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A Conceptual Framework of Social Media Influence on Mobile Banking usage among young Indian consumers

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Abstract. With the advances in technology, consumers have equally shown positive inclination towards the adoption of the same on the premise of their saved time and energy and more so they have identified these technological advancements as a precursor to enhanced quality of life as a whole. Mobile banking is one such technology which has gained immense acceptance amongst its consumers. However, there is a need to gain an insight of mobile users' attitude towards mobile banking if it has to replace the traditional ways of banking in eternity. There is no denying to the fact that Social Media has played the role of an immensely powerful arbitrator in orienting consumers towards mobile banking. This conceptual paper thereby attempts to seek the role of Social Media towards various stages of consumers' attitude in accepting such technologies such as mobile banking in India. Through this paper we intend to build a framework which identifies the role of social media in the transition of mobile banking consumers from one stage of cognitive process to the other. The work primarily addresses young consumers for their being the early influencers of social media. The paper is expected to contribute towards decision making of the government agencies, mobile operators, financial institutions and researchers.

Keywords: Mobile Banking, Attitude, Social Media, Young Consumers, India

1 Introduction

Mobile phones have witnessed an exponential pattern of usage during the last decade and one of the distinctive and prominent usages of Mobile phones that has completely revolutionised the nature of transaction is Mobile banking (MB) owing to the technological innovations and the user-friendly software packages developed over the years. It is therefore precedented and desired that the government, the banks and the mobile operators work in alignment towards enabling mobile banking services for their customers and give way to mobile banking which can emerge more dynamically as one of the breakthrough revolution technologies in banking to provide a complete digital environment to the consumers.

Changing consumer behaviour always takes a reasonable amount of time and there are instances when consumers are attracted to such technologies however refrain from actual usage. Thereby, it is imperative that the mobile operators understand the acceptability and usability pattern among consumers in order to sustain the continuous usage of mobile banking. There have been many studies which have tried to explore behavioural intention and intention to use mobile banking through various technology acceptance models (Sharma, 2017; Liebana-Cabanillas & Lara-Rubio, 2017; Riffai, Grant & Edgar, 2012; Lee & Chung, 2009). Researchers have also focused on the continuous usage of the mobile payment and banking services once adopted (Sharma & Sharma, 2019; Zhou, 2013) in order to examine users' post-adoption behaviour. The

adoption behaviour transits many factors such as trust and satisfaction apart from the factors identified in various technological acceptance models such as the Unified Theory of Acceptance and Use of Technology (UTAUT: Venkatesh et al. 2003), D&M IS success model (Delone & Mclean, 1992) Technology Acceptance Model (TAM: Davis 1989), the Theory of Planned Behaviour (TPB: Fishbein & Ajzen, 1975). Post-adoption behaviour also depends on certain influencers such as attitudinal beliefs, normative beliefs along with perceived behavioural control (Hong, Thong, Moon & Tam, 2008), relationship quality and switching barrier (Liu, Guo & Lee, 2011), trust and quality dimensions (Sharma & Sharma, 2019). However, with the increasing influence of social media (SM), it is imperative to identify its role in mobile banking as well which has already been proposed by several researchers. It is important to bring to notice that despite various studies on social media influence on bank marketing and internet banking (Godey et al., 2016; Vinerean et al., 2013; Mitic & Kapoulas, 2012), there has not been any study which focuses on the role of various cognitive attitudinal stages of the consumers towards their acceptance of mobile banking. There are scant studies which broadly express the influence of social media as a promotional tool for promotion of banking services.

St. Elmo. Lewis in 1898 propounded the idea of cognitive stages of consumer adoption and thus suggested the widely accepted theory of 'Hierarchy of Effects' (HOE). Early hierarchy of effects models such as AIDA which is an acronym for Attention, Interest, Desire and Action, posit the gradual transition of consumers from the Attention stage to the final Action stage. This study is aimed at charting this transition in context of mobile banking and also to develop a framework for its adoption amongst young consumers under the influence of social media. Social media communication has also been the top communication media for banks (Shankar, Jebarajakirthy & Ashaduzzaman, 2020; Tam & Oliveira 2017; Sahoo & Pillai 2017). A major reason for this has been the convenience on the side of Banks to give personalised promotions to their clients (Santini, Ladeira, Sampaio, & Boeira, 2020; Madan & Yadav, 2018). Based on the classification given by Banerjee (2009) of sales promotion; cash discounts in terms of money-back, and coupons are most popular with young consumers (Santini et al., 2020).

