Investigating Customer Behavior towards Using Internet Banking: A Study of Afghanistan International Bank

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ABSTRACT

Examining the effects of Design Features and Behavioral Intention on customer’s Behavior to using or adoption internet banking in Afghanistan International Bank is concerned. The aim of this research is to investigate the customer Behavior towards using internet banking services. The research is based on an empirical study using questionnaire as survey instrument to test the hypothesis. The influences of independent variables on depended variable are considered. A pilot study is conducted to obtain the preliminary assessment of internal validity of the research survey instrument, and to address objectives 200 Questionnaire are distributed among the Afghanistan International Bank customers for the present study, the procedure adopted for the present study is categorized as convenience sampling method, and collected data is analyzed using SPSS software. The outcome concluded that 2 variables of design features and the Behavioral Intention have significantly positive effect on the customers’ Behavior to adopt internet banking services. Results indicates that 72 percent of bank customers’ Behavior toward using or adopting the internet banking services in Afghanistan International Bank significantly depends on the Behavioral Intention. Extending to examine the Theory of Planned Behavior in the rest major provinces of Afghanistan, and with the other Afghan private and government banks are recommended for the future researchers.

Keywords: Customer, behavior and internet banking.

INTRODUCTION:

Internet banking also known as e-Banking refers to all those financial activities that involve use of internet and technology ranging from the ATMs to other banking services such as e-bill payment, direct deposit, electronic funds transfer, mobile banking, and on-line banking (Lee 2000). Internet technologies have developed the way in which banks provide their services and customers conduct their banking needs, one of these technologies, which has increasingly become a favored channel by service providers and customers alike, is e-Banking services (Haque, 2009). E-Banking is defined as ‘the use of the internet as a remote delivery channel for banking services and internet banking is defined as a bank that offers (web-based) transactional services’ (Gopalakrishnan et al., 2003).

The Theory of Planned Behavior (TPB) used in this study predicts an individual’s intention to engage in a behavior at a specific time and place to adopt internet banking. It posits that individual behavior is driven by behavior intention, where behavior intention are a function of three determinants: an individual’s Attitude toward Behavior, Subjective Norms, and Perceived Behavioral Control (Ajzen, 1991). Attitude towards the Behavior is a person’s overall evaluation of the behavior. This refers to the degree to which a person has positive or negative feelings of the behavior of interest. It entails a consideration of the outcomes of performing the behavior (Hurst, 2010). Subjective Norm is the perceived social pressure to engage or not to engage in a behavior (Hurst, 2010). Subjective Norm is determined by the total set of
accessible normative beliefs concerning the expectations of important referents (Fishbein & Ajzen, 1980). Perceived Behavioral Control refers to the individual’s perception of the extent to which performance of the behavior is easy or difficult. There are two aspects to this construct: How much a person has control over the behavior and how confident a person feels about being able to perform or not perform the behavior (Ajzen, 1991). Behavioral Intention to perform a behavior can be used as a proximal measure of behavior (Hurst, 2010). Intention is one of the most important contributions of the TPB model in comparison to previous models of the attitude-behavior, relationship in that TPB can be used to determine the effectiveness of interventions even if there is not a readily available measure of actual, or an individuals’ manner of acting to use a system or not to use a specific future behavior (Konerding, 1999; Al-Qeisi & Hegazy, 2015). Within the construct of the TPB and information systems research, Behavior is the target of interventions specifically designed to change the behaviors of individuals (Ajzen, 1991). A consumer's behavior is determined by the consumer's Behavioral Intention (BI) to perform the behavior. In turn, Behavioral Intention is a function of the person's Attitude (A) toward the Behavior and his or her Subjective Norms (Fishbein & Ajzen, 1975).

