

Examining the Impact of Social Media on Internet Banking

Monica Bhardwaj^{1*} and Dr. Renu Aggarwal²

¹Fortune Institute of International Business, New Delhi, India

²YMCA, Faridabad, India

Abstract

The technology has leveraged innovative modes of socializing, from facebook to twitter, man has become more social than ever before. But is the social media only limited to networking with the friends and reference groups or is there is more to it. This has been a big challenge for marketers to understand this consumer behavior. Since the interactions between people on these media are not only limited to personal chats but also include sharing experiences about purchases, preferences for brands and personal feelings about products. In response to its growing acceptability, popularity and impact the businesses are also turning to social media to market, promote their products and to interact with their customer and understand their changing needs and behavior. The present paper investigates the influence of support taken from social platforms on internet purchasing in India. The implications for the practitioners and researchers are discussed.

Keywords: Social media; Social commerce; Online banking; Social support; India

Introduction

Twitter boast of 241 million monthly active users [1] and facebook has 1.23 billion monthly users accounting for almost one-sixth of the entire population of the world [2] signifying undisputed popularity of social media in recent years which has mediated evolution of most persuasive delivery channel of commerce called Social commerce [3]. Social commerce encapsulates buying as well as social networking activities [4]. It involves social interactions among the users and assistance in purchase or sales through online and offline mode [3]. It encourages users to take opinions and recommendations while deciding on buying goods and services since individuals depend more on their social networks to congregate product information than trusting information supplied by the marketers [3]. The tendency to have peer suggestions inculcates sense of reliance and trust in users [5] that relates to the peer recommendations, peer trust, and credibility aspects of social commerce.

The primary objective of the present study is to identify the influence of social relationships on the social commerce behaviour. Social support derived from these relationships is fundamental to social commerce. Since social commerce is built on the relationships, social support plays a critical role. Social support determines attitude which is vital factor for identifying technology acceptance and deriving social commerce intentions. Alternatively good social support forms positive attitude and generates high social commerce intentions.

Literature Review

Online knowledge sharing enabled by web 2.0 technology is realized in various forms like blogging, virtual communities, social networking sites etc. Such online communities are extremely effectual in spreading word of mouth [5]. Social network unlike online blogs and virtual communities consists of people from user's reference groups like family and friends. Suggestions and recommendations from these groups are considered highly valuable and have impact on online buying as well. Hence social network is regarded crucial in social commerce. Increasing number of people these days use social networks in search of companionship, a window to share one's feelings and experiences, offer and receive suggestions and recommendations in times of stress and anxiety that signifies their desperation and yearning for social support. Social support refers to the social resources available

or perceived as available by individuals [6]. The perception of having social resources eradicates stress in individuals and contributes to their well-being. Trust, strength of social relationship and reciprocity has big impact on behaviour of knowledge sharing of people in social networking. Individuals make decisions wisely and have desire to be well informed about opinions of friends or peers on purchases, or recommendations. Berkman [7] cited by Cohen and Wills [6] while explaining nature of social relationships suggested they effect the wellbeing of people under stress or no stress situations categorizing the influence of these relationships through main effect and stress model respectively. Social support is constituent of transactional process [8]. It pertains to relationship transaction among the people and the nature of these transactions varies [9]. The impact of these social networking platforms is pervasive and is visible everywhere from personal to business activities like economic, marketing, social and educational activities [10]. Hence it is essential to understand influence of social support factors on social network users that enable them to share and retrieve opinions and do commercial transactions.

There is ample research on online shopping. Behavioural intention in a group-buying site was examined by Hsu et al. [11] where they specifically investigated different types of trust and its antecedents using TRA (theory of reasoned action) and the model of antecedents-trust-outcomes. E-shopping quality dimensions were identified by Ha et al. [12] that examined impact of e-shopping quality factors influence on consumer shopping outcomes and found that while shopping online for apparel items privacy/security, web site content/functionality, atmospheric/experiential dimension and customer service play significant role. Role of culture and its impact on online shopping use was investigated by Smith et al. [13] using technology acceptance model (TAM) evaluating differences across Germany, Norway, and

***Corresponding author:** Monica Bhardwaj, Fortune Institute of International Business, Rao Tula Ram Marg, Basant Gaon, Vasant Vihar, New Delhi, India, Tel: 9818806861; E-mail: monica29rose@hotmail.com

Received March 14, 2016; **Accepted** April 14, 2016; **Published** April 21, 2016

Citation: Bhardwaj M, Aggarwal R (2016) Examining the Impact of Social Media on Internet Banking. Arabian J Bus Manag Review 6: 234.

