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Online Banking Adoption Among Young Generation, Antecedents and Consequences

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Abstract: Online banking adoption among young generation, antecedents, and consequences is the current and important issue, therefore the objective of this research is to analysis, the antecedents and consequences of Intention and Satisfaction that affect online banking adoption. This research was carried out because lack of studies in this area, however, this research have examined the influence of security, trust, on the intention to use online banking and examine the relationship between intention to use online banking and adoption of online banking. In addition satisfaction on the adoption of online banks among young generation. The Partial Least Squares Structural Equation Modelling (PLS-SEM) was employed in the data analysis. The findings revealed a strong significant relationship between the variables. The study concludes with a discussion on the contributions, limitations as well as suggestions for future research. This electronic document is a “live” template and already defines the components of your paper [title, text, heads, etc.] in its style sheet.

Keywords: Trust, Security, Accessibility, online banking, Satisfaction)

I. INTRODUCTION

Online banking support many types of e-commerce services and activities. Online banking deals many benefits to customers [30]. The financial transaction directed via the Internet is one of the most important customers' services [1]. It provides a variety of financial services; customers can get financial services and do transactions on the Internet through the website of a bank at any time, from anywhere where Internet access is accessible [6]. Because of the extreme competition, financial institutions have invested huge expanses to improve their electronic banking services. They pursue to satisfy customers' needs and desires, by moving financial services from a face-to-face to a self-service technology [8]; [25]. Internet banking

offers many benefits not only for customers, but also for the bank as well. However, there are still many groups of customers are still reluctant to use internet banking services [22].; [37].

The usage of online banking in Malaysia, which started about 16 years ago, has been well accepted by consumers. Statistics from Bank Negara Malaysia show that every year there is a rise in the number of registered individual internet banking users since its inception in Malaysia. As the quarter of 2010, there was approximately 9.2 million registered internet banking users compared to only 2.6 million in 2005. A survey of 264 CIMB Bank Berhad personnel revealed that although there is a high degree of confidence with respondents claiming to be aware of requirement by the bank further and thorough inspection suggest there are several areas in which desirable knowledge and understanding are still lacking.

2. LITERATURE REVIEW

2.1. Service Quality

A study by [20]., service quality can be defined as the range to which the delivered service matches the customer's prior expectations. E-service quality can be understood as the customer's whole assessment of service delivery in the virtual marketplace. To measure this construct, a specific measuring instrument known as "E-S-QUAL" was established by [28]. [11]. used adapted items from the E-S-QUAL scale to measure e-service quality and to approve the chain of links from e-service quality to perceived value to e-loyalty. Because the E-S-QUAL instrument is recent, argument about its usefulness can be expected between academics and practitioners. The result found that the relationships among e-service quality, e-satisfaction, and e-loyalty showed that e-service quality is a most important predictor of both online customer satisfaction and loyalty. All three service quality dimensions ("efficiency", "system availability", and "privacy") took direct positive effects on both loyalty and satisfaction. The dimension of "efficiency" was shown to have the strongest effect on e-loyalty, followed by "privacy" and "system availability".

2.2. Security

The security issue of the online transactions over the internet is a major concern of bank customers before using internet banking. Most evidences from previous studies show that banks should take this issue seriously so that the non-adopters of internet banking are willing to use internet banking. The bank customers are unwilling to adopt internet banking services because they perceive that they will be exposed to security risks and dishonesty [34].

In Malaysia, it is found that security is main barrier to e-commerce expansion. Security is the most feared problem on the internet. Banks and customers take a very high risk by dealing electronically and people need to protect their own money and bank their own exposure. Personal and financial information can be intercepted and used for fraudulent purposes, online investing involves greater security concerns than conventional trading; users need a sense of security when do financial transactions. Security, which involves the use of technical advancements like cryptography, digital signature and certificates in order to protect users from risk of fraud, hacking or "phishing", has a positive influence on the intention to purchase online. But from this study, perceived privacy is not a reason of perceived trust. Since these security characteristics guarantee almost total privacy, the relative importance of privacy concerns for these users is lower.

