

Analysis Push-Pull Mooring Factors on Switching Intention Banking Customers

Alfath Prasetya Agung Nugraha

Department of Management, Universitas Mercu Buana,
Jakarta, Indonesia

Afriapollo Syafarudin

Department of Management, Universitas Mercu Buana,
Jakarta, Indonesia

Abstract: This study aims to determine the intention of conventional banking customers to switch to digital banking. The purpose of this study was to analyze the relationship between dependent switching intention, with independent variables of service quality, information seeking behavior, alternative attractiveness, and individualism level as moderation variables. This research uses the big theory approach of Push-Pull Mooring. Then this research methodology uses a quantitative approach through survey methods. Data processing using the Partial Least Square (PLS) method. The results of this study show that push variables (service quality, and information seeking behavior) have a significant influence on the switching intention, and pull variables (alternative attractiveness) have a significant influence on the switching intention, then mooring variables (individualism level) can moderate service quality variables, and alternative attractiveness, while information search behavior variables cannot be moderated, then moderation variables have an effect significant to the switching intention.

Keywords: Service quality, information seeking behavior, switching intention, push-pull mooring

Correspondents Author:

Alfath Prasetya Agung Nugraha, Department of Management, Universitas Mercu Buana, Jakarta, Indonesia
Email : 55121010006@student.mercubuana.ac.id

Received: July 20, 2023; Accepted: July 31, 2023; Publication: August 8, 2023

Introduction

Innovation in the financial sector is known as financial technology (fintech). This makes banks in Indonesia compete to create innovations to meet the needs and desires of customers who are currently increasingly diverse ([Agustina & Arganata, 2023](#)). Given that today humans can no longer be separated from technology, especially in daily financial transactions. The number of digital bank users in Indonesia is projected to increase in the future. In 2021, digital bank account owners in Indonesia are estimated to reach 47.72 million people. This figure is equivalent to 25% of adults in Indonesia. Digital bank account owners in Indonesia are projected to reach 59.92 million or equivalent to 31% of adults by 2022. This number increased by 25.66% compared to the previous year. Four years later, the number of digital bank account owners rose 24.7% to 74.79 million people. That is equivalent to 39% of adults in the country by 2026. Responding to the phenomenon that occurs in the banking industry in Indonesia, it is interesting to examine the switching behavior of customers who are increasingly aggressively transacting on digital bank platforms rather than transacting conventionally ([Agarwal & Dhingra, 2023](#)).

Research conducted by ([Bansal et al., 2005](#)) Push Factors is a negative factor from conventional bank services that encourage customers to switch to digital bank services. Push factors consist of service quality, satisfaction, value, price perception ([Haridasan et al., 2021](#)) and information seeking behavior, benefits of seeking ([Chang et al., 2017](#)). Pull Factors is a positive factor shared by competitors. What is included in the pull factor is the alternatives attractiveness which is the customer's expectation of new services from digital banks then perceived to be better than conventional bank services, then there is a brand image which is also included in the pull factor ([Guo, 2021](#)). Mooring Factors these are factors that can hinder or support the movement of customers from conventional bank services to digital bank services. Included in the inhibiting factors consist of variety seeking and attitudes towards displacement ([Guo, 2021](#)), and motivation individualism level as a moderation variable ([Haridasan et al., 2021](#)).

The switching intention is defined as a signal of termination of the relationship between the consumer or customer and the old service provider. The switching intention is defined as a signal of termination of the relationship between the consumer or customer and the old service provider. ([Haridasan et al., 2021](#)), ([Jabeen et al., 2015](#)). Service quality is not only able to retain customers, even by providing good service quality is considered able to attract new consumers or customers. Service quality as a consumer assessment of the services provided by the company and a consideration of a product or service in general. ([Kotler & Keller, 2016](#)). Information seeking behavior is the effort of consumers or customers involved in collecting

information related to the purchase of products or services from external sources. ([Chang et al., 2017](#)). Alternative attractiveness is defined as the perception of consumers or customers, about the likelihood of consumer or customer satisfaction among competing alternatives in the market ([Chang et al., 2017](#)). Individualism can also be interpreted as a cultural value where individuals are separated from society and focus on themselves ([Wardani, 2020](#)).

