2nd GLOBAL CONFERENCE on BUSINESS, ECONOMICS, MANAGEMENT and TOURISM, 30-31 October 2014, Prague, Czech Republic

Consumer Online Behaviour: A perspective on Internet Banking Usage in Three Non-Western Countries

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Abstract

The paper investigate whether information technology adoption/usage is ubiquitous, especially technology imported into non-industrial nations. Date is collected online/offline in the three countries and a total of (677) actual internet banking users in (Egypt, Saudi Arabia, and Jordan) answered the questionnaire. Structural equation modelling is employed to examine the fit of the data to the model. Data analysis shows an adequate fit to the model under current usage conditions. Facilitating conditions were not strong determinants of usage behaviour and social influences were weak determinants of behaviour intentions. However, performance expectancy and effort expectancy were found to be key determinants of internet banking usage behaviour in all three countries. The results should enhance our understanding of consumer motivation of using internet banking technology. This understanding can aid our efforts when promoting the e-service.

Keywords: Online banking, Technology acceptance, UTAUT, Jordan, Egypt, Saudi Arabia, SEM .

1. Introduction

The ubiquity of internet and modern communication gadgets added challenges to service providers and the banking Industry in particular, which is constantly challenged by the advancements in communication technology and increased change in customers demand for e-services mainly for convenience purposes and cost reduced. The banking industry, highly affected by technology evolution, has transformed the way banks deliver their services,

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using technologies such phone banking, Internet banking, and mobile banking. Online banking as a service channel option is the focus of this study. The paper aims at defining the determinants of online banking usage in three non-western countries based on the model of unified theory of acceptance and use of technology (UTAUT); which is developed in the western world. Additionally, the paper tests the viability of the aggregated model in non-western countries such as Jordan, Egypt, and Saudi Arabia.

Extant body of research tackled technology adoption/acceptance behavior among individuals and groups under mandatory and voluntary contexts. The UTAUT is an aggregated model incorporating eight other technology acceptance models. Venkatesh, et.al (2003) propos effort expectancy, performance expectancy, and social influences as predictors of behavioral intentions towards acceptance of information technology while facilitating conditions directly impact usage behavior. Dwivedi et al. (2011) and Taiwo & Downe (2013) indicate that although the UTAUT has been tested under different contexts and various applications, the findings are diverse and not always consistent with the originated model.

2. Methodology and Design

The measurement scale for the research instrument was adopted from the original UTAUT model and was back translated into Arabic Language, tested on small scale for clarity and understandability and adjusted for wording in the three markets. An online survey was used for collecting data from each country and was supported by an offline survey due to low response rate towards the end. A total of 677 usable surveys were screened for normality and multivariate collinearity based on Byrne's (2010) guidelines the findings permitted proceeding with structural equation modeling testing. The research hypotheses are depicted in figure (1)
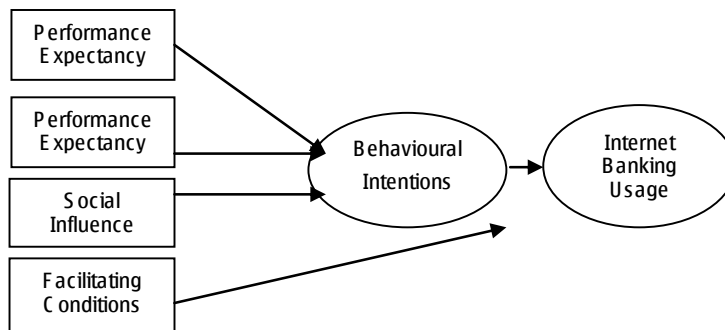

Figure 1. Research model

The study is applying the CFA approach to assess the model plausibility. The measurement model assessment showed that samples have acceptable model fit indices indicating plausible measurement model. However the convergence validity check showed three parameters of facilitating conditions construct are not well presented (squared multiple correlation and average variance extracted <.05). The discriminating validity also showed high covariance between facilitating conditions construct and usage construct making facilitating construct candidate to elimination. Two parameters from social influence construct also had low (<.5) factor loading and squared multiple correlations.

Applying the model refinement criteria to sample resulted in measurement model specification that produced improved model fit reading: CMIN =342.65 DF = 94 CMIN/DF = 3.645, GFI= 940, CFI=976, RMSEA = .063 (LO: 56 HI: 70) p = .52. Constructs' convergent validity measured by factor loadings, variance extracted and reliability are presented in table (1).