Analysing the perception and the engagement of baby boomers towards digital banking in Mafikeng

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ABSTRACT

The generation of baby boomers comprises a significant and profitable market for the financial institutions in South Africa. Therefore, banking institutions must understand the banking behaviour of this generation. There is an insignificant amount of literature dedicated to the banking behaviour of baby boomers. This study aimed to outline perceptions which influence baby boomers' intention to use digital banking platforms and to understand the engagement behaviour as well as the significant reasons for opting to walk into a branch or bank digitally. The data was collected from 254 baby boomers residing in Mafikeng. The results revealed that the baby boomers regard the perceived benefits of digital banking positively, and that they are engaging with it. However, a significant number of them is limited in their engagement because they are concerned about security, do not trust digital banking, and some have a low level of awareness of digital banking products. Recommendations for the financial institutions in South Africa are made based on these findings, while the study also makes suggestions on possible future research initiatives.

Key terms: Digital banking platforms, digital inclusion, baby boomers, digital divide, Internet banking.

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LIST OF ABBREVIATIONS

ABSA	Amalgamated Banks of South Africa
ATM	Auto Teller Machine
CRM	Customer Relationship Management
FNB	First National Bank
GQM	Goal Question Metrics
ICT	Information and Communication Technology
KMO	Kaiser-Meyer-Olkin
MSA	Measure of sample adequacy
SBSA	Standard Bank of South Africa
SST	Self-service technology
TAM	Technology Acceptance Model

CHAPTER 1

NATURE AND SCOPE OF THE STUDY

1.1 INTRODUCTION

The development of technology in the world is regarded as a tool to achieve betterment and a simplified way of doing things. This grand vision, however, when implemented, proved to be a challenge. It caused what is termed the “digital divide” between generations. That is when there is a distinction between those with access and those who do not have access to technology. The development and penetration of technology have now entered the financial institutions. In the past, digital banking used to be an option for those who would want to use it, and it used to be a unique feature available to customers, now it is seen as a competitive advantage. Digital banking has now shifted to be a competitive necessity for financial institutions with technology trying to simplify banking and to bring it within reach for all customers , even extending it to social media platforms.

Digital banking is known as the digitisation of all traditional banking activities and services that were historically only available to customers when they were physically in the bank. In the recent past, money had to be exchanged by hand for a transaction to take place. Still, digital banking provides the ability for users to access financial data through a website, mobile, Auto Teller Machine (ATM) services and WhatsApp Chat banking.

Although the primary aim for digital banking was to simplify banking activities for all customers, including the older adults, it sometimes still poses a challenge to the baby boomer generation who were only introduced to technology later on in life, as compared to millennials and the Gen-Y. Digital technologies simplify banking and bring services to banking from wherever the client is, thus benefiting older adults who could be affected by factors such as mobility, health conditions and travel costs. Factors such as literacy, poverty, costs associated with Internet access and social exclusion prove to be further challenges for baby boomers and a stumbling block to adaptation (Friemel, 2016:14). For some, especially in the rural spaces, it seems natural to approach everything that includes technology with a negative attitude or lack of trust. The older generation worked hard for what they have. Some are in retirement, while some are preparing to retire. It is at this time that they are risk-averse and would not want to do anything to jeopardise their

earnings. Most are at an age where they have discovered what works for them, and they do not want to deviate from this known behaviour.

Research conducted by Bergström (2017:80) to understand the attitudes of older generations towards technology, and primarily the Internet and its use, indicated that there are digital divides between the variables rural and urban areas, age, income, education levels and also among other social factors.

1.2 PROBLEM STATEMENT

In the past few years, the banking industry has experienced changes in the industry, and with the 4th Industrial Revolution, it furthermore introduced digitisation of most processes. Previously, it was never challenging for banks to be successful. New technology entrants are an escalating threat and was seen as complicated and mostly unattainable. To overcome this, new technologies have made it easier to conduct banking and seemingly require less capital (Harvey, 2016:136). This is because fewer walk-ins enable banks to reduce the cost of maintaining, acquiring and renting much infrastructure on their asset register as they also now need far fewer branches to serve their market. These changes make it more challenging for the banking institutions to retain their customers and grow their profits at the desired rate in South Africa because banking clients are continually seeking greener pastures. Some will change their bank because of a better interest rate or lower banking costs, while others are just looking for an easier way to do their banking.

With this pressure to increase profitability while reducing costs, the banks are now positively pursuing customer retention by only making banking more comfortable and accessible from everywhere. This includes trying to minimise walk-ins into branches as it is directly viewed as an inconvenience to its digital customers. They would instead do ions online or be assisted through call-centres.

However, the banking institutions are experiencing slow-paced adoption of technology from the older generation to adapt to digital banking. With banks going the digital way, it is expected that the volumes of walk-in customers would reduce. However, the observation is that most customers who still visit the branches are older adults attending to the banking matters by visiting the bank. The situation is not prevalent everywhere but is more noticeable in rural areas. The older generation is not easily swayed to move from one banking institution to the next, and most of the time, remain loyal to their current bank.

This is an advantage for the banks, but with this, it has become expensive to service them as some still prefer traditional banking, often visiting banks regularly. This comes at a higher cost than that of digital banking to the bank and the customer.

The banking institution must bridge the digital divide gap and somehow improve on the acceptance and usage of technology in banking by the older generation. Although bank managers perceive digital banking to be more advantageous, they also find it more challenging to cultivating strong relationships with their older customers. Financial institutions need to make significant efforts to provide relevant information on digital banking based on accurate customer segmentation.

Due to the proven loyalty by the older generation, there is a chance that the legacy banks (FNB, Nedbank, ABSA and Standard Bank) have maintained most of their older customer base as they do not trust new banks easily. The challenge for these banks is also to find out how it plans to ensure inclusion of older adults into the digital world. To understand the perceptions and engagement of baby boomers better, the objectives of the study will seek further clarity.

1.3 OBJECTIVES OF THE STUDY

When taking the above into account, the objectives of the study can be formulated as follows:

- to determine the perceptions of baby boomers regarding digital banking in the Mafikeng area;
- to identify the level of competency needed to use digital banking by baby boomers;
- to bring to light the concerns by baby boomers in this regard; and
- to propose possible solutions to assist baby boomers in being able to use digital banking more confidently.

1.3.1 Research questions

- What are the perceptions of digital banking platforms by the baby boomers?
- How comfortable are the baby boomers when using digital platforms?
- What are the concerns raised regarding adapting to digital banking platforms?
- What solutions can be offered to address challenges faced by baby boomers?

1.3.2 Rationale and significance of the study

Previous research conducted on the subject affirmed that the older generation does not embrace technology as quick the millennials. They also point out that the older generation is hesitant to use technology, or they are not literate enough in the use of technology to embrace it. While the banks are moving fast in the digital direction, there is a certain percentage of customers who feel left out and sometimes made to feel like they are an inconvenience by entering the branches for service on items that are now available as self-service on the digital platforms. As said, most banks aim to reduce the number of walk-in branches. As customers move towards digital banking, it remains a concern that the older generation is still regularly doing their transactions inside the bank. Therefore, this study sought to explore the perception and the reasons behind the slow-paced engagement with digital banking by older adults.

Taking all these factors into consideration, the rationale of this study was to understand the reasons of the reservation of baby boomers to adapt to digital platforms of banking, and for banks to consider digital inclusion by developing strategies.

1.3.3 Limitations of the research

In this study, the limitations are that the study focused only on baby boomers, and the location chosen is the Mafikeng area which consists of both rural and urban areas. Therefore, the study might not be generalised for the entire country, but it may apply to similar regions in the country. The study was conducted in different branches of the same bank, although there are other banks in the area, as they serve the same market from the same area. Although many other factors contribute to older adults not participating in technology-related products, the focus of this study was on digital banking.

1.3.4 Ethical consideration

According to Myers (2013), ethical practice is characterised as a moral position that includes insurance for individuals effectively consenting to be considered. He further explains that informed consent is an essential ethical principle in research. This includes that potential participants can terminate their involvement for any reason and at any time. In this study, the rights of participants were protected, and informed consent was obtained. The participants were ensured that their right to security, right to independence and secrecy, reasonable treatment, and the assurance that they would not suffer any inconvenience were communicated would occur. The purpose of the study was clearly

explained to each participant. Moreover, it was also explained to the research participants that they could withdraw at any stage of the research process if they do not want to continue.

The distributor in the branch (fieldworker) explained to the respondents the sensitive nature of the information they were furnishing. They were informed that the information they provided was going to be protected from third parties and that they may not disclose personal information. Furthermore, the information was to be used to serve only the purpose of the study it was meant for. This means that they were assured that the collected data would be private and confidential and that it would be treated with the utmost professional care. The data would not be disclosed to any third party without their consent. Currently, because the bank is compelled to follow Covid-19 safety regulations, this data was collected under the same command. A safe space adhering to social distancing was provided to complete the survey.

1.4 RESEARCH METHODOLOGY

The study used a quantitative research design. Quantitative research was selected because it is objective in its approach in the sense that it seeks precise measurement or analysis of target concepts to answer the enquiry. Descriptive and inferential statistics were used to focused on the 'what" of the subject matter. In this study, the researcher aims to understand the perceptions on technology acceptance of the baby boomers, as well as what their current technology engagement levels are.

1.4.1 Research design

A research design is defined as "a set of guidelines and instructions to be followed in addressing the research problem" (Mouton, 1996:107). Mouton further proposes that the primary capacity of an examination configuration is to empower the analyst to envision what the proper exploration choices should be, in such a way that the possible legitimacy of the exploration discoveries expands. The examination configuration is the arrangement or plan that the analyst will use in leading the exploration.

The design of this study was quantitative, descriptive and non-experimental in nature. Its quantitative nature offered the opportunity to understand the underlying reasons that are not so obvious regarding the uptake of digital banking, perceptions and perspectives of which is little known.

1.4.2 Population and sampling method

The population for this study consists of banking customers (male and female) who are 50 years or older, hold a bank account with ABSA, and reside in Mafikeng. The city has three Absa branches, and these branches are similar. All three branches cater to both the affluent and non-affluent clients. Geographically, they are approximately five kilometres apart. Non-probability random sampling, specifically convenience sampling, was used to sample the research participants. A total of 305 questionnaires were distributed to all three ABSA banking branches in Mafikeng with each expected at least to collect a 100 from walk-in customers within six weeks.

1.4.3 Data collection

The data collection instrument suitable for this study was a survey questionnaire consisting of 30 questions that required respondents to tick only the applicable option.

The questionnaire consisted of two sections: Section A was a demographic variable section that collected data on the age, and access to digital platforms. Section B consisted of possibilities to identify factors on perception as well as access and engagement of the baby boomers towards digital banking and platforms.

The questionnaire had 35 questions that required respondents to tick the applicable option that applied to them on a five-point Likert scale ranging between "Disagree completely" (1) and "Agrees completely" (5).

The questionnaires collected categorical data consisting of both nominal and ordinal data. The respondents were required to indicate their particulars by ticking the appropriate cells. The data collection process can be divided into the following steps:

1. Obtaining permission
2. Creating awareness
3. Distribution of questionnaires
4. Collection of responses

1.4.4 Data coding and analysis

Once information is collected, a list of all topics from the questionnaires was turned into raw numbers through the coding process into meaningful data. The variables that were measured in this study were digital banking, engagement and perception. Frequency tables of the variables was used to find evidence to support or reject the hypothesis

formed earlier in this study. The Cronbach alpha's coefficient was used to assess the reliability of the study by testing the internal stability and consistency of the data.

Correlation coefficient will be examined between constructs. The IBM SPSS (Version 26) (IBM's Statistical Package for the Social Sciences) was used to perform the analysis. This statistical programme is widely used for quantitative data analysis because of its advantage of having a broad coverage of formulas and statistical routines. It is used by various kinds of researchers for complex statistical data analysis and was used to analyse the data in this study.

The next step followed was to gradually begin elaborating small sets of generalisations that cover consistency discerned in the data. This was followed by linking the generalisations into a normalised body of knowledge and to form new constructs. Exploratory factor analysis was employed to reduce the data set into fewer factors (or latent variables).

