Impact of Marketing Communications on Consumer Attitudes towards Internet Banking Adoption by University Students in Zimbabwe - Case of Harare Institute of Technology (HIT)

More Chinakidzwa
Harare Institute of Technology

Abstract. This study focussed on impact of marketing communications on consumer attitudes towards internet banking adoption. Internet banking is a fairly new concept in developing countries such as Zimbabwe. Its usage is still at infancy levels although it brings a multitude of benefits among them is privacy and convenience. The traditional branch based retail banking system is still a predominant method of conducting banking transactions. Online surveys and interviews were used to collect data for this study. A sample of 120 students from HIT and 10 respondents from 5 commercial banks was used. Use of internet banking among students is very low. Most students use mobile money and cash. Marketing communications have been found to have a positive influence on internet banking. However direct marketing and personal selling are very crucial in engaging potential customers. Banks need to capitalise on these tools as they are interactive and more influential in consumer adoption of internet banking.

Keywords: internet banking, marketing communications, attitudes, Harare Institute of Technology, Zimbabwe.
INTRODUCTION

Internet banking is fairly new in the third world countries. Although it brings a multitude of benefits chief among them is convenience, most developing countries are yet to adopt it. The traditional branch based retail banking system is still a predominant method of conducting banking transactions in Zimbabwe. Most clients rely on visiting the banking hall to do their transactions. Internet banking is limited only to a few clients in urban areas. However the range of transactions conducted by internet banking users is too narrow as well. Most of the clients are limited to bill payments, buying airtime and checking and account balances. Consumers either lack knowledge, interest or access to it. Although a number of financial institutions in Zimbabwe have introduced internet banking, adoption remained low despite various marketing communications. The use of mobile and internet banking is just at an infant stage. Rural communities remain unbanked. However mobile banking especially Ecocash had made significant inroads in the rural areas. The range of products on internet banking is still limited. This prompted for research on the impact of marketing communications in the adoption of internet banking. Marketing communications are means by which firms attempt to inform, persuade and remind customers- directly or indirectly – about the brands that they market (Kotler et al 2009). This plays a pivotal role when banks design their internet banking platforms and formulate marketing communication strategies for internet banking. Understanding consumers’ influences on internet banking adoption is of paramount importance to the banking industry as it helps formulate effective marketing communication strategies. A service should correlate to customers’ expectations to satisfy their needs and requirements (Enguist, et al. 2007). Marketing communications influence perceived usefulness, which contributes to the adoption of products and services. A number of constructs have been put forward by various scholars about the adoption of technology, mainly internet banking. Davis (1989) proposed the Technology Acceptance Model (TAM). According to the TAM, intention to use a particular system determines behaviour. The intention to use a particular system is in turn influenced by perceived usefulness
and perceived ease of use of the system. These constructs have been widely tested in Europe in a number of researches (Adams et al., 1992; Chin and Todd, 1995; Doll et al., 1998; Segars and Grover, 1993 cited in Erickson et al., 2004 Kesharwani and Bisht 2012). An understanding of the factors influencing the adoption of internet banking services is essential for marketing practitioners so as to capitalize upon the underlying benefits of internet banking and hence, offer banking customers an online experience coupled with a greater level of personalization and customization (Juwheer, et al, 2012). According to Polasik and Wisniewski (2009) internet banking adoption can be influenced by use of other banking products, market exposure, internet experience, type of internet connection used, demographic characteristics and perceived security. Marketing Communications is generally believed to have an impact on consumer attitudes in the adoption of internet banking. However the extent to which it impacts adoption especially in a developing country is not known. This paper therefore seeks to investigate the use of marketing communications to influence internet banking adoption by university students in Zimbabwe.

LITERATURE REVIEW
This study intends to assess impact of marketing communications on attitudes towards internet banking. The literature will thus focus on internet banking, marketing communications and attitude formation as a result of marketing communications.

