

An Experimental Analysis of the Antecedents of Behavioural Intentions towards Online Banking in Rural Places

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The expansion of the information technology sector has resulted in a huge transformation in the banking industry, making banks more efficient than ever before. Despite this rise, online banking use is still lagging, particularly in rural regions. As a result, the purpose of this article is to investigate the many elements that influence people's intents to use Internet banking in rural Amritsar (Punjab). TAM (technology acceptance model) and other behavioural models were used to create the qualities. A study schedule was used to collect the replies of 289 respondents from rural locations. Several variables have been investigated, and these factors have been verified using confirmatory factor analysis. Multiple regression analysis was used to determine the impact of these factors on the users' behavioural intentions, and the results show that Initial Trust, Perceived Credibility, and Perceived Usefulness have the greatest impact, while Social Influence, Perceived Ease of Use, and Self-Efficacy have the least impact. Initial trust emerged as the most important factor in determining behavioural intentions to use online banking, out of all the criteria examined. As a result, policymakers should place a greater emphasis on establishing early trust, which will increase Internet Banking acceptability in the long run.

Keywords- Internet Banking; Initial Trust; Perceived Risks; Self-Efficacy; Multiple Regression Analysis

1. INTRODUCTION:

Significant advances in financial sector technology, particularly in the banking business, have emerged from the rise of the IT sector. Internet banking has completely altered the financial industry's landscape (Yu, P. L et al., 2015). It has changed the way banks operate, allowing consumers to access a variety of services while sitting at home, with a single click on their mobile phones, and reducing geographical limits, resulting in significant resource and energy savings (Durkin, M. et al., 2007). It has made the banks more competitive, highly efficient, user friendly which helps to provide improved services to its customers (Premkumar, G et al., 2009). Internet banking becomes a prominent distribution channel which is admired from last many years (Lee, 2009; Yadav, R et al., 2015). Financial institutions provides these services which are economical and easy to use, which will increase the efficiency of the Indian banking sector (Mann, B. J. S et al., 2012) Internet banking is considered as one of the biggest innovations in this sector which has a control on the parameters like: distance, speed and time (Kumar Sharma, S., et al., 2014) But apart from its never ending benefits, the adoption rate is approximately only 7% user's in India who uses this service (Business Standard, 2011). After looking into the reasons for the lack of adoption of internet banking, the reasons came out like lower literacy rates and lack of initial trust with internet banking (Poon W. C. 2007; Warkentin, M., et al 2002) Thus, due to such reasons, the penetration rate of the internet banking in India is far less than the other developing and developed countries.

Therefore, it leads to the scope for improvement because banks are still having a problem to work on the factors like, urbanization levels, infrastructure, awareness schemes and regulatory which helps in having an impact on the internet banking penetration (George, A. 2017; Pavlou, P. A. 2003) Many previous empirical studies on the financial innovations the banking sector have paid attention on the introduction of automated teller machines (Hannan, Tet al., 1984, 1987; Sinha, R.K. et al., 1992; Sharma, 1993; Ingham, H et al., 1993; Saloner, G et al., 1995; Gourlay, A.R et al., 2000, 2002; Hester et al., 2001), patents (Lerner, 2002), small business credit scoring (Akhavain et al., 2001), video banking (Pennings and Harianto, 1992) other activities regarding off balance sheet of banks (Obay, 2000), remote banking (Buzzacchi et al., 1995) and Point of Sale (POS). Very fewer studies had specified factor's affecting the user's intentions on the adoption of Internet banking in the banking industry.

Therefore, there is a need of understanding the reasons that affects the user's adoption of internet banking technologies by the bankers and then designs the initiatives related to the improvement of the levels for the acceptance of these innovative technologies. (Bashir, I., et al., 2014, 2015) Furthermore, India has a large population that is highly diversified in terms of education, language, culture and income. Also, under the campaign of financial inclusion launched in 2014, 190 million new bank accounts had been opened (Tiwari, D. (2015), which leads to believe the fact that Indian banking industry has a huge potential regardless of all the constraints to the banking sector. It also makes us believe that the better understanding of the factors which can influence the acceptance of Internet banking will be more valuable for Indian banks and will promote acceptance regarding Internet banking use among their customers. (Stewart, D et al., 2002; Hoffman, D. et al 1999)

Therefore, the existing studies may not be able to catch the uniqueness of the Indian internet banking user's perceptions which leads to the rise of need for more adoption related studies which can help in awareness and acceptance of new technologies. Thus, we have focused on rural areas of Amritsar, Punjab in this study because the behavioral perception of Indian internet banking user's especially in the rural areas is hardly been studied. Moreover, in addition to this, the demographic and the psychographic variables have been cited as major reason of non-adoption of internet banking in the already existing studies (Susanto, A et al., 2013, Pikkarainen T et al., 2004; Lee, K. C et al., 2009; Yoon, S. J et al., 2002) Also the previous studies have failed to take into account the various products related attributes and the cognitive attributes of the users collectively. Thus, there is still lack of proper knowledge regarding the adoption of internet banking and this paucity in a research needs to be addressed. Thus this study aims to explore the various behavioral and product related factors that influence the use of internet banking with respect to rural areas.

