

**LEARNING TO UNLEARN: ANTECEDENTS OF E-BANKING****ADOPTION – AN ECLECTIC APPROACH**

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This present research is a modest attempt to determine the changes taking place in e-banking and to understand customers' expectations regarding e-banking. It is very crucial in the outlook of the banks to have the knowledge about the personality trait and the expectations of the customers. So the primary purpose of the research is to explore the personality trait towards the web marketing expectations of the customers in using the e-banking services. The survey collected 231 completed and valid questionnaires. Applying multivariate analysis of variance, Karl Pearson's correlation coefficient, and linear regression, this study examines the impact of personality factors and the expectations of Web Marketing Mix leading to e-Banking Adoption. The proposed model is evaluated using SEM and found to be consistent with an acceptable degree of model fitness.

Key words: Personality Factors, Web Marketing Mix, E- banking Adoption.

## 1. INTRODUCTION

In this technological era, the banking industry has formulated new methods of banking. Information Technology has become an inevitable instrument in today's organizations (Grabner-Krauter and Faullant, 2008). Banks are working in a highly globalized, liberalized, privatized and a competitive scenario. Banking has been transformed into a dynamic operation. The newly evolved e-banking has more advantage than the traditional banking system, as has exclusively changed the nature of personal customer banking relationships. The emergence of e-banking has made many banks reconsider their strategies of information technology in more competitive markets (Govender and Wu, 2013). The banks that ignore to respond to the growth of e-banking process are in all probability to lose their customers. Today bank customers' preference is modifying so rapidly that their necessity is turning insatiable. In order to furnish such varying orientation, bankers are bound to provide customers' demands in order to sustain in the present day competition. There is a considerable enhancement in the level of satisfaction level, decrease in the cost of banking operations at increased productivity in e-banking (Khan, Mahapatra, and Sreekumar, 2009). Hence there is a tremendous scope for banks to flourish their e-banking services which could intensify their competitiveness (Ajam and Nor, 2013; Geetika and Upadhyay, 2008; Mann and Sahni, 2012; Ravi, Carr, and Sagar, 2007). This present research is a modest attempt to determine the changes taking place in e-banking and to understand customers' expectations regarding e-banking. It is very crucial in the outlook of the banks to have the knowledge about the idea and the personality trait of the customers. So the primary purpose of the research is to explore the personality trait towards the web marketing expectations of the customers in using the e-banking services.

### 1.1 Research Questions

Contemplating the background of the study, from various articles that have undertook to measure the e-banking adoption behavior, there exists lack of complete knowledge about the identified constructs. This study has aroused the following research questions:

- a) To what extent do personality factors determine e-Banking Adoption?
- b) To what degree do personality factors influence Web Marketing Mix?
- c) What are the Web Marketing Mix factors that influence e-Banking Adoption?

### 1.2 Objectives

- 1) The impact of personality factors with the role played in Web Marketing Mix expectations
- 2) The role of personality factors implicated in e-Banking Adoption
- 3) The contribution of Web Marketing Mix in e-Banking Adoption

## 2. REVIEW OF LITERATURE

### 2.1 Personality Factors

Grabner-Krauter and Faullant (2008) examined the role of the internet as a specific form of technology trust in the context of e-Banking. Eswaran, Islam, and Yusuf (2011) studied the relationship between the Big Five Personality Dimensions and its participation with a sample of one hundred and five respondents of a foreign based banking/financial institution in the Northern Region of Malaysia. It was recognized that the relationship between the Big Five Personality Dimensions and participation. Goussinsky (2011) investigated the intermediating role of emotional dissonance in the customer aggression-job-induced tension relationship and the impact of personality factors in

softening the negative effects of emotional dissonance. It was depicted that personality factors were significantly associated with a decreased sense of well-being. Othman and Yap (2011) analyzed the 'high active' and 'low active' exercise group and determined the role of demographic and personality factors. It was suggested that public policy agents and health professionals could use such information for health intervention and promotion efforts. Betts (2012) examined the individual personality differences to explicate differences in individual performance. It was furnished that personality factors do not have their own independent effects on customers' perceptions of Islamic banks' service quality.