This paper thereby makes an original contribution in identifying the role of social media on various cognitive stages of mobile banking consumers. The paper, thereby, uniquely develops a framework by integrating the Hierarchy of Effects Model with Social Media Influence for the Indian mobile banking consumers. The work solely focuses on young consumers for their being the substantial influencers of social media and early adopters. This research builds upon the theory of Lavidge & Steiner (1961) by explaining the reason for movement of consumers in the hierarchy of effect.

2 Theoretical Framework and Development of Hypotheses

Adoption of Mobile Banking services is similar to adoption or purchase of a new product or service. The consumer passes through distinctive phases and finally adopts MB services. There is extant research on the influence of social media on purchase behaviour. However, through this paper we intend to see the influence of social media in the transition of consumers from one stage of cognitive process to the other as laid out in the Hierarchy of Effects model. The hierarchy of effects in this case is being observed

through the AIDA model. Consumers adopting the Mobile Banking move through distinctive stages of Awareness, Interest, Desire and Action. These stages are distinct as the consumer's attitude towards mobile banking changes favourably and as the consumer climbs up each stage his/her motivation for the adoption of the mobile banking service also increases. This finally culminates in to the adoption of MB services. The distinctiveness of each of these stages can be observed by the information requirement of the individual in each stage.

Zaikovsky (1985) way back identified involvement as one of the parameters of consumer purchase. On the same line, degree of involvement with social media can be observed from the usage pattern. It has been argued by many researchers of social media that the influence of social media is a conglomeration of different aspects that social media tends to address e.g. individuals who are highly involved with social media tend to have high usage pattern.

Similarly, Yadav & Rahman (2017) and Shankar et al. (2020) have defined informativeness as “the strength or plausibility of persuasive argumentation” to be the construct for social media influence. Thus, more informative social media interaction would have higher degree of influence. The influence of SM also increases if the information that can be obtained from these SM interactions are useful in addressing to the problems or contextual issues of the user (Kaur, Dhir, Rajala & Dwivedi, 2018; Hollebeek, Glynn & Brodie, 2014). Therefore, users who seek information for solving problems through social media are more likely to be influenced than people who do not seek such information.

2.1 The proposed Theoretical Model

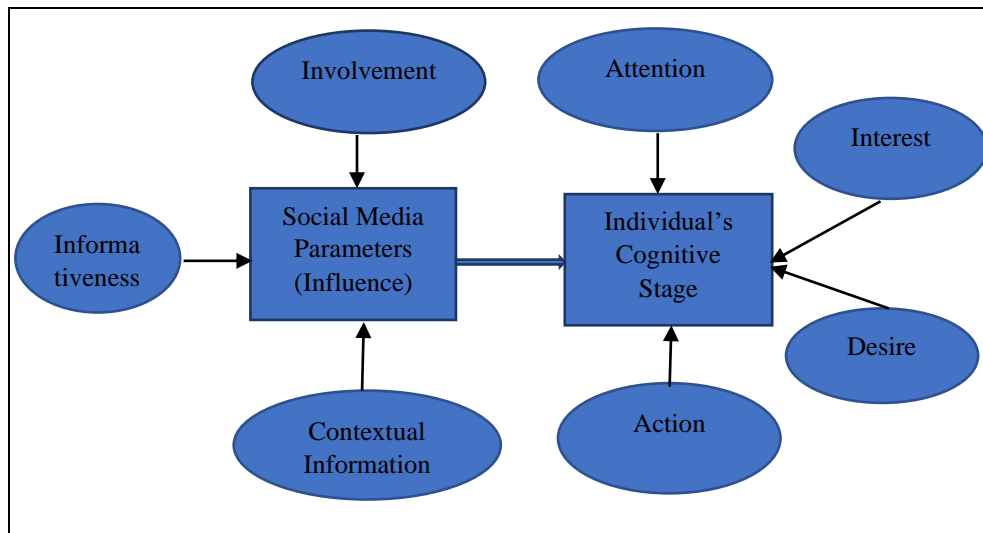


Fig 1: The Theoretical Framework

2.2 Hypothesis Formulation

The conceptual framework given above clearly defines the Dependent and the Independent variable in the study. As stated, and also represented in the Fig 1, Social Media parameters which combine together to form the impetus of the Independent Variable is made up majorly of three constructs viz; Involvement, Informativeness and Contextual Information. These together affect the dependent variable representing the cognitive stage of the consumer as given by the Hierarchy of Effects. Thus, the following hypothesis can be constructed for the dependent variable:

H₁: Higher the influence of social media on an individual higher will be his cognitive stage in MB adoption.