1.5 RESEARCH STRUCTURE

1.5.1 Conventional format's structure

Chapter 1: Introduction

This chapter introduced the topic by providing background, context, and purpose of the study. It also described the problem that the study sought to address and the research questions addressed.

Chapter 2: A literature review

This chapter analysis compares and discusses literature by including substantive findings that were already conducted on the topic in previous studies to avoid repetition. This information assists in guiding and giving direction to the study.

Chapter 3: Research methodology

The population sample, methodology to be used, and research design are outlined in this chapter. The data collection method and instruments are also dealt with in this chapter.

Chapter 4: Empirical analysis, discussion and results

In this chapter, coding and analysis are discussed to reach the outcome of the research study.

Chapter 5: Conclusions and recommendations

A summary and conclusion of the findings are presented. Furthermore, recommendations for future studies are suggested by looking at the limitations and gaps in this study.

CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

There is a growing literature on millennial's attitudes and concerns toward technology and its development, yet very few studies about older adults and their unique experiences have been conducted. As older adults show an increased interest and participation in the digital world, a better understanding of how they experience, perceive and navigate this era is equally important and necessary. There are few studies on digital banking concerning baby boomers in developing countries, hence this study.

Consumers around the world are undergoing a global phenomenon; the rapid growth of information technology is changing the environment around consumer profoundly. With the development of information and communication technology, consumers have experienced changes in information use and communication methods. This has led to changes in consumer life. This study aimed to scrutinise and analyse the technology acceptance of baby boomers with regards to digital banking and the levels of engagement thereof. Besides, it aimed at advancing a systematic and in-depth understanding of this generation's complex choice behaviour in a changing banking era.

The literature review aims to convey previous findings regarding banking and technology in general. This includes the appraisal of some of the primary factors that may affect the relationship between baby boomers and digital banking, such as trust and the public view of self-service technology. The chapter also reviews where the baby boomers are currently with regards to technology usage.

2.2 DEFINITION OF KEY CONCEPTS

Digital banking platforms: Digital banking platforms involves cross-organisation processes that coordinate customers, banks, and third parties, specialist co-ops over new advanced digital banking platforms across different purposes of banking. These open digital banking platforms incorporate innovative services, for example, social, financial services, self-profiling services, or automated services flawlessly into new customer

ventures (Gasser et al., 2017: 4). In this study, the focus is on the following digital banking platforms: Website based Internet banking, mobile applications, ATMs, WhatsApp chat banking and virtual cards.

Digital divide: In technology, this term describes the gulf between users and non-users. In other instances, it used to describe gaps between groups of citizens. Polat (2012:590) defines it as the inequalities in access to the Internet, the extent of use, knowledge of search strategies, and the lack of access to other information and communication technology (ICT) services such as access to a computer and phone. The digital divide exists globally.

Internet banking: Internet banking is characterised as the conveyance of banking services through the Internet straightforwardly to the client's location. Internet does not restrict banks to geographical boundaries, but it offers a range of benefits, such as accessibility, convenience and ease of banking (Yiu et al., 2007).

Digital inclusion: Common themes that arise from the review of previous literature from a variety of fields include accessibility, literacy, and cultural factors. Wong et al. (2009:61) describes digital inclusion as the degree to which the impeded fragments of the general public can have equivalent occasion to partake in the data society.

Baby boomers/older adults: This is a generation of people born during the post–World War II baby boom period. In this study, we will focus on all those aged above 50.

Technology Acceptance Model (TAM): This model offers the ability to decide how client private convictions and perspectives relate to utilising technology. In this case, digital banking platforms, and whether or not the system is applied as intended (Yiu et al., 2007). Bankers are interested in customer's behaviour in adopting digital banking. The researcher in his study also notes that banking customers have just established individual financial norms, finance management frameworks, and record checking instruments before the commencement of versatile banking. The acceptance of this innovation relies on the extent to which this innovation accepts some of the past values.

2.3 THE EVOLUTION OF TECHNOLOGY IN BANKING

The banking sector plays a very crucial role in the financial system of an economy. This sector represents the hub of all economic activities in each nation. The banking sector, at present, is witnessing an information technology revolution and is heading towards digitisation. This evolution began in the 1980s. Technology is now the driver of all activities as the sector moves towards digital banking. It can, therefore, be argued that technology has entirely changed the way of functioning of banks and the financial institutions. Banking now is not just limited to transactions in the branches, but it has made its way into handheld devices like smartphones and tablets. Banking is now not only limited to the bank's website and bank apps. It has extended to social media applications and chats banking. The current phase of banking is known as 'digital banking'. In another study, digital transformation is explained as a progressing cycle of utilising new computerised advancements in regular authoritative life, which perceives deftness as the central instrument for the vital restoration of the association's plan of action, collaborative approach, and ultimately the culture. (Warner & Wäger, 2019).

Digitisation is transforming the financial services industry at a fast pace. These developments empower new business measures and lead to altogether new plans of action. It also shows a fundamental difference in the banking value chain. (Gasser et al., 2017).

The digitisation of the banking sector has benefitted both the customers as well as banks. One study conducted by Fox (2005) proposes that a digitally based clientele banking strategy might be helpful, with reports of more profitable, faithful and committed customers contrasted and the conventional banking customers (Fox, 2005). Banks can expect to save a lot of the cost arising from the maintenance of their sizeable physical distribution systems mainly used for servicing their customers by going more digital.

A digital bank with high innovative systems now has a competitive advantage and a critical characteristic that millennials prioritise when choosing a bank. This is because the perceived value has solid constructive outcomes on creating and supporting client connections. The perceived value of digital banking services applications builds customer satisfaction and loyalty to the bank. An investigation led in the United Kingdom found that the primary elements which determine client involvement with advanced banking are administration quality, practical quality, seen esteem, representative client commitment,

noticed convenience and perceived risk (Mbama & Ezepue, 2018). These inform the importance of perception in assessing the product.

Diminishing physical customer advisory and escalated utilisation of electronic channels power numerous banks to adjust to new customer cycles and excursions to keep customer contact. Future customer ventures are moving towards cross breed customer collaboration that interfaces customer measures among various channels and even across multiple organisations connecting the computerised and the actual world (Gasser et al., 2017:4).

Albeit numerous monetary foundations understand the upsides of advanced banking and dispatched this service, some divisions of these organisations do not have the option to apply these benefits. This is a result of specific customers who do not know about these improved services, while others are hesitant to adjust to digital banking (Munusamy et al., 2012). These hesitant non-user customers pose a challenge to the banking industry since they have to accommodate both types of clients.

2.4 BABY BOOMERS AND TECHNOLOGY

Two of the most critical changes in the world today are the ageing of the world's population and the growth of the information technology sector. Baby boomers are the first generation who are going through changes due to both ageing and the growth of information technology. As information technology develops rapidly, social and consumer interactions require more knowledge of technology. The interest in technology development and acceptance for baby boomers is also increasing as they age. Be that as it may, previous studies have constraints as they do not have an inside out comprehension of this wonder wherein the rising older populace grasps technology. The baby boomers, who are now newly included in the elderly, have distinctive features from those of the previous generations. Accordingly, there is an increased appreciation that the current perception of the elderly and technology needs to be changed (Peine et al., 2017). It is therefore necessary to have an in-depth understanding of the aspect of newly emerged older adult's technology acceptance, with an ecological perspective, and how they have embraced the change.

Current generalisations of maturing shoppers portray them as innovation restless and hesitant to embrace new advances. This, in any case, is not correct as the present 50+

age bunch does not fit in these generalisations. In times of increased birth rates, customers appear to, rather than to the age-stereotypes, have low degrees of innovation uneasiness and significant levels of involvement of web and innovation use. It shows that innovation uneasiness and skill have a reverse relationship in the age gathering (Niemelä-Nyrhinen, 2007). Marketers of technological products and services are educated to give up the obsolete generalisations, and acquaint themselves with the present 50-plus purchasers and put exertion in serving this market.

Previously, technology was applied as a representative field of negative ageism for the elderly due to a perception that older people are latecomers to the acceptance of the technology (Arts et al., 2011). However, information technology is becoming increasingly unavoidable and essential, and older people from different backgrounds are emerging to embrace it.

The relationship between the older generation and technology has been studied through different approaches and under other subjects. Previous studies found various reasons for digital divides (Kim & Joshanloo, 2020), and identified multiple kinds of the digital divide which include: A worldwide gap, which alludes to contrasts in degrees of Internet access among industrialised and creating social orders; this is a social separation that points to the gap between those with rich information and those with inadequate information in each nation, and lastly, a democratic divide between users and non-users of digital resources to engage and participate in life activities. Adaptive systems are designed based on an individual user's characteristics, including interests, preferences, knowledge and goals (Park, 2018).

Previous studies noted that the older generation felt ignored in technology studies. Vines et al. (2012:72) say that it seems at times that the needs of the current older generation are not pressing concerns for technology designers or policymakers. The approach is that within the next few decades, the then older adults will be much more comfortable with digital platforms as it has become with the new generation of baby boomers. It seemed that being left out of that the cycle of life would auto-correct itself, but this flawed argument does not seek to address the banking needs of digital boomers in their right to feel included (Olphert et al., 2005).

In their study, Larsson and Viitaoja (2017) wanted to determine how the banking clients encountered the digitalisation process and its effect on client relations. They found that a big part of the respondents encountered a similar zone which ended up being the best test. This experience established that an apparent weakness in what banks accepted to perceive about their customer's capabilities and encounters, and what the clients seemed to know. This situation is very similar in the South African banking industry as there is information which banks seem to assume to be general knowledge to the baby boomer clients, but the type of inquiries received proved otherwise. It explained itself when the same clients would apply for a product at another bank, not knowing that the same service or product is available in their current bank. Several studies have also found that a significant percentage of older people who are not currently digital-savvy still show no interest to change their ways.

Huang et al. (2019) reviewed studies and identified the key factors that influence technology adoption by the elderly. They also identified motivators and detractors to their use of technology. The analysis revealed that several socio-demographic variables interacted to shape access and use for middle-aged and older adults which include education, income, age, gender, disability status, immigration status, urban/rural residence, and relationship status. Detractors to technology use included superficiality of the same, perception of little or no added value, lack of skills and familiarity, fear of cybercrime and lack of interest (Gasser et al., 2017:4).

However, it is not only negative perceptions and attitudes observed in previous studies, but some studies also revealed that positive attitudes were related to technology-supported activities, improved convenience and contained useful features (Milzner et al., 2018). Baby boomers have become frequent users of technology by also participating in sharing ideas to improve usability (Dorie & Loranger, 2020). They engage in a wide range of online activities, including digital banking, despite having limited skills. Furthermore, some are eager to learn as they go (Quan-Haase, 2018:1208).

2.5 BABY BOOMERS AND SELF-SERVICE TECHNOLOGY

The general public has changed and turn out to be progressively portrayed by technology-facilitated interactions. Organisations are beginning to utilise self-service technologies,

rather than interpersonal experiences during service deliveries. Previous research examined the customer's usage of self-service technologies. However, previous studies have ignored the fact that different types of self-service technologies have various factors that influence customer's experience and decision to use them. More accurate results on private self-service technology can be achieved by using a technology examination on what specific factors influence customer decisions to make use of a particular type of self-service technology.

Bank customers increase their utilisation of electronic services and channels. Innovative technologies take into consideration more self-service and automated services. In future, this will incorporate "robot advisory," which will change customer interaction and lead to a more severe level of automation without human encounter in numerous zones (Gasser et al., 2017:4).

Even though the older populace is growing, most of the studies on technology adoption conduct, like the adoption of self-service technologies, tend to focus more on youthful customers. One such a study was conducted to investigate factors which inspire older customers' adoption of self-service innovations by applying Gatignon and Robertson's diffusion process model. The results indicated that the view of self-service innovation attributes, including helpfulness, delight, and control, are indirect antecedents of the older customers' self-service technology selection through service quality and perceived risk. Another vital indicator of the older customers' reception of self-service technologies is prior usage experience in them, which emphatically impacts usefulness and compatibility (Muhammad et al., 2018:14). Discoveries from this investigation added to the writing since few studies had investigated what drives more established shoppers to utilise self-service technologies.