The objective of this study is to analyze the behavioral intentions of people living in rural areas of Amritsar to adopt internet banking.

This study explained through five major sections. Section one introduces the problem and the objective of the study. In second section, the conceptual and theoretical framework of the study are evaluated and described. The hypotheses are also formed and the hypothetical model related to it is introduced as well in the same section. Furthermore, the research design is explained which

explains the sampling design, process, and framework along with the tools of data analysis in section third. The data analysis is detailed which explains the factors extracted from the study through exploratory and confirmatory factor models. Besides this, regression analysis is detailed. The fourth section presents the results of the study and the discussions with regard to the findings. And the article is concluded in the final fifth section.

2. CONCEPTUAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT:

2.1) PERCEIVED CREDIBILITY -

According to Erdem and Swait (2004), perceived credibility (PC) is defined as “the belief that something is trustworthy and has the required expertise to carry out work on it”. Wang et al., (2003) have defined perceived credibility as “the degree to which a potential user believes that the service will be free of security and privacy threats”. Thus, lack of perceived credibility leads to consumers’ stresses that their own data or potentially cash may be exchanged to another person without their insight (Lurn and Lin, 2005). Previous studies suggests that in the case of the adoption regarding the internet banking, the perceived credibility has a positive influence on the behavioral intentions of the customers(Wang et al., 2003; Yuen et al., 2010; Tarhini et al., 2016) and mobile banking (Lurn and Lin, 2005; Riquelme and Rios, 2010). Moreover, Tarhini et al. (2016) suggests that integrating UTAUT with Perceived Credibility offers better prediction for the adoption of internet banking towards customers’ behavioral intentions. Also, (Amin, H. (2009; Tarhini et al., 2016) has determined that perceived credibility regarded as an important and crucial factor which will determine the customers’ behavioral intentions to adopt such technology because it was believed that it relies on reputation, information and economic reasoning (Ba and Pavlou, 2002) as it is related to one’s perception on security and privacy issues regarding internet banking. Also, the perception of the users affects the usage of the internet banking systems. Therefore, perceived fears of losing sensitive information by the users provide challenges to Internet banking policy makers to find different ways to improve the perceived credibility (Warrington et al., 2000) because they will perform the online transactions only if they trust that platform.

2.2) INTITAL TRUST:

Initial trust can be portrayed as the conviction that the other party will carry on in a socially mindful way, and, by so doing, will satisfy the confiding in gathering's desires without exploiting its vulnerabilities (Gefen, D. 2000; Mayer, R. C1995)

In e-commerce context; Initial trust has considered as of great importance. Different factors were identified which can significantly affect the initial trust like: Website quality (McKnight et al. 2002b, Wakefield et al. 2004, Lowry et al. 2008). Information quality also affects the initial trust (Nicolaou and McKnight 2006, Yang et al. 2006). Furthermore, in TAM, perceived usefulness and perceived ease of use are also considered as the important components of online initial trust (Koufaris and Hampton-Sosa 2004, Wang and Benbasat 2005, Benamati et al. 2010). Other factors like perceived security, perceived privacy (Chen and Barnes 2007), usability (Hampton-Sosa and Koufaris 2005) and reputation (McKnight et al.)

(Grazioli, S., & Jarvenpaa, S. L. 2000; Palmer, A., & Bejou, D. 1994) Also, people are hesitant to give sensitive data, for example, money related information on the Internet on account of security imperfections and doubt of specialist organizations. Suh, B., & Han, I. (2002) therefore, on the account of providing financial services, trust and confidence plays an important role (Palmer and Bejou 1994; Page and Luding 2003; Gefen et al. 2003; McKnight et al. 1998; and Stewart 2003). Therefore, Formation of trust before actually experiencing the services can have a dominant effect on customers' intentions towards the adoption of Internet banking. In the study by Chen, Y. H., & Barnes, S. (2007) it is explained the tool of online trust as: fulfillment (i.e. willingness to customize), security guarantee, presentation (i.e. web quality), web searching, and interactions like e-forums, reputation and technology.

Initial trust is affected by one's propensity to trust and also it plays an important role in the initial phases of a relationship (Mayer et al. 1995; McKnight et al. 1998).

