



Assessing the determinants of internet banking adoption intentions: A social cognitive theory perspective



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ABSTRACT

Internet banking adoption is one area that has received attention from scholars. The extant studies have mainly used technology acceptance models and behavioural theories which do not account for changes in human behaviour. This study seeks to ascertain the determinants of Internet banking adoption intentions using the social cognitive theory, which accounts for changes in human behaviour. The study selected the sample from bank customers in Ghana through an intercept approach using structured questionnaires. A two stage-approach of confirmatory factor analysis and a structural equation modelling were used in analysing the data. The findings show that websites' social feature, trust, compatibility with lifestyle and online customer services have a significant effect on customers' intentions to adopt Internet banking. However, ease of use did not have a significant relationship with customers' intentions to adopt Internet banking. The significance of the study as well as recommendations for theory, practice and future studies have been discussed.

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1. Introduction

Several organizations in recent times have acted in response to the competitive business environment by implementing e-business as part of their business strategies (Chong, Ooi, Lin, & Tan, 2010). One sector that has seen technological innovation both from the end user and organizational perspectives is the banking sector. Information Technology (IT) has helped the sector to offer individualized services and at the same time improve service delivery (World Bank, 2003). Similarly, IT has contributed to innovation and improved performance in the industry. Malhotra and Singh (2010), for example, note that Internet banking has transformed the banking industry worldwide. With the growth of the Internet, it is to be anticipated that banks will move towards providing online banking for their customers (Chong et al., 2010). Different academic

researchers have shed light on the reasons leading to Internet banking adoption, and according to Giovanis, Binioris, and Polychronopoulos (2012), among the most commonly accepted approaches are the technology acceptance model (TAM) (Davis, 1989) and the innovation diffusion theory (IDT) (Rogers, 1995). However, these theories have been criticized for various reasons. Taylor and Todd (1995), for example, assert that TAM is too simplistic and does not fully explain people's understanding of behavioural intention to adopt a technology and does not account for the dynamic nature of human behaviour. The purpose of this study is not to join this debate, but to offer an alternative model that accounts for the dynamic nature of human behaviour in relation to intentions to adopt Internet banking. This study employs the social cognitive theory (Bandura, 1989) which is able to explain and account for the changing users' behaviour towards technology and its adoption (Ratten & Ratten, 2007).

Juwaheer, Pudaruth, and Ramdin (2012) note that the empirical findings from user acceptance research suggest that when users are presented with a new software package, a number of factors predict their decision about how and when they will use it. Drawing inspiration from the social cognitive theory, we argue that bank

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customers' intention to adopt Internet banking is a function of social features of website, trust, ease of use, compatibility with lifestyle, online customer service. Following Mohammadi (2015), this study defines intentions to adopt Internet banking as the likelihood that an individual will use Internet banking services. Dimitriadis and Kyrezi (2011)'s study on Internet banking stresses the importance of intention to transact telephone banking. In the work of Lee (2009), it was found that intention to use online banking is a very important variable in Internet banking adoption. Thus, the objective of this study is to model the factors explaining the variations of intention to adopt Internet banking. This study makes contribution to both theory and practice.

As indicated earlier, most studies on technology adoption and Internet banking adoption have relied on the TAM, which is incapable/insufficient/incapacitated in explaining or accounting for the dynamism in users' behaviour towards technology and its adoption. This study addresses this gap as it is modelled on the social cognitive theory, which is capable of explaining changes in human behaviour (Bandura, 1989). It also contributes to technology acceptance by showing the role of online customer service and social features of a website in the context of intentions to adopt Internet banking. Apart from these theoretical contributions, identifying the variables that explain the variations in Internet banking adoption intentions will help banks address the changing needs of bank customers in an online environment. This study, therefore, explains how the mode of Internet access can be a boundary condition for Internet banking adoption.

The next section focuses on the theoretical background and hypotheses development. This is followed by the methodology used. The findings of the study are presented after that, while the discussion of the findings follows subsequently. The conclusions, implications, and limitations are contained in the last section.