The study examined personal values and consumer traits as antecedents of attitudes toward using self-service technologies, which, in turn, affect intentions to use same. The results highlighted the critical role of consumer traits as additional contributing factors in explaining how personal values lead to self-service technology usage intentions. Although this study partially confirms the direct effects of personal values on attitudes, it shows that values determine utilitarian and hedonic attitudes toward using self-service technologies values through consumer traits.

2.6 ADOPTION AND ENGAGEMENT OF DIGITAL BANKING PLATFORMS

In their study, Ramayah and Koay (2002:1163) recommend that the likelihood of embracing digital banking diminishes with age. Notwithstanding, Tatnall and Lepa (2003) notice that age in itself is not a hindrance to access or adopt. Numerous older individuals can be viewed as clients of digital platforms as well as being entirely connected, as seen in metropolitan urban areas. In any case, a few examinations have likewise discovered that a considerable level of older adults who are not at present digitally-savvy show no interest to alter their way of living. If older adults are to reap the rewards of the information society, and society is to reap the rewards of the economic and social inclusion of the older adults, it is clearly of interest to understand what is their perception and the level of engagement with digital technologies.

Accomplishing full digital engagement will involve something other than a matter of guaranteeing that designs do not exclude people or age categories from access to technology. They are advancing awareness to highlight benefits and features, just as conveying services and systems which are helpful and essential to a broad scope of the populace are consequently crucial necessities in advancing digital engagement commitment. To accomplish more noteworthy social inclusion necessitates that the individuals who are marginalised in the public eye must be empowered to effectively take an interest in the assurance of both personal and life possibilities. On the off chance that one needs to have the option to impact the state of future innovations, stakeholders (for this situation older people) should be effectively occupied with the distinguishing proof and articulation of their objectives, necessities and yearnings, and in the assessment and approval of elective alternatives. A participative way to deal with the turn of events and delivery of electronic services can accomplish the benefits both of forming frameworks to address the issues of stakeholders and engaging the baby boomers to become more educated users/customers of the technology and digital services (Kim & Brady, 2019:180).

Despite many attempts by the banking institutions to make banking more inclusive, there is still an identifiable significant gap between where the digitisation of banking is going and the current practices of other older generations. Olphert et al. (2005) state that many older adults are not prevented from access to the Internet by reasons of cost or ability, but instead took a conscious choice not to engage. This decision was taken to preserve

their set ways of interaction and even to avoid what they perceive as dangers in Internet usage. However, such decisions appear to be based lacking accurate information and awareness about the Internet (Olphert et al., 2005).

The innovation theory categorises the different stages of adoption between early adopters and late adopters. This theory expresses that if the underlying adopter of innovation talks about it with two individuals from a given social framework, these two become adopters who provide the innovation to two more friends. This proceeds further, bringing about distributions which follow a binomial development. It is anticipated that adopter distributions should follow a bell-shaped bend over the long run.

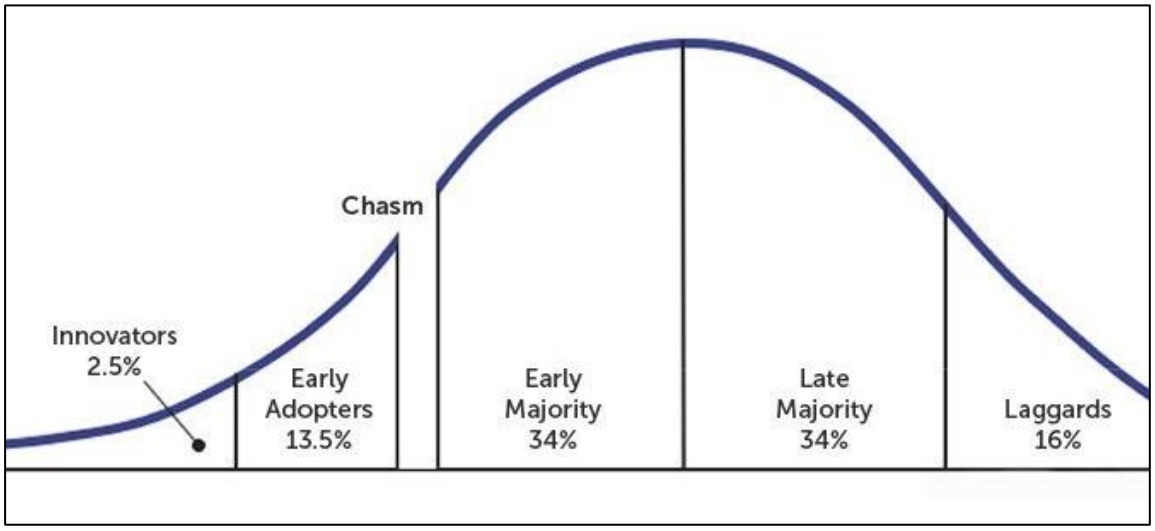

Figure 2-1: Technology adoption life cycle

There are five categories of innovation adopters, namely:

1) Innovators,
2) Early adopters,
3) Early majority,
4) Late majority, and
5) Laggards.

In this study, the researcher focused on the tail part of the innovation theory curve, the late majority and laggards, those still hesitant to engage partly or wholly with digital banking platforms.

The late adopters are described as the sceptical group, very cautious about innovations, and reluctant to adopt. The late adopters need persuasion about the utilisation of innovation, requiring intense pressure from peers to adopt.

Laggards are traditionalists, very suspicious of new ideas and the last to adopt an innovation. They are fixated on the norm, and always reference their decisions on previous generations and patterns. They often adopt an innovation so late that it may be rendered obsolete by more modern ideas already in use by innovators.

The integration of the two classic adoption theories, Diffusion of innovation Theory and TAM, have a significant influence on both perceived value and perceived ease of use, which thus lead to ensuing consumer perspectives and intentions to adopt. Analysts broadly utilise the TAM to foresee the adoption of existing technology.

2.7 DIGITAL BANKING PLATFORMS AND TRUST

Trust is defined as "the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party" (Mayer et al., 1995:712). The antecedents to trust include perceptions of the trustee's ability and integrity. Older adults frequently deploy the concept of distrust when discussing digital technologies. It is tempting to assume that distrust is mostly responsible for the reduced uptake by older adults, as witnessed in the latest surveys of technology use**.**

In another study, trust appears to be a critical characteristic of the older adult experience with digital technologies insofar as older adults articulate their low or non-engagement, looking at it through the lens of ageing (Knowles & Hanson: 2018). In most of the time, that distrust does not appear to be demonstrative of lack of trustworthiness in the technology itself, but rather a perception from afar. One might reasonably search for answers as to how to correct the perception. Negative attitudes are often associated with technology creating inconveniences, privacy, security, and reliability concerns.

Georgieva (2018) conducted a study where the findings showed that older adults recognised the requirement for social connection and affirmation as unequivocal when utilising the traditional banking method. They confirmed that digital banking does not give them a similar degree of consolation and reassurance. He further proposes that as more

established grown-ups keep on joining the digital world, their perspectives towards and concerns about online security need to be understood and tended to. The study expanded the TAM with trust, enjoyment and innovativeness. Perceived usability was the primary variable that was found as non-significant on behavioural intention. For this situation, perceived security concerns impact perceived value. (Georgieva, 2018)

To help comprehend the effect of distrust on technology acceptance, what conditions, and to what in particular impact older people articulate distrust in technological advances, there is a need that these issues be studied. The findings of one study demonstrated that distrust is not pertinent to older people dynamic of technology adoption (Knowles & Hanson, 2018). The older adults utilised the language of distrust to lead conversations around technologies to more significant issues identified with values. The findings likewise recommend that looking to distrust as an indicator of non-use (TAM studies) might be incredibly pointless on account of older adults, because it limits the conversation of technology adoption and trust to interactional issues. The utilisation of distrust relates to more extensive concerns. The study, likewise, proposes that technology adoption is not demonstrative of neither trust or an endorsement that the innovation is acceptable.

However, older adults' distrust does not translate to non-usage or rejection of the digital banking platforms. However, older adults using-while distrusting offers essential insights into how to design genuinely acceptable digital technologies.

2.8 CONCLUSION

The review of the literature above provides an overview of the variables relating to the baby boomers and digital banking. The literature looked at different factors about technology acceptance leading to digital banking acceptance and usage. The approach of this study is to understand the perceptions formed and the digital banking usage level by the baby boomers. The study also reviewed the mechanism by which specific barriers play a role in limiting the adoption of banking technologies and how perception formed to influence the uptake of digital technologies.

This study also reviewed whether banks and targeted customers have the same understanding and appreciation of the products and digital platforms intended to simplify banking. In the review, it was observed that no one classification could describe baby

boomers as they are diverse and react to digital technologies differently. The previous studies have therefore laid a foundation for further studies to explore the gaps identified and to seek understanding, to assist in bridging the gaps. This study sought to understand the slow adoption pace determined within the baby boomer's generation. In the next chapter research methodologies planned for this study are discussed in detail.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 INTRODUCTION

The purpose of the study is to understand the baby boomer's perception of the transformation to digital banking, the level of engagement so far and the reasons behind the slow-paced adaptation with digital banking by older adults. Technological advances have affected how modern businesses conduct business and the way they interact with clients. The preceding chapter outlined the research problems in the form of three questions that remained unanswered. The research questions indicated in the first chapter are:

- What is the current perception of digital banking platforms by the baby boomers?
- How comfortable are baby boomers when using digital platforms?
- What are the concerns raised regarding adapting to digital banking platforms?

This part spreads out the research methodology utilised in this study to respond to the research questions raised. Hartley (2004) depicts research methodology as the vital logical steps taken to associate the research questions and objectives to data collection, analysis and interpretation. Leedy and Ormrod (2005) added to Hartley's definition that the methodology deployed in a research study should uphold the data gathered in responding to the research questions.

This study aimed to determine the causes of reluctance and slow adoption of digital banking platforms by elderly customers. To investigate this cause, it is necessary to collect information from a targeted population using the correct methodology and to analyse the responses. This chapter discusses the research philosophy, methods and procedures for data collection and the design of the customer questionnaires.

3.2 RESEARCH PHILOSOPHY

Exploration reasoning is a process that tries to find the base of information or a study (Saunders, Lewis & Thornhill 2019:143). The research philosophy glances at avocations and convictions and how real information is procured, which is guided by a paradigm. A chosen research philosophy incorporates critical assumptions about how the researcher

sees the world. Therefore, these assumptions uphold the research approach and strategies relating to general research.

Different researchers trust in a target perspective on our social world, thus guaranteeing that reality exists autonomously and remotely to the objects under focus. This is called a positivist philosophy. The positivist paradigm implies the goal of a solitary existence which exists autonomous of human perceptions. Reality can be characterised by quantifiable properties that are independent of the researcher (Botha, 2017:70).

The positivist adopts the quantitative research approach and experiments. Replicated findings are considered as actual reality. As a result, this study followed the positivist paradigm. The positivist research paradigm depends on the logical scientific study and alluded to as the quantitative paradigm.

3.3 RESEARCH METHODOLOGY

The research methodology is the study of research methods. Researchers usually adopt the quantitative or qualitative approach, sometimes both methods. In qualitative research, reality tends to be constructed by the individuals involved.

The goal of quantitative methods is to determine whether the predictive generalisation of theory holds. Quantitative research involves gathering data that is absolute, such as numerical data, to examine as unbiased as possible. Quantitative research regularly includes the testing of a hypothesis made out of factors, measured with numbers, and analysed utilising factual statistical techniques (Cooper & Schindler, 2014:147).

The chosen approach for this study is a quantitative one. Quantitative research evaluates the issue by way of creating mathematical information changed over into useful statistics. It evaluates perspectives, behaviours, attitudes and other defined factors, and generalise the outcomes from a more significant sample populace. Quantitative research was chosen for this study because it is objective in approach in a sense that it seeks precise measurement or analysis of target concepts to answer the enquiry. Descriptive research focuses on the “what" of the subject matter. In this study, the researcher seeks to understand perceptions of baby boomers and the current engagement levels.

3.3.1 Research design

A research design is "a set of guidelines and instructions to be followed in addressing the research problem" (Mouton, 1996:107). Mouton further proposes that the primary capacity of an examination configuration is to empower the analyst to envision what the proper exploration choices should be in such a way that the possible legitimacy of the exploration discoveries expands. The research design is the arrangement or plan that the researcher will use in leading the study.

