

# USER'S INTENTION TOWARDS THE ADOPTION AND RECOMMENDATION OF INTERNET BANKING AMIDST THE PANDEMIC

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## ABSTRACT

*The banking sector plays an incredible role in our country's economy and provides us with lifeline security. The history of the banking industry got under many reconstructions and reworking suggestions to get evolved and prevail in today's digitalizing world. The major scope of this research project is to increase the adoption of internet banking services and influence the impact of recommending others as well. The research includes convenient sampling with a sample size of 300 and plus with a general audience all over Tamil Nadu. The sampling technique implied here is the SEM model with the theory of planned action behavior as a basement with nine hypotheses in order to identify the impacting factors. The suggestions and findings were made at the end from the information collected from the sample inferred. The research study questions were made on the factors which will help us identify the direct and indirect influencing factors. As it was circulated around Tamil Nadu in spite of different demographic characteristics to inculcate the real respondent's opinion in various ways to increase the adoption count. It also includes the pandemic situation covered as it created a huge change all over the world and got almost all the industries impacted and rushed our country to become much more digitalized than before.*

**Keyword:** - Internet Banking, SEM, Intention, recommendation

## 1. INTRODUCTION

Internet banking services is the quickest as well as ease of operation cost and emerging field. The entire benefit of the service were accessed by different growing and grown countries as well. Still the implication of the service haven't utilized or say reached out properly in our country.

Different research papers were taken into review and the information's such as adopting factors of internet banking services, challenges and risks faced prior and now, evaluation of the service were analysed. And now, the factors which stops the adoption has been into study. This serves the purpose of the research project undertaken.

### 1.1 Statement of the problem

Adoption of internet banking services being essential for emerging digital India, still there are certain factors and influences which boycotts the service into common existence among the demanded crowd. Such factors will be analysed using the certain amount of sample with potential audience and recommendations will be produced towards the end to further inculcate its adoption even into rural areas.

### 1.2 Theoretical foundations of the study

The TAM (Davis, 1989) was specifically formulated to exhibit user acceptance of an IS with the intention of identifying the behavioural intents to utilize the system. TAM was connected with the TRA (Fishbein and Ajzen,

1975) as well as TPB (Ajzen, 1991). The following internal variables associated with the actual utilization of technology were examined by TAM: Approach towards use, PU, perceived ease of use (PEU), and behavioural intent to use.

Conviction, attitude, intent, and conduct are the constructs of TRA. These are entrenched in social psychology. TRA hypothesized that behavioural intent is determined by the viewpoint of a person and the influence wielded on this person by those who hold in high regard.

The TPB is an annex of the TRA, in which a conception is added to include the toil or simplicity of carrying out a behaviour. Perceived behavioural control has been formulated as a robust estimator of intent, outclassing approaches, and subjective norms. The TPB entails a distinctive operationalization in every situation where it is utilized (Mathieson, 1991). As per (Taylor and Todd, 1995), the TPB model requires persons who are determined to execute specific conducts.

## **2. OBJECTIVES OF THE STUDY**

### **2.1 Primary Objective:-**

The primary objective of the research paper is on the user's intention towards the adoption and recommendation of internet banking amidst the pandemic.

### **2.2 Secondary Objective:-**

To identify influencing factors on the adoption of internet banking.

### **2.3 Research Methodology**

- Type of Study – Descriptive Study
- Time Frame of the Study – Cross sectional
- Type of Data – Primary Data (Quantitative Data will be collected through Google forms)
- Sampling Design
  - Population – General Public
  - Sample Units – People among Tamil Nadu
  - Sample Size – 300 (Approx.)
  - Sampling Method – Non-Probability Convenient Sampling
- Structural Equation Modelling using WarpPLS 7.0