2. Theoretical background

Social cognitive theory (SCT), as one of the most powerful theories of human behaviour (Bandura, 1986), serves as the theory for this study. The primary argument of the SCT is that an individual's behavioural intention is a function of not only behaviour, but also of cognitive personal and environmental factors. Cooper and Lu (2016) argue that the basic precept of SCT is that behaviour is regulated by the person through the cognitive processes, and by the environment through external social situations. Bandura (1986) promotes the triadic reciprocal determinism through (among) personal attributes, such as internal cognitive and affective states and physical attributes, such as external environment factors, and overt behaviour.

An individual's perception, beliefs, and expectations mould the person's behaviour. That is, how the individual thinks and feels is associated with the person's behavioural intentions (Bandura, 1986; Benight & Bandura, 2004). The theory also implies that an individual's abilities, knowledge, and skills affect/influence him or her to engage in certain actions (Bandura, 1989; Prussia & Kinicki, 1996).

Bandura (1989) also notes that an individual's environment, that is, the factors external to the individual, predicts the person's behaviour. This environment includes the physical and social environment. The physical environment includes the natural and manmade objects within an individual's surroundings. The social environment encompasses the immediate physical surroundings, social relationships, and cultural milieus within which defined groups of people function and interact' (Barnett & Casper, 2001, p. 465). It also includes social norms, access within the community, peer influence, values, etc. (Bandura, 1991). The social environment has been conceptualized to include both the virtual and real world (Narayan, 2013).

The other component of the SCT is behaviour. It is the way people act or respond to a particular situation or object (Bandura, 1991). It also includes how people respond to technology or technological innovations (LaRose & Eastin, 2004; Ratten & Ratten, 2007). These three components or factors interact with each other to predict an individual's action. However, their predictive capacity is not the same. Furthermore, their influences on each other do not occur at the same time (Bandura, 1989).

The SCT has been employed in different disciplines, probably because of its adaptive nature, as it considers human behaviour to be dynamic (Kock, 2004). For example it has been used widely in adoption of an e-government system (Loo, Paul, Yeow, & Chong, 2009; Rana & Dwivedi, 2015; Sahu & Gupta, 2007), task complexity (Bolt, Killough, & Koh, 2001), organizational management (Wood & Bandura, 1989), technological innovation adoption (Compeau & Higgins, 1999; Ratten & Ratten, 2007), tourism sustainability (Font, Garay, & Jones, 2016) and Internet uses and gratifications (LaRose & Eastin, 2004). This theory has also been employed as the theoretical framework to predict customers' intentions to use computer systems (e.g. Compeau & Higgins, 1995; Loo et al., 2009; Venkatesh, Morris, Davis, & Davis, 2003). However, it has rarely been used to study Internet banking adoption in an emerging service context such as in Ghana.

Pincus (2004) asserts that the SCT is built upon the foundations of individual and group psychological behaviour. Bandura (1986) explain that this theory is used as a basis to examine the reasons why individuals adopt certain behaviours. In the light of this and recognizing the lack of empirical evidence of this model on bank customers, this study examines the Internet banking adoption intentions of bank customers in the Ghanaian context. It is used in this study to predict customers' intentions to use Internet banking because it explains how individuals' actions are predicted by the interaction of personal factors, environment, and behaviour. The following facets of the theory are particularly relevant to this current study: the development of an individual's social environment and cognition, beliefs about the capabilities, personal factors and motivation via goal system.

3. Research model

Following from the SCT, it is our argument in this study that an adoption of a particular technology will be influenced by the development of an individual's social environment and cognition, beliefs about what the specific technology can offer, personal factors and motivation through the persons' goal systems. Therefore, we posit that Internet banking adoption will be influenced by the social characteristics of banks' websites, the level of trust customers have for the service delivery channel (website), the ease with which they can navigate the service's delivery processes on the website, how compatible the delivery channel is with the customers' lifestyle and the overall service quality provided. We further argue that one key boundary condition for the above adoption to take place in the presence of the five antecedents is the medium of the Internet access.

Behavioural intentions such as technology adoption can be influenced by the medium of access (the device used). In Internet banking, several devices are available through which customers can enjoy the benefits banks seek to offer. Therefore, the convenience and enablement provided by Internet access devices can service as a boundary condition for adoption. As the SCT explains how individuals make sense of social situations, we see the medium of access as serving as a moderating condition for Internet banking adoption. We consequently posit that the medium of Internet access will moderate the relationship between Internet banking adoption and the five antecedents to adoption. Hence, the study seeks to test the research model in Fig. 1.

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