2.3. Trust

The security of financial information is a critical concern for inexperienced people with new electronic devices Weber and [36]; [4]. A study by [21]. stated that there is no relationship between trust and predictor of acceptance using IoT technologies [3]. It is because lack of the interaction between consumers and IoT devices. Since consumer don't have the basic knowledge how to use and operate the ETC. This result supported with a study by [13]. Where there is no direct relationship between trust on intention. A study by [5]. found that there is a positive relationship between customer trust with Internet banking adoption.

2.4. Accessibility

A research by [9] found that accessibility has positive relationship on customer satisfaction of internet banking. Most of the users mentioned that the internet banking can save time and internet banking is available to use 24 hours. In addition, there is also a study conducted by [23] to explain the field of satisfaction on the electronic banking users. They found there is direct and positive relationship between accessibility and satisfaction. This resulted is supported with a study by [32] that accessibility will give advantageous to attain satisfaction of users in the adoption of electronic banking.

2.5. Intention

[4]; [3]; [29]. stated that, trust is a main mediator and moderator of pre purchase and post purchase processes leading to long-term loyal. In fact, customer loyalty is the intention to retain relationship with existent service providers Al-Ekam, J. M. E. (2013). The model separated behavioural intentions into positive intention and negative intention. The model begins with a customer's assessment of service quality and posits that when service quality assessments are high. The customer's behavioural intentions are favourable, which strengthens his or her relationship with the company. When service quality valuations are low, the customer's behavioural intentions are unfavourable and the relationship is more likely to be damaged. Furthermore, researches online purchase intentions offering the model of relations among the online consumer trust, consumer satisfaction, purchase decision, and considering website trust and satisfaction are critical influences on whether making online purchase.

2.6. Satisfaction

Satisfaction reflects the psychological case or emotional feeling that may affect the consumer because of comparison between performance, good service and expectations (Khartabiel and Saydam, 2014). Munari, Ielasi, and Bajetta (2013) state that customer satisfaction is the primary criterion for the assessment of banks' relationships with the market. Furthermore, Belás, Holec, and Homolka (2013) state that customer satisfaction in banks present an important area of building long-term relationships with clients. Therefore, satisfied bank customers lead to high banks' profits and market shares.

2.7. Adoption of Internet Banking

According to research by [33]; [3]. the main of their study is to identify the factors that may affecting adoption of Internet banking. In their study, they found that there is negative relationship between security and adoption of Internet banking. In addition, perceived ease of use and the adoption of Internet banking

also have a negative relationship. However, subjective norms and relative advantage have positive relationships with adoption of Internet banking. Meanwhile, a study by [29], that propose a framework of intention to continuously adopt online financial services. In their research, they found that there is positive relationship between transaction security with cognitive trust and affective trust. Moreover, they also found that website and company awareness has no relationship on trust. However, affective trust is a long-term commitment to a website but website and company awareness only will influence in early stage. They conclude that the cognitive trust will influence affective trust as well as will influence customer's adoption. In addition, [34]. in their research said that there are several factors may influence the adoption of internet banking. In their study, they found that security, price and perceived ease of use have a positive relationship with adoption of internet banking

3. HYPOTHESIS

Based on the research Literature Review above, we formulated the research hypothesis as follows. As TAM and TBB is used the base model, we need to test the following TAM and TBB hypothesis in the context of online banking usage.

- H1: Trust positively relationship with intention of online banking.
- H2: Security has a direct relationship with intention of online banking.
- H3: Accessibility positively relationship with satisfaction.
- H4: Service Quality has a direct relationship with satisfaction.
- H5: Intention of online banking positively relationship with adoption of online banking.
- H6: Satisfaction positively relationship with adoption of online banking.