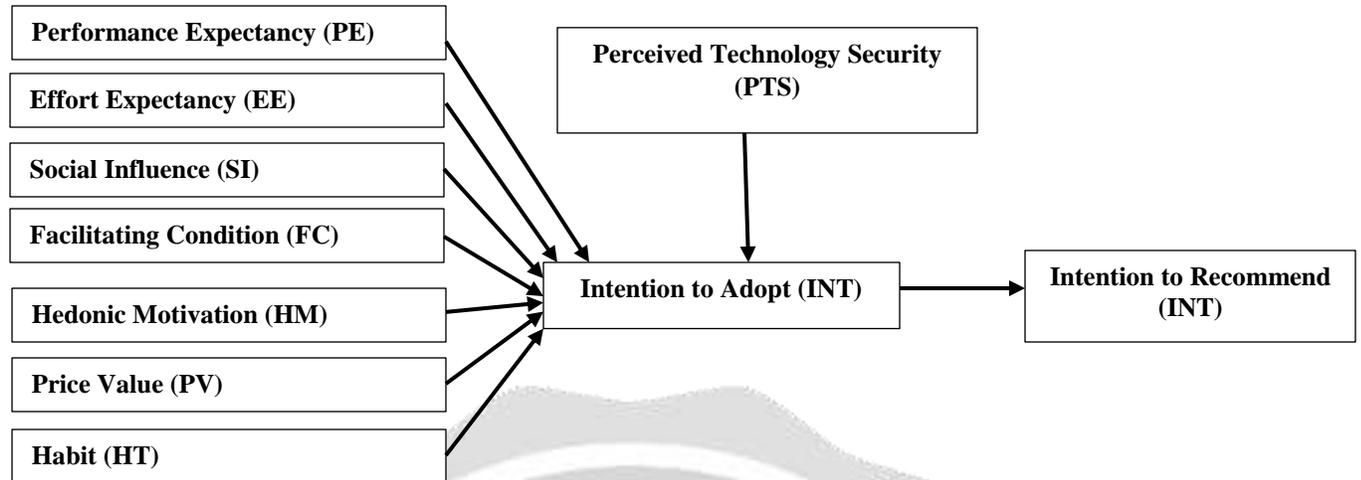
### **2.4 Sampling Technique**

The sampling technique used is convenient sampling where questionnaire forms are circulated to target population chosen with the primary motive to collect references in accordance with the chosen factors without any proper set of sample preferences.

## **3. ANALYSIS AND INTERPRETATION**

### **3.1 Structural Equation Modelling (SEM)**

The Influence of factors like performance expectancy, effort expectancy, social influence, facilitating condition, hedonic motivation, price value, habit on the intention to adopt and the impact of intention to adopt on intention to recommend is examined using the SEM model. The validity and reliability of the constructs were examined using the Confirmatory factor Analysis and the findings are discussed below.



**Fig -1 : Research Framework**

### **Performance Expectancy (PE)**

Performance expectancy is type of measuring factor which enhances the belief that the use of a particular technology or method will bring out the absolute performance of the individual.

H1: Performance expectancy has a positive impact on the intention of user on internet banking adoption.

### **Effort Expectancy (EE)**

The concept with this second factor called effort expectancy can be defined as the degree of ease associated with the use of the system. This factor help us to rate expectancy based on the belief that the use of a particular technology will be easy and effortless.

H2: Effort expectancy has a positive impact on the intention of user on internet banking adoption.

### **Social Influence (SI)**

Social influence will enhance the observation look clearer as it is based on the change in behaviour caused by real or imagined pressure from others.

H3: Social influence has a positive impact on the intention of user on internet banking adoption.

### **Facilitating Condition (FC)**

Facilitating condition is to measure the belief of an individual awareness or say support system for the condition who believes that an organizational and technical infrastructure exists to support the use of the system.

H4: Facilitating Condition has a positive impact on the intention of user on internet banking adoption.

### **Hedonic Motivation (HM)**

Hedonic motivation points out the statement for the reference whether the internet banking adoption has the influence of a person's pleasure and pain receptors on their willingness to move towards a goal or away from a threat.

H5: Hedonic Motivation has a positive impact on the intention of user on internet banking adoption.