Trust positively affects the attitudes of consumers towards the organization and clients who trust an organization are bound to purchase from its site. This impact can be immediate or can be intervened through a diminishing of client perceptions of some risks while operating with the organization (Jarvenpaa, S. L et al 2000, Pavlou, P. A. 2003). In the study by Kim et al. (2009) it was examined that the structural assurance was a main determinant of initial trust and Luo et al. (2010) founded that perceived risk and performance expectancy were affected by the initial trust which ultimately determines the user's intention for mobile banking.

Therefore, it is hypothesized that:

H2: Initial Trust positively influences the behavioral intentions to adopt Internet banking.

2.3) SOCIAL INFLUENCE:

Social influence is defined as the degree to which an individual user's perception is affected by the belief of most others who are important to him/her towards the use of an innovation (Fishbein, and Ajzen, 1975). In case of internet banking, the social influence refers to the degree to which an individual perceives that people who are close to him/ her thinks that he or she should use or not use the system. Many factors help in influencing the decision making process of consumers towards the purchase or use of any new product or service. Therefore from past, socialization done through online and offline agents have emerged as most dominating variable in influencing the adoption of various technology products. According to Davis¹⁹, one's own beliefs and feelings becomes the most influencing base for the user's decision to adopt technology. Social influence had been widely discussed in literature dealing with internet banking adoption and therefore is known as the strong base which impacts the adoption of internet banking and many other new technologies by users. Venkatesh and Morris (2000) also discussed the relationship between the social influence and gender. Also Davis et al. (1989) in his study mentioned that users undertake one's own feeling as well as others beliefs and feelings to use a technology and these studies also supported the relationship between the behavioral intention and social influence. In the case of Internet banking, persuasion from family and friends are found to have a great influence on the decision by user's to adopt internet banking. Therefore according to the above argument, it will be

interesting to explore the effect of social influence on behavioral intentions to adopt Internet banking. Thus, the following hypothesis is proposed:

H3: Social influence positively influences behavioral intentions to adopt internet banking.

2.4) SELF-EFFICACY

In Internet Banking scenario, Self-efficacy termed as the extent in which a person believes in his ability to use it successfully, which will ultimately affects their adoption towards it. Therefore, people with high scene of self-efficacy find the adoption easier than those who have lower levels of self-efficacy. Wang, Y.S et al., (2003) showed that a user with high levels of self-efficacy successfully evaluates the ease of use and usefulness of Internet banking. And it was also argued that user's with lower levels of self-efficacy finds it difficult to understand the internet banking and complete the tasks related to its which will adversely affects their motivations towards the use of technology. Thus, it can be concluded that a person with stronger self-efficacy beliefs, will be more likely to achieve the desired outcome (Olivier, T. A 1993) According to (Bandura, 1977) Performance accomplishment, verbal persuasion, indirect experience, and psychological state are the four major sources of information in case of self-efficacy and according to (Ajzen 1991) it effects the customers' opportunities and resources for the adoption of a certain behavior therefore it is also considered as a motivational variable which might influence the internet banking acceptance by the customers.. Recently Alalwan, AA et al., (2015) evaluates self-efficacy with the hedonic motivation and trust regarding the adoption of Internet banking in Jordan. Agarwal, R et al., (1999) showed that there is a positive significant relationship between perceived outcome and usage with experience with computing technology. Self-efficacy has been also evaluated in many previous studies Compeau DR et al., (1995 and 1995); Hong W et al., 2002 and they confirmed that self-efficacy has significant effect with information technology regarding the individual responses. Some empirical evidence by Venkatesh, V. (2000) Venkatesh, V et al., (1996) Igarbaria, M (1995) showed the effect of self-efficacy on behavioral intention. Many researchers argued that self-efficacy has a positive influence on perceived behavioral control which will results in influencing the user's behavioral intentions towards Internet banking Dash, S et al., (2008) Therefore, according to the above fact, it would be interesting to find the impact of self-efficacy on behavioral intentions towards internet banking adoption. Hence, following hypothesis is propounded.

H4: Self-efficacy positively influences the behavioral intentions to adopt Internet banking

3. TECHNOLOGY ACCEPTANCE MODEL (TAM)

TAM has been approved as a strong and closefisted model for anticipating individual acknowledgement of information systems (Davis, F. D. 1989) TAM was at first created to recognize clients' acknowledgment of information innovation use on a job but as it may, later TAM was abundantly connected to all types of technology acceptance with well-off empirical help. (Agarwal, R., &Prasad, J. (1999) Bashir, I., &Madhavaiah, C. (2015) TAM demonstrates that adoption of advanced technology is controlled by consumers' intention to utilize the system, which

thus is determined by the consumer's convictions about the whole system framework. TAM further sets the two specific convictions about the consumer's intentions to utilize the system framework :PU (Perceived Usefulness) termed as perceptions of the individual's to use Internet banking which will results in improving their banking performances. Perceived usefulness is termed as the degree to which a people believes that utilizing the specific system would improve their job performance (Davis, F. D., 1989).

