Religiosity, Hedonism, Social Image and E-banking Acceptance in Lebanon

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1 Introduction

With the rapid diffusion of Internet, e-banking has become a real alternative to the physical channel [1]. In Lebanon, even though banks are investing more in financial e-services, e-banking has still not replaced traditional banking. Despite the fact that Internet usage in Lebanon is increasing (more than 60 % of Lebanese people are using the Web in their everyday life), e-banking is not used by the majority of banks customers in Lebanon.

This leads us to the following questions: What are the reasons of this delay in banking e-services acceptance in Lebanon? Does the Lebanese culture have an impact on the acceptance/rejection of these e-services? Does religion have a role in the acceptance/rejection of e-services?

The individuals' behaviour toward ICT acceptance/rejection has been the subject of research from academics around the world. Over time, a dozen of models were developed (TAM1, TAM2, TRA, DTRA, TPB, DTPB, MATH, MPCU, TIB, MM, UTAUT) mobilizing hundreds of variables. In this paper, our aim is not to create such a model; instead, it is to contextualize the acceptance/rejection of e-banking services. We therefore seek the local and situational variables related to the Lebanese context and, as Orlikowski and Suzanne Iacono [2] and Ben Boubaker and Barki [3], we consider the acceptance/rejection of banking e-services as a phenomenon embedded in a socio-economic, historical, psychological, political and

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legal context. In other words, the adoption of banking e-services is a cultural dependant phenomenon. Thus, based on the Model of Adoption of Technology in Households (MATH) [4], we propose a model that is rooted in the Lebanese culture and which emphasizes the Lebanese context. Our model connects three characteristics of the Lebanese cultural context to the acceptance/rejection of e-banking services: religiosity, affect, and social image. Lebanon is characterized by a heterogeneous population comprised of 18 religious communities [5]. This heterogeneity creates a difficult, hostile, and risky environment [6]. Religiosity plays an important role in the everyday life of Lebanese citizens. They see their life as directed by the will of God [6]. Another feature of the Lebanese culture is the salient role of emotions in the people's choice. Weir [7] and Harfouche [8] showed that the actions of Lebanese are guided by their emotional state rather than by a utilitarian rationale. Finally, Lebanese, like other Arabs, seek membership in social groups offering them the potential of lifting their social standing [9, 10]. Since Lebanese social self-image is considered very important. Some researchers proved that the Lebanese individual is ready to adopt certain behaviour just in order to impress his social group [11]. Therefore, the adoption/rejection of e-services in Lebanon can be influenced by religion, the hedonic and social potential outcomes that result from using the banking e-services.

Research linking religion, emotion, and social image to the acceptance of e-services are rare. Thus, our research provides new theoretical and empirical contributions. This paper presents the results of an empirical research that was conducted in 2011. The survey was conducted among 147 potential users of e-banking randomly chosen. The data was analysed and tested using structural equation modelling approach (SEM) using Partial Least Squares Path Modeling (PLS). This approach estimates structural models according to variance [12, 13]. Data were processed using the software SmartPLS [13].

2 Internet Banking and Banking E-services Acceptance

Banking has always been a highly information intensive activity [14]. The web gives the possibility to offer quick and updated information to online customers but it also offers the possibility to make distance transactions. Therefore, the multi-channel strategy has become popular worldwide.

2.1 E-banking

E-banking allows customers to perform a wide range of banking transactions electronically via the bank's Web site. E-banking started as an information tool used to market banks products and services. Today, banks are introducing more and more transactional services whereas users can perform common banking

transactions through the web such as managing their finances and investments, open new accounts and apply for new services, have access to e-statements and do international transfers,. Consequently, internet banking has evolved into a "one stop service" offering quick, easy and secured services with instant access to accounts from anywhere in the world. All these services are possible at low cost and constitute an alternative to brick and mortar branch banking.