Research Method

The research method used in this study is a quantitative research method with a descriptive approach. According to ([Sekaran and Bougie, 2016](#)), quantitative descriptive studies are designed to collect data that describes people, events, or situations. Quantitative research methods are one type of research whose specifications are systematic, planned and clearly structured from the beginning to the making of the research design ([Indaryani & Wulandari, 2022](#)). This study uses a descriptive approach to identify the extent of independent variables consisting of service quality (X₁), information retrieval behavior (X₂) and alternative attractiveness (X₃) with individualism level moderation variables with the aim of describing the object of research or research results which in this case is the switching intention conventional banking customers to digital banking services ([Hidayat & Mahardiko, 2021](#)). The descriptive method serves to provide an overview of the object under study through data or samples that have been collected as they are, without conducting analysis and making generally accepted conclusions, so this study uses an explanatory survey method with a questionnaire that is distributed ([Azari et al., 2023](#)).

Sampling begins with precisely determining the target population ([Vuchkovski, Zalaznik, Mitreĝa, & Pfajfar, 2023](#)). The target population should be defined in terms, elements, geographical boundaries and time. The population in this study is users and owners of conventional banking accounts in JABODETABEK. The sample size was taken using the Hair Formula. According to ([Hair et al, 2017](#)) suggests that, the determination of the number of samples is in accordance with the number of question items used in the questionnaire, which assumes (n x 5 to n x 10) observations. This study used 23 statement indicators, thus the minimum sample that the researcher will use is 115 respondents. Thus, the conceptual framework in this study can be made as follows:

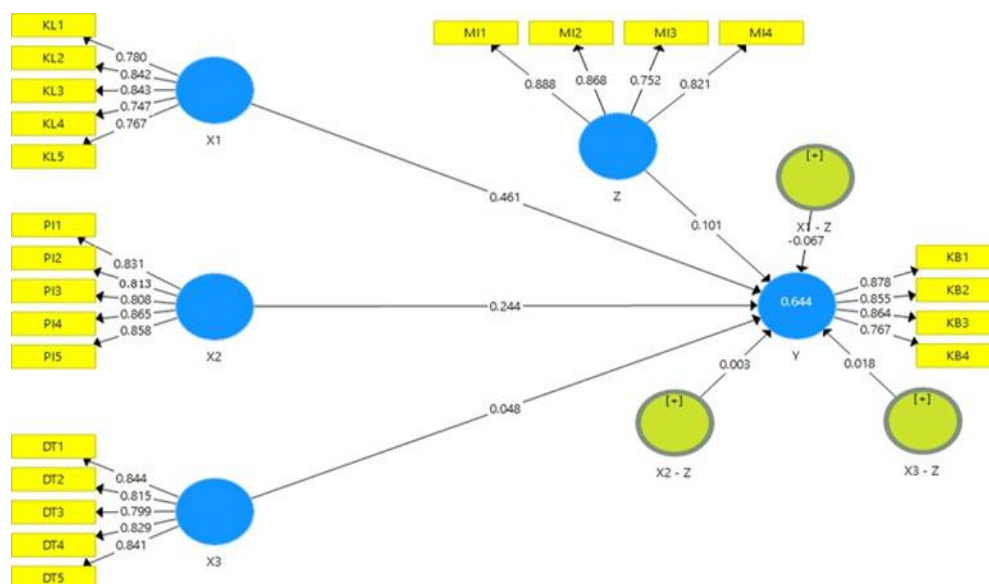


Figure 1 Design SEM-PLS Moderation

Result and Discussion

A structural conceptual framework is used in this study to build a structural model, and each variable is calculated using indicators to be tested to determine the validity and reliability of the model. Outer model analysis is performed to ensure that the measurement instruments used are valid and reliable for measurement purposes. This outer model defines how each indicator relates to latent variables. The structural equation model (SEM) approach based on partial least squares is used to evaluate the research hypothesis (PLS). PLS is a predictive model, while SEM-based covariance typically assesses causality or theory. Using structural equation models to test or develop hypotheses for predictive purposes is the difference between SEM-based covariance and component-based PLS.