Internet banking
Internet banking refers to systems that enable bank customers to get access to their accounts and general information on bank products and services through the use of bank’s website, without the intervention or inconvenience of sending letters, faxes, original signatures and telephone confirmations (Thulani et al 2009). It is a service that give secure and unlimited access to your account, enabling internet transactions from anywhere in the world. A marked proliferation of electronic
banking occurred in the 90s due to the popularisation of the internet (Polasik and Wisniewski 2009). The raison d’être of internet banking is the multitude of benefits it offers to users and providers alike (Polasik and Wisniewski 2009). The most important improvement, however, arises from the reduction in overhead expenses. Specifically, the costs related to the maintenance of physical branches, marketing and labour can be cut appreciably (Hernando and Nieto, 2007). The internet can currently be considered as the cheapest distribution channel for standardized bank operations, such as account services or transfer of funds (Polasik and Wisniewski 2009). From the viewpoint of consumers, the decision to use internet banking is frequently motivated by convenience and efficiency (Bruno, 2003). Online account holders do not have to make a trip to the local branch, queue, or be constrained by the bank’s opening hours (Lassar et al., 2005). Lack of computer or internet access appears to be the most prominent factors impeding the diffusion of this innovation. Compared with the western countries, Zimbabwe is lagging behind in terms of the development of Information and Telecommunication Technologies (ICT) especially the availability of broadband.

Marketing communications
Marketing communications refers to a set of promotional messages used by organisations to make their products known, enhance their brand, and influence adoption etc. Promotion is used by organisations to communicate with customers with respect to their product offerings (Rowley 1998). Marketing communications can be delivered through one or more channels such as print, radio, television, direct mail, and personal selling (businessdictionary.com). The marketing communication or promotional mix includes advertising, public relations, publicity, personal selling, sponsorship and direct marketing. Advertising refers to any paid form of non-personal presentation and promotion of ideas, goods or services by any identified sponsor. It plays an important role in developing a strong brand name of the corporation or products (Eze and Lee 2012). In general, advertising is used to inform, persuade, and remind consumers.
Advertising is believed to enhance buyers' responses to products or services offered by a firm (Eze and Lee 2012) thus can influence consumers’ attitudes towards internet banking. Kotler (1988) noted that advertising helps to increase the potential buyers’ reactions towards an organization and its offering, accentuating that it seeks to do this by supplying information, channelling desire, and providing reasons for preferring a particular organization’s offer. Advertising is used to create an essential awareness of the product or service in the mentality of the potential customer and to build up knowledge about it (Morden 1991). For instance, according to Yan (2004) in China, 70 per cent of Chinese recognized Coca-Cola brand due to the massive advertisement they encountered. The purpose of advertising is to create awareness of the advertised product and provide information that will assist the consumer to make informed-purchase decision. Therefore the importance of advertising as a promotional strategy depends on its capability to influence consumers to not only purchase but to continue to repurchase and eventually develop-brand loyalty (Eze and Lee 2012).

Direct marketing is the use of mail, telephone or other non-personal contact tools to communicate with or solicit a response from specific customers and prospects (Rowley 1998). Mail shots and leaflets inserted in professional magazines are used to promote information products. Sales promotion is another promotional tool that can be used to influence consumers. These are short-term incentives to encourage trial or purchase of a product or service, such as discounts for access to a database over a limited time period. Public relations and publicity are programmes designed to promote and/or protect a company’s image, or those of its products, including product literature, exhibition and articles about organisations' products in professional or in-house newsletters. Personal selling refers to face-to-face interactions with one or more prospective purchasers, for the purpose of making sales. This is common within business-to-business marketing. Sponsorship is the use of financial or external support of an event or person by an unrelated organisation or donor, such as is common in respect of the arts, sports (e-g
sponsorship of the premier soccer league (PSL) by Delta beverages in Zimbabwe) and charities.

**Attitude**

Attitudes refer to a person's feelings, convictions, or liking for an object, idea or individual (Stevens et al. 2000). It is a learned predisposition to behave in a consistently favourable or unfavourable manner with respect to a given object (Schiffman & Kanuk 2007). This means it can be learned. It is the knowledge and positive or negative feelings about an object or activity” (Pride and Ferrell, 1991) and can also be seen as an “overall evaluation that expresses how much we like or dislike an object, issue, person or action” (Petty, Unnava, and Strathman, 1991, Hoyer Macinnis, 2001; Solomon, 2004 cited by Eze and Lee 2012). For the purposes of this study, the researcher will adopt Stevens et al. (2000) definition that attitudes refer to a person’s feelings, convictions, or liking for an object, idea or individual. Therefore a consumer’s overall evaluation of a product such as internet banking accounts for the most of his or her attitude.

