

Embedding PLS Analysis into the Theory Building Process – The Case of Consumer Trust in Mobile Payments

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Abstract

Little is known in recent and current research about the factors that contribute (or otherwise) to consumer trust in the specific case of mobile payment transactions – a rapidly growing subsection of mobile internet finance applications. A research project was undertaken to establish such factors - in a mixed research approach – firstly from literature with subsequent qualitative and quantitative empirical validation. Following the classic theory building process, there were seven phases in the research: Analysis of the literature review, accepting or rejecting the hypothesized factors and modelling the single-path PLS model, The validation of the proposed model by a qualitative confirmation, measuring the single –path model using the questionnaire instrument developed from the literature, validating the model using the exploratory factor analysis test, determining the path coefficient for each factor, and finally classifying the factors into groups and developing and validating a multi-path PLS model that illustrates the inter-relationships between these group of factors that influence consumer trust in mobile payments. Directions for further research to internationalise the PLS models are set out in conclusion.