A research design is the arranged plan for data collection and analysis in a way that is meant to consolidate the significance of the research purpose with the economy of the methodology.

The demographic factors that were measured are gender, age, education, employed and non-employed. In the formulation of the questionnaire, categorical data consisting of both nominal and ordinal data, and respondents indicated their particulars by ticking the appropriate cells.

- **Nominal variables-** The response categories can have two or more categories, but do not have an intrinsic order. Nominal variables permit the researcher to categorise responses. Nominal variables allow the opportunity to measure the frequency or what percentage of responses falls in each category. Numbers allocated to categories do not provide numerical meaning (Mosolotsane, 2015:40).
- **Ordinal variables** have a natural order, and the numbers assigned to the response categories also have an order. Ordinal variables permit the researcher to categorise responses. They can measure what percentages of responses is in each category. The numbers allocated to categories do not provide meaning.

3.3.1.1 Quantitative research design

Gathering data through questionnaires and surveys is generally associated with quantitative methods. It details all data collection methods and postulates how they are analysed and tested. It helped to address the research questions highlighted in Chapter One.

The study can be conducted online via emails or web-based correspondence. However, privacy and anonymity can be significant issues for web-based questionnaires (Dixon,

2007). Furthermore, some respondents view such emails as spam, making them reluctant to complete the survey and therefore reducing the response rate (Ritter & Sue, 2007:6).

The design of this study is quantitative, descriptive and non-experimental. Its quantitative nature offers the opportunity to understand the underlying reasons that are not so obvious regarding the uptake of digital banking, perceptions and perspectives of which is little known. Its purpose of it is to gain a richer understanding of the previous experiences and the levels of engagement. Since there is not enough literature on the topic, a descriptive study is necessary—a survey questionnaire to gain an understanding of this segment of clients. A survey method, utilising a structured questionnaire, was chosen because of its time advantage. Besides, it is cost-effective, and it does not require multiple follow-ups. The primary data collection approach in this study, using surveys, close-ended questionnaires was conducted on a sample of the population drawn from Mafikeng.

Since the study consists of primary data, findings were critically analysed and objectively interpreted by comparing them to other findings within the framework of the same research—the correlation coefficient between variables. The software package, SAS (SAS Institute Inc., 2005) is used mostly on quantitative data analysis because of its advantage of having a broad coverage of formulas and statistical routines. Various kinds of researchers use it for complex statistical data analysis. It was applied to analyse the data in this study.

3.3.1.2 The study population

The study population consists of the participants who were above the age of 50, had a relationship with the bank and were willing to participate.

3.3.2 Sampling design

There are two types of sampling methods, namely:

- Probability sampling, which involves random selection, allowing one to make statistical inferences about the whole group.
- Non-probability sampling, which involves non-random selection based on convenience or other criteria, allowing one to collect initial data easily.

Non-probability, convenience sampling was used to sample the research participants. The sampling scheme is convenient because it is a non-probability sampling method. The

technique helped to remove bias and maintain accuracy and generalisable results in the studied population.

In the convenience sampling, the researcher selects individuals who are available and accessible at the time. Therefore, participants consisted of branch walk-in clients who fall within the category of baby boomers.

The sampling frame consisted of 300 baby boomers who hold a bank account with ABSA and reside in Mafikeng. The city has three ABSA branches, and these branches are similar. All three branches cater to both the affluent and non-affluent clients. Geographically, they are approximately five kilometres apart. Non-probability random sampling, convenience sampling was used to sample the research participants. A total of 300 questionnaires were distributed to all three ABSA banking branches in Mafikeng with each expected to at least identify 100 baby boomers from walk-in customers, during a period of six weeks.

A	B	C
ABSA | Branch | Mafikeng 12 Main St, Mafikeng	ABSA | Branch | Mmabatho Crossing Shop 35A Mmabatho Crossing Shopping Centre, Nelson Mandela Dr	ABSA Branch, Mega City Shop 26, Sekame St, Mmabatho

Figure 3-1: Map of ABSA branches in Mafikeng

3.3.3 Questionnaire design method

In quantitative studies, questionnaires tend to be structured, and data is standardised. Questionnaires are usually uniform and administered to respondents. A survey refers to the systematic collection of numeric, quantitative data from a group of respondents using direct observation. The aims of a survey may be to:

• describe (exploratory research);

• examine correlations and associations;

• explore differences;

• identify a trend; and

• test a theoretical model.

A structured questionnaire as a survey tool was used to gather the data for this research. A survey is the correct way of finding the visibility of the current state of a group, a community, an organisation and a discipline. Leedy and Omrod (2005:136) suggest that survey research takes into custody the momentary experience in time.

A questionnaire in quantitative research creates the existence of a variable. A variable is an observed characteristic of an occurrence that can take one value or a particular group.

Independent variables in this study were trust, design, convenience and engagement. The mediating variable named is the perception, and the dependent variable is the named trust and behavioural intention. These are positively and significantly correlated with each other. The questions were grouped and coded according to different factors identified in the literature.

In designing the questionnaire, the first step taken was to articulate the initial version of the questionnaire in Microsoft Word, taking into consideration current issues and theoretical concerns, as well as literature and research goals.

The questionnaire targeted questions capable of addressing the research goals by adopting the Goal Question Metrics (GQM). This approach recommends that for an organisation to measure purposefully, it must first specify the goals for its projects, then trace those goals to the data and items that define those goals operationally, and finally provide a strategy for interpreting the data concerning the stated goals. The goal represents the identified factors.

It is desirable to use more than one question to address a goal, with each question being a direct measure of the goals in order to obtain a reliable measurement. A questionnaire also captured customers' perceptions. At least three questions measured each goal

(factor): access, perception and transition adaptation, frequency and user-friendliness of the platforms, and the intent for future usage. 'The questionnaire used a 5-point Likert scale (1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree).

To help maximise the number of responses to the questionnaire, the questionnaire used in this study was divided into five main parts guided by the TAM model to gain a better understanding. (See attached Annexure B for the questionnaire).

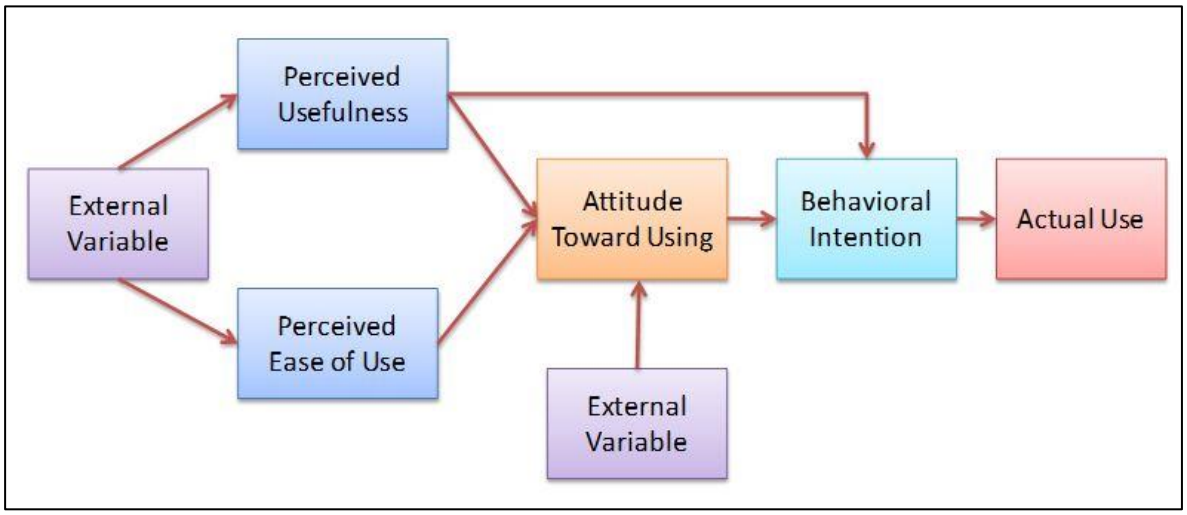

Figure 3-2: Technology Acceptance Model

The first part of the questionnaire focused on the different demographics of the population. These include age, employment status, awareness and utilisation and technological services, such as cell phone, Internet access and wireless handheld devices. The second part addressed transition adaptation and perceived issues. The third part of the questionnaire addressed the concerns, fears and trust. The fourth part determined the usage, frequency and user-friendliness of the platforms, and the collected data on the perceptions of respondents and the desire for future technology-based services.

3.3.4 Data collection method

The data is quantitative, as each response is rated. Respondents completed the questionnaire and were assisted only upon request. There was no reward for completing the questionnaire.

The data collection process was as follows:

1. **Permission** - The research proposal was submitted and approved by the line manager through the development and the retail leadership in the bank, as the study was conducted in this division. The ethical approval by the university is included (Appendix A).
2. **Awareness** - A communication was made to the branch managers of the identified branches, who are facilitators for the process as planned. Upon the release of the communication, the researcher visited all participating branches to ensure clarity and purpose. The researcher outlined the expectations as well as the training on how to complete the document.
3. **Distribution** - The questionnaire (Annexure B) was distributed to all contact points in the branch where customers are serviced. These include customer services, consultants and private bank suites. The process ran over a period of six weeks, where each branch was expected to reach at least 50 customers in the prescribed time. The applicable timelines were communicated to all personnel and customers to maximise the response rate quantity of completed questionnaires. A field worker at the branches assisted the participants to complete the questionnaire.
4. **Collection** – The researcher contacted the branches weekly to track the progress. Upon deadline lapse, the researcher went back to the branches to collect the completed questionnaires for processing and analysis.

The survey questionnaire was available to complete over six weeks. The data was captured and analysed by the subject group statistics, statistical consultation services of North-West University, using the Statistical Analysis System (SAS) (SAS Institute, 2005).

3.4 RELIABILITY, VALIDITY AND DEPENDABILITY

Reliability, validity and dependability and legitimacy are ideas used to evaluate the concept of the study.

3.4.1 Reliability

Reliability was determined for all the data using the. Cronbach alpha coefficient. Reliability is satisfactory when the alpha is equal to or higher than 0.70 (Field, 2009:668).

3.4.2 Validity

This study aimed to ensure four types of validity, namely, criterion-, content-, construct-, and face validity. Legitimacy alludes to how accurately a strategy gauges what it wanted

to measure. If the study has high authenticity, it produces results with certified properties, characteristics, and varieties in the physical or social world. Validity is trying more to assess than unwavering quality, yet it is considerably more essential. To get valuable results, the techniques used to gather data must be authentic: the assessment must measure what it pronounces to check, to ensure that the discussion of the results and the conclusions drawn are valid. Construct validity is suitable to test the reliability and validity of the study.

3.4.3 Dependability

Dependability is about the consistency of a measure, and authenticity is about the exactness of a measure. Enduring quality suggests how reliable a procedure gauges something. If a comparative result can be reliably cultivated using a similar system under comparative conditions, the estimation is deemed to be reliable. Dependability isolated is not adequate to ensure authenticity. Whether or not a test is substantial, it may not absolutely reflect the certifiable circumstance.

3.5 DATA ANALYSIS METHOD

The services of the North-West University's Statistical Consultation Services were used to analyse the data set with IBM SPSS (Version 26). The data, comprised numerical varaibles from the survey, were categorised into different factors of interest. Relationship and correlation analyses were performed to test the effect of one variable on another. Cronbach alpha coefficients were calculated to see if the data was reliable. The relationships among the variables in the questionnaire was determined by Spearman's correlations, while the effect size investigate whether distributions of categorical variables are practically different.

3.5.1 Exploratory factor analysis

The researcher worked with the insights of an advisor to dissect the information. The Kaiser-Meyer-Olkin (KMO) test of sampling adequacy was applied to determine if the data is useful and suitable for multivariate analysis. Exploratory factor analysis was utilised, and a minimum factor loading of 0.4 were set to affirm discoveries (Field, 2009:668).

The exploratory factor analysis was used as a data reduction strategy to guarantee to construct validity. Kaiser's proportion of test ampleness (MSA) was used to decide how relevant the information is regarding factor analysis. The MSA gives a sign of the inter-

correlation among factors. The rules as depicted by Hair et al. (1998) were utilised to affirm that the MSAs were appropriate.