Copyright: © 2016 Bhardwaj M, et al. This is an open-access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.

the United States. Influence of cognitive and affective involvement in coercing technology perceptions and usage were also examined. The findings suggested that TAM and cognitive/affective involvement are understood in similar way across the cultures in these countries.

Value associated in online shopping and relational factors were examined [14,15], complaint intentions [16] and convenience dimensions [17]. The existing research explained the technology acceptance but same model will not be effective in social commerce environment as the social support factors do not form part of these models. Hence further research is required which examines social commerce by using social support factors.

Theoretical Background and Hypotheses

Since past couple of decades, several researchers have employed Technology Acceptance Model (TAM) model for explaining user's intention to adopt of new technology and confirmed that the perceived usefulness and perceived ease of use are two major constructs of intention to adopt [18-21]. TAM is a valuable model but needs to be incorporated into a broader model in order to increase its predictive power. Since social commerce is majorly based on the social support factors so in order to explain the social commerce intention of the individuals, technology acceptance model is extended with social support factors in context of present study. The proposed model consists of TAM constructs perceived usefulness, perceived ease of use and attitude and social support constructs namely Informational Support, Emotional Support, Network Support, Tangible Support and Esteem Support.

Perceived Usefulness

Perceived usefulness is defined as "the degree to which a person believes that using a particular technology will enhance his performance" [18]. Perceived usefulness has been established as significant factor influencing adoption of technology [22]. Based on TAM, perceived usefulness is regarded as the extent to which specific system may enhance the user's job performance [23,24]. Perceived usefulness positively influences acceptance of mobile internet and mobile services [25,26]. Perceived usefulness is a vital factor in predicting the adoption of innovations [24]. Perceived usefulness positively influences attitude, intention and usage behaviour for mobile banking [27]. Hence perceived usefulness is a strong determinant of technology adoption and has strong influence on user's attitude or intentions. Therefore following hypothesis is put forth.

H1: PU has a positive influence on attitude towards social commerce intention.

Perceived ease of use

PEOU refers to "the degree to which a person believes that using a particular system would be free of effort". In order to prevent the problem of a useful system remaining "under-used", the system must be easy to use as customers need not put enormous effort on trying to learn to use it [28]. The extent to which the degree of easiness is perceived by the individuals is acknowledged as a significant predictor for using WIMT technology. Similarly the probability of bank users to adopt online banking is higher when it is easy to use [29]. Extant research in recent past has given evidence that perceived ease of use has significant influence on usage intention [18,30,31].

Hence following hypothesis is proposed.

H2: PEOU has a positive influence on attitude towards social commerce intention.

