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FACTORS INFLUENCING THE BEHAVIOURAL INTENTION OF CONSUMERS TOWARDS ONLINE BANKING SERVICES

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Abstract

The twenty-first century is described by the utilization of data innovation which has upset our working and living examples. Another period of banking, named - Online Banking‖ has risen, where clients can play out their money related exchanges electronically over the web through their PC or workstation at a time advantageous to them, without being confined to customary branch's working hours. Moreover, clients are relied upon to perform at any rate one of the accompanying exchanges on the web, to be specific parity enquiry, download banking proclamation, support move between accounts, charges installment, ATM card demand, check book demand, check clearing status enquiry, ATM card notice, and so forth.

1. INTRODUCTION

The twenty-first century is characterized by the use of information technology which has revolutionized our working and living patterns. A new era of banking, termed - Online Banking has emerged, where customers can perform their financial transactions electronically over the internet through their personal computer or laptop at a time convenient to them, without having to be restricted to regular branch‘s operating hours. Furthermore, customers are expected to perform at least one of the following transactions online, namely balance enquiry, download banking statement, fund transfer between accounts, bills payment, ATM card request, cheque book request, cheque clearing status enquiry, ATM card notification, etc. (Alsajjan and Dinnis, 2006). Online Banking (OB) is defined as ―the use of the internet as a remote delivery channel for banking services, and an Online Banking service is defined as a bank that offers web-based transactional services‖ (Gopalakrishnan, Wischnevsky and

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Damanpour 2003).Online Banking is beneficial to both the banks and their customers. From the bank's viewpoint, Online Banking allows banks to reduce their operation costs through the reduction of physical facilities and staff resources that a bank requires, reduce waiting time in branches leading to potential boost in sale performances and bigger global reach (Hernando and Nieto, 2007). From the consumer's viewpoint, Online Banking enables consumers to do a wide range of bank transactions electronically via bank web-site anytime and anywhere (Granbner-Krauter and Faullant, 2008). Although Online Banking services have been widely adopted in various developed countries, customer's adoption of Online Banking services in developing countries has been slower than anticipated. There is a limited empirical research on Online Banking services in developing countries (Abu Shanab, Pearson and Setterstrom, 2010; Al-Gahtani, 2011; Nasri and Charfeddine, 2012). Therefore, there is a clear need to investigate the factors that influence customer's adoption to the Online Banking services, so that banks can better formulate their marketing strategies to increase this services usage in the future. This study aims to identify the impact of the factors influencing the Behavioural Intention of consumers towards Online Banking services at Chennai City Corporation. This study begins with a literature review, followed by a research model then describes the data analysis and results followed by conclusion and references.

2. LITERATURE REVIEW

2.1. ONLINE BANKING AWARENESS (OBA)

In this study, the construct awareness refers to the information that the user possesses regarding availability of online banking, range of services, process of signing up and benefits and risks involved. Awareness has been cited as an important factor in determining a user's adoption of Online Banking services (Sathye, 1999; Pikkarainen et al., 2004).

2.2. ACCESSIBILITY (AC)

According to Kling and Elliott (1994), accessibility is defined as the ease with which an individual can locate specific computer system (such as an Online Banking services). User perceptions of accessibility have been found to be related to technology and information use in both organizational communications and information systems research. Accessibility has a

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number of dimensions such as the access to and interface with the source, and the capability of physically retrieving important information. However, previous research has suggested that physical access to data (information) is not dependent on the access to an information system (Culnan, 1984). In discussing the results of his study, Culnan (1984) noted that, while providing unobstructed physical access to information is essential for use of information systems; however, physical access only does not guarantee the use of information systems.

2.3. INTERNET CONNECTION QUALITY (ICQ)

Internet connection quality defined in terms of speed and continuity which influence a user‘s perception of the Online Banking acceptance. A low-quality connection can make completion of banking tasks difficult and lead to uncertainty regarding the status of transaction. This can adversely impact the degree of Online Banking acceptance. On the other hand, a better internet service can enhance the user‘s perception of Online Banking acceptance and make the user more inclined to use Online Banking services (Sathye, 1999).

