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Consumers' Resistance to Mobile Banking Using and Organizational Performance: A Conceptual Framework

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Abstract

In increasingly competitive environments, the globalization of financial services rapidly expands. Banking consumers are able to access at any time via their mobile devices and from most locations via the Internet; in the meantime, organizations have attempted to search for effective strategies and apply them into their business operations for pursuing sustainable competitive advantage and achieving best performance are needed. Most of the previous researches on the mobile banking mainly focus on intention to use. In order to extend the knowledge in this field. Despite this lack of consensus, the existing literature consistently suggests that an important, building on the innovation resistance theory is scarcity or limited availability. To fill this research gap, this paper develops a conceptual framework which examines the impact of functional and psychological barriers to a person's intention to resist using mobile banking and organizational performance in unbanked mobile phone Thai users. Hopefully, this study will offer implications for future research and design organizational strategies in the cashless society that holds value to both academics and practitioners working in the field.

Keywords: Mobile banking, Innovation resistance theory, Organizational performance

Introduction

With the rapid expansion of the Internet, increased computer access and convenient electronic services in the global business environment. On the other hand, enabled by mobile technologies, allowed businesses to deliver unique services and to serve a new business model for businesses. Specifically, mobile banking has turned financial services into typically available 24 hours per day. Therefore, businesses require mobile devices and the Internet to operate (Hew, 2017; Shaikh & Karjaluoto, 2015; Subsorn & Limwiriyakul, 2012; Yu & Yu, 2010). In particular, mobile devices such as smart-phones and tablets become an essence in daily life which connect the Internet to access banking networks for financial services (Eastin,

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Brinson, Doorey & Wilcox, 2016; Hanafizadeh, Keating & Khedmatgozar, 2014; Hew, 2017); for example, customers require mobile devices to manage their bank accounts and allow banking anytime, and anywhere (Shaikh & Karjaluoto, 2015; Veríssimo, 2016). A review of the related literature shows a growing emphasis on researches in addressing the advantages of mobile banking; in addition, mobile banking is considered to be one of the last major technological innovations which is boosting the number of services and content available for both customers and banks (Baptista & Oliveira, 2016; Hanafizadeh et al., 2014; Shaikh & Karjaluoto, 2015; Tam & Oliveira, 2016b; Veríssimo, 2016; Yen & Wu, 2016).

To mobilize the main causes of innovations failure on the market, the consumer resistance is caused by a failure to meet the success of an innovation (Cornescu & Adam, 2013; Heidenreich, Kraemer & Handrich, 2016; Ram & Sheth, 1989), and consequently organizations need to understand consumer resistance and conduct their business to become more efficient improvement competitiveness, productivity and profitability, such as delivering innovations toward consumers need. Nevertheless, most companies face high rates of innovation failures (Cornescu & Adam, 2013). Based on the studies and reviews of related literature, most research shows that consumer innovation adoption has been modified, while consumer innovation resistance researches which investigate what influences people to resist adopting new services or products are few (Chian-Son, Chien-Kuo & Wachara, 2015; Chian-Son & Wachara, 2016).

As a consequence, a greater understanding of the perspective of consumer innovation resistance to mobile banking using is used to provide better developing innovative strategies and services to reach consumers which improving organizational performance (Bhatt, 2016; Chanchai, Sellitto & Fong, 2015). For these reasons, this paper investigates how both functional and psychological barriers affect the person's intention to resist using mobile banking toward organizational performance in Thailand.

Literature Review

Mobile banking

Mobile banking is a system that allows customers to access account balances, pay bills, transfer between accounts and transfer domestic or international funds through their smartphones or tablets instead of visiting banks and access banking services without the time and location limitation (Baptista & Oliveira, 2016; Chian-Son et al., 2015; Cruz, Neto, Muñoz-Gallego & Laukkanen, 2010; Jarunee, 2014; Shaikh & Karjaluoto, 2015; Tam & Oliveira, 2016b; Wonglimpiyarat, 2014). Besides, the growth of mobile commerce has progressed

the growth of mobile banking (Eastin et al., 2016; Hanafizadeh et al., 2014; Hew, 2017; Tam & Oliveira, 2016a); for example, customers buy goods or services from the Internet in anywhere (Lee, Temel & Uzkurt 2016) and the Internet has made avenues for companies (Udo, Bagchi, & Maity, 2016). Furthermore, several advantages of mobile banking are providing new growth opportunities, enhancing operational efficiency, increasing market share and enabling new innovations in financial services (Baptista & Oliveira, 2016; Cruz et al., 2010; Hanafizadeh et al., 2014; Shaikh & Karjaluoto, 2015; Tam & Oliveira, 2016a, 2016b; Yen & Wu, 2016). Accordingly, mobile banking is at the heart of every business which is typically available 24 hours per day (Shaikh & Karjaluoto, 2015; Veríssimo, 2016).

Innovation resistance theory

Innovation resistance theory investigates what influences consumer's resistance to adopt technology-enabled new services or products (Chian-Son et al., 2015; Chian-Son & Wachara, 2016; Claudy, Garcia & O'Driscoll, 2015). This theory consists of both psychological and functional barriers. First, psychological barriers are often caused by conflict with consumers' prior beliefs, it including tradition barriers and image barriers. Moreover, the tradition barrier arises when an innovation is incompatible with an individual's existing values, norms, and past experience and may block the adoption of the innovation. On the other hand, the image barrier could be considered as the image of mobile banking services. Second, the functional barrier is an obstacle that has direct impacts on the reluctance of consumers, it can be divided into the usage barrier, value barrier and risk barriers that consumers may associate with a new product or service. Also, the usage barrier mainly implies the role of functional usability of an innovation. Furthermore, the value barrier defines as the perceived superiority of an innovation to the product or service it follows. Besides, the risk barrier relates in the form of different risk types such as fraud or product quality (Chian-Son et al., 2015; Chian-Son & Wachara, 2016; Jansukpum & Kettem, 2015; T. Laukkanen, Sinkkonen, Kivijärvi & Laukkanen, 2007; Ram, 1989; Laukkanen, Sinkkonen & Laukkanen, 2008; Laukkanen & Kiviniemi, 2010; Laukkanen, Sinkkonen, Kivijärvi & Laukkanen, 2007; Luo, Lee Mattila & Liu, 2012; McCarthy & Schurmann, 2015; Ram & Sheth, 1989).