## **2.2 Web Marketing Mix**

Alzola and Robaina (2010) exemplified the variables that ascertain satisfaction and the impact of pre-sale and post-sale factors of online consumers. It was found that the constructs of the pre-sale phase have a significant impact on the dimensions of the post-sale phase of B2C electronic commerce. Cheng and Ken (2010) looked into the impact of demographic profiles, product categories, payment modes among consumers in accepting purchasing products through online. The consumer acceptance levels towards purchasing online had no significant difference between genders, consumers' age, and online experience and product categories. Ahmad (2011) attempted to find the importance of Technology adoption life cycle model in the Nigerian Telecom Market. The results proposed that there was a perfect correlation between compliance with models' prescription and electronic adoption. Alipour, Hajaliakbari, and Javanbakht (2011) integrated 4s electronic marketing framework by enforcing electronic marketing on tourism industry in Iran. It was determined that the constituents of 4S model were effective in tourism industry development.

## **2.3 e-Banking Adoption Behavior**

Ravi et al., (2007) investigated and identified potential customers based on profiles of existing users by comparing the profile of internet banking users as well as non-users using intelligent techniques. Geetika and Upadhyay (2008) observed that about 23% of the online users prefer Internet Banking. Khan et al., (2009) examined the service quality of internet banking services in India from customers' perspective. It was found that customers were satisfied with quality of service on dimensions such as reliability, accessibility, security, efficiency, responsiveness, and fulfilment, but least satisfied with the 'user-friendliness' dimension. Dixit and Datta (2010) studied the factors that were affecting the acceptance of e-banking services among adult customers and also suggested the level of concern regarding security and privacy issues in Indian context. Mann and Sahni (2012) determined the dimensions and the impact on the adoption of Internet Banking on the various adopter categories. Agwu (2013) investigated the supply and demand of internet banking services in the United Kingdom. The author examined the level of adoption and factors driving the adoption and reasons for non-usage of some segments of selected regions. Ajam and Nor (2013) found that perceived relative advantage, perceived ease of use, perceived compatibility, perceived trial ability, and trust were salient determinants of customers' adoption of Internet banking. The findings furnished several important implications for Internet banking adoption research and practice. Govender and Wu, (2013) sought to identify the factors influencing the adoption of internet banking in South Africa. The results demonstrated that there was a relationship between the chosen variables and the adoption of internet banking.

## 2.4 Hypotheses

Following hypotheses are formulated in tune with the objectives of the study after reviewing the extant literature:

H<sub>1</sub>: There is a significant relationship between personality factors and Web Marketing Mix expectations.

H<sub>2</sub>: There is a significant relationship between personality factors and e-Banking Adoption

H<sub>3</sub>: There is a significant relationship between Web Marketing Mix and e-Banking Adoption

## 3. RESEARCH METHODOLOGY

The design adopted in this research is an Ex post facto approach – descriptive research. An Ex post facto research in social science is an empirical interrogation in which the researcher does not have direct control of the constructs as the manifestations have already occurred. A research instrument – questionnaire is used to collect the primary data from the respondents. The attributes that influence the personality factors, web marketing mix, and e-Banking adoption are formed through an extensive review of literature. The ordinal scale is employed for the later part of the questionnaire by asking the respondents to indicate their degree of agreement with each statement on a five-point Likert Scale ranging from “1-Strongly Disagree” to “5-Strongly Agree”. However, the data are submitted for validity and reliability tests using Cronbach’s Alpha and Exploratory and Confirmatory Factor Analysis. Following which the items are nailed down by the researcher. The cause and effect relationship amongst the constructs of the proposed conceptual framework is measured using the Structural Equation Modeling (SEM).

### 3.1 Reliability Test

The research instrument is subjected to reliable measurement using Cronbach’s Alpha.