4. RESEARCH FRAMEWORK

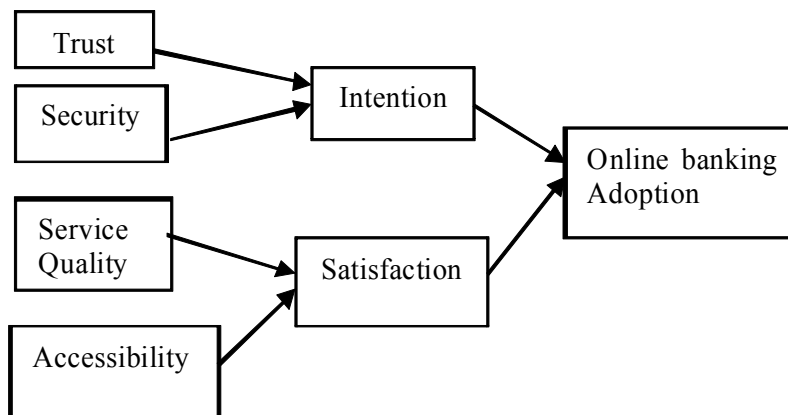


Figure 1: Research Framework

5. METHODOLOGY AND POPULATION/ SAMPLING

This section describes the research methods used to test the hypothesis developed. The sampling procedure, data collection, questionnaire and data analysis will present as the tools to determine this study. This study

model contains seven variables which are Accessibility, Trust, and Service quality, Security, Consumer Intention, Satisfaction and Consumer Adoption. The population is universities' students in UMK, UMT, USM, UMP as us expected to come from the various personal background, which may represent better sample distribution. The primary objective of this research is to test the research hypothesis, based upon the conceptual framework of this study. The questionnaire is designed and been distribute to the students in UMK, UMT, USM, and UMP.

All variables were measured on a five-point Likert scale, ranging from '1', which is "Strongly disagree", to '5', which is "Strongly agree." The Partial Least Squares Structural Equation Modelling (PLS-SEM) path modeling using SmartPLS 3.0 software was employed to test the theoretical model [31]. The PLS path modelling was considered the most suitable technique in this study because it resembles the conventional regression technique. The PLS path modelling has the benefit of estimating simultaneously the relationships between indicators, their corresponding latent constructs and measurement model (outer model); and the relationships between constructs and structural model (inner model).

5. FINDINGS AND DISCUSSION

This part presents the results of the structural model and tests of hypotheses. Specifically, the section is concerned with the testing of the hypotheses related to the main and mediating effects. This study applies the PLS standard bootstrapping procedure with a number of 5,000 bootstrap samples and 330 cases to assess the significance of the path coefficients [15]; [16]; [17]. Bootstrapping is a non-parametric procedure that can be applied to test whether coefficients, such as outer loadings, outer weights and path coefficients, are significant by estimating the standard errors for the estimates. Figure 4 and Table 3, show the estimates for the full structural model, which includes all the variables.