Social support factors

Social support does not have a standard uniform definition. It has been stated in various ways by different researchers. Lin et al. [32] defined social support as a multidimensional construct using the previously defined model by Cutrona and Russel which consisted of Informational Support, Emotional Support, Network Support, Esteem Support. The findings of study by Lin et al. [32] supported that all these four social support types are significant indicators of social support but their significance varies. Gottlieb et al. [33] argues that social support is not a commodity but that an expression of the mutuality and attribute of fondness of the relationship between the social gathering. The social system includes social support, social networks, social integration and support system each which symbolize a different view however they are mostly found overlapping. In light of personal, environmental and cultural factors the degree of social support varies and requires specific means for its measurement. Hajli [34] discussed social technologies and social support theory to propose a research framework for the adoption of social commerce and identified that through trust and through the support of social commerce constructs, social presence can be enriched leading to increase the intention to buy. Gao et al. [35] advocated the importance of supporting sociability in social software design by integrating sociological, psychological and technological considerations with the overall goal to facilitate online social interaction. As online communications are virtual and the cues for trust are often the through messages, online social support that might extend required help to the social network users is elusive in nature comprising of informational support, emotional support, network support, tangible support and esteem support. *Informational support* means the information is provided as advices, consultations, and recommendations to help solve the problems. *Emotional support* comprises of the sensitive concerns like care, concern, thoughtfulness and empathy. *Network support* refers to feeling of belongingness to a group sharing similar interests, apprehensions, and leisure activities. *Self-esteem support* signifies the assurance of one's value, acknowledgment of one's competency, skills, and importance by others. *Tangibility support* comprises of the dependable association; it refers to the assurance of reliability for tangible support. In a social medium, it would be usual for group members to share commercial information, opinions and suggestions, extend care and help while sharing similar interests seek assurance of selfworth from each other and depend on each other for reliability and assistance whenever required. As the frequency of such supportive information increases it may help in fabricating and growing friendships and trust within the group members. Also it may lead to increase in tendency to share such commercial information that could possibly result in increase in indulgence in commercial activities. So it could be drawn that there might be an association between the social support factors and the intention of the individual's to engage in social commerce.

H3: Social support factors have positive influence on attitude towards social commerce intention.

Attitude

Attitude is recognized as the rationale for intention to use and actual use of the technology [27]. Fishbein et al. [36] defined attitude as the evaluation of the specific behaviour that leads to behavioural intentions. Individual's attitude towards the innovations helps in predicting the pace of adoption of services and of mobile commerce [37]. Since positive attitude towards social commerce intention is strong predictor of its adoption intention hence following hypothesis is proposed.

H4: Attitude has a positive influence on social commerce intention.

Research Methods

The research model

The research model is conceptualized from technology acceptance factors and social support factors. This model integrates TAM components PU and PEOU with social support factors informational support, emotional support, network support, tangible support, esteem support lead to the formation of an attitude towards social commerce intention.

Measurement

Measurement instrument was constructed using measurement items from previous validated scales adapted in the context of present study. PU and PEOU were measured using items derived from Davis [18]. The items that measured five social support factors are as follows. Informational support, emotional support was sourced from Liang et al. [28]. Network support, tangible support, esteem support were measured using items based on Davis [18].

Sampling and data collection

This study focuses on identifying antecedents of social commerce intentions users in India. Data was collected using dual techniques. First approach used was mall intercept method.

Data Analysis and Findings

Statistical analysis

The conceptual model was tested using structural equation modelling (SEM).

The measurement model

Latent constructs were brought up using Exploratory Factor Analysis for all 31 observed variables. After the final iteration the KMO measure of sampling adequacy stood at 0.843 and was significant. The communalities score were above 0.50. Ten items did not load significantly on any of the factors or had high cross-loadings and hence were dropped from further analysis. After refinement, total variance extracted was 64% resulting into 21 items converging into 4 factors. The reliability scores were measured through Cronbach's alpha and all were above 0.7 [38] suggesting the factors as reliable (Table 1).

The confirmatory factor analysis (CFA) was the next step. First, the independent latent constructs were subjected to analysis, which were later added with the dependent latent constructs viz., Attitude and Social Commerce Intentions for further analysis using a CFA again. The first CFA model fit statistics are CMIN/DF=2.339, GFI=0.908, CFI=0.951, TLI=0.942, RMSEA=0.058. There was a significant loading for all the scale items on their respective latent factors. The second CFA model fit statistics are CMIN/DF=1.751, GFI=0.901, TLI=0.957, CFI=0.964, RMSEA=0.044. All the observed variables loaded significantly on their respective latent constructs. All the fit indices were above the expected levels and hence the model is confirmed.

Scale Reliability

Reliability of the factors extracted was measured using Cronbach's alpha was above 0.7 for all the factors (Table 1). These are reported in the Table 1. Also, composite reliability statistics were measured for all the latent constructs and it was above 0.7. In addition, Average Variance Extracted (AVE) for all the constructs was above 0.5 [39]. Hence, the model shows adequate reliability fit.