2.4. ONLINE BANKING COST (OBC)

This is one of the major factors that influence customer‘s adoption of innovation. Aliyu et al., (2012) stated that for customers to use new technologies, the technologies must be reasonably price relative to alternatives. Otherwise, the acceptance of the new technology may not be viable from the standpoint of the customers.

2.5. BEHAVIOURAL INTENTION (BI):

Behavioural Intention is an indicator of a person‘s readiness to perform certain behaviour. The TRA has been applied in the Online Banking domain to predict the performance of behaviour and individual‘s intention towards Online Banking acceptance (Nor et al., 2008; Ok and Shon, 2010; Sadeghi and Farokhian, 2011; Yousafzai et al., 2010).

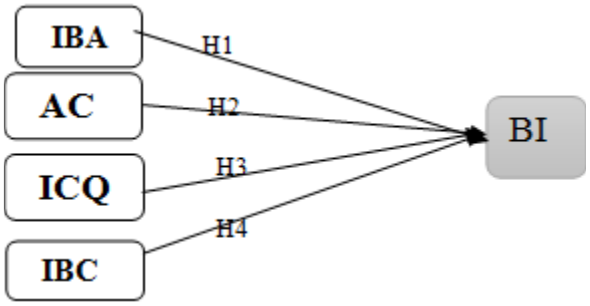
3. RESEARCH MODEL

For the purpose of understanding the factors influencing customer‘s acceptance of Online Banking, this paper proposes a research model (see figure 3.1. below). This research model is developed based on several previous studies related to electronic banking, Online Banking, and customer‘s adoption of Online Banking services.

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Figure 3.1: The Research Model



The following hypotheses were developed based on the research model and literature review discussed:

H1: Online/Internet Banking Awareness has a significant and positive influence on the Behavioural Intention of consumers towards Online Banking services. [BI ← OBA/IBA]

H2: Accessibility has a significant and positive influence on the Behavioural Intention of consumers towards Online Banking services. [BI ← AC]

H3: Internet Connection Quality has a significant and positive influence on the Behavioural Intention of consumers towards Online Banking services. [BI ← ICQ]

H4: Online/Internet Banking Cost has a significant and positive influence on the Behavioural Intention of consumers towards Online Banking services. [BI ← OBC/IBC]

4. RESEARCH METHODOLOGY

This research is a descriptive survey. Descriptive survey research includes methods that aim to describe investigated situations or phenomena. Implementation of descriptive research, can only contribute to the better understanding of the current situation or the decision-making process. Survey is a method to obtain information on attitudes, beliefs, ideas, behaviours, or characteristics about a group of members in statistical population through investigation.

4.1. POPULATION AND SAMPLE

Population of present research consisted of 100 customers in the Chennai City banks, who have an account there and who have used the bank‘s Online Banking services. The sampling method used in this research is simple random sample.

4.2. MEASUREMENT INSTRUMENT

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All measurement items were adopted with slight modifications, from the literature. Online Banking Awareness, Accessibility, Internet Connection Quality, and Cost were adopted. All items were measured using five-point Likert scales, ranging from strongly agree (1) to strongly disagree (5).

5. DATA ANALYSIS AND RESULTS

Structural Equation Modelling (SEM) shows relationships among variables using one or more regression equations. The regression equations are called structural equations, and a collection of such equations is referred to as a Structural Equation Modelling. The coefficients describing how dependent variables depend on independent variables are called path coefficient.SEM also offers a number of additional benefits including effective handling of multicollinearity.

5.1 CRONBACH'S ALPHA

Data collected were analysed using Cronbach's Alpha coefficient to check its internal consistency. The Cronbach's Alpha coefficient is commonly used to measure reliability of the questionnaires in surveys. Hair et al. (2006) noted that alpha and construct-reliability values greater than or equal to 0.70 and a variance-extracted measure of 0.50 or greater indicates sufficient scale or factor reliability. Therefore, the Cronbach's Alpha coefficients of the variables were shown in the table 5.1. All instruments showed high reliability values (exceeding point of 0.70), which has a good internal consistency.