As information requirement varies in each stage, the degree of influence that social media has as a whole in each cognitive stage taken separately varies. Thus the influence that SM will have in attention stage may not be the same as in the action stage. This leads us to the next hypothesis as:

H₂: Social Media influence varies in each stage and increases as individual climbs higher in cognitive stages.

3 Research Design and Measurements

The Research can be designed as a pre-post experimental as well as a post-test only non-experimental design. In a pre-post experimental design, the identified test groups can be exposed to varying degrees of social media campaigns and their progress can be recorded on a cognitive adoption scale.

In a post-test only type of scenario, random subjects who are in varying stages of adoption will be measured for the social media influence as well as the cognitive stage of mobile banking adoption, and the results are one-to-one mapped. Analysis of this map is to be tested for hypothesis validation.

3.1 Measurement

Independent Variable is constructed of three determinants, a set of statements defining each construct. These statements will be measured against a Likert scale. Composite scores from all the items can be used to show the degree of social media influence. These constructs of social media being widely accepted in research, hence standardized scales for each of these constructs exist which can be customised to suit this study.

The dependent variable is the cognitive stage of the individual. Any measure of this variable should be able to (a) clearly identify the stage in which an individual is (b) validate the ordinal position of all individuals in a sample. Thus, the statements chosen to measure each stage should be such that, for each part the first question is the leading question followed by three corroborative statements. The leading statement would be framed such that not only would it identify the cognitive stage in which the individual

respondent was in, but would also be able to distinguish one cognitive stage from the other.

4 Discussions

Social Media is rapidly becoming a favourite marketing communication media. The best thing about SM is its versatility and wide acceptance. Thereby, more and more service providers are using it to influence and target their customers. Banks are also using this platform to aggressively increase their customer base of Mobile Banking Service Users. Experts in the industry strongly recommend that Banks who will be able to harness digital platforms will rapidly gain market share and eventually be profitable.

Banks are aggressively targeting young consumers through social media for adoption of their MB services. Amongst young consumers the role of peer group environment is well established (Banerjee, 2016), hence social media which has active peer-group members becomes highly influential. Although by now it has been shown through a large number of studies that social media is highly influential, however this study has further pointed in the direction of assessing the effectiveness of social media. This study also shows that the informational requirements in each cognitive stage varies, and social media which is most effective in disbursing functional information (Dholakia 2009) has greater influence on information intensive stages such as interest and action.

An important outcome of this study is to be the use of social media amongst young consumers. Higher usage and involvement will increase the acceptance of Mobile Banking Services. Mobile Banking Services are also high-involvement services in themselves, implying that users consciously seek out relevant information about the service. Banks who develop a personal rapport with their customers through social media and dispense information that is relevant and useful will surely increase the overall mobile banking acceptance.

5 Concluding Remarks

Mobile banking is becoming the preferred banking medium day by day and is all set to bring about the complete technological revolution in the way we do banking. It has been realized that Social Media has been a key influencer in mobile banking adoption. It is thereby required that mobile operators exploit the social media platforms to its maximum potential to reach out the mobile banking consumers. The first and foremost way to create mobile banking consumers is to understand the young consumers at the outset as they remain the key users of mobile banking due to their easy adaptability towards digital technology and this is also the segment which has the largest user base of social media.

The big task for mobile operators to identify is not only to attract consumers towards mobile banking but retain them as continuous users in order to replace the traditional method of banking and hence it is important that the operators understand the various stages of consumers' mindset towards such technological adoption. Though there have been studies related to social media influence on internet banking however

there is no substantial study which identifies the role of social media on the various cognitive attitudinal stages of mobile banking consumers. With this premise, the main objective of the paper was to develop a theoretical model that can integrate the social media parameters with various cognitive stages of the mobile banking consumers through Hierarchy of Effects (HOE) model. The other main objective was to develop the framework for the young consumers in the context of India which can further be extended to the entire user base. The theoretical framework aims to contribute significantly in the decision making of government agencies, mobile operators, banking institutions and researchers.

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