3.5.2 Spearman Correlation coefficient

Spearman Correlation was applied to see if a correlation exists between the identified constructs. Correlation tests are performed between categorical variables.

3.5.3 Cronbach alpha

Once information is collected, a list of all responses from the questionnaires was turned into raw numbers through the coding process into meaningful data. The calculation of the frequency tables of the variables provided evidence to support or reject the hypothesis formed earlier in this study. Cronbach alpha was used to assess reliability by testing the strength of consistency. According to Field, a construct is reliable if the Cronbach alpha coefficient is more significant than, or equal to, 0.7 (Field, 2014).

3.5.4 Effect sizes

The effect size quantified the relationship strength on a numeric scale by two factors. An impact size was deemed critical when the distinction in the impact size is sufficiently enormous to have a handy impact.

The following guidelines were utilised for d-values regarding differences between means: small effect: $d = |0.2|$; medium effect (noticeable with the naked eye): $d = |0.5|$; large effect (practically significant): $d \geq |0.8|$.

Data analysis with statistical software followed the following stages:

1. Preparing and checking the data was done by feeding the input of data into the computer by following the following steps as provided for by Miles et al. (2014:303):
    - giving codes to the initial set of materials obtained from the survey questionnaire;
    - adding comments and reflections (memos); and
    - identifying similar phrase, patterns, themes, relationships, sequences and differences.
2. Selecting the most appropriate tables and diagrams. In this case, pie charts and graphs were used based on the research objectives.

3. Selecting the most appropriate statistics to describe the data. In this case, SPSS was used.
4. Selecting the most appropriate statistics (Pearson correlation) to examine relationships and trends in the data collected.

3.6 CONCLUSION

This chapter detailed the research methodology and approach adopted for this study. The research instrument utilised in this study was discussed, together with the sampling method. In the next chapter, Chapter 4, the results from the data obtained are discussed, together with the analysis process. The study will gradually begin elaborating on small sets of generalisation generalisations that cover consistency discerned in the data by linking the generalisation generalisations to form a normalised, normalised body of knowledge in the form of constructs to the research findings.

CHAPTER 4

DATA ANALYSIS

4.1 INTRODUCTION

The study was directed at the baby boomers and digital banking. In other words, this study aimed to understand the relationship between these two variables. The objectives of the study were formulated to respond to the research questions that sought to determine perceptions of baby boomers on digital banking, to determine the level of usage of banking platforms, to bring to light the concerns by baby boomers in this regard, and to propose possible solutions to assist baby boomers in being able to use digital banking more confidently.

To bring more in-depth insight, this section uses summative content analysis from a different perspective. I captured the data, and the analysis was conducted by the North-West University's Statistical Consultation Services at the Potchefstroom Campus using SAS (SAS Institute Inc., 2005). Frequency tables describe the socio-demographic variables of the study population. Cronbach alpha reliability coefficients were computed for each measuring instrument's subtest (Nunnally & Bernstein, 1994). Exploratory factor analysis confirms the construct validity of subtests. To determine if it is appropriate to use the data to do factor analysis, the Kaiser's measure of sample adequacy (MSA) was used to provide an indication of the intercorrelations among variables (Tabachnick & Fidell, 2001). Guidelines, according to (Hair et al.,1998) were used to assure that the MSAs were appropriate.

Spearman’s correlation coefficients were calculated to determine if linear relationships between the variables exist. The interpretation between groups was done by investigating Cohen's impact sizes, d (Cohen, 1988). Effect sizes show pragmatic, practical significant differences between groups. That means the degree to which a distinction is sufficient to have an impact in practice (Steyn, 2009).

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4.1.1 Analysis of study demographical information

The demographics of the study consists of baby boomers who are 50 years and above. Three hundred and five questionnaires (305) were distributed, and 288 were received back. Only 254 of the 305 respondents that participated had fully completed the questionnaire as requested. Therefore, 254 questionnaires were considered the effective response for the study.

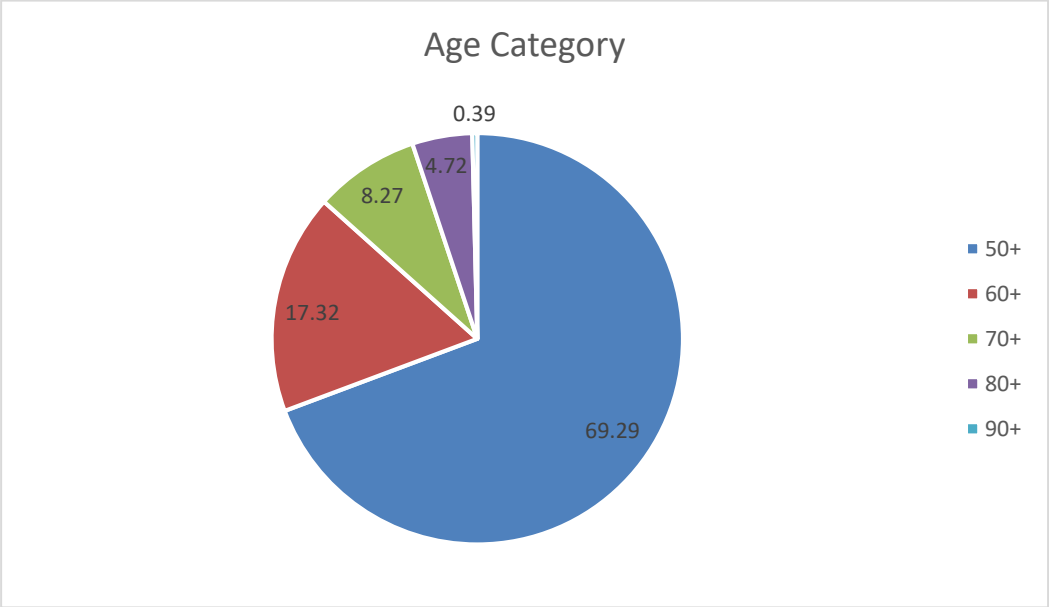


Figure 4-1: Age Category

Figure 4.1 above shows that most of the respondents fall within the age group of 50+ years at 69.29%, followed by the age group 60+ at 17.32%. Understandably, the least age group is 90 plus (+) at 0.39% due to low mobility and longevity.

The Coronavirus pandemic posed a severe challenge during the data collection. It made it challenging to collect data from the baby boomers, who possibly stayed away from the branches for health reasons.

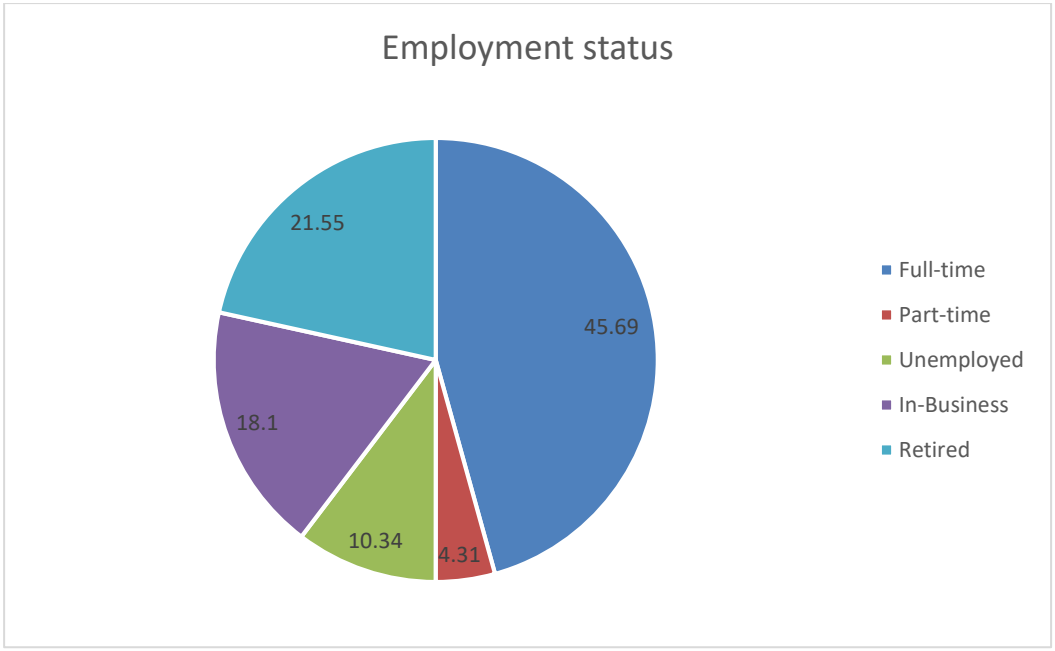


Figure 4-2: Employment status

A total of 46% of the respondents are full time employed, whereas 22% of respondents are retired, and 10% are unemployed. Only 4% of the participants were part-time employed.

The percentage of baby boomers who are employed is high due to the age group that participated the most, which is the 50+ age group.

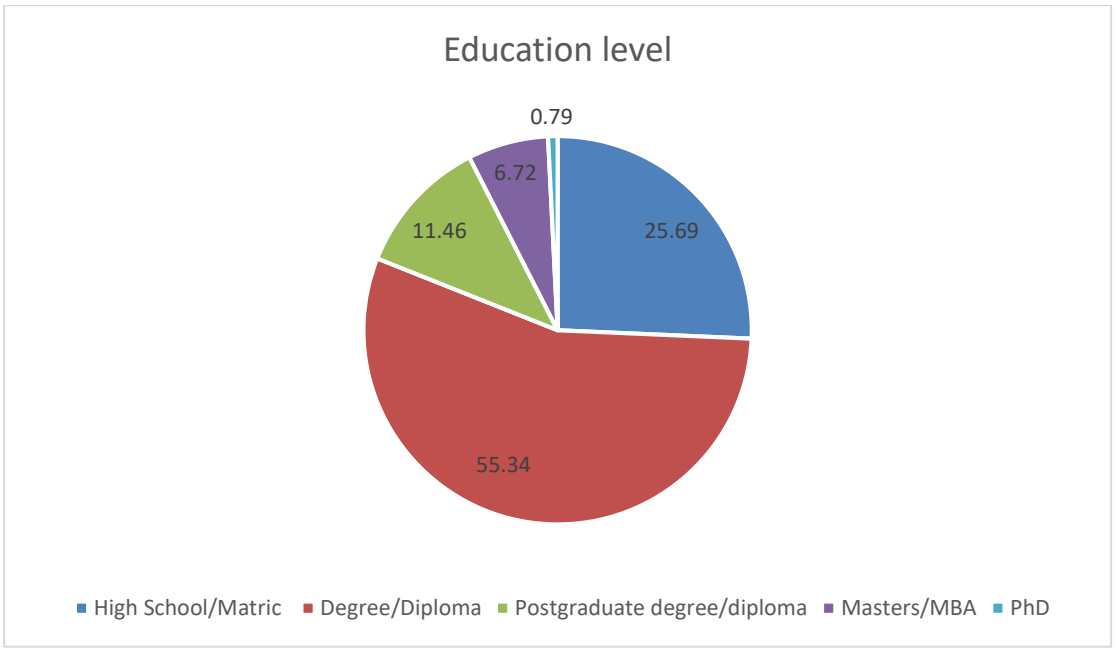


Figure 4-3: Education Level

From the 254 respondents, 55% of them obtained an undergraduate degree, while 26% were high school or matric leavers. The participants who obtained a PhD qualification amounted to only 0,8%.

