for the sometimes answer option, and the never option is 27.4%. Poor network in some places also makes using the service difficult. Lack of awareness about the service and how to use it can exacerbate the problem.

Analysis simple regression was performed on the results to find the relationship between the customer's lifestyle and the level of use of the Mobile Banking application by users. Furthermore, this research has added to the knowledge by offering additional support where the current study found that customers' lifestyle patterns, such as fashion awareness, leadership, family concern, health awareness, cheerfulness, community awareness, and practicality, have a positive and significant effect on usage levels. Mobile Banking application by the user. Indeed, examining and explaining customer intent and mobile banking adoption has been a focus for scholars and practitioners worldwide, and the issue has seen dramatic growth in the relevant banking channel literature. (Purwanegara, Apriningsih, and Andika 2014)

According to Patel and Marwala, Mobile Banking started after the evolution of Interactive Voice Response (IVR) technology, which allows callers to communicate with the system and be transferred to the appropriate department based on the information provided by the callers. IVR was originally used by banks to

provide various services to customers. Following the development and utilization of this technology, banks began to use SMS technology to enable customers to carry out limited banking activities (eg balance checks and transactions) via SMS. (Patel and Marwala 2008)

However, cost-conscious customers do not have a significant effect on Mobile Banking application users. These results indicate that researchers can segment Mobile Banking application users in Lampung by using certain lifestyle dimensions because of their significant influence. The cost-conscious dimension is omitted from the segmentation. The customer's lifestyle is analyzed using eight factors. This highlights the need for further investigation into consumer lifestyles. More knowledge about various lifestyles should ensure that Mobile Banking user segmentation can be more successful (Mathew, Sulphrey, and Prabhakaran, 2014)

The results of the analysis prove that the lifestyles of customers who use and do not use the Mobile Banking application are almost the same. That there is no significant influence of the customer's lifestyle on the use of the Mobile Banking application in the people of Lampung. Eight sub-hypotheses were given from previous research, which showed that the dimensions of customer lifestyle, such as fashion awareness, leadership, family concern, health awareness, cheerfulness, community awareness, and practicality were important for users of the Mobile Banking application, the effect of the fashion awareness dimension proved to be the most strong at 9.8% of Mobile Banking application users, followed by community awareness of 8.7% and practicality of 8.6%. On the other hand, there is no effect of the cost-conscious dimension on Mobile Banking application users.

4. Conclusion

Based on the results of the data analysis, this study provides several recommendations. First, further research needs to be conducted to study the market for mobile banking application users in Lampung with a larger sample of respondents, so that they can collect more information and data about user needs, as well as to determine their ability to adopt the application. Due to the rapid development, improvement, and high competition in this market. Second, carry out further investigations in the future into the lifestyle of customers in a way that allows the bank to segment for them, and create specific products and services that can target these customers. This will help banks to build long-term relationships with their customers and reduce switching costs for customers.

As a result, customer loyalty will be greater because the services provided are better, as well as bank promotions by word of mouth. The inevitable consequence is that the bank will increase the share market and increase profits. Third, no mediating or moderating variables were considered in this study. So that future research can focus more on the role of mediation or moderation of customer lifestyle and the effects felt on Mobile Banking. Fourth, demographic variables, such as age, gender, culture, income, and educational level of Mobile Banking users and non-users can be explored more deeply. Fifth, an expansion of the research sample should be carried out to cover more bank branches in Lampung.

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