Resistance to Internet Banking Adoption in Tunisia: A Grounded Theory Approach

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ABSTRACT

Adoption of online banking has been studied in detail with respect to theories of consumer behavior, yet the adoption of Internet banking still provides an attractive area of research. A new wave of research supports the importance of understanding consumer behavior within the perspective of resistance, and attempts to address the theoretical knowledge gap between technology acceptance and adoption. In this respect, this research examines the factors that inhibit people to adopt and use Internet banking as a complementary financial service. An abductive investigation based on the grounded theory methods has been used. Findings suggest that the important factors which slow the adoption of Internet banking were the lack of information about the service, and the satisfaction with the existing alternative that individuals are currently using (bricks-and-mortar, ATMs, and mobile banking). Other influential factors are highlighted. Implications for academicians and practitioners are discussed.

Keywords: Consumer Resistance, Internet Banking, Grounded Theory, Tunisia

INTRODUCTION

The importance of the Internet in the banking environment has been broadly recognized by the marketing community. However, despite the efforts made by banks to promote their online services, financial transactions undertaken via the Internet are still relatively limited, and the rate of Internet banking adoption remains slower than expected (Nasri, 2011; Hernandez Mazzon, 2007; Flavián et al., 2006). The acceptance of new technologies and channels for banking is not equal in all regions of the world (Mäenpää, 2006), and the acceptance of online banking operations in Tunisia remains poor (Mzoughi and M’Sallem, 2013; Nasri, 2011).

A consumer’s intention to adopt self-service banking technologies is influenced by a variety of factors. Previous studies revealed that the most influential predictors could principally be explained by well-known theories such as the innovation diffusion theory (Rogers, 1995), and...
the technology acceptance model (Davis et al., 1989). Recent research, which focused on resistance to an innovation, indicated that resistance to change may inhibit consumer from adopting a virtual context or new system (Laumer and Eckhardt, 2010; Kim and Kankanhalli, 2009; Falk et al., 2007). This behavior has been identified as a possible cause of product failure (Ram, 1989). Previous studies (Ram, 1987) suggested that innovation resistance resulted from the characteristics of the innovation (e.g., perceived risk, complexity, and perceived compatibility), the consumer’s characteristics (e.g., personality, motivation, perception, cultural barriers), and the mechanisms of propagation (e.g., the firm’s communication about the new product).

In Tunisia, according to the Internet World Stats, the number of Internet users has increased from 127 per 1000 inhabitants in 2006 to 391 in 2012. Nevertheless, these rates are still low compared to developed countries. For example, in 2012, the penetration rate of Internet users in Europe and North-America are 63.2% and 78.6%, respectively. Banks in Tunisia have extended their ‘bricks-and-mortar’ activities and provided remote services such as Automatic Teller Machines (ATMs), Internet banking (e.g., @ttijarinet, @menet), or vocal services (e.g., allosolde). In consideration of an inconclusive theoretical foundation for consumer Internet banking adoption (Hernandez and Mazzon, 2007; Lichtenstein and Williamson, 2006), as well as the mixed and divergent results observed, it is difficult to determine the most relevant drivers and inhibitors to such behavior (Gerrard et al., 2006; Lichtenstein and Williamson, 2006). This research aimed to identify the inhibitors of Internet banking in the context of a culture dominated by social interactions. We focused on the possible managerial solutions for banks in Tunisia or other Arabic emerging countries. To do so, the study revisited previous marketing studies which have examined resistance. The first section of the paper focuses on the theoretical background to the adoption of resistance to Internet banking; the second section presents the methodology and finally, the last section provides the results and discussion.

**CONSUMER RESISTANCE TO INTERNET BANKING: LITERATURE REVIEW**

The rich potential of Internet banking as a research area has attracted several academics over the last decade. “Resistance is seen as an active behavior which may occur in every adoption process but does not necessarily result in non-adoption i.e. rejection” (Kuisma et al., 2007, p. 76). The authors have argued that since the perception of innovation differs from one person to another, their behavior as a result may be different: adoption or rejection (Kuisma et al., 2007). Below, the main theoretical models adopted in the literature regarding online banking have been highlighted. This review of the literature identifies the main approaches to the investigation of consumer behavior towards this virtual channel.

One of the relevant theories that explain consumer behavior in Internet banking is Roger’s innovation diffusion theory. Rogers (1995) has identified five main attributes of innovation diffusion: relative advantage, compatibility, complexity, observability, and trialability. Each of these aforementioned attributes is positively correlated with the adoption of innovation, except for complexity (Hernandez and Mazzon, 2007). For instance, performance related to relative advantage, is found to be a major determinant of Internet banking adoption (Polatoglu and Ekein, 2001). The weight of each variable varies from one person to another.

On the other hand, unlike Roger’s innovation diffusion theory (1995), resistance to innovation has not received the same interest from academics (Laumer et al., 2010; Kleijnen et al., 2009; Laukkanen et al., 2008). A consumer’s resistance is defined as the level to which the individual feels threatened by a change (Ram, 1989). According to Ram (1989), there are three main causes of resistance: (1) innovation characteristics (e.g., perceived risk; compatibility, complexity), (2) consumers’ characteristics (perception, motivation, personality) and (3) propagation mechanisms (communication strategies). Other important driver is highlighted by
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