Table 5.1: Cronbach's Alpha Coefficient

Variables	Cronbach's Alpha	No of items
Internet Banking Awareness (IBA)	0.882	4
Accessibility (AC)	0.7	3
Internet Connection Quality (ICQ)	0.831	4
Internet banking Cost (IBC)	0.87	4

5.2 CONFIRMATORYFACTOR ANALYSIS (CFA)

The CFA measurement model estimation is the first step of SEM. The CFA determines whether the number of factors and the loadings of items on them confirm to what is expected based on the pre-established theory of scale assessment. The SEM techniques

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were used to perform the CFA. The AMOS software 20 was used to calculate the proposed factor solutions and the model fit. SEM is considered a family of statistics models that looks for details concerning the relationships among multiple variables (Hair, Black, Basin, & Anderson, 2010). A confirmatory factor analysis is first used to confirm the factor loadings of four constructs (Online Banking Awareness, Accessibility, Internet Connection Quality, &Cost). The table 5.2 shows the CFA and Model fit summary respectively.

Table 5.2: Measures of the Model Fit

Goodness-of-fit Measures	Acceptable Level	Structural Model
Chi-square ($x2$)/d.f.	>1 and <5	2.102
Goodness of Fit Index (GFI)	0 (no fit) to 1 (perfect fit)	0.92
Adjusted Goodness of Fit Index (AGFI)	0 (no fit) to 1 (perfect fit)	0.90
Root-Mean-Square Error of Approximation (RMSEA)	<0.05	0.071
Normal Fit Index (NFI)	0 (no fit) to 1 (perfect fit)	0.913
Comparative Fit Index (CFI)	0 (no fit) to 1 (perfect fit)	0.951

The overall fit measures of the structural model indicate an adequate fit of the model. The standard values were obtained as following: $x2$/d.f. = 2.102, Goodness of Fit Index (GFI) = 0.92, Adjusted Goodness of Fit Index (AGFI) = 0.90, Root-Mean-Square Error of Approximation (RMSEA) = 0.071, Normal Fit Index (NFI) = 0.913, Comparative Fit Index (CFI) = 0.951. The initial confirmatory factor analysis showed a good model fit. As shown in table 5.2 above, all fit indices for the measurement model have achieved a good fit. These findings suggest that the measurement model fits well the sample data.

5.3 RESULTS OF HYPOTHESIS TESTING

The table 5.3 shows that the hypotheses (OBA/IBA→ BI) and (ICQ→ BI) are supported which indicates that the Online/Internet Banking Awareness and Internet

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Connection Quality has a direct effect on the Behavioural Intention of consumers towards Online Banking services, whereas, (AC→ BI), and (OBC/IBC→ BI) are not supported.

Table 5.3: The results of the Hypothesis Testing

Factors	Estimate	S.E	C.R	P	Supported
BI ← OBA/IBA	0.131	0.052	2.495	0.013	Yes
BI ← AC	0.12	0.225	0.534	0.594	No
BI ← ICQ	0.254	0.083	3.067	0.002	Yes
BI ← OBC/IBC	0.072	0.051	1.417	0.157	No

FINDINGS OF THE STUDY

- Whether the number of factors and the loadings of items on them confirm to what is expected based on the pre-established theory of scale assessment,
- Online Banking Awareness, Accessibility, Internet Connection Quality, &Cost and these adopted under the overall fit measures of the structural model indicate an adequate fit of the model
- The initial confirmatory factor analysis showed a good model fit
- Goodness of Fit Index (GFI) = 0.92,
- Adjusted Goodness of Fit Index (AGFI) = 0.90,
- Root-Mean-Square Error of Approximation (RMSEA) = 0.071,
- Normal Fit Index (NFI) = 0.913,
- Comparative Fit Index (CFI) = 0.951

Suggestions of the study

- The bankers have to offer the cost-benefit effective online banking products to all the sets of the people.
- The bankers have to be concentrated to inclusive growth in the generation of banking operations efforts to be taken by the banker to special campaign on this.

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- The banker in the process of online system need to be more security on finger finder, eye finder, face finder and mobile connectivity and so on.

6. CONCLUSION

In this study, we developed and validated a new research to predict factors which affect Behavioural Intention to use Online Banking services. Moreover, the interdependent relationships among various research factors were investigated. The results reveal that the customers prefer to use Online Banking services because they have Online Banking Awareness and Internet Connection Quality is suitable.

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