	EI	PEOU	ENT	NE	Cronbach's α
EMS4	0.8636				0.92
EMS2	0.8617				
EMS3	0.8589				
IS1	0.8105				
EMS1	0.7793				
IS3	0.7577				
PeoU6		0.8648			0.887
PeoU4		0.8631			
PeoU7		0.8343			
PeoU5		0.8309			
PeoU1		0.7429			
ESS2			0.7661		0.832
T3			0.7564		
NS4			0.7315		
ESS1			0.7308		
T2			0.7239		
NS1			0.6911		
NS3				0.7318	0.754
NS2				0.7283	
ESS4				0.7136	
ESS3				0.7003	

Table 1: Reliability scores through Cronbach's alpha.

Construct Validity

Construct validity measures the extent to which a scale item measures the latent factor for which it corresponds. It comprises of face validity, convergent validity and discriminant validity. Face validity was established using scale items from extant literature and contextualizing them with the present study.

For this achieving convergent validity AVE scores were all above 0.5 and all the scale items had significant factor loadings at $p < 0.001$. In addition, the aforementioned reliability scores also support the convergent validity. These threshold values have been referred from the criteria mentioned by Fornell et al. [39].

For achieving discriminant validity all the estimates (factor loadings) were above 0.7. AVE for all the constructs was above 0.5 and AVE was greater than the square of inter-construct correlation. Hence, discriminant validity was established (Tables 2 and 3, Figure 1).

The results show TAM construct perceived ease of use had direct and positive influence on attitude that is in consistency with our assumptions. When people find online banking easy to use it positively influences their attitude towards social commerce intention. The results show the influence of social support factors on attitude supporting H2. Since online banking is a new technology and aspect of intangibility increases the amount of fear, anxiety and uncertainty about the consequences of using it. In such scenario opinions, recommendations and necessary support in form of needed resources rendered by people in social group play significant role in shaping the intentions, when individual identifies himself with the social group where his skills and competencies are recognized and gets required assistance and support. As a result his closeness with the group increases and likewise the tendency to continue getting such attention and support. This in turn influences the individual's attitude towards conducting the social commerce in a big way.

The results show the influence of attitude on social commerce intentions supporting H3. That is in agreement with our assumptions; the attitude and social commerce intentions were positively related.

Construct	Item	Standardized Estimate	AVE	CR
PEOU	PeoU1	0.775	0.905	0.656
	PeoU4	0.841		
	PeoU5	0.814		
	PeoU6	0.842		
	PeoU7	0.774		
EI	IS3	0.766	0.921	0.661
	IS1	0.829		
	EMS4	0.873		
	EMS3	0.86		
	EMS2	0.82		
ENT	T3	0.728	0.879	0.547
	T2	0.727		
	NS4	0.766		
	NS1	0.768		
	ESS2	0.718		
	ESS1	0.73		
NE	NS2	0.767	0.841	0.569
	NS3	0.752		
	ESS3	0.751		
	ESS4	0.746		
SCI	SCI6	0.807	0.906	0.618
	SCI5	0.765		
	SCI4	0.772		
	SCI3	0.804		
	SCI2	0.78		
	SCI1	0.786		
ATT	ATT3	0.864	0.888	0.725
	ATT2	0.827		
	ATT1	0.863		

Table 2: Discriminant validity.

Dependent Construct	Independent Construct	p-Value	Decision
ATT	PEOU	0.019	Hypothesis Supported
ATT	NE	***	Hypothesis Supported
ATT	ENT	0.03	Hypothesis Supported
ATT	EI	0.018	Hypothesis Supported
SCI	ATT	***	Hypothesis Supported

Table 3: The structural model constructed by testing the hypothesis formed for the constructs.