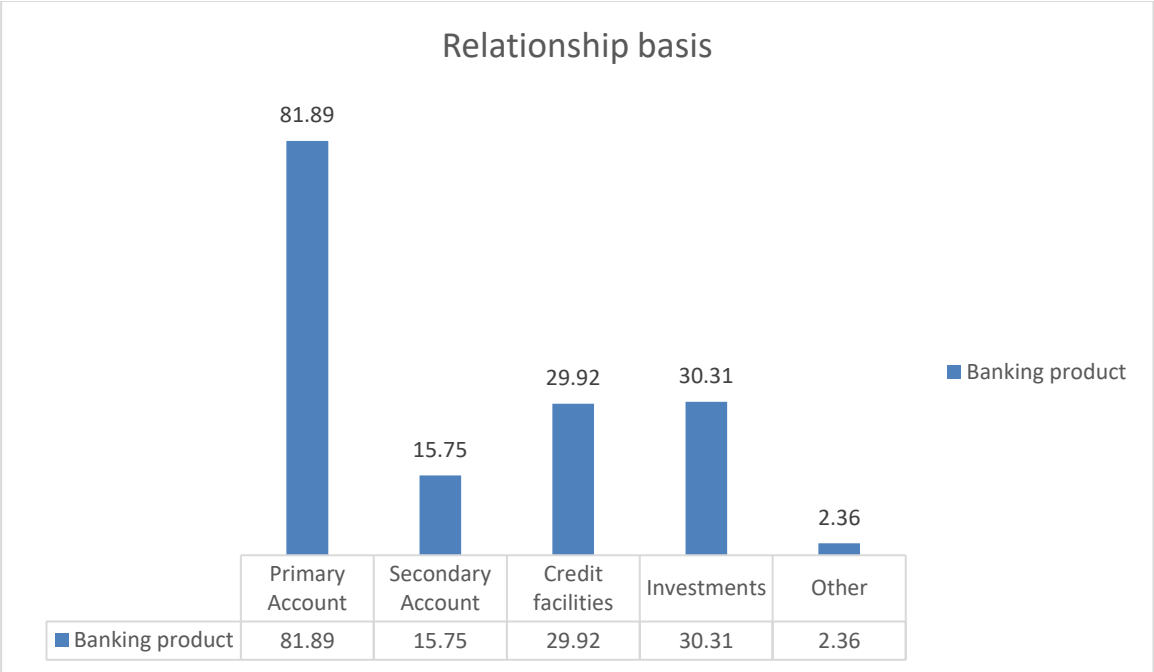


Figure 4-4: Relationship basis

Most of the respondents, as per Figure 4.4, indicated that they hold a primacy relationship with the chosen bank, with 86% having the primary bank held at ABSA. Only 2% had a relationship with the bank through other non-core products like different types of insurance (life, funeral, vehicle or home). Other respondents had multiple products held with the bank.

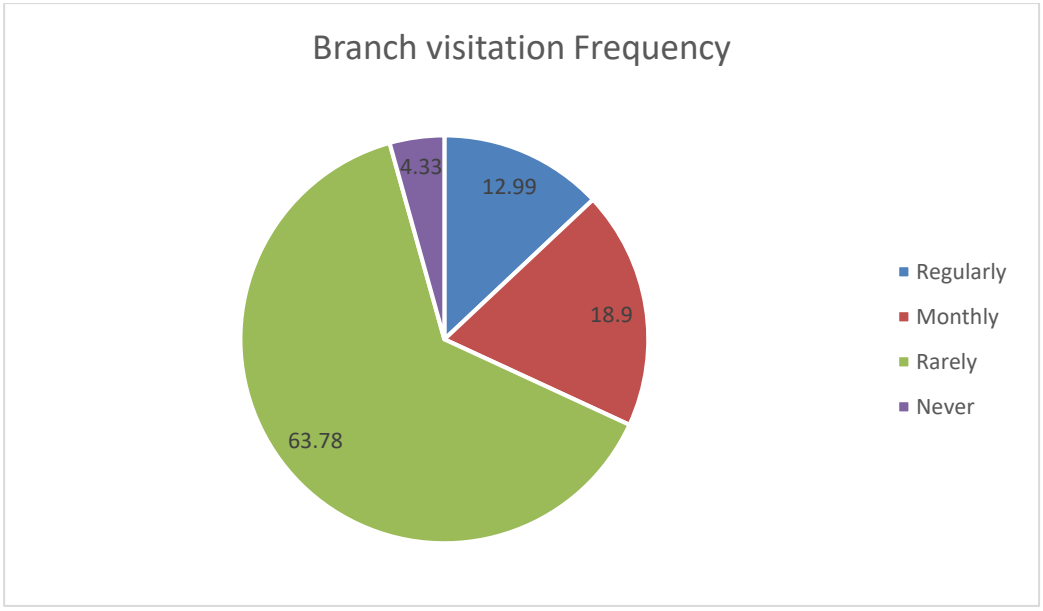


Figure 4-5: Branch Visitation Frequency

Figure 4.5 above reveals that 64% of the respondents rarely visit the physical branches, whereas only 13% of the respondents visit the local branches regularly. The study also reveals that 4% of the respondents never visit the branches and engage with the banking utilising different methods.

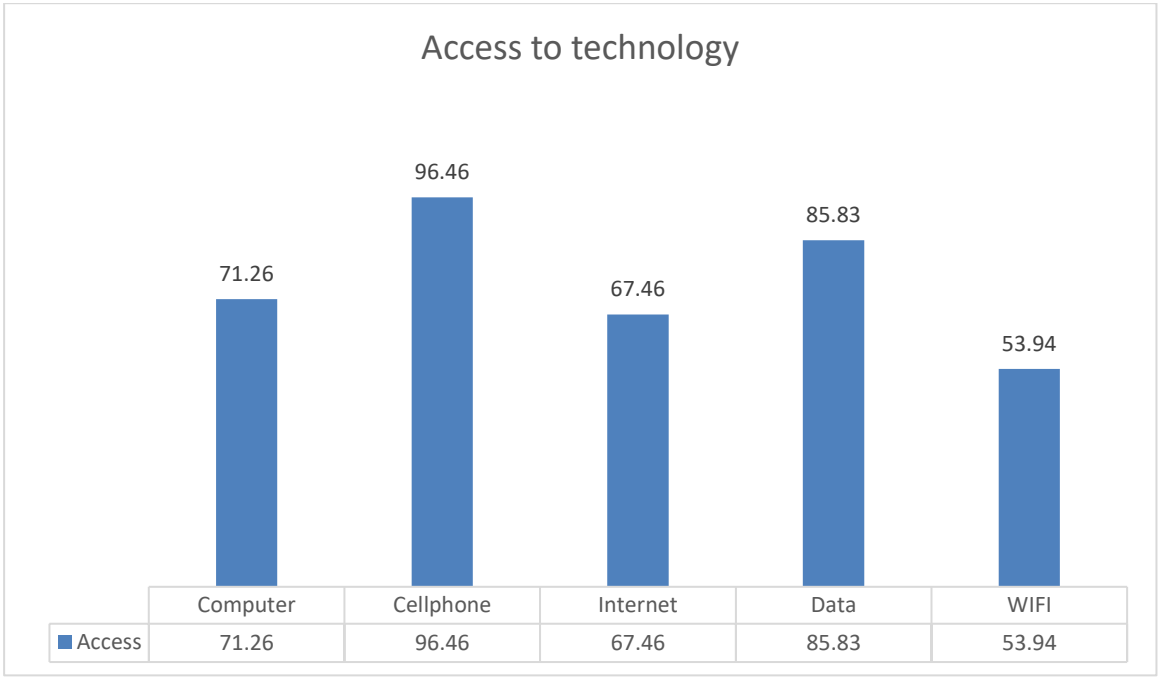


Figure 4-6: Access to technology

Figure 4.6 above indicates that respondents have comfortable levels of access to technology, with access to cell phones at 96% and access to a computer at 71%. The findings indicated that 86% of respondents use data to engage, while 54% have WIFI access.

Access to technology comes at a cost. With data prices still reasonably high in South Africa, the respondents revealed that it is still not everyone who has access even to a cell phone. Therefore, the lack of access to technology may interfere with the will and ability to engage with digital banking platforms.

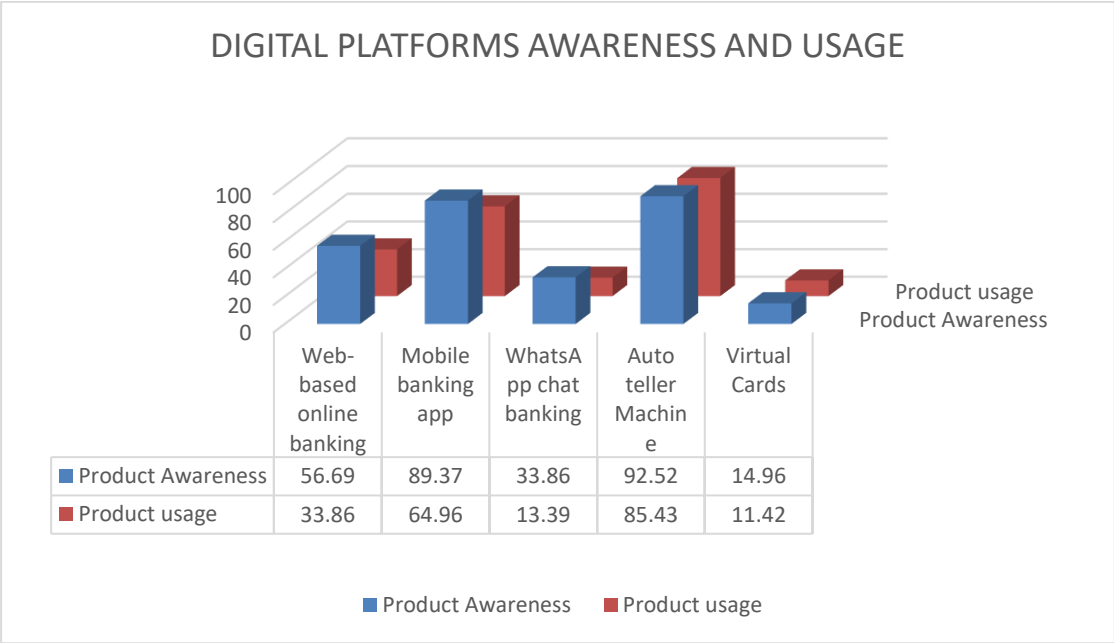


Figure 4-7: Digital Platforms awareness and usage

The respondents were mostly aware of the Mobile Banking Application at 89% and the ATM at 93%, and least aware of the Virtual Cards at 14%. The same pattern is reflected in the usage of Auto Teller Machines being the highest at 85% and the lowest being virtual cards at 11%.

In support of this finding, the study conducted in Nigeria recently on e-banking found that customer awareness influences its adoption. The study also indicated that awareness influence customer's attitude to e-banking (Inegbedion, 2020:133).

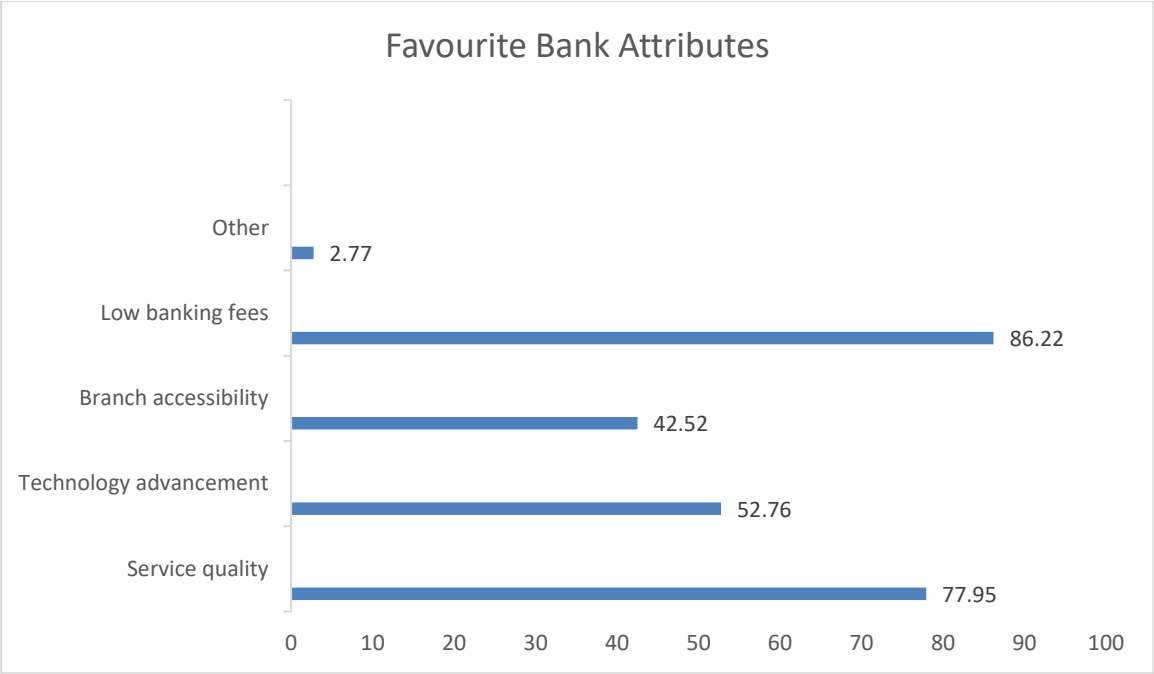


Figure 4-8: Favourite bank attributes

The findings indicate that 86% of the respondents consider low banking fees when choosing a bank, 78% indicated that service quality is amongst the deciding factors when searching for a bank. In comparison, only 3% indicated that they look for other attributes.