### **Price Value (PV)**

Value based pricing defines the strategy of setting prices primarily based on a consumer's perceived value of internet banking service and its adoption.

H6: Price value has a positive impact on the intention of user on internet banking adoption.

**Habit (HT)**

This factor predominately explains whether there is an individual influence from their habit inherited the way to get involved in the internet banking adoption. It identifies the how is this service gets treated in your day to day life.

H7: Habit has a positive impact on the intention of user on internet banking adoption.

**Perceived Technology Security (PTS)**

This factor tells the estimated fact form the given sample size that this internet banking adoption has an impact on their schedule of work nature. This means this service might have an impact on their job performance.

H8: Perceived Technology Service has a positive impact on the intention of user on internet banking adoption.

**Intention to Recommend (INTRC)**

The inference from the surveyed sample size were checked about their thought on influencing positive impact on others about this internet banking adoption service to others by means of recommendation were collected on a scale and the analysis is made to bring out the promotion factor through user reference.

H9: User’s intention to adopt internet banking has positive influence on user’s intention to recommend internet banking.

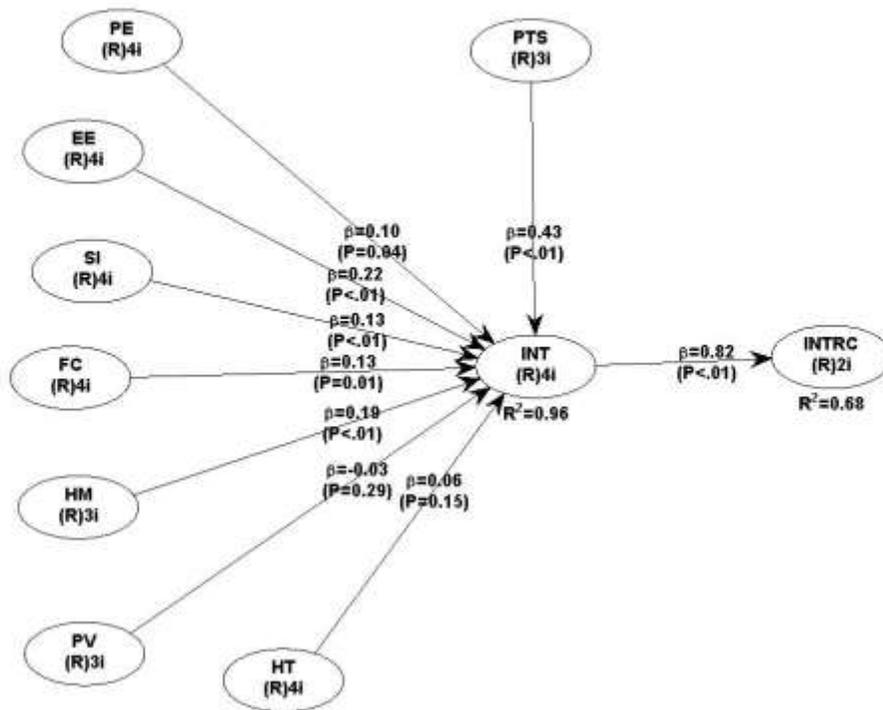


Fig -2: SEM Model

The results of hypothesis framed table summarises the hypothesized model path coefficients and the critical path ratio of each path. The results of the hypothesis framed implies that the Intention to adopt internet banking service is an influential predictor of the intention to recommend indicating a path co-efficient of 0.85 at  $p > 0.05$ .

**Table -1:** Discriminant Validity of Measurement Model

CONSTRUCTS	PE	EE	SI	FC	HM	PV	HT	PTS	INTRC
PE	<b>0.963</b>								
EE	0.856	<b>0.822</b>							
SI	0.953	0.987	<b>0.846</b>						
FC	0.793	0.798	0.897	<b>0.877</b>					
HM	0.888	0.852	0.908	0.941	<b>0.936</b>				
PV	0.746	0.827	0.625	0.878	0.679	<b>0.773</b>			
HT	0.898	0.827	0.833	0.902	0.813	0.929	<b>0.731</b>		
PTS	0.906	0.893	0.774	0.925	0.875	0.884	0.759	<b>0.949</b>	
INTRC	0.905	0.872	0.798	0.928	0.852	0.922	0.816	0.977	<b>0.981</b>

The discriminant validity done by comparing the squared correlations of each AVE and taking the square root of AVE of each construct is larger than any correlation among the other latent variables.