**Table 1**

**Reliability Coefficient using Cronbach’s Alpha**

| S. No. | DIMENSIONS               | RELIABILITY COEFFICIENT |
|--------|--------------------------|-------------------------|
| 1      | Extraversion             | 0.76                    |
| 2      | Agreeableness            | 0.73                    |
| 3      | Conscientiousness        | 0.85                    |
| 4      | Neuroticism              | 0.81                    |
| 5      | Openness                 | 0.84                    |
| 6      | Scope                    | 0.76                    |
| 7      | Site                     | 0.72                    |
| 8      | Synergy                  | 0.91                    |
| 9      | System                   | 0.76                    |
| 10     | Prior Internet Knowledge | 0.77                    |
| 11     | Awareness                | 0.73                    |
| 12     | Intention                | 0.88                    |
| 13     | Perceived Risk           | 0.74                    |
| 14     | Social Norms             | 0.71                    |
| 15     | Perceived Usefulness     | 0.75                    |

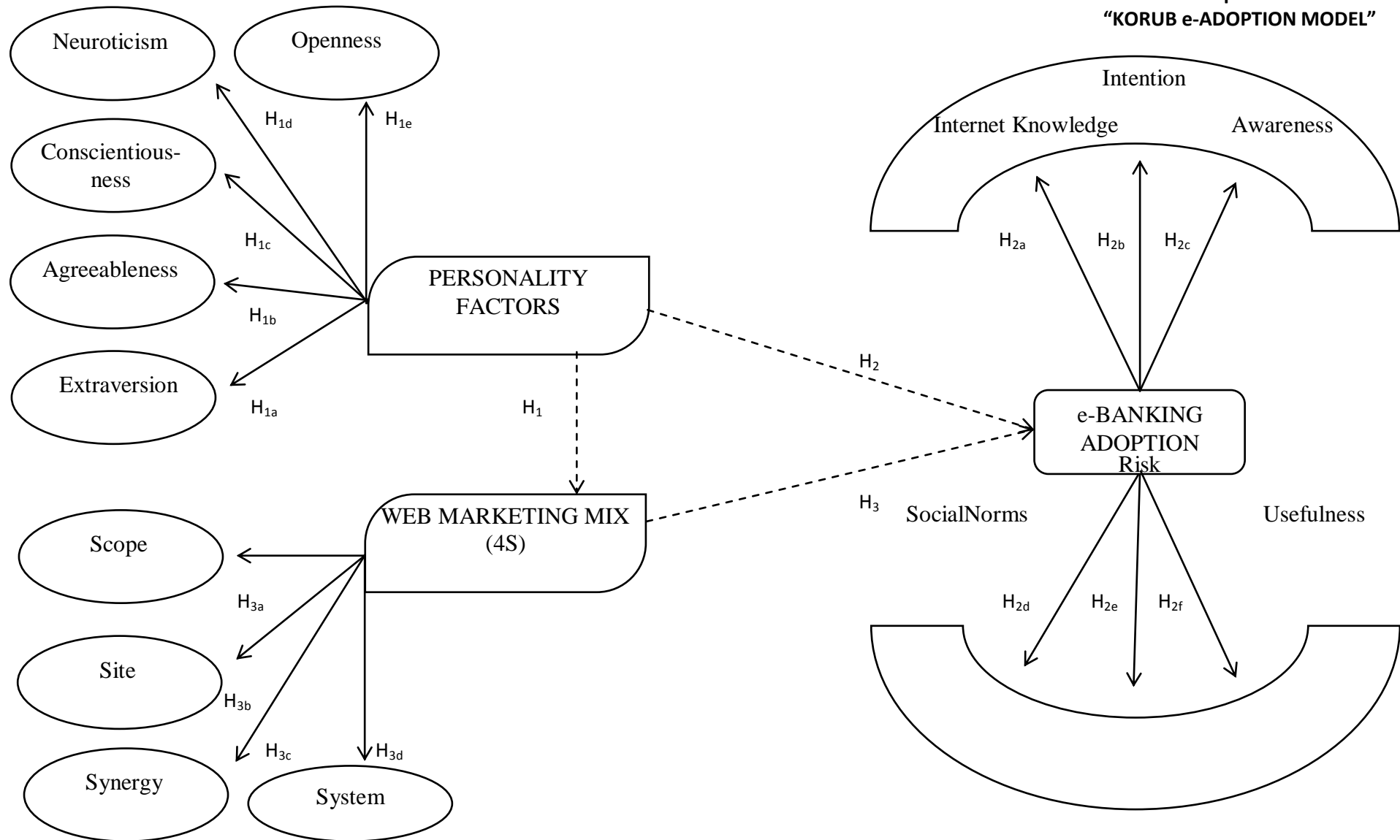
*Source: Primary Data*

The results shown in Table 1 suggest that the reliability coefficients for the variables chosen for the present study range between 0.71 (Social Norms) and 0.91 (Synergy), which is satisfactorily acceptable. Hence, it can be derived that each variable in the study has an acceptable degree of internal consistency.