**Relationship between marketing communications and attitude**

Attitudes are formed by three main components (Hawkins, Best and Coney, 2004): Cognitive Component, related to the consumer's beliefs about a product, which can be generally evaluated; Affective Component, related to the feelings or emotional reactions to an object and Behaviour Component, the tendency to respond in a certain manner toward an object or activity (Carvalho nd). According to Rowley (1998) various communication tools evolve through three different stages: (1) Cognitive stage during which potential customers becomes aware of products. (2) Affective stage during which customers form opinions and attitudes concerning products. (3) Behaviour stage during which customers take action (such as making a purchase) on the basis of their experiences in the first two stages. An innovative product or service will not enjoy great success unless consumers are aware of its existence and the potential benefits it offers (Polasik and Wisniewski 2009). Sathye
(1999) identified lack of awareness as one of the main factors hindering the migration of consumers to internet banking in Australia. Therefore marketing communications can alleviate this problem by eliminating any existing information barriers and encouraging consumers to their traditional means of banking. Polatoglu and Ekin (2001) argued that marketing effort in Turkey had a positive influence on e-banking acceptance.

**METHODOLOGY AND CONCEPTUAL DEVELOPMENT**

According to Polasik and Wisniewski (2009) no innovative product can enjoy high adoption rates unless consumers are aware of its existence and benefits. A number of studies have tested and extend the Technology Acceptance Model (TAM) by Davies (1989) as a basis in predicting adoption of a new technology. Previous studies have focussed on TAM, its extension to include security, risk, trust, relative advantage and many other variables. TAM posits that Perceived Usefulness (PU) and Perceived Ease of Use (PEOU) are the two main determinants of attitudes (AT) towards using a new technology. PU is the degree to which the user believes that using the technology would improve his or her performance on a task, while PEOU is defined refers to the degree to which a person believes that using a particular system would be free of effort (Davis, 1989; Davis et al., 1989). Attitude towards behaviour is defined as an individual’s positive or negative feelings (evaluative effect) about performing the target behaviour (Fishbein and Ajzen, 1975 in Nasri and Charffedine 2012). This study takes a different dimension by looking into the impact of marketing communications in influencing consumer attitude towards internet banking. The following conceptual model was thus developed:
Conceptual Model

![Conceptual Model Diagram]

The impact of marketing communications or promotional tools such as advertising, public relations, direct marketing on consumer attitudes over internet banking adoption by university students are investigated. Fishbein & Manfredo (1992) states that if a person's intent is strong, then it is expected that the behaviour will be actually performed. Therefore, the primary concern is to identify the underlying factors of the formation and change of behavioural intent. Authors such as Polasik and Wisniewski (2009), Polatoglu and Ekin (2001), and Saythe (1999) posits that various forms of promotional tools that brings awareness influence e-banking acceptance. It is upon these findings that the main hypothesis of this study is formulated.

The main hypothesis is therefore that: *Marketing communications positively influence consumer attitudes towards internet banking.*

**Methodology**

This study used online surveys and interviews. Surveys were done on students. The students were given a link to the questionnaire. According to Karjaluoto et al., (2002) cited by Akturan and Tezcan (2012), a typical user of online banking is a highly educated, relatively young and wealthy person with a good knowledge of computers, especially the internet. It is on this premise that the study focussed on university students as they are educated, computer literate and have more access to internet which according to Polasik and Wisniewski (2009) influence internet banking adoption. Students at Harare Institute of Technology (HIT) were chosen for
the researcher’s convenience and the assumption that university students share similar characteristics. Use of students is not new. A study on mobile banking adoption by the youth market, perceptions and intentions (Akturan and Tezcan 2012) also gathered data through face-to-face interviews with 435 university students. However in this study electronic questionnaires were distributed. One hundred and twenty (120) students responded to the online questionnaire. Results from the survey were used to select banks for interviews. Top five (5) banks in internet banking usage were used as target sample. These top five were selected based on frequencies of banks used by respondents for internet banking. This was purposefully done for two main reasons; (1) to assess the marketing communications tools the top banks were using (2) to assess the impact of these communication tools in their success as the leaders in internet banking. This could be viewed as a biased approach, but it helped the researchers to focus on successful banks in internet banking and assess the contribution of marketing communications. Interviews were conveniently picked from internet banking divisions of these top five banks.

