Examining Customer Intention and Adoption of Internet Banking in the Jordanian Context

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Abstract

Purpose - The aim of this study was to identify and determine factors affecting Jordanian customers’ intention and adoption of Internet banking.

Theoretical background - The Extended Unified Theory of Acceptance and Use of Technology (UTAUT2) (Venkatesh et al., 2012) was selected as the theoretical foundation for this study. A conceptual model was developed by integrating relevant factors (namely, performance expectancy (PE), facilitating conditions (FC), and hedonic motivation (HM)) from UTAUT2 along with perceived risk (PR) and trust (TR). PR and TR were selected as both have been frequently utilised for examining the adoption of various self-service technologies (SST) (Curran & Meuter, 2007; Gefen et al., 2003; Featherman & Pavlou, 2003; Kim et al., 2009).

Design/Methodology/Approach – A self-administered questionnaire was employed to collect data by utilising a convenience sample of 348 Jordanian banking customers (69.6% response rate). AMOS (version 21) was used to conduct structural equation modelling (SEM) for validating the conceptual model and testing the research hypotheses.

Findings - Goodness of fit indices were found in their respective levels such as CMIN/DF (1.879), GFI (91.4%), AGFI (88.9%), NFI (93.9%), CFI (97%) and RMSEA (0.05). In the same manner, statistical findings strongly support the conceptual model by explaining 68% and 32% of variance in behavioural intention and adoption respectively. Indeed, all predictors of behavioural intention have been found as significant: TR (γ=0.35, p<0.001), PR (γ=0.10, p<0.01), FC (γ=0.26, p<0.001), PE (γ=0.17, p<0.004), HM (γ=0.12, p<0.019). TR was also found as a key determinant of PR (γ=-0.41, p<0.001), PE (γ=0.30 p<0.001), and HM (γ=0.68 p<0.001). FC has a significant influence on PE (γ=0.47, p<0.001). Finally, both behavioural intention (γ=0.43, p<0.001) and FC (γ=0.17, p<0.049) had a considerable impact on adoption.

Research/Limitations/Implications - Other relevant factors such as effort expectancy, price value, social influences and habit were not included in this study. Such factors may provide further understanding; future studies should consider examining their role for explaining Internet banking adoption. In order to test the applicability of UTAUT2, other SSTs’ channels (e.g. online booking, mobile payment) should also be examined in the Jordanian context.

Practical Implications - Guideline applications are a necessity; they give a greater interest in improving customer trust in Internet banking as well as alleviating customers’ apprehensions of Internet banking. Also, banks should provide customers with important technical and informational resources to facilitate the use of Internet banking. Furthermore, banks should make their customers more aware about the usefulness of Internet banking in their daily life.

Originality/Value/Contribution of Paper - This current study extended and tested UTAUT2 in order to examine a new technology (Internet banking) in a new context (Jordan). Also, the formation of TR and PR alongside the UTAUT2 constructs and the modification of new relationships between these constructs extended the theoretical horizon of UTAUT2.
References