### **3.2 Sampling Technique**

The geographical area of the study refers to the customers of the Top 3 banks in India in Coimbatore are selected for the study. The primary reason for choosing Coimbatore, India is the investigator's convenience and knowledge about the city. The primary data used for the purpose of analysis in this research are carried out for a period of one year from April 2013 to March 2014. The sample size of the study is determined using sample size determination model (Krejcie & Morgan, 1970). The confidence level of 99% and confidence interval of 5% is used. Stratified Random Sampling Technique, which belongs to the category of probability sampling, is used to select the prospective unbiased respondent into the sample. The sample size regarded for the research is 294 respondents. The stratification is made with the total number of tokens accessed in a weekday. Eventually, the researcher prepared 294 questionnaires and distributed them to the respondents directly. After eliminating and revising double-barreled, ambiguous, and misleading statements (Churchill, 1979), 231 completely filled questionnaires remained and are used for further analysis. The primary data gathered through the instrument have been tabulated and analysed at 5 % level of significance using AMOS and IBM SPSS Statistics 20.0 statistical software packages.

### 3.3 Conceptual Framework "KORUB e-ADOPTION MODEL"



#### 4. DATA ANALYSIS AND FINDINGS

The sample adequacy criteria, Kaiser-Meyer-Olkin (KMO) value at 0.894 and Barlett's value at 0.00, are determined to be satisfied. Hence, the factor model is applicable for further analysis. The proposed conceptual framework is examined using bootstrapping analysis with 50 re-samples, and path coefficients are re-calculated.

Multivariate Analysis of Variance (MANOVA) is carried out to study the impact of personality factors on the web marketing mix. The Personality Factors: Extraversion, Agreeableness, Conscientiousness, Neuroticism, and Openness, are assumed as dependent variables and Web Marketing Mix is considered as independent variable. MANOVA is assumed to be a robust analysis that can stand up to differences from multivariate normality in terms of Type I (alpha) error rate. The "Box's M" is tested to find the determining factors of the variance-covariance matrices in each cell, as well as, the pooled variance-covariance matrix. A non-significant Box's M test suggests homogeneity of covariance matrices of the dependent variables across the personality factors. Hence the null hypothesis, the observed covariance matrices of the dependent variables are equal across groups, is accepted. The multivariate analysis of variance can be used as a function when the dependent variables are correlated. In order to assure this property, Bartlett's Test of Sphericity is used. The significance value is found for Bartlett's test. Therefore, the hypothesis of independence can be rejected. Hence it is concluded that the dependent variables are correlated. Therefore, MANOVA can be applied to the data set. The multivariate effect is found to be significant by personality factors, Wilks' Lambda  $F = 2.541$ ,  $p < .05$ . It can be concluded that there are significant differences between the personality factors on the means of the web marketing mix. Bonferroni post hoc tests suggested Extraversion (Mean Difference =  $-.2429$ ) had a low degree of Web Marketing Mix expectations.

Karl Pearson's Correlation is executed to study the association between the personality factors and the e-Banking adoption behavior. The Karl Pearson's correlation values are found to be significant for all e-Banking adoption behavior and personality factors. Furthermore, the Karl Pearson's correlation coefficient 'r' values exhibits moderate-positive correlations between the e-Banking adoption behavior and personality factors, which means that there is a strong relationship between e-Banking adoption behavior and personality factors. The most degree of correlation of 74.1% is found between Perceived Risk and Intention. The least degree of correlation of 21.3% is found between Personality Factors and Social Norms. It is also understood that the social influence is less towards the personality factors.