4.2 FACTOR ANALYSIS

Table 4.1 to 4.4 show the results of the exploratory factor analysis.

Table 4-1: Factor analysis

Items of Section 1	N	MSA	Number of factors retained	% variance explained	Cumulative range
Q12,13,14,16, 18 Q19,20,23, 24,25 Q15,26,17 Q21	254	0.75	4	0.49 -0.78	0.6596

Table 4.1 shows that the factor analysis in section 1 yields four factors. It is noteworthy that the MSA of 0.75 assured construct validity. These factors are named in Table 4.2.

Table 4-2: Factor analysis

	Construct	**Theoretical or nominal definitions**
Q12,13,14,16, 18	Perception	The perception and attitude of baby boomers toward digital banking.
Q19, 20,23, 24,25	Consternation	This factor explains the concerns and fears that baby boomers have towards digital banking.
Q15,26,17	Pertinence	The third factor refers to relevancy and necessitation of the use of digital banking platforms.
Q21	Preference	This last factor refers to the preference baby boomers have in banking.

Table 4-3: Factor analysis

Items of section 2	**N**	**MSA**	**Number of factors retained**	**% variance explained**	**Cumulative range**
Q27 – Q32	254	0.75	1	0.37 -0.67	0.54

Table 4.3 above refers. Factor analysis on section two yields one factor. The construct (Q27-Q32) is named Functionality, as it measures the engagement, usability and the satisfaction derived from using the digital platforms with the MSA of 0.75 construct validity is assured.

Table 4-4: Factor analysis

Items of section 3	**N**	**MSA**	**Number of factors retained**	**% variance explained**	**Cumulative range**
Q33 – Q35	254	0.64	1	0.59 -0.83	0.73

The factor analysis of section three also yielded one factor. Q33 – Q35 is named Enthusiasm as it measures the future optimism to learn and engage more with regards to digital banking. Because it has an MSA of 0.64, construct validity is assured.

4.3 RELIABILITY

The Cronbach alpha coefficients were calculated to assure reliability and internal stability of the data. The results appear in the table below.

Table 4-5: Cronbach alpha

Construct	N	Cronbach alpha
Consternation	254	0.82
Pertinence	254	0.77
Enthusiasm	254	0.82
Preference	254	0.75

According to Field, all the Cronbach alpha values are higher than 0.6. The above table shows that all values are above 0.7. This indicates a high linkage of the grouped values. This is an indication that all constructs are reliable (Field, 2014).

4.4 MEDIATION ANALYSIS

Table 4-6: **A mediation analysis**

Construct	N	Mean
Perception	254	3.90
Consternation	254	4.12
Pertinence	254	3.23
Preference	254	4.64
Functionality	254	4.11
Enthusiasm	254	4.30

On a Likert scale from 1 – 5, the midpoint is at three. On a 5-point scale, the midpoint and the perfect average value is three. The mean of all constructs lies above the midpoint of 3, which is the central tendency. This is an indication that the degree to which baby boomers perceive and engage with digital banking platforms is above the mean. The mean for pertinence is 3.23 and is also the lowest. This indicates that baby boomers, although engaging, are still not sure about the relevancy and the necessity of the full transition.

4.5 CORRELATION BETWEEN THE CONSTRUCTS OF PERCEPTION, FUNCTIONALITY AND ENTHUSIASM

Table 4-7: Spearman's correlation coefficient

Constructs	N	Correlation coefficient
Perception - functionality	254	0.62
Functionality - enthusiasm	254	0.54
Enthusiasm - perception	254	0.48

h r = |0.1| (small effect);
h r = |0.3| (medium effect, noticeable with the naked eye)
h r. |0.5| (large effect and practically significant).

As discussed in Chapter 3, the correlation coefficient above 0.3 indicates a medium effect and that above 0.5 indicates a large effect. The correlation coefficient between Perception and Functionality is 0.62. Therefore, there is a significant practical correlation between these two variables, thus indicating that the higher the Functionality is, the higher the perception is.

The correlation coefficient between Functionality and Enthusiasm is 0.54, meaning there is a linear relationship. Therefore, there is a significant practical correlation between these two variables, thus indicating that the higher the Functionality is, the higher the Enthusiasm is.

The correlation coefficient between Perception and Enthusiasm is 0.48. This means that there is a correlation between medium practical effect, according to Cohen. The medium practical effect can be noticed by a naked eye even though it is not significant. This means that the higher the perception with digital banking platforms is, the higher Enthusiasm is there.

4.6 EFFECT SIZES

4.6.1 Effect sizes on groups of age categories

The respondents are divided into two groups using age. The baby boomers who are in the age category of 50+ years are categorised as group one, while respondents who are between the 60+ till the 90+ age groups are categorised as group two.

Table 4-8: Descriptive statistics and effect sizes on the constructs of the different age groups

Construct	Group	N	Mean	SD	p-value	d-value
Perception	1	176	4.01	0.49	0.0001*	0.50 $^{\Delta}$
	2	78	3.66	0.72		
Consternation	1	176	4.15	0.57	0.24	0.15
	2	78	4.06	0.52		
Pertinence	1	176	3.13	0.93	0.0089	0.36
	2	78	3.47	0.93		
Preference	1	176	4.59	0.55	0.0355	0.28
	2	78	4.74	0.52		
Functionality	1	176	4.22	0.48	0.0001*	0.67 $^{\Delta}$
	2	78	3.87	0.53		
Enthusiasm	1	176	4.45	0.61	0.0001*	0.58 $^{\Delta}$
	2	78	3.96	0.84		

Note- 1 = Age category 50+; 2 = Age category<60, SD = standard deviation
** Statistically significant at 0.01 level according to t-test results for independent groups*
$^{\Delta}$ Medium effect in practice

Table 4.8 shows that there is a medium practical significant difference between age category one (50+) and age category two (>60) pertaining perception. This means that the age group one (m=4.01) has a practical, significantly positive perception compared to group two. It is evident that there is a practically significant difference between age category one and two regarding functionality. This means that in the age group one (m=4.22), there is a practical significance in how the baby boomers engage with digital platforms, and how they experience its functionality. There is a medium practical

significant difference between age group one and age group two regarding enthusiasm. This means group one (m=4.45) showed a significant practically difference in enthusiasm than age group two (m=3.96).

4.6.2 Effect sizes on the education level

The respondents are divided into two groups using the education level obtained. The respondents who have studied till high school and matric only are grouped as group one, while the respondents who have obtained a qualification at tertiary level are grouped as group number two.

Table 4-9: Descriptive statistics and effect sizes on the constructs of the education level

Construct	Group	N	Mean	SD	p-value	d-value
Perception	1	65	3.51	0.67	0.0001*	0.80▲
	2	188	4.04	0.50		
Consternation	1	65	4.18	0.51	0.3545	0.12
	2	188	4.11	0.56		
Pertinence	1	65	3.77	0.72	0.0001*	0.77 Δ
	2	188	3.05	0.94		
Preference	1	65	4.68	0.53	0.4816	0.10
	2	188	4.62	0.55		
Functionality	1	65	3.95	0.68	0.0189	0.32
	2	188	4.17	0.44		
Enthusiasm	1	65	3.91	0.87	0.0001*	0.61 Δ
	2	188	4.43	0.61		

Note- 1 = High School/Matric School leavers; 2 = Higher Education Graduates, SD = standard deviation
** Statistically significant at 0.01 level according to t-test results for independent groups*
Δ Medium effect in practice
▲The large effect in practice and also practical significantly

From Table 4.9, it is clear that there is a large effect in practice and also practical significance between group one (m=3.51), which is practical significantly less regarding perception than group two (m=4.04). This means that there is a clear difference in

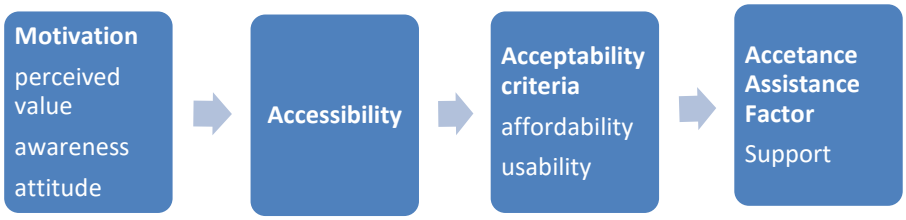
perception from those who hold high school qualification and those who obtained tertiary qualification/s.

It is further clarified that there is a practically significant difference between age group one (m=3.77) and age group two (m=3.05) regarding pertinence. This indicates that there is a clear difference between the groups with group one seeing less relevance and necessity for the digital banking transition than group two.

Furthermore, there is a medium practical significant difference between group one (m=3.91) and group two (m=4.43) regarding enthusiasm. This means that group one showed less enthusiasm to engage in the future than group two.

4.7 TECHNOLOGY ACCEPTANCE MODEL ANALYSIS

Table 4-10: The technology acceptance model with the arrow indicating sequential relationship



According to the analysis, where there is no awareness and poor motivation, no new technology adoption will take place. Next is access to the technological platforms available to clients, this includes network and devices. Then user friendliness and affordability is the next step in deciding if the baby boomers will accept the technology. Support, either social or technical is key for creating comfortability and encouraging usage of the platforms.

There are variables that directly affect the technology acceptance process and there are those background factors that indirectly has an influence on the technology acceptance. The analysis showed that each respondent's background had an effect on the process of technology acceptance, in this case we refer to age, educational level and prior experience with self-service technology.

4.8 CONCLUSION

Analysis of data collected for this study was presented in detail and explained in this chapter. The statistical analysis confirmed that the study objectives were met. The data was analysed and presented in the form of pie charts and bar graphs for better insight. The study examined the correlation between the constructs and the effect sizes to deepen the understanding.

The next chapter outlines the details of the finding that seek to address the achievement of the objectives of the study and the research questions highlighted in Chapter One.

CHAPTER 5

RESEARCH FINDINGS AND RECOMMENDATIONS

5.1 INTRODUCTION

The purpose of this study was to understand the baby boomer's perception of the transformation to digital banking, the level of engagement with digital banking platforms so far and the concerns that might hold them back from fully engaging with the digital banking platforms.

The previous chapter presented the results of the research data collected. The statistics were analysed using different methods to confirm validity and reliability. This chapter discusses the findings and recommendations of the study. The responses to the research questions are presented. The study also makes recommendations for future research in this field to assist with possible further research.

5.2 RESEARCH FINDINGS

This study showed that baby boomers are utilising digital banking platforms at a satisfactory rate. The study revealed that access to technology is no longer a barrier to engage. The findings indicated that baby boomers do not visit the branches regularly as before; the baby boomers indicated that the ways of banking have improved. The banks experienced a high uptake of digital banking platforms during Covid19. Although some baby boomers were taking their time to utilise the platforms, the pandemic served as an unexpected push to adopt and engage. However, person to person contact service is still highly preferred. This is so not because they cannot engage in the utilisation of digital banking platforms, but because it is a comfortable norm and an available option.

Contrary to the findings in the previous studies where access to technology was limited (Mosolotsane, 2015:78), this study showed that technology is accessible and all respondents either have access to data or Wi-Fi, in some cases, they have access to both. This study did not reflect on the lack of enthusiasm in engaging with digital banking platforms. The outcome showed that the more baby boomers become engaged in the electronic platforms, the more comfortable they get. The study also found that boomers

showed positive interest in learning and utilising the platforms more. Most of the respondents indicated that they are using more technology now than in previous years.