It can be observed from the table that the square root of AVE for Performance Expectancy (0.963), Effort Expectancy (0.822), Social Influence (0.846), Facilitating Condition (0.877), Hedonic Motivation (0.936), Price Value (0.773), Habit (0.731), Perceived Technology Security (0.949), and Intention to recommend (0.986). Intention to recommend has the highest correlation among any other latent variables. Thus, discriminant validity is established in the study table below.

**Table -2:** Hypotheses Testing

Hypothesis	Relationship	Path Coefficient	Ratio ( $t > 1.960$ )
H1	PE→INT	.10	1.723
H2	EE→INT	.22	3.993
H3	SI→INT	.13	2.39
H4	FC→INT	.13	2.242
H5	HM→INT	.19	3.433
H6	PV→INT	.03	0.549
H7	HT→INT	.06	1.035
H8	PTS→INT	.43	7.918
H9	INT→INTRC	.82	16.349

### Hypothesis Testing Results

**H1:** The first hypothesis of the study “Performance expectancy has a positive impact on the intention of user on internet banking adoption.” has a value of 1.723 which clearly implies that  $t < 1.96$  and so it is rejected. Relationship between both the constructs was not found to be significant. Therefore, it can be inferred that the performance expectancy has a no positive impact on the intention of user on internet banking adoption.

**H2:** The second hypothesis of the study “Effort expectancy has a positive impact on the intention of user on internet banking adoption” has a value of 3.993 which clearly implies that  $t > 1.96$  and so it is not rejected. Relationship

between both the constructs was found to be significant. Therefore, it can be inferred that the effort expectancy has a positive impact on the intention of user on internet banking adoption.

**H3:** The third hypothesis of the study “Social Influence has a positive impact on the intention of user on internet banking adoption” has a value of 2.39 which clearly implies that  $t > 1.96$  and so it is not rejected. Relationship between both the constructs was found to be significant. Therefore, it can be inferred that the social Influence has a positive impact on the intention of user on internet banking adoption.

**H4:** The fourth hypothesis of the study “Facilitating Condition has a positive impact on the intention of user on internet banking adoption” has a value of 2.242 which clearly implies that  $t > 1.96$  and so it is not rejected. Relationship between both the constructs is not found to be significant. Therefore, it can be inferred that the facilitating Condition has a positive impact on the intention of user on internet banking adoption.

**H5:** The fifth hypothesis of the study “Hedonic Motivation has a positive impact on the intention of user on internet banking adoption” has a value of 3.433 which clearly implies that  $t > 1.96$  and so it is not rejected. Relationship between both the constructs is not found to be significant. Therefore, it can be inferred that the hedonic Motivation has a positive impact on the intention of user on internet banking adoption.

**H6:** The sixth hypothesis of the study “Price Value has a positive impact on the intention of user on internet banking adoption” has a value of 0.549 which clearly implies that  $t < 1.96$  and so it is rejected. Relationship between both the constructs was not found to be significant. Therefore, it can be inferred that the price Value has a no positive impact on the intention of user on internet banking adoption.

**H7:** The seventh hypothesis of the study “Habit has a positive impact on the intention of user on internet banking adoption” has a value of 1.035 which clearly implies that  $t < 1.96$  and so it is rejected. Relationship between both the constructs was found to be not significant. Therefore, it can be inferred that the habit has no positive impact on the intention of user on internet banking adoption.

**H8:** The eighth hypothesis of the study “Perceived Technology Service has a positive impact on the intention of user on internet banking adoption” has a value of 7.918 which clearly implies that  $t > 1.96$  and so it is not rejected. Relationship between both the constructs was found to be significant. Therefore, it can be inferred that the perceived Technology Service has a positive impact on the intention of user on internet banking adoption.

