Chapter 71
The Impact of Internet Adoption on the International Marketing of the Jordanian Banking Sector: Some Emerging Practices

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ABSTRACT
The research aims are to explore the extent of the banking sector’s adoption of Internet applications in Jordan for marketing products and to identify the impact of such adoption on developing international markets. This study also aims to determine the major obstacles restraining banks marketing their products internationally through the Internet and to make recommendations conducive to an effective and optimal implementation of Internet applications for marketing bank products locally and internationally. The statistical software package SPSS was used to analyse data and test hypotheses and from the findings a series of recommendations were formulated for upgrading the banking industry in Jordan. A population frame included banking organisations in Jordan and a research sample of 19 banks was used involving an inclusive field survey. For the unit of analysis, the study analysed information and data gathered through the questionnaire which was distributed to managers and other personnel involved in marketing at banks. Statistical methods used to analyse data and test hypotheses were frequency rates and percentages relevant to the questionnaire, standard deviations and means, and multiple regression analysis. The key results from the statistical analysis have shown that the Jordanian banking sector’s adoption of the Internet has had an impact on the international clients’ commitment towards the banks.

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INTRODUCTION

This chapter considers the impact of adopting the Internet on the international marketing of the Jordanian Banking sector in terms of emerging practices. The main function of the marketing of business organisations is to make the important connection between the introduction of appropriate products that satisfy customers’ needs and contributing to achieving the goals of the organisation. In the second half of the 1990’s a number of academic articles asserted that the use of the Internet would transform the way firms and companies carry out their international marketing activities. Although the adoption of the Internet for marketing activities in the field of banking in developing countries is taking place at a fast rate, and the theoretical application of such technology is effective, little attention has been paid in the extant literature to emerging practices.

Information and Communication Technology (ICT) has brought about fundamental changes to many sectors in developing countries and the sectors in these countries have benefited considerably from the enormous and rapid changes taking place in the field of Information Technology (IT). Obviously, the banking sector in developing countries has a large financial potential, which can be used to invest in IT. Additionally, growing competition between banks at national and global levels has required significant expansion of their IT operations. This has been in concert with the sweeping wave of financial innovations which have been launched in recent years leading to fundamental changes in the processes of investing money and creating many new financial products and services.

This study has used quantitative research and descriptive statistical analysis involving the distribution of a questionnaire to branches of banks in Jordan. The statistical software package SPSS has been used to analyse the data and test the hypotheses and from the findings a series of recommendations have been formulated for the upgrading of the banking industry in Jordan.

The key results from the statistical analysis show that the Jordanian banking sector’s adoption of the Internet has an impact on the international clients’ commitment towards the banks and the international banking services have differed according to the size of the banks. Also, it has been found that the quality of the international banking services have differed according to the banks’ experiences. Overall the Internet applications for the marketing of banking services have been undertaken in an efficient manner. The main obstacle facing the Jordanian banking sector’s adoption of the Internet for marketing its services internationally is the lack of legislation with regard to the regulation and control of e-transactions.

In order to study the impact of Internet adoption on the international marketing of the Jordanian banking sector (Al-Fayoumi & Abuzyayed, 2009) this chapter initially investigates Internet banking in Jordan which is one form of electronic banking (e-banking) in the country. E-banking is defined as “the use of electronic channels to communicate and transact business with both domestic and international customers, primarily through the use of the Internet and the World Wide Web” (McDowell, 2002, p. 40). Currently, there are three basic kinds of Internet banking that are employed in the market place and these are information, communication and transaction (Pereummal & Shanmugan, 2004, pp. 80-90). Wang et al. (2003) conducted a study based on a sample of 123 users in Taiwan, which aimed to identify the factors that determine acceptance of Internet banking by users. Perceived ease of use, usefulness and credibility were found to be significant antecedents of the intention to use an Internet banking system. The individual difference variable (i.e. computer self-efficacy) was found to be an important determinant of perceived ease of use, usefulness and credibility of Internet banking. People with higher computer self-efficacy were more readily prepared to use Internet banking services. Rotchanakitumnuai and Speece (2003) conducted a qualitative study to explore the barriers to Internet banking adoption.
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