The financial institutions, when intensifying the advancement in technology, to reduce the cost of maintaining their sizeable physical distribution systems, should intensify the uptake and encourage full engagement. With the positive attitude on the enthusiasm shown in the results, the study showed that the more the baby boomers understood the benefits of digital platforms, the more interested they became.

The study found that education level significantly influences the perception of the banking digital platforms. This influence contributes to the usage and functionality of these platforms. Education level also affects the enthusiasm to learn and engage more. Age has the highest (albeit inverted) effect on functionality. That is, the higher the age, the more cumbersome the platforms are use. With regards to education level, the lower the education, the negative the perception becomes.

The security concerns of fear of committing an error and trust expressed towards digital platforms, although significant, still do not hold the older adults entirely away from engaging, but they limit the level of engagement by limiting the service and transactions they chose to engage.

5.3 CONCLUSION AND ACHIEVEMENTS OF THE OBJECTIVES OF THE STUDY

The purpose of this study was to understand the baby boomer's perception of the transformation to digital banking, the level of engagement with digital banking platforms so far and the concerns that might hold them back from fully engaging with the digital banking platforms. From this purpose, the following objectives were to be met by this study:

- To determine perceptions of baby boomers regarding digital banking in the Mafikeng area;
- To identify the level of competency to use digital banking by baby boomers;
- To bring to light the concerns by baby boomers in this regard; and
- To propose possible solutions to assist baby boomers in being able to use digital banking more confidently.

From the above objectives, the researcher formed the research questions below to direct the study to the purpose:

- What is the current perception of digital banking platforms by the baby boomers?
- How comfortable are baby boomers when using digital platforms?
- What are the concerns raised regarding adapting to digital banking platforms?

The study met the research objectives in that the study managed to show the current perception held by baby boomers which are in a positive light. It also showed that baby boomers are utilising digital banking platforms. Although they are not optimally utilising all available options; however, they are still engaging. The study also indicated that baby boomers are comfortable with the support offered by the bank in utilising these digital banking platforms. Nevertheless, security concerns remained high and sometimes imposed limitations to full utilisation.

The study showed that sometimes baby boomers are limited in engaging due to lack of knowledge. However, the enthusiasm they showed reflects that they are eager to know more. If there is an eagerness to improve knowledge, it will result in improved trust and utilisation.

5.4 RECOMMENDATIONS

The financial institutions must take full advantage of the technological advancements to trap them to meet all clients' expectations. The institutions should note that the new banking client is drawn to connectivity, convenience and freedom and the baby boomers are adjusting to this phenomenon too.

The uptake of digital platforms seems to be on track. However, the full utilisation of the banking digital platforms is what the banks should focus on encouraging. The limited engagement is correctable through customer education, aiming at addressing the security concerns highlighted by this study.

The study also showed that where the awareness was low, so was the engagement. The finding leads to the conclusion that awareness can serve as a significant barrier to adoption and usage. In this case, the bank needs to create a strategy to promote awareness, and in the process pair this with customer education. The understanding will

increase, and education will reduce the concerns and increase trust to create a sense of comfortability for the boomers to engage more.

5.5 PRACTICAL AND MANAGERIAL IMPLICATIONS

The results of this study offer important practical and managerial implications to understand the baby boomer's attitudes, perceptions and engagement levels towards digital banking. The findings permit banks 'executive decision-makers to come up with strategies that can increase the adoption and mostly an engagement of Internet banking. The financial institutions ought to improve on the privacy and security of the platforms. This will expand the trust of users. Banks ought to, likewise, prioritise creating awareness of the digital platforms and services available to the customers on these platforms. Customer education should be given in “highlights”. This can be helpful for clients because it is easier to remember the highlight.

5.6 LIMITATIONS OF THE STUDY AND RECOMMENDATIONS FOR FUTURE RESEARCH

This study has certain limitations that may have consequences for generalisability, with the primary concern being the sample selection, since the researcher conducted the study in one city, Mafikeng. The clients located in other towns or provinces may have a different perception and experience with similar variables. Therefore, the results provide limited insights to know the general client's perspective and engagement with digital banking. If the same study is conducted in several other towns in different provinces, a broader view may be observed.

Due to the Corona Virus pandemic, the study's outcome focused more on respondents in the age group 50+. Future studies should consider equal proportion amongst the other age groups listed in the questionnaire.

This study was purely quantitative. Therefore, certain limitations regarding the survey-based data collection exist. Further research employing different methodological approaches should be carried out. For example, the mixed methodology and qualitative approach were the participants' eagerness to explain their choices. This could result in an in-depth analysis and understanding of the responses and choices.

5.7 SUMMARY

Looking at the results and findings of this study, it is not incorrect to suggest that baby boomers in developing countries are currently not too far off from developed countries. There is not enough literature on baby boomers and digital banking services compared to developed and developing countries. However, this study's findings mirror literature conducted in developed countries such as those in China (Wu, 2014) and Europe (Elena-Bucea,2020). The boomers' generation is warming up to the technology era as the negative perception of technology and resistance is deficient, even in rural areas.

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ANNEXURE A: ETHICAL CLEARANCE

17 August 2020

Dr N Mouton
Per e-mail
Dear Dr Mouton

EMS-REC FEEDBACK: 31072020
Student: Qoma, LE (16198220)(NWU-00802-20-A4)
Applicant / Study leader: Dr N Mouton – MBA

Your ethics application on, *Analysing the perception and the engagement of baby boomers towards digital banking in Mafikeng*, which served on the EMS-REC meeting of 31 July 2020, refers.

Outcome:

Approved as a minimal risk study. A number NWU-00802-20-A4 is given for one year of ethics clearance.

Due to the Covid-19 lock down ethics clearance for applications that involve data collection or any form of contact with participants are subject to the restrictions imposed by the South African government.

Kind regards,

Mark Rathbone

Digitally signed by Mark Rathbone
DN: cn=Mark Rathbone, o=North-West University, ou=Business management, email=mark.rathbone@nwu.ac.za, c=ZA
Date: 2020.08.19 06:57:18 +02'00'

Prof Mark Rathbone
Chairperson: Economic and Management Sciences Research Ethics Committee (EMS-REC)

ANNEXURE B: RESEARCH QUESTIONNAIRE

Analysing the perception and engagement of baby boomers towards digital banking in Mafikeng.

Tick the applicable option/s in the below

	A	B	C	D	E
1. In 2020 I am turning this age	50+	60+	70+	80+	90+
2. Education level	High School/Matric	Degree/Diploma /Certificate	Postgraduate Degree/Diploma	Masters /MBA	PhD
3. I am an ABSA client	Primary account	Secondary cheque/savings	Credit facilities	Investments	Other
4. I am currently	Full time employed	Part-time employed	Unemployed	In business	Retired
5. I have access to one or more of the following	Computer	Cellular phone	Internet	Data	WIFI
6, I am aware of these digital platforms ABSA bank offers	Web-based online banking	Mobile banking application	WhatsApp chat banking	Auto Teller Machine	Virtual cards
7. I utilise the following digital platforms available to me:	Web-based online banking	Mobile banking application	WhatsApp chat banking	Auto Teller Machine	Virtual cards
8. Most of my banking is done via the following medium/s	Branch visits	Telephone Banking	Private or Personal banker	Digital banking platform	A mixture of all
9. How often do you visit an ABSA branch?	Regularly	Monthly	Rarely	Never	Other

10.The reason for my branch visits is mainly for this purpose:	Credit/new product application	Cash related transactions(withdraw/deposit)	Enquiries		other
11. Which attribute of the bank do you value most?	Quality of service	Technology advancement	Accessibility of branches	Low banking charges	other

Using the 5-point scale shown below. Rate the following questions by placing an X in the appropriate box. Please answer the questions honestly, and do not leave a question unanswered.

1. Strongly disagree 2 disagree 3. Neither agree nor disagree 4. Strongly agree. 5. Agree

	1	**2**	**3**	**4**	**5**
12. My attitude towards technology advancement in banking is generally positive					
13. I am interested in new technological developments.					
14. I perceive the move from traditional banking to digital banking as essential and relevant.					
15 I receive adequate support in the branch and therefore, do not see the need to utilise digital banking platforms.					
16. I have no choice but to adapt to the digital ways of doing things.					
17. I am sceptical about adapting to full usage of the digital platform out of fear that I might make a costly mistake.					
18. I am only comfortable using digital banking platforms for certain transactions					
19. I am afraid I could make a mistake as I do not know what measure is there to rectify my error					
20. Understanding digital banking requires too much of an effort from me					

21. I prefer personal contact compared to an online platform.					
22. I have security concerns about the usage of digital banking platforms.					
23. In my mind, I always link digital banking platforms with high risk					
24. I think digital banking platforms are expensive.					
25. I am sceptical about adapting to full usage of the digital platform out of fear that I might make a costly mistake					
26. I perceive digital banking to be more suitable for the younger generation.					
27. I find ABSA digital banking platforms user friendly					
28. I find it easy and convenient to utilise ABSA digital platforms.					
29. I am comfortable about the training I received from ABSA to use the digital platforms on my own					
30. I am aware of how to reach out when I need digital banking platforms support					
31. I receive adequate support which makes the transition to digital banking easy..					
32. Due to the benefits derived from using digital banking platforms, such as convenience and mobility, I think digital banking is essential for the older generation too.					
33. I am using more services on the digital banking platforms now than when I first started.					
34. I am willing to use one or more of these platforms in the future should I receive training and understand the risk involved with security and privacy.					
35. I am motivated to learn and discover more products and benefits through access to my banking at all times.					

Ethics informed consent form

Dear Interviewee

This Informed Consent Statement serves to confirm the following information as it relates to the MBA mini-dissertation on
Analysing the perception and the engagement of baby boomers towards digital banking in Mafikeng

1. The sole purpose of this study is to obtain information from experts (such as yourself) employed and/or operating in the energy industry in an attempt to determine the nature of your everyday experience related to the research topic.
2. The procedure to be followed is a quantitative research design, which includes structured, controlled and prescriptive questions Basic background information related will be asked e.g. your name, academic qualifications and related experience to the topic.
3. The completion of the questionnaire will not take more than 20 minutes.
4. If at any point during the interview you should feel uncomfortable, you will be provided with the opportunity to make your discomfort known or immediately have the option to end your participation.
5. Participation will take place on a voluntary basis.
6. The confidentiality is guaranteed.
7. A summarised copy of the final dissertation will be made available to the participants upon request.
8. The data gathered from the interview will only be used for research purposes.

I, _____ (name and surname), hereby declare that I have read and understand the contents of the Informed Consent Statement, and give my full consent to_____ progress with the interview on _____ (date) and use the information communicated by myself to him in his MBA dissertation.

Name and designation	Signature	Date
Participant		

Ms. Lerato Qoma
MBA STUDENT, NWU BUSINESS SCHOOL

ANNEXURE C: CONSENT FORM

ANNEXURE D: PERMISSION LETTER

Absa, Provincial Office,
Cnr Beyer's Naude & Nelson Mandela Drive
Rustenburg, 0299

Dear Lerato

Thank you for the attachment on your proposal and questionnaire. I hereby give written approval for you to carry over your studies and continue with you research.

This might also be useful to the bank. Please share your feedback once completed.

All of the best with your last stretch in your final year.

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ANNEXURE E: LANGUAGE EDITOR CERTIFICATE

Dynamic Language & Translation Specialists

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Monday, 14 December 2020

To whom it may concern

Re: Confirmation of language edit, typography and technical precision

The MBA dissertation by **LE Qoma**, "**Analysing the perception and the engagement of baby boomers towards digital banking in Mafikeng**" was edited for language, typography and technical precision. The referencing and sources were checked and comply with the Harvard guidelines specified by the 2020 NWU Reference guide.

Final, last-minute corrections remain the responsibility of the author.

Antoinette Bisschoff

BA Languages (UPE – now NMU); MBA (PU for CHE – now NWU); Translation and Linguistic Studies (NWU)

Officially approved language editor of the NWU since 1998
Member of SA Translators Institute (no. 100181)