2.2   The Banking E-services Acceptance Bounded in the Lebanese Context

Unfortunately, there has been no scientific research linking Lebanese culture with ICT acceptance. There is also very little research that compares Lebanon to other Arab countries. Rose and Straub [15], Straub et al. [16], for example, compared ICT acceptance in four Arab countries: Jordan, Saudi Arabia, Lebanon, and Sudan. They however considered these four Arab countries as one unique culture. Lebanese culture cannot be considered as a pure Arab culture since it has specificities of its own. In fact, Lebanon is known as a heterogeneous society characterized by the existence of 18 religious communities. Many civil wars in the 19th and 20th centuries have plagued the Lebanese citizens. The difficult history of cohabitation between these different communities has created a very specific environment. Lebanese for example developed local management tools such the "Wasta" (or connections) as methods that can ensure trust in their daily transactions [17]. Affiliation to a bank is usually chosen on a communitarian basis. Religious affiliation of the owner is clear and used as a marketing positioning. This is a deeply rooted practice among all Lebanese communities. Lebanese are religious people who consider their life, to be defined by the Lord wills [6]. The Religious social norms are deeply embedded in everyday life and have an impact on the citizen's beliefs. Therefore, we consider that it is important to take into account, in our research, the potential impact of the Lebanese culture on the attitudinal, normative, and control beliefs.

Among the abundant literature that has been developed to explain the voluntary behaviour of acceptance of ICT by potential users, two theories, the Rogers [18]' innovation diffusion theory (IDT) and the Brown and Venkatesh [4] Model of of Adoption of Technology in Households (MATH)' raise a particular interest. The IDT shows that the process of ICT acceptance begins when the information goes through the social system of potential adopters meaning that adoption is a social phenomenon that depends largely on the adopters' context. The latter influences the perceptions of ICT attributes that potential adopters develop toward an ICT. Subsequently, these perceptions serve as drivers for the decision to accept/reject the ICT by influencing attitude, intention, and ultimately the behaviour of adopters (TRA) [19]. Our research fits in these perspectives. Our objective is to describe the contextual reasons that may explain the acceptance/rejection of e-banking services within the Lebanese population through the development of a

contextualized acceptance/rejection model of banking e-services based on inhibitors and facilitators in the Lebanese culture. To meet this challenge, we have adapted the MATH theory, which is an extension of the well-known theory of planned behaviour [20]. According to MATH, the acceptance/rejection of e-services is a weighted function of attitudinal (AB), normative (SN) and control beliefs (PBC), each of which can be decomposed into a multidimensional structure. A review of the literature has enabled us to decompose the attitudinal, normative, and control beliefs related to the adoption of banking e-services to which we added religiosity that is specific of the Lebanese cultural context.

Attitudinal Beliefs include [21]: Utilitarian (OU), Hedonic (HO), Social (SO), and Control (CO) consequences that results from accepting and using banking e-services. Attitudinal beliefs result from the adaptation of the theory of reasoned action (TRA) which states that e-services attributes have little predictive power of the acceptance/rejection. E-services attributes are generally insufficient to predict the behaviour but they influence the beliefs about the consequences associated with the acceptance and usage of these e-services, which in turn influence the intention to accept/reject banking e-services. *Utilitarian consequences* will measure the extent to which the use of banking e-services will increase the effectiveness of the user. *Hedonic consequences* can be defined as the pleasure derived from the usage of banking e-services. *Social consequences* refer to the social image provided to users by the utilization of banking e-services. *Control consequences* refer to the perceived characteristics of banking e-services directly related to the control such as the relative cost of access to the banking e-services, the possibility to try the e-services, the ease of use …

Research in the Lebanese context, has shown that utilitarian consequences had an impact on the adoption/rejection of e-services but it seems that hedonic consequences had a stronger influence [21]. This reflects the importance of emotions and feelings in this country.

In addition, in Lebanon, as in most of the Arab world, the social image determines the status of the person [11, 22]. Therefore, people behave in a way that raises their social status [9, 10]. Therefore, social consequences (gain in terms of image and prestige) of banking e-services may have an important role in the acceptance/rejection of banking e-services in Lebanon. As for the control consequences, the ease/difficulty of use of banking e-services, constituted an important factor in the acceptance process.

The Subjective Norms (**SN**) influence the intention to use banking e-services (IB) in two ways: directly through the social influences or through the banks commercial influences, and indirectly through attitude by influencing the social outcomes.

In Lebanon, social relations are very important. Thus, parents, friends, and formal and informal groups have a decisive influence on individual's behaviour [6]. Past research found that social norms strongly explained ICT adoption in this region [23]. Bank influences can also be determinant in the acceptance of banking e-services. They can launch marketing campaigns to convince and encourage individuals to accept e-services.