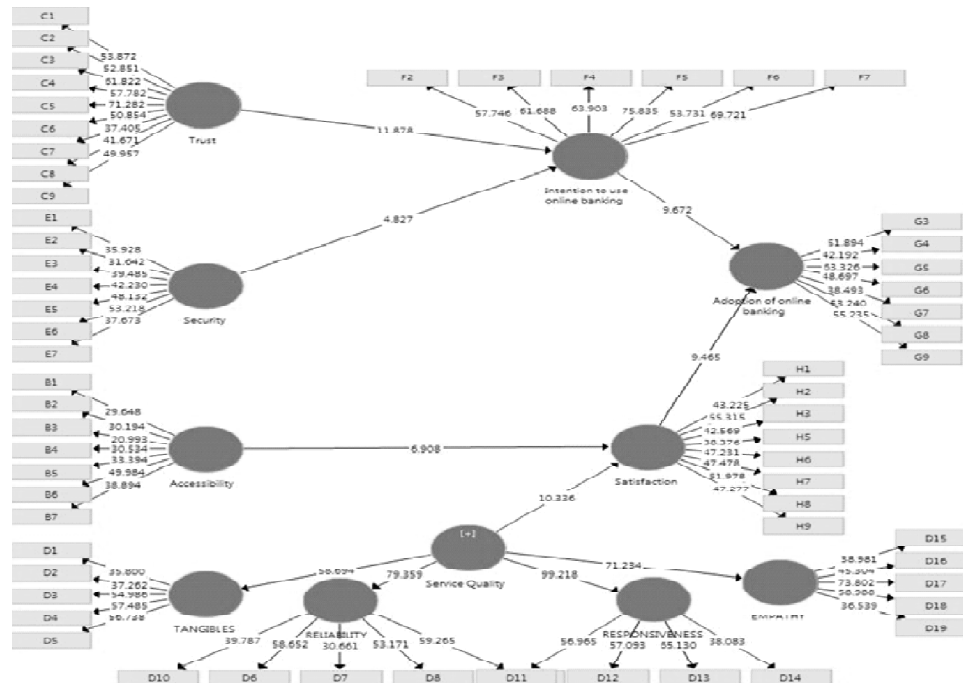


Figure 2: Full Structural Model/ Hypothesise Model

Table 1
The Structural Model Assessment Relationship

<i>Hyp</i>	<i>Relation</i>	<i>Beta</i>	<i>SE</i>	<i>T statistic</i>	<i>P values</i>	<i>status</i>
H1	Trust -> Intention to use online banking	0.583	0.049	11.878	0.000	support
H2	Security -> Intention to use online banking	0.231	0.048	4.827	0.000	support
H3	Accessibility -> Satisfaction	0.340	0.049	6.908	0.000	support
H4	Service Quality -> Satisfaction	0.497	0.048	10.336	0.000	support
H5	Intention to use online banking -> Adoption of online banking	0.481	0.050	9.672	0.000	support
H6	Satisfaction -> Adoption of online banking	0.446	0.047	9.465	0.000	support

Hypothesis 1 predicted trust positively relationship with intention of online banking. The findings in Table 1 revealed a positive and strong significant relationship between trust and intention of online banking ($\beta = 0.583$, $t = 11.878$, $p < 0.001$), supporting the hypothesis. Hypothesis 2 predicted that security has a direct relationship with intention of online banking. As illustrated in Table 3, a significant and positive relationship between security intention of online banking trust was found ($\beta = 0.231$, $t = 4.827$, $p > 0.001$). Therefore, this hypothesis was supported. Also, a significant positive relationship between accessibility and satisfaction with ($\beta = 0.340$, $t = 6.908$, $p > 0.001$) was found. Thus, hypothesis 3 was supported. For Hypothesis 4, the results indicated service quality and satisfaction with ($\beta = 0.497$, $t = 10.336$, $p < 0.001$). Thus, the hypothesis was supported. Hypothesis 5 indicated intention to use online banking and adoption of online banking which found the relationship is significant and positive with ($\beta = 0.481$, $t = 9.672$, $p > 0.001$), which mean the hypothesis 5 is supported. For hypothesis 6 was satisfaction positively relationship with adoption of online banking which found a positive and significant ($\beta = 0.446$, $t = 9.465$, $p > 0.001$) which means that hypothesis 6 was supported.

6. CONCLUSION

The objective of this study is to find the factors that influence the adoption of online banking among Malaysian Universities students. Six hypotheses that have been found to have influence on the adoption of online banking among Malaysian Universities students. As we referred to the Table 3, it shows that all variables have positive relationship with the adoption of using online banking. From the table, it shows that the link between trust and intention of using online banking is the highest T value of significant 11.878. This means that changes in trust are strongly correlated with changes in the intention of using online banking. It indicates that there is a strong relationship between the trust and intention of using online banking. It can be concluded that all the hypotheses that have been tested in this study have positive and significant relationship. Thus, H1, H2, H3, H4, H5 and H6 are accepted.

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