REVIEW OF LITERATURE:

Pikkarainen et al. (2004), stated in her empirical study that cheap service delivery in internet banking is the main factor of customer behavior and acceptance, they added that internet banking is the most wealthiest and profitable channel for banking services and products. In other hand, Ezeoha (2005), added on his study that bank customers have serious concerns about security issues of the internet banking services and this definitely effects their behavior to adopt internet banking. However, Jalal et al. (2011), accepts the “usefulness” of internet banking as the main factor of customers behavior in internet banking adoption, the result of their study in Bahrain cleared that most data respondents agreed with the usefulness of internet banking, they found that more than 80 percent of them at least agreed with it. Karjaluoto (2002) and Mattila et al. (2002) pointed out in their empirical study that internet banking is incomprehensible and is difficult to use and has no social dimension, it includes the lack of face to face deal as traditional banking and it effect their behavior to use the internet banking. Lichtenstein and Williamson (2006), reported on their study about Australian banking sector and the adoption of internet banking in Australia. As a results of the study, they found the customer’s behavior against adoption of internet banking can make improvement in internet banking environment and will bring a relative advantage in Australian banking sector. Malhotra and Singh (2007), conduct a research on internet banking in India, the result of their study showed that nearly 57 percent of the Indian private and commercial banks are providing internet banking services. Their finding indicated that internet banks have better operating efficiency ratios and profitability versus the physical banks India, and internet banks rely more on core deposits for funding than physical banks do. The analysis and multiple regression finding revealed that the profitability and offering of internet banking do not have any significant association. However, in other hand, they found a significant negative association of internet banking risk profile of banks, this indicates that adoption of internet banking has not increased the risk profile of banks in India.

STATEMENT OF PROBLEM:

Examining the effects of designed features on Behavior to adopt internet banking in Afghanistan International Bank is concerned. Few researches conducted in Afghanistan to evaluate individuals’ intension in the sense of her or his conscious plan or decision to engage using internet banking services. This created space to conduct empirical research and investigate customers’ behavior towards using internet banking services in Afghanistan International Bank (AIB).

RESEARCH OBJECTIVE:

Based on the problem identified, following objective were framed for the present study as follow:
Obj1: To find out casual effect design features on Behavioral Intention (BI).
Obj2: To evaluate the effect of BI on Behavior (B).
RESEARCH HYPOTHESIS:
Based on the review of literature and the objective framed for the study, the following hypothesis was framed for testing:

\( H_1: \) There is no casual effect of design features on Behavioral Intention (BI).

\( H_2: \) There is no effect of BI on Behavior (B).

THEORETICAL FRAMEWORK:
The details of the theoretical framework taken up for the present study is the Theory of Planned Behavior (TPB) and shown in Figure-1, where the relationship between designed features, Behavioral Intention and Behavior (B) is presented.

![Figure 1: Theory of Planned Behavior (TPB), Adopted from (Ajzan, 1991).](image)

METHODOLOGY:
The present study will investigate customer behavior towards using internet banking services in Afghanistan. To make this study more trustworthy researcher develop a validated survey instrument in the form of Questionnaire (Appendix-1) using 5 point Likert Scale. Convenience sampling technique were used to collect data from bank customers. The collected primary data from 189 respondents is processed and tested with appropriate statistical tools and techniques through latest version of Statistical Package for the Social Sciences (SPSS). Multiple regression model was applied to find out the dependency effect design features and Intentional Behavior on Behavior towards using internet banking services in Afghanistan.

Instrument used for Primary Data Collection:
This research was carried out based on the primary data gathered through the data collection instrument. The data collection instrument used for this work is a Questionnaire. The data collection instrument were employed to collect the primary data and relevant information from the AIB customers. The data collection instrument was designed and tested as a part of this research and proved reliable. Research data collection instrument is presented in Appendix-1.

Pilot Study:
To obtain the preliminary assessment of validity of the research data collection instrument questionnaire, a pilot study was conducted. The results of the pilot study confirmed the internal reliability of the data collection instrument deployed and hence, the same data collection instrument was used in the identified sampling areas to collect the primary data needed for the present research.

Survey Instrument Reliability:
The data collection instrument was tested with appropriate reliability analysis through the computed value of Cronbach’s Alpha and the Alpha figure for all the research variables taken up in the data collection...
instrument is found to be above the figure of 0.6 (Nunnally, 1978). The specific, details of Alpha figure for each of the research variable constituting the present research is shown in the Table-1.

