

Chapter 18

Case Study on Customer's Ambidextrous Nature of Trust in Internet Banking: Australian Context

Sujana Adapa

University of New England, Australia

Fredy Valenzuela

University of New England, Australia

EXECUTIVE SUMMARY

This case study provides information related to the Australian retail-banking sector and specifically about the electronic banking service delivery channels. As a Western nation, Australia is classified as a developed country with well-developed infrastructure, gross domestic product, per capita income, and economic status. A cross-sectional mall intercept survey was conducted in order to explore the trust related perceptions of the Australian consumers' towards the internet banking service delivery channel. Trust is an important variable because of its high relevance to the success and/or failure of many businesses, products, and service offerings. Although there exists several benefits attached to the internet banking transactions, the survey carried out, indicates that there are a significant number of customers in Australia, who do not perform internet banking transactions due to lack of trust in the bank (or bank personnel or internet service delivery channel etc.). Consequently, results also indicate that a majority of the customers preferred to use internet banking

DOI: 10.4018/978-1-4666-4357-4.ch018

Case Study on Customer's Ambidextrous Nature of Trust in Internet Banking

transactions due to the trust that they have in carrying out these electronic banking methods. Therefore, this study provides information related to the ambidextrous nature of the trust component and how the aforesaid affects the consumer's perception levels towards the adoption/non-adoption of internet banking in the Australian context. Moreover, this study provides results obtained through a cross-sectional mall intercept survey carried out in the Australian context and verbatim quotes obtained from the respondents in the form of open-ended comments. Furthermore, the implications related to bank managers, government, and policy-makers are presented.

INTRODUCTION

Many businesses irrespective of their size, seem to operate in physical and/or electronic environments due to benefits such as gaining market share, maintaining competitive advantage, meeting consumer's needs, and so on. As a result, modern businesses have a combination of bricks and mortar and clicks and mortar presence partly to retain their existing customer base and partly to differentiate their business from the competitors. One such business entity is the retail-banking sector that has successfully ventured into online banking transactions whilst complementing its physical bank branches. Thus, banks throughout the world have taken the advantage of the advent of the internet and various technological advancements. As such, there has been a proliferation of electronic service delivery channels in the retail-banking sector. Consumers' are also exhibiting greater interest to use electronic service delivery channels due to convenience, 24/7 service delivery, self-service options etc., Therefore, published global academic and business reports indicate the uptake of internet banking by customers in a phenomenal manner across many countries. Yet, in many countries the uptake of internet banking by customers has not reached the projected statistics due to lack of infrastructure, speed of internet connectivity, customer awareness, and so forth. Customers' perception of trust is one such factor that may/may not influence their adoption/non-adoption of internet banking.

The concept of trust in a more general sense is related to psychological and sociological perspectives, which pave the way to better understand consumer-based trust, and consumers' association with the trust construct in an online or electronic environment. General trust identified in the existing literature is internal in nature and attempts to explain business-to-business relationships. The psychological perspective identifies trust as a generalised expectancy and relates to interpersonal trust relationships. The sociological perspective relates to communal trust and social capital (Kramer, 1999). Trust in general is defined as 'a belief or expectation about the trusted party or as a behavioural intention or willingness to depend or rely on another party' (Grabner-Kraeuter & Kaluscha, 2003). Mayer et al. (1995) stated that trust is 'the willingness of a party to be vulnerable to the actions of another party

22 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: www.igi-global.com/chapter/case-study-customer-ambidextrous-nature/78845

Related Content

Data Warehousing and Mining in Supply Chains

Richard Mathieu (2009). *Encyclopedia of Data Warehousing and Mining, Second Edition* (pp. 586-591).

www.irma-international.org/chapter/data-warehousing-mining-supply-chains/10880

Conceptual Modeling for Data Warehouse and OLAP Applications

Elzbieta Malinowski and Esteban Zimányi (2009). *Encyclopedia of Data Warehousing and Mining, Second Edition* (pp. 293-300).

www.irma-international.org/chapter/conceptual-modeling-data-warehouse-olap/10835

Mining Chat Discussions

Stanley Loh, Daniel Lichnowski, and Thyago Borges Tiago Primo (2009). *Encyclopedia of Data Warehousing and Mining, Second Edition* (pp. 1243-1247).

www.irma-international.org/chapter/mining-chat-discussions/10981

On Explanation-Oriented Data Mining

Yiyu Yao (2009). *Encyclopedia of Data Warehousing and Mining, Second Edition* (pp. 842-848).

www.irma-international.org/chapter/explanation-oriented-data-mining/10918

Efficient Graph Matching

Diego Reforgiato Recupero (2009). *Encyclopedia of Data Warehousing and Mining, Second Edition* (pp. 736-743).

www.irma-international.org/chapter/efficient-graph-matching/10902