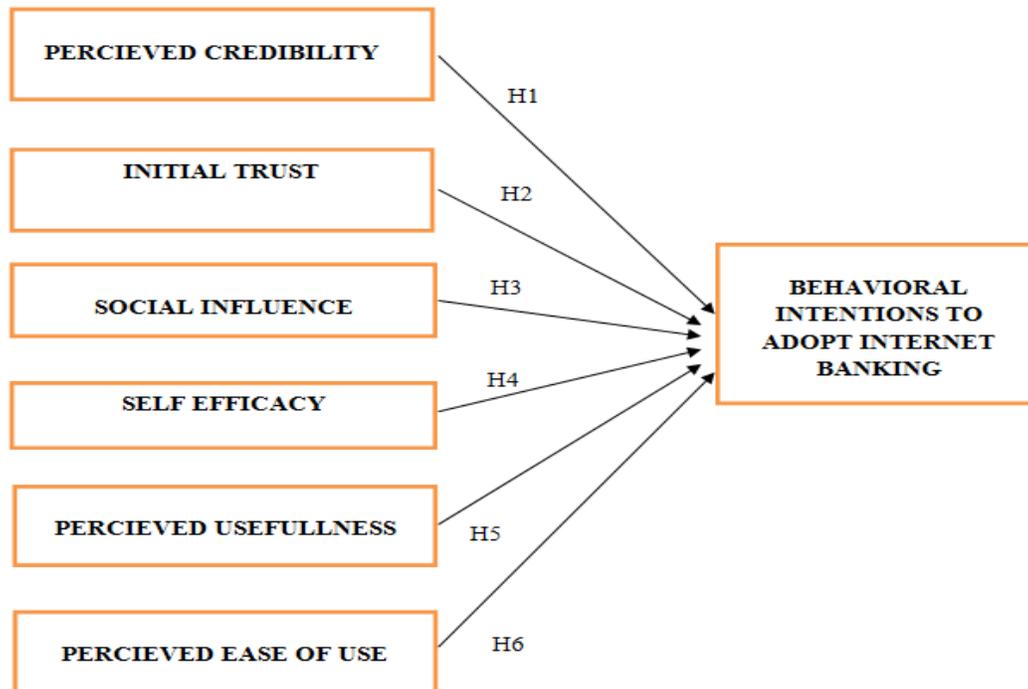
4. BEHAVIORAL INTENTIONS:

Behavioral intentions are defined as a degree willingness of user's to use new innovative technology. Ajzen and Fishbein in 1980 introduced Behavioral intentions as a valid and reliable predictor. Ajzen and Fishbein explored consumer belief, attitudes, and intention. Featherman and Fuller (2003); Cunningham, Gerlach, and Harper (2004); and Lapointe and Rivard (2005) concludes that the development patterns of BI varies, and they also depends on characteristics of different technologies. In the studies of IS adoption, behavioral intentions plays an important (Kishore, S. K., &Sequeira, A. H. (2016)

5. PROPOSED MODEL

Based on the review of the existing literature the following model has been proposed for the current study.

Fig 1: The Proposed Research Model



6. RESULTS AND DISCUSSION

The goal of this study was to find out what factors impact users' behavioural intentions to utilise online banking. The proposed theoretical model was experimentally validated in the current study. All of the hypothesised associations were validated and tested using reliability tests, correlation analysis, and regression analysis. The study's hypothesised links were all confirmed. Perceived Credibility, Initial Trust, Social Influence, Self-Efficacy, Perceived Usefulness, and Ease of Use were utilised to see whether there was a substantial influence on the users' behavioural intentions when it came to online banking. The next section has a more extensive explanation.

Finally talking about the dimensions of Social Influence and Self efficacy, the findings of this study show that social influence and self-efficacy also showed lesser impact on intentions to use Internet banking. However, this is in contradiction with other studies (Sudeep, 2007; Venkatesh et al., 2003) which supports that social influence has a significant positive relationship with behavioral intentions. This has been explained by the fact that, user only get influenced by the society if they think that using a particular practice will be useful and there will be no risks in using that practice. Thus it can be said that, users due to self-centered rationality only gets influenced by the society if they perceive that it will be useful for them to adopt some practice. Whereas, self-efficacy is referred to a person's belief in his abilities to succeed in a particular situation which helps him developing self-confidence and ultimately leads to have a positive intention towards adoption. Thus, people with high level of self-efficacy assume to gain higher benefits from the adoption of new technology. Thus, a customer holding high positive beliefs of their abilities adopts internet banking to use high end benefits. Therefore, banks should form strategies to boost self-confidence in potential adopters to increase its scope.

7. Managerial Implication

It is critical in the Online banking system architecture to guarantee that individuals use internet banking more frequently and that the sector reaps economic returns. As a result, user-friendly strategies must be developed to enhance Internet banking acceptance.

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