**Table 1: Details of Reliability Test**

| S. No. | Details of the Scale           | Items | Cronbach’s Alpha |
|-------|--------------------------------|-------|------------------|
| 1.    | Attitude                       | 4     | 0.781            |
| 2.    | Subjective Norms               | 5     | 0.811            |
| 3.    | Perceived Behavioral Control   | 4     | 0.696            |
| 4.    | Behavioral Intentions          | 4     | 0.655            |
| 5.    | Behavior                       | 4     | 0.821            |

**Sampling Details:**
This study employed survey of banking customers to gather data with the help of validated survey instrument in the form of Questionnaire for hypothesis testing, and to address research objectives 200 Questionnaires were distributed among the AIB customers. For the analyses purpose of the collected data the respondents who did not respond to all questions are excluded. A total of 189 respondents met these inclusion criteria and thus, constitute a sample size for the present study. Since, the respondents for the survey were identified on the basis of convenience and hence, the sampling procedure adopted for the present study is categorized as convenient sampling method. The statistical tools employed for the present work comprise the basic descriptive details of the study variables. Further, as part of analysis the Multiple Regression models were tested through SPSS. Based on the adopted research model and the corresponding statistical tools, formulated hypotheses in this research are examined and provided with corresponding results in the next section of this paper.

**FINDING AND DISCUSSIONS:**

**Behavioral Intention Dependency on Design Features:**
From the results of Table-2, it can be inferred that the F value of 22.361 is found to be significant at 5 percent level and hence, the hypothesis-1 is rejected. These results suggest that Behavioral Intention depends on design features items. Further, the adjusted R square value of 0.781 from the Table-2 indicates that 78 percent Behavioral Intention is significantly dependent on design features. Also the ‘t’ values of 5.491 and 4.135 corresponding to Attitude towards Behavior and Subjective Norm are found to be having significant effects on the model conceived.
More specifically, Attitude towards Behavior is found to be having significant superior effect on Behavioral Intention with highest ‘t’ value of 5.491. This confirms the positive effect of Attitude toward Behavior on Behavioral Intention, which indicates that bank customers feel they need to look at those aspects of internet banking which can facilitate their job and life, they feel internet banking is beneficial and can make their work more interesting, and they feel good about the services being provided by the electronic banks.

**Table 2: Result of Regression for Hypothesis-1**

| Model                     | Unstandardized Coefficients | Standardized Coefficients | t    | F     | Adjusted R square |
|---------------------------|----------------------------|---------------------------|------|-------|-------------------|
|                           | B                          | Std. Error                | Beta |       |                   |
| Constant                  | 0.315                      | 0.095                     | 1.314|       |                   |
| Attitude towards Behavior | 0.433                      | 0.139                     | 0.466| 5.491*| 0.781             |
| Subjective Norm           | 0.358                      | 0.133                     | 0.472| 4.135*|                   |
| Perceived Behavioral Control | 0.215                   | 0.147                     | 0.448| 3.870 |                   |

*Significance at 5%

Dependent Variable: Behavioral Intention
Source: Computed from Primary data

Similarly, the positive effect Subjective Norm is also found to be having significant effect on Behavioral Intention with next higher ‘t’ value of 4.135. This confirms that people who influence the bank customers’
behavior and who are important to the bank customers think that bank customers should use internet banking services. Further, bank customers’ supervisors, close friends, and the people whose opinion have value to the bank customers prefer they should use internet banking services. However, the ‘t’ value of 3.780 corresponding to Perceived Behavioral Control is not found to be significant and 5 percent level. Hence, it can be inferred that the Behavioral Intention is not dependent on Perceived Behavioral Control, which indicates that the bank customers were not confident on starting to use internet banking, the decision to start using internet banking was not under their control, starting internet banking was somehow not easy to them, and it was not up to them whether they should or shouldn’t use the internet banking services.

