Chapter: 5

Conclusion and Recommendations
5.1 – Conclusions

With reference to the Total Variance Explained Matrix (Appendix – IV, Table: 4) and Labelling (Appendix – IV, Table: 7) we can conclude that Variable 1 - Positive Attitude and Perceived Usefulness (Initial % variance = 45.389% and Rotation sum of squared loadings % of variance = 24.837%) is the most significant factor impacting Consumer Behaviour toward SSTs. The 2nd most important variable is Perceived Ease of Use (Initial % variance = 6.122% and Rotation sum of squared loadings % of variance = 17.638%), which includes ease of clearly understanding and using the SSTs and their additional functions. Our research has further revealed that the factor which ranks 3rd in its impact on Consumer Behaviour toward SSTs is Risk and Innovativeness (Initial % variance = 5.171% and Rotation sum of squared loadings % of variance = 11.528%). The 4th factor is Need for Interaction (Initial % variance = 4.210% and Rotation sum of squared loadings % of variance = 6.899%), which includes need for human contact, preference of human intervention over technology, etc. The 4th factor labelled ‘Need for Interaction’ being ranked 4th shows that it is the least important factor from consumers perspective to influence their behaviour towards SSTs. It is so obvious too. The idea behind banks providing SSTs and customers availing services from SSTs is that they want to reduce human interaction to reduce, heterogeneity in delivery and quality of service, coupled with greater control and speed.

There are three exogenous variables that did not correspond to any of the Extracted Variables. They are ‘SSTs give people more control over their daily lives’, ‘is it always possible for you to use SSTs’ and ‘you can usually figure out new high-tech products and services without help from others’. This shows that these factors are not significant for the consumers in any respect.
5.2 – Hypothesis Testing:

H\(_0\): Through the Bartlett’s Test we were able to reject the null hypothesis.

H\(_1\): Through the Component Matrix (Appendix – IV, Table: 3) we were able to extract 4 factors which could explain significant variation in consumer behaviour caused by the 30 exogenous variables identified in the Literature Review. Therefore, H\(_1\) is accepted.

H\(_2\): The extracted 4 variables could explain up to 60.891% of variations in consumer behaviour caused due to the 30 exogenous variables. Therefore H\(_2\) is accepted.

H\(_3\): The first 3 extracted variables account for 53.922% of the 60.891% of the total variance explained by all the 4 extracted variables. Therefore, the first 3 extracted variables namely, Positive Attitude and Perceived Usefulness, Perceived Ease of Use and Risk Perception and Innovativeness explain up to 88.555% of the total variance of all the 4 endogenous/extracted variables. Therefore, varying the first 3 variables can bring about desired results in consumer behaviour towards SSTs. Thus H\(_3\) is also accepted.

5.3 – Recommendations

Through the analysis of the data we have arrived at the conclusion, that Positive Attitude and Perceived Usefulness, Perceived Ease of Use and Risk Perception and Innovativeness are the key factors which have a significant bearing on the consumer behaviour towards SSTs. Since major proportion of variance is observed due to factors related to the psychographic make-up of the consumers, we recommend that the banks will have to evaluate their technology design or choice and communication strategy (Berger, 2009).

Customers displaying high positive attitude toward SSTs should be motivated to perform all their financial services through the SSTs and their appraisal of the SSTs’
performance should be elicited. The bank should then perform a prognosis of technological requirements based on consumer demands and then undertake a redesign of the service delivery process through SSTs. It is imperative that the technological design and delivery is in confirmation with the expectation of the customers of the relevant segments.

Further an exploratory research can be carried out to assess the complexity of the SST service delivery design, in order to remove any design aspect that leads to difficulty in availing the services because of complexity. Perceived Ease of Use has ranked second and thus banks should enhance this aspect of the technology.

In order to enhance positive consumer behaviour towards SSTs in view of the outcome of this research, banks should adopt promotional schemes with following attributes:

- Targeted to create a perception of high usefulness of the SSTs.
- Providing incentives to customers for using new attributes on the SSTs.
- Reducing risk perception through enhancement of reliability of service process and outcomes, added with communication of these attributes.

5.4 – Limitations

- This research is devoid of any aspect of the regulatory framework in the banking industry.
- For the purpose of this research we have not stratified the samples based on classification of banks.
- This project has not considered the impact on consumer behaviour if the customers of one bank use the SSTs of another bank for example in case of ATMs which are often used by customers of competitor banks and the outcomes of such interactions.
• The research was carried out in the geographic boundary of the city of Ahmedabad.

5.5 – Scope for Future Research

This project focuses on the factors related to SSTs or technology that influence the consumer behaviour resulting in adoption and use or outright rejection of a technology. This is based on review of literature which also inferred that consumers are highly influenced by the availability or non-availability of technological support in consumer interface industries like banking. Though, we did find that there exists a segment of consumers who do not consider SSTs to avail banking services as they consider banking transactions as a social encounter, we were barely able to touch upon the aspect of human interaction in this research. This leads us to a new research problem – to compare the level of customer satisfaction or positive attitude toward the consumer’s bank, considering two sets of customers: one set of customers who use SSTs to avail banking services and the other who do not. This comparison of customer satisfaction will give us new insights into the significance of SSTs for modern banking.

We may also want to find out demographic or geo-demographic distinctions in the segments of consumers availing banking services through SSTs. Specifically, we may want to look at which SSTs (ATM, Net-banking, Tele-banking or Mobile-banking) are more popular with a particular demography or geo-demography, if at all they are popular. This kind of a research will have significant relevance for the banking organizations.

There are various services in the banking industry which are heavily driven by the human factor, for example the provision of loans. We can undertake research in this
area, to frame models, which would justify the use of SSTs and specify how SSTs can be utilized for the purpose of provision of loans to consumers.

Even though the research is able to identify factors affecting consumer behaviour toward SSTs, it is not able to comment on distinction of factors from one bank to another. A research may be conducted to identify if factors influencing consumer behaviour toward SSTs differ from one bank to another, and if they do then how and why. This kind of research can further pave the way to designing specific attitude related frameworks for customers of different banks.