Linear Regression is performed to examine the association between the web marketing mix expectations and the e-Banking adoption behavior. It is found that the linear regression values 'R' is explained for 54.9%, the R Square value is at 31.7% and the adjusted R Square value is at 30.4%. The ANOVA value of the Web Marketing Mix Expectations towards e-Banking Adoption discloses to be significant. A Stepwise Multiple Regression is performed in order to measure the conceptual sets of Web Marketing Mix Expectations that formulate the model distribution. It is found that "Scope" accounts for 23.3% and "Scope and System" accounts for 31.4% of variance in e-Banking Adoption towards Web Marketing Mix Expectations, which means that when another independent variable is added to this model, the  $R^2$  value would experience a marginal effect.

The proposed research model - KORUB e-ADOPTION MODEL is tested applying SEM using AMOS. The calculated Hoelter's critical N of the model is significant. The GFI of this model is 0.991, which showed a very good fit. The AGFI of this model is 0.891, which is moderate fit. The RMR is at 0.013, which is a considerable fit. Pondering the fit indices, it can be determined that the KORUB e-ADOPTION MODEL has an acceptable fit.



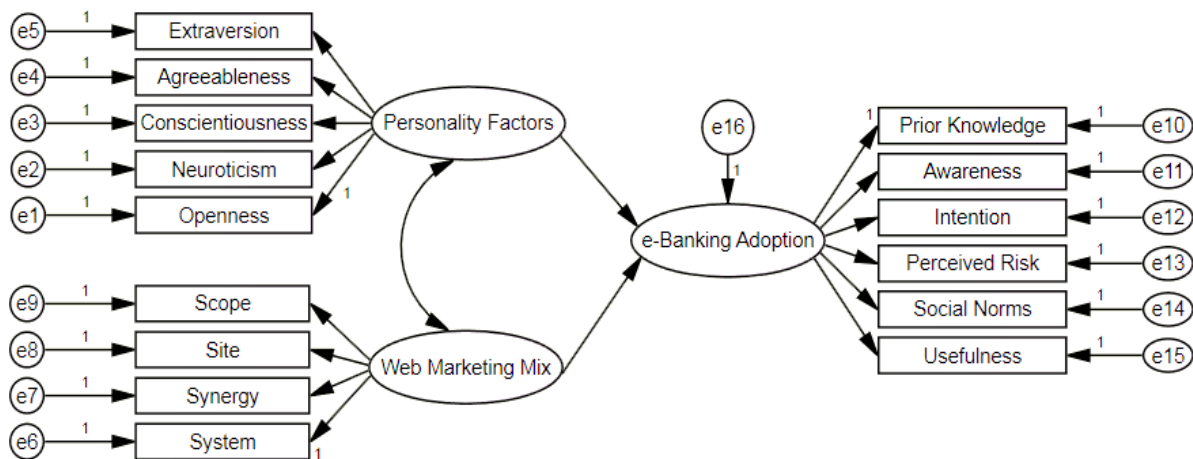


Figure 1: Path diagram of the "Proposed KORUB e-Adoption Model"