Behavioral Dependency Behavioral Intention:
From the results of Table-3, it can be inferred that the F value of 14.345 is found to be significant at 5 percent level and hence, the hypothesis-2 is rejected. These results suggest that Behavior is dependent on Behavioral Intention. Further, the adjusted R square value of 0.721 from the Table-3 indicates that 72 percent Behavior is significantly dependent on Behavioral Intention. Also the ‘t’ value of 5.689 corresponding to Behavioral Intention is found to be having significant effect on the model conceived, which indicates that, the bank customers are confident that they are using internet banking if they want, the decision to start using internet banking is under their control, starting internet banking is easy for them, and it is up to them whether they use or not use internet banking services.

Table 3: Result of Regression for Hypothesis-2

| Model                  | Unstandardized Coefficients | Standardized Coefficients | T   | F       | Adjusted R square |
|------------------------|----------------------------|---------------------------|-----|---------|-------------------|
|                        | B     | Std. Error | Beta |       |                   |
| Constant               | 0.311 | 0.088      |      | 1.312  | 14.345*           |
| Behavioral Intention   | 0.224 | 0.147      | 0.486| 5.689* | 0.721             |

* Significance at 5%

Dependent Variable: Behavior

Source: Computed from Primary data

LIMITATIONS:
Despite the significant finding in this study, there were also several limitations. Time is considered as a main limitation of the study. The generalization of the research results is limited to the AIB customers in Kabul city of Afghanistan and cannot be extended to the rest provinces in Afghanistan. Despite having a satisfactory sample size, a larger sample size could possibly lead to more reliable results.

RECOMMENDATIONS:
The research model Theory of Planned Behavior (TPB) is examined in only in AIB Kabul city branches as capital city of Afghanistan, and extending to examine this model in the rest major provinces of the country would be a good area of research and can contribute the literature of the topic for the future. Additionally, examining the TPB on the rest of the Afghan private and government banks are good area of research.

CONTRIBUTION
From the academic prospective, the study is thought to have contributed to the internet banking literature and fulfilled some gaps that needed more studies especially in a developing country like Afghanistan.

CONCLUSION:
The aim of this research was to investigate customers’ behavior towards using internet banking services in AIB. Another aim was to identify the strongest determinant of the TPB model applicable to the customers’ behavior towards using internet banking services in AIB. Based on the research model, the objectives and analyses and finding, number of conclusion can be outlined. Attitude towards Behavior
among bank customers is found to be having significant superior effect on customers’ Behavioral Intention toward using or adopting the internet banking services. Subjective Norm among the bank customers causes significantly good (with the next higher effect) on customers’ Behavioral Intention toward using or adopting the internet banking services. Perceived Behavioral Control is not found to have significant effect on the Behavioral Intention toward using or adopting the internet banking services. Further, Behavioral Intention is found to be having significant effect on Behavior of bank customers to use or adopt internet banking services. In other words, customers’ Behavior toward using internet banking in AIB is dependent on the bank customers’ Behavioral Intention and design features. Results indicates that 72 percent of customers’ Behavior toward using or adopting the internet banking services in AIB significantly depends on the variables of the research model conceived.

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APPENDIX:

Attitude:
I feel I need to look to those aspects of internet banking which can facilitate my job and life.
I feel internet banking system is beneficial.
I feel internet banking can make my work more interesting.
I feel good about the services provide by electronic banks.

Subjective Norm:
People who influence my behavior think I should use the internet banking.
People who are important to me think I should use the internet banking.
My immediate supervisor thinks I should use the internet banking.
My close friends think I should use the internet banking.
People whose opinions I value prefer that I should use the internet banking in my work.

Perceived Behavioral Control:
I am confident I can start using internet banking if I wanted to.
The decision to start internet banking is under my control.
Starting internet banking is very easy to me.
Whether I do use internet banking or not is entirely up to me.

Behavioral Intention:
In the near future, I intend to use internet banking for doing some of my banking transactions.
In the future, I intend to use internet banking for most of my banking transactions.
In the future, I intend to use internet banking for all of my banking transactions.
In the future, I will continue using internet banking for performing my banking transactions.

Behavior:
My behavior against internet banking can leads me to accept its services.
My behavior against internet banking can lead me decide to what level I rely on it services.
My behavior against internet banking can lead me to recommend others to accept its services.
My behavior against internet banking helps me when and where to choose internet banking services.