CUSTOMERS' ACCEPTANCE OF E-BANKING IN LIGHT OF COVID-19 PANDEMIC: THE CASE OF OMAN

Salim Al-Hajri[a]
Abdelghani Echchabi[b]
Syed Ghayas[a]
Mohamed Ali Akour[a]

[a]Department of Management Information Systems, College of Business Administration, A'Sharqiyah University

[b]Department of Finance,
Dubai Men's College, Higher Colleges of Technology

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Introduction

In the era of technology advancement and development, businesses globally found themselves obliged to upgrade their operations to some degree of technology usage.

This subsequently improved the services and operations of businesses, including the financial institutions and particularly banks, that have customers that intensively conduct daily banking operations involving considerable amounts of money.

One of the main criteria for customers to select their respective banks is the quality and efficiency of services, implying that banks that have an efficient, handy and secure E-banking system are more likely to attract and retain customers

The businesses sudden migration to technology usage was recently dictated by the spread of COVID-19 which forced businesses worldwide across sectors to shift their operations and services' offering to the online mode

During this period, the E-banking systems implemented by these banks played a significant role in facilitating the conduct of banking transactions efficiently on a remote basis.

The objective of this paper is to investigate the extent of adoption of E-banking services in Oman, and the factors that contribute to their adoption.

Literature review

Theory of Reasoned Action (TRA)	Theory of Planned Behaviour	Technology Acceptance Model	The Diffusion of Innovations (DOI)
• Ajzen and Fishbein (1980) • The authors argue that a person's attitude and his/her subjective normative belief within the social environment can determine the individual's behavioural intention, which then determines the actual behaviour.	• Ajzen (1991) • The author postulates that three determinants, namely, attitude, subjective normative belief and perceived behavioural control can affect behavioural intention, which subsequently influences the actual behaviour.	• Davis (1989) • The author identified two major determinants of behavioural intention to accept or not accept the technology namely, perceived usefulness (PU) and perceived ease of use (PEOU).	• Rogers (2003) • The author identifies five major determinants (perceived characteristics of innovations) namely, relative advantage, compatibility, complexity, trialability and observability.

Methodology

Population
The focus is on the banks' customers in Oman.

Sample
The target sample size is 200 respondents.
131 were properly filled and returned back for analysis.

Questionnaire
A customized survey questionnaire was designed to collect information related to the customers' perception of E-banking services, and their assessment of various aspects of these services.

Analysis
Data were analyzed using linear regression and one sample t-test.
The dependent variable is the intention to adopt E-banking in Oman, while the independent variables are perceived ease of use, uncertainty, relative advantage, facilitating conditions, and self-efficacy.

Respondents' profile

Demographics	Categories	Percentage
Gender	Male	10
	Female	90
Age	Less than 20 years	-
	20 to 30 years	87
	31 to 40 years	9.9
	41 to 50 years	3.1
	More than 50 years	-
Education level	High school certificate	2.3
	Diploma	34.4
	Higher Diploma	20.6
	Bachelor's degree	40.5
	Postgraduate degrees	2.3
Type of bank	Islamic bank	34.8
	Conventional bank	33.9
	Both	31.4

Linear regression output

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.443	.334		1.326	.187
Perceived Ease of Use	.214	.083	.199	2.573	.011
Uncertainty	-.203	.060	-.229	-3.391	.001
Relative Advantage	.137	.088	.142	1.569	.119
Facilitating Conditions	.467	.121	.366	3.854	.000
Self-Efficacy	.223	.079	.222	2.812	.006

T-test output

	Test Value = 3				95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
Behavioural Intention	12.612	130	.000	.77354	.6522	.8949
BI1	9.480	130	.000	.794	.63	.96
BI2	13.149	130	.000	1.046	.89	1.20
BI3	12.817	130	.000	.885	.75	1.02
BI4	15.631	130	.000	1.023	.89	1.15
BI5	9.861	130	.000	.725	.58	.87
BI6	10.216	130	.000	.802	.65	.96

Findings

The results revealed high tendency of customers in Oman to use E-banking services, as shown by the t-test results.

The findings also indicated that perceived ease of use, facilitating conditions as well as the self-efficacy have a significant positive effect on E-banking adoption.

While uncertainty has a significant negative effect on E-banking adoption.

Nevertheless, relative advantage was found to have no significant effect on E-banking adoption within the Omani banking industry.

Conclusion

This study is an extension of the TAM model to a different setting and a different area of study that has been under-researched in previous studies.

The current study also provides insights to the practitioners and policymakers on the important dimensions to increase the E-banking adoption and usage by banks' customers in Oman and similar settings during periods of crises like COVID-19.

The banks and authorities are required to ensure the E-banking services are safe and secure to be used and more importantly to ensure that the customers perceive it as such.

Furthermore, the authorities are required to put in place all the necessary logistics and laws that would allow for the proper and safe running of the system.

The future studies are recommended to cover a larger and more representative sample size, in order to generalize the results to the whole country and similar settings

The future studies are also recommended to extend these findings to other countries.

A major contribution of future studies would be to segregate the sample and analyze it separately for commercial and Islamic banks, as well as local and foreign banks

THANK YOU