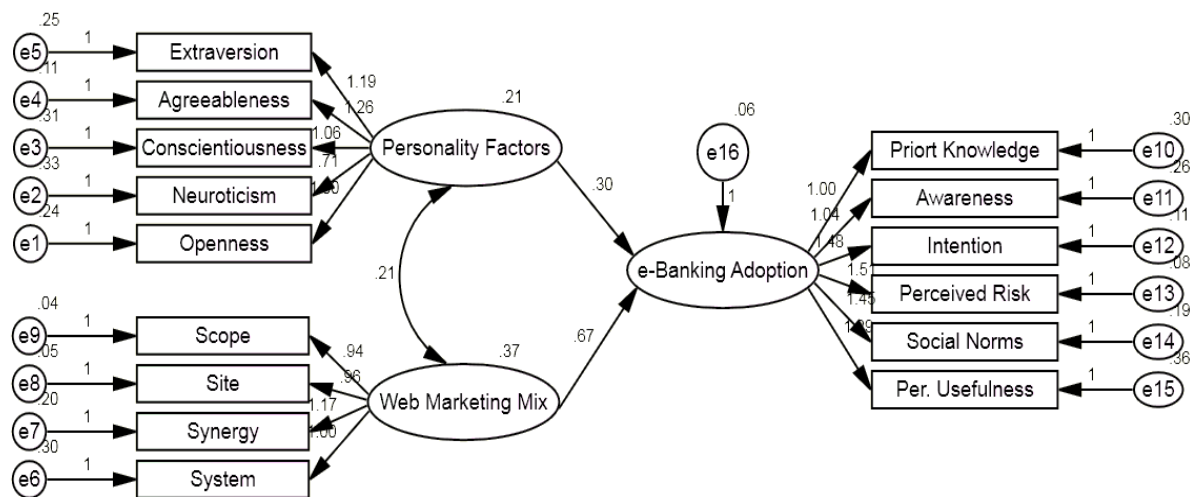


Figure 2: Unstandardized Estimates of the proposed "KORUB e-Adoption Model"

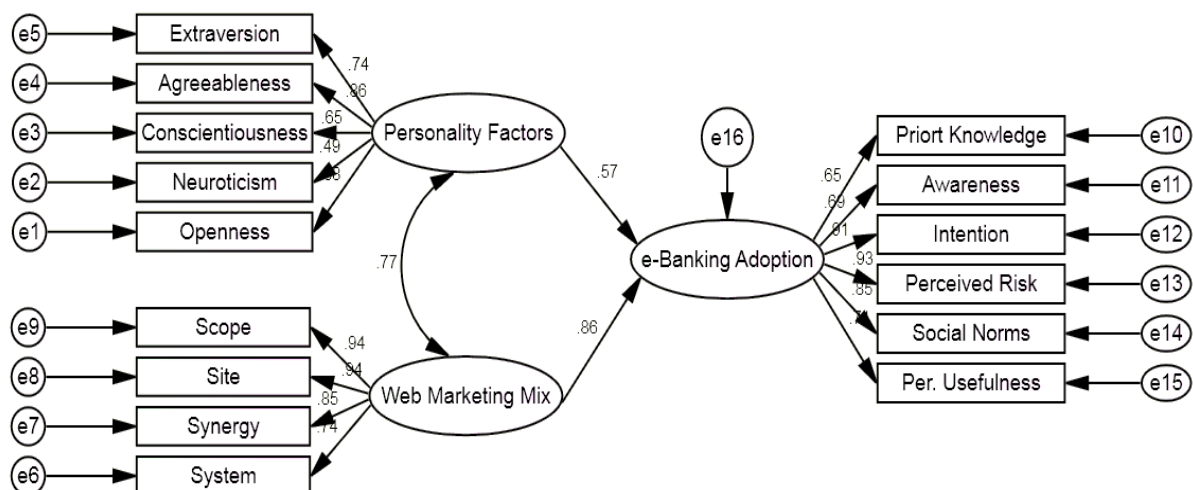


Figure 3: Standardized Estimates of the proposed "KORUB e-Adoption Model"



## 5. CONCLUSION & RECOMMENDATION

This study integrates the constructs from the personality factors and web marketing mix expectations to straighten out the e-Banking adoption behavior towards electronic financial services. The results of this study bestow to the literature by discerning the significant personality traits that influence e-Banking adoption behavior. The conceptual framework, "KORUB e-Adoption Model" that incorporates the variables influencing e-Banking adoption behavior is proposed in this study. Despite extending feasible understandings through this study, there are a couple of limitations worth addressing that could have influenced the outcomes. The findings of the study depend solely on the contextual and relational responses provided by the sample respondents. However, there is a possibility of other external factors which is hard to be eliminated. The factor loadings and squared multiple correlation were detected among the constructs. Future research shall be proceeded reflecting the limitations of this research. The proposed "KORUB e-Adoption Model" is the first of this kind that examined conceptions of personality factors, web marketing mix expectations, and e-Banking adoption behavior and their relationships. This research provides the commencing perspective for further e-adoption dimensions which contributes to the betterment of understanding the degree of awareness of the customers while determining the strategies for electronic commerce. Despite suggesting the variables of e-adoption, there is always a possibility that a better model exists. The pursuance towards finding a improve e-adoption model for the financial services should be extended.

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