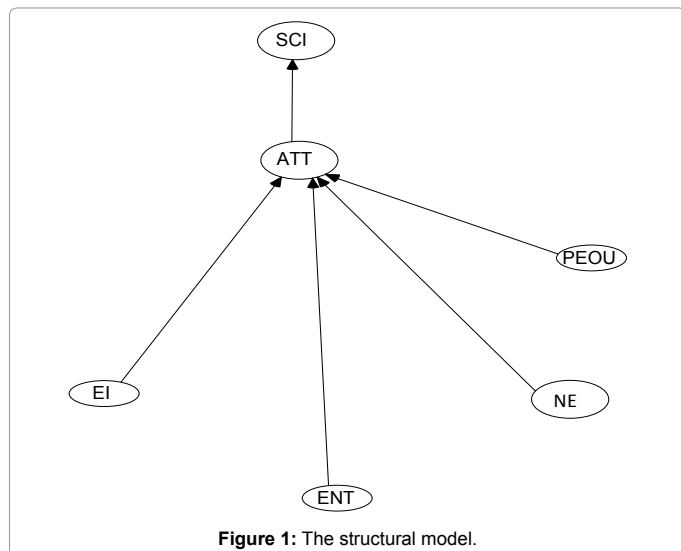


Figure 1: The structural model.

Discussion

Based on the hypothesis discussed above it is found that all the latent constructs significantly and positively influence the attitude towards online banking. Attitude towards online banking significantly influences Social Commerce Intentions.

Conclusions and Suggestions for Future Research

This research gives a theoretical knowledge of factors forming social commerce intentions. Moreover a persuasive conceptual framework is provided for clear understanding of social commerce factors. A significant contribution of present study is construction of a research model integrating factors of technology acceptance and social support factors to examine the social commerce intentions of the online users. The findings of present study may provide useful insights to the Indian managers of firms engaged in online shopping about building effective social network feature and functionalities to offer higher customer satisfaction and benefits reaping loyalties.

References

- Bercovici J (2014) Twitter Earnings: Good News on Revenues, Not So Much on Users.
- <http://www.abc.net.au/news/2014-02-04/facebook-turns-10-the-social-network-in-numbers/5237128>
- Wang C, Zhang P (2012) The evolution of social commerce: the people, management, technology, and information dimensions. *Evolution of Social Commerce*.
- Wang C (2009) Linking shopping and social networking: approaches to social shopping. 15th Americas Conference on Information Systems (AMCIS), San Diego, CA.
- Srinivasan SS, Anderson R, Ponnavaolu K (2002) Customer loyalty in e-commerce: an exploration of its antecedents and consequences. *Journal of retailing* 78: 41-50.
- Cohen S, Gottlieb BH, Underwood LG (2001) Social relationships and health: Challenges for measurement and intervention. *Advances in Mind-Body Medicine* 17: 129-141.
- Berkman LF, Kawachi I (2001) Social ties and mental health. *Journal of Urban health* 78: 458-467.
- Shinn M, Lehmann S, Wong NW (1984) Social interaction and social support. *Journal of Social Issues* 40: 55-76.
- Zimet GD, Dahlem NW, Zimet SG, Farley GK (1988) The multidimensional scale of perceived social support. *Journal of personality assessment* 52: 30-41.
- Chiu CM, Hsu MH, Wang ET (2006) Understanding knowledge sharing in virtual communities: An integration of social capital and social cognitive theories. *Decision support systems* 42: 1872-1888.
- Hsu MH, Chuang LW, Hsu CS (2014). Understanding online shopping intention: the roles of four types of trust and their antecedents. *Internet Research* 24: 332-352.
- Ha S, Stoel L (2012) Online apparel retailing: roles of e-shopping quality and experiential e-shopping motives. *Journal of Service Management* 23: 197-215.
- Smith R, Deitz G, Royne MB, Hansen JD, Grünhagen M, et al. (2013) Cross-cultural examination of online shopping behavior: A comparison of Norway, Germany, and the United States. *Journal of Business Research* 66: 328-335.
- Kacen JJ, Hess JD, Kevin Chiang WY (2013) Bricks or clicks? Consumer attitudes toward traditional stores and online stores. *Global Economics and Management Review* 18: 12-21.
- Wu LY, Chen KY, Chen PY, Cheng SL (2014) Perceived value, transaction cost, and repurchase-intention in online shopping: a relational exchange perspective. *Journal of Business Research* 67: 2768-2776.
- Wu IL (2013) The antecedents of customer satisfaction and its link to complaint intentions in online shopping: An integration of justice, technology, and trust. *International Journal of Information Management* 33: 166-176.