RESULTS

Online Survey: The questionnaire was administered online. Ninety-four (94) students were invited through email to complete the questionnaire. The students were encouraged to forward the link to their fellow students. Actual respondents therefore were 120. Most of the respondents were male, 77% and females with 23% as shown in Table 1 below:

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>male</td>
<td>92</td>
<td>76.7</td>
<td>76.7</td>
<td>76.7</td>
</tr>
<tr>
<td>female</td>
<td>28</td>
<td>23.3</td>
<td>23.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
50% (60) of respondents spend between 6 to 12.9 hours on the internet followed by 33.3% spending 1 to 5.9 hours. 83.3% have bank accounts whilst 16.7% do not have bank accounts. Only 23.3% receive their money through the bank, the majority (66.7%) use mobile money whilst 50% use cash. 68.3% were positively influenced by banks marketing communications whilst 31.7% were not. 23% of respondents got aware of internet banking through emails and phone calls from the bank, 19.5% through recommendations from family and friends, 15.3% through bank representatives and advertisements and brochures constituting 8.7 each. Barclays, Kingdom, TN, CBZ and FBC were the banks with internet banking facilities mostly used by customers.

**Interviews:** Five (5) interviews were done with officials from banks that have more customers using their internet banking. These banks were Barclays, Kingdom, TN, CBZ and FBC. Marketing communications used – all the banks use direct marketing, public relations/publicity, personal selling, advertising and sponsorship. However one-on-one product presentations and telemarketing were the most used strategies. Asked why these particular strategies, interviewees claimed that these strategies provided more interaction thus enabling customers to ask more questions and understand how internet banking works. The interviewees also converged on the fact that one on one interaction with potential customers resulted in high conversion rates than other methods. Interviewees also stressed the importance of marketing communications in creating awareness which they believed was vital for internet banking adoption.

**DISCUSSIONS**

Use of internet banking was very low although a large number of the respondents have more access to the internet, and market exposure of internet banking. According to Polasik and Wisniewski (2009) internet experience and market exposure were some of the factors influencing internet banking adoption. However these researchers also considered other factors such as use of other banking products, internet connection speed, perceived usefulness etc which were not all
tested in this study, use of other banking products seem to have more impact on influencing customers. Only 23.3% of the respondents received their money through the bank. The majority used mobile money and cash. However 83.3% of the respondents have bank accounts. In mobile banking, one does not need to have a bank account. So why does the majority of consumer’s use mobile banking when they have a bank account. This does not support the findings by Polasik and Wisniewski (2009) that use of other banking products was a precondition to internet banking. These respondents could not be using internet banking because of other reasons such as low income. For instance 86.7% of the respondents earn less than $500 per month. This could explain the high usage of mobile money and cash as they are convenient ways of receiving small amounts of money. The various communications tools used by banks were positively influencing consumer attitudes (68.3%) towards internet banking. This supports literature from authors such as Polasik and Wisniewski (2009), Polatoglu and Ekin (2001), and Saythe (1999) who posited promotional tools that bring awareness can influence e-banking acceptance. Sathye (1999) identified lack of awareness as one of the main factors hindering the migration of consumers to internet banking in Australia. This was supported by both survey and interview results. Interviewees concurred that marketing communications tools aids in creating awareness that was vital in influencing internet banking adoption. However in this study, not all marketing communications tools influenced consumers equally. Survey results showed emails/calls from banks and recommendations from family and friends and bank representatives to have more impact. Interview results also supported this finding. Most banks were using direct marketing and personal selling. The interviewees believed that these tools have more impact than others such as advertising. This was due to the one on one interaction that allows the customer to get more information.
CONCLUSIONS
Marketing communications have a positive impact on internet banking adoption. They create awareness which is vital in influencing consumers towards internet banking. However direct marketing and personal selling got more influence. These tools enables the customer to probe thus gain more understanding. Most banks in Zimbabwe are thus using these tools as they are more effective. The banking industry must identify marketing communications that has the most impact to internet banking adoption since not all communications influence consumers. The researchers recommend the use of more interactive tools in marketing communications. However further research need to focus on the impact of individual marketing communications tools.
References