**H9:** The Ninth hypothesis of the study “User’s intention to adopt internet banking has positive influence on user’s intention to recommend internet banking” has a value of 16.349 which clearly implies that  $t > 1.96$  and so it is not rejected. Relationship between both the constructs was found to be significant. Therefore, it can be inferred that the User’s intention to adopt internet banking has positive influence on user’s intention to recommend internet banking.

#### Reliability of contracts

The reliability of constructs is undertaken on the research part using the latent variables called Cronbach alpha and the composite reliability and the results are displayed on table reference.

**Table -3:** Latent Variable Coefficients

LATENT VARIABLE COEFFICIENTS	PE	EE	SI	FC	HM	PV	HT	PTS	INT	INTR C
COMPOSITE RELIABILITY	0.91 2	0.93 4	0.90 7	0.9	0.86 7	0.9	0.93 6	0.91 3	0.90 7	0.903
CRONBACH ALPHA	0.87 1	0.90 6	0.86 3	0.85 2	0.77	0.83 4	0.90 8	0.85 7	0.86 3	0.786
AVE	0.72 1	0.78	0.71	0.69 3	0.68 6	0.75 1	0.78 5	0.77 8	0.70 9	0.824

From the table, it can be observed that the Cronbach alpha value for all the constructs is greater than the threshold value of 0.7(Thompson *et al.*1995) Performance Expectancy (0.871), Effort Expectancy (0.906), Social Influence (0.863), Facilitating Condition (0.852), Hedonic Motivation (0.77), Price Value (0.834), Habit (0.908), Perceived Technology Security (0.857), Intention to Adopt (0.863), Intention to Recommend (0.786). Therefore, from this it can be inferred that the items that has been taken for each construct fully describes the constructs taken for the study.

Composite Reliability measures the overall reliability of the set of items loaded on each construct. The threshold value of the CR should be greater than 0.7 across the constructs (Hair *etal.*2006). The CR value was found to be greater than 0.7 for all the constructs taken Performance Expectancy (0.912), Effort Expectancy (0.934), Social Influence (0.907), Facilitating Condition (0.9), Hedonic Motivation (0.867), Price Value (0.9), Habit (0.936), Perceived Technology Security (0.913), Intention to adopt (0.907), and Intention to recommend (0.903).

The Cronbach value and the composite reliability values were found to be satisfying the threshold values and so the reliability was established for the model. The threshold value for AVE is said to be 0.5 (Fornell & Larker 1981) and the AVE's of all the constructs are above 0.5, Performance Expectancy (0.721), Effort Expectancy (0.78), Social Influence (0.71), Facilitating Condition (0.693), Hedonic Motivation (0.686), Price Value (0.751), Habit (0.785), Perceived Technology Security (0.778), Intention to adopt (0.709), and Intention to recommend (0.824).

#### 4. CONCLUSIONS

Based on the analysis Effort Expectancy, Social Influence, Facilitating Condition, Hedonic Motivation & Perceived Technology Security had a positive and significant effect on Intention. Performance Expectancy, Price Value & Habit were found to be insignificant on Intention. However, while considering the overall factors intention had a positive and significant impact on adoption of internet banking. Due to increased usage of smartphone, a user friendly mobile app for individual banks would increase the adoption of e-banking. Big barrier noted from the inference called "Security Issues" could be reworked so as to increase awareness. Complexity of the technology could be little more refashioned to encourage participants above age of 50. Easy login and most secured way systems such as face recognition could be launched so as to solve complexity and security issues as well, also recommended specifically for time managing contributors. The chosen factors of the research gives an empirical results that Effort Expectancy, Social Influence, Facilitating Condition, Hedonic Motivation & Perceived Technology Security had a positive and significant effect on Intention. Proficiency on the impacts of internet banking adoption have been acknowledged. Suggestions were recommended on the basis of inference collected from the direct sample.

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