17. Jiang LA, Yang Z, Jun M (2013) Measuring consumer perceptions of online shopping convenience. *Journal of Service Management* 24: 191-214.
18. Davis FD (1989) Perceived usefulness, perceived ease of use, and user acceptance of information technology. *MIS Quarterly* 13: 318-339.
19. Davis FD, Bagozzi RP, Warshaw PR (1989) User acceptance of computer technology: A comparison of two. *Management Science* 35: 982-1002.
20. Mathieson K (1991) Predicting user intentions: comparing the technology acceptance model with the theory of planned behavior. *Information systems research* 2: 173-191.
21. Gu JC, Lee SC, Suh YH (2009) Determinants of behavioral intention to mobile banking. *Expert Systems with Applications* 36: 11605-11616.
22. Sun H, Zhang P (2006) The role of moderating factors in user technology acceptance. *International Journal of Human-Computer Studies* 64: 53-78.
23. Davis F (1993) User acceptance of information technology: system characteristics, user perceptions and behavioral impacts. *International Journal of Man-Machine Studies* 38: 475-487.
24. Hanafizadeh P, Behboudi M, Abedini Koshksaray A, Jalilvand Shirkhani Tabar M (2014) Mobile-banking adoption by Iranian bank clients. *Telematics and Informatics* 31: 62-78.
25. Chiu YB, Lin CP, Tang LL (2005) Gender differs: assessing a model of online purchase intentions in e-tail service. *International Journal of Service Industry Management* 16: 416-435.
26. Nysveen H, Pedersen P, Thorbjørnsen H (2005) Intentions to use mobile services: antecedents and cross-service comparisons. *Journal of Academy of Marketing Science* 33: 330-346.
27. Crabbe M, Standing C, Standing S, Karjaluoto H (2009) An adoption model for mobile banking in Ghana. *International Journal of Mobile Communications* 7: 515-543.
28. Lin HF (2011) An empirical investigation of mobile banking adoption: the effect of innovation attributes and knowledge-based trust. *International journal of information management* 31: 252-260.
29. Guriting P, Ndubisi NO (2006) Borneo online banking: Evaluating customer perceptions and behavioral intention. *Management. Research News* 29: 6-15.
30. Daud NM, Mohamed IS, Alghanim S, Alhamali R (2011) Revisiting information system models in the context of technology usage and technology resistance. *Australian Journal of Basic & Applied Sciences* 5: 2424-2430.
31. Taylor S, Todd PA (1995) Understanding information technology usage: a test of competing models. *Information Systems Research* 6: 144-176.
32. Lin TC, Hsu JSC, Cheng HL, Chiu CM (2012) Exploring individuals' loyalty to online support groups from the perspective of social support. *PACIS 2012 Proceedings*. Paper 103.
33. Gottlieb BH, Bergen AE (2010) Social support concepts and measures. *Journal of Psychosomatic Research* 69: 511-520.
34. Hajli M (2013) A research framework for social commerce adoption. *Information Management & Computer Security* 21: 144-154.
35. Gao Q, Dai Y, Fan Z, Kang R (2010) Understanding factors affecting perceived sociability of social software. *Journal Computers in Human Behavior* 26: 1846-1861.
36. <http://people.umass.edu/aizen/f&a1975.html>
37. Lopez-NC, Molina CFJ, Bouwman H (2008) An assessment of advanced mobile services acceptance: Contributions from TAM and diffusion theory models. *Information & Management* 45: 359-364.
38. Hair JF, Tatham R L, Anderson R E, Black W (2006) *Multivariate data analysis*. Upper Saddle River NJ: Pearson Prentice Hall.
39. Fornell C, Larcker DF (1981) Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research* 18: 39-50.