Organizational performance

The organizational performance is the influence of using the information on the system (Chien-Wen David & Chiang-Yu John, 2009; Petter & McLean, 2009; Wang, 2008). However, a measure of organizational performance includes five indicators: staff reduction, product cost control, internal organizational efficiency, market information support and increased effectiveness in serving the public (DeLone & McLean, 1992; Gorla, Somers, & Wong, 2010). Those

measures are contributed to meeting organizational goals and creating competitive advantage (DeLone & McLean, 1992); for instance, expanding its market share rate and defect-free rate, improving its cost management and productivity (Hernaus, Pejić Bach & Bosilj Vukšić, 2012; Liao, Lin & Lin, 2016) and measuring its annual average growth rate from the balance sheet and income statement (Ezzi & Jarboui, 2016; Simpson, Padmore & Newman, 2012; Wang, Sharma, & Cao, 2016). Above all, long-term organizational performance is essential for the company's survival (Hernaus et al., 2012; Katchova & Enlow, 2013).

Conceptual Model and Research Proposition

Innovation resistance theory and intention to resist using mobile banking

In recent decades the banking industry has faced challenges and transformations. Also, mobile banking providers should understand consumers' behavior toward an innovation – especially consumer innovation resistance. Then, they should focus on behavior toward an innovation and perceived risks associated with innovation adoption that influence people to resist using new services or products. (Chian-Son & Wachara, 2016; Ram & Sheth, 1989). Base on the innovation resistance theory, the usage barrier is mostly related to the usability of the service such as inconvenience due to the keyboard and display of the device to pay bill. The value barrier, since the purchase of a computer and the Internet would cause some of the non-users more costs than benefits. The risk barrier is the risks that some customers fear mistakes and privacy risk when conducting their bank affairs via a mobile phone. The tradition barrier to electronic banking may arise, not all customers may see the need for new, complementary channels. And the image barrier may be that some consumers perceive the technology to be too difficult to use (Laukkanen et al., 2007). If the resistance to mobile banking would increase, therefore the intention to resist of using this service would increase. Furthermore, the functional and psychological barriers to innovation affect significantly the non-adoption of mobile banking (Chemingui & Ben lallouna, 2013). Therefore, the researcher proposes the following proposal:

Proposition 1: Psychological barriers affect a person's intention to resist using mobile banking.

Proposition 2: Functional barriers affect a person's intention to resist using mobile banking.

Intention to resist using mobile banking and organizational performance

The DeLone & McLean model, users have different needs of system and information quality to use; as a result, most firms provide identify categories for each system success that effect the organizational performance (Hsu, Chang, Chu & Lee, 2014; Petter & McLean, 2009). Also, organizations are constantly seeking a business strategy to improve their core

competency and gain a competitive advantage that could bring the organization closer to business success (Li & Tan, 2013). In addition, mobile banking enables users to conduct their financial services with a performance that offers many advantages for individuals, such as time savings and ease of performing banking transactions. Alternatively, both efficiency and effectiveness at performing mobile banking tasks are the aim to meet market and customer demands that bring on the high level of organizational performance in a diverse and ever-changing marketplace (Tam & Oliveira, 2016b). On the other hand, organizations need to understand consumer resistance and identify factors that improve the competitiveness, productivity and profitability. Despite the company's efforts to guide the development processes of innovation toward consumers need, most companies face high rates of innovation failure; for example, product rejection by the consumer (Cornescu & Adam, 2013). To determine resistance, this paper proposes the following proposal:

Proposition 3: A person's intention to resist using mobile banking affect organizational performance.

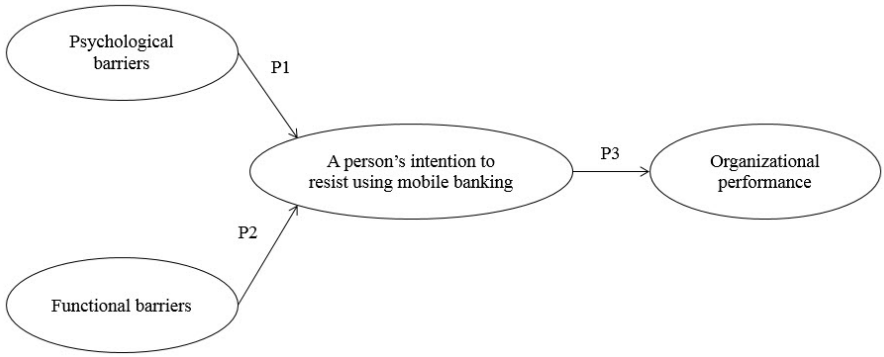

Figure 1: The conceptual model.

Based on the review of related literature, researchers have set the research conceptual framework of the impact of functional and psychological barriers to a person's intention to resist using mobile banking and organizational performance in Thailand as shown in Fig.1.

Summary

Based on the studies and reviews of related literature, the conceptual framework assumes two points. First, this study uses the theory of consumer innovation resistance as a theoretical basis. Second, this framework measures the organizational performance. In summary, those points are important for the companies' strategies to understand consumer resistance behavior in the cashless society.

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