Convergent Validity

The term "convergent validity" is used to describe the extent to which two judgments of conceptually equivalent constructs are in harmony with each other. Convergent validity, a type of construct validity, is similar to discriminant validity, allowing to distinguish between different constructs. To assess the validity of convergent, correlation coefficients can be used. When a concept test shows a strong correlation with another test that evaluates possibly similar concepts, it shows convergent validity. For example, the results of a particular assessment can be compared with the results of other assessments designed to measure basic mathematical ability, thereby establishing the convergent validity of the test. The observed correlation between test results serves as an indicator of convergent validity.

Convergent validity can be assessed by comparing the factor loading value of each indicator with its respective construct. In confirmatory research, a loading factor of 0.7 or higher is considered significant. Results obtained from the PLS-SEM algorithm, which indicate convergent validity. The model's estimation findings show that all indicators show a factor load exceeding 0.7. Therefore, all measures are considered suitable for research purposes and are valid for assessing their respective constructs. The figure below provides a summary of the loading factor values for each construct indicator.

Hypothesis Research

In hypothesis testing there are significant values between variables where these significant values are obtained through bootstrapping procedures. The significance of the hypothesis is seen from the value of the parameter coefficient and the significance value of t-statistics in the results of the bootstrapping algorithm. To find out a significant relationship or not seen from the t-table at alpha 0.05 (5%) or equal to 1.96 then the t-table is compared with t-count.

Table 1 Result of hypothesis research

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
X1 -> Y	0.461	0.441	0.104	4.435	0.000
X1 - Z ->Y	0.467	0.397	0.116	3.876	0.035
X2 -> Y	0.452	0.431	0.107	4.181	0.003
X2 - Z ->Y	0.322	0.315	0.115	1.029	0.107
X3 -> Y	0.448	0.366	0.109	3.942	0.029
X3 - Z ->Y	0.438	0.398	0.112	4.251	0.038
Z -> Y	0.401	0.356	0.118	3.030	0.041

1. Analysis of the Effect of Service Quality on the Switching intention

Based on the hypothesis test in this study, the results of the T-Statistic value were obtained at 4.435, then the P-Value value was 0,000 and the original sample value was 0,461. The T-Statistic value exceeds the T-Table value of 1.69, then the P-Value value corresponds to the recommended value, which is less than 0.05.

2. Analysis of the influence of information seeking behavior on the switching intention

Based on the hypothesis test in this study, the results of the T-Statistic value of 4.181 were obtained, then the P-Value value of 0.003 and the original sample value of 0.452. The T-Statistic value exceeds the T-Table value of 1.69, then the P-Value value corresponds to the recommended value, which is less than 0.05.

3. Analysis of the Effect of Alternative Attractiveness on the Switching intention

Based on the hypothesis test in this study, the results of the T-Statistic value were obtained at 3.942, then the P-Value value was 0.029 and the original sample value was 0.448. The T-Statistic value exceeds the T-Table value of 1.69, then the P-Value value corresponds to the recommended value, which is less than 0.05.

4. Analysis of the effect of the effect of service quality on the switching intention with moderation of individualism level

Based on the hypothesis test in this study, the results of the T-Statistic value of 3.876, then the P-Value value of 0.035 and the original sample value of 0.467. The T-Statistic value exceeds the T-Table value of 1.69, then the P-Value value corresponds to the recommended value, which is less than 0.05.

5. Analysis of the influence of information seeking behavior on the switching intention with moderation of individualism levels

Based on the hypothesis test in this study, the results of the T-Statistic value of 1.029, then the P-Value value of 0.107 and the original sample value of 0.322. The T-Statistic value is less than the T-Table value of 1.69, then the P-Value value does not match the recommended value of more than 0.05.

6. Analysis of the influence of alternative attractiveness on the switching intention with moderation of the individualism level

Based on the hypothesis test in this study, the results of the T-Statistic value were obtained at 4.251, then the P-Value value was 0.038 and the original sample value was 0.438. The T-Statistic value exceeds the T-Table value of 1.69, then the P-Value value corresponds to the recommended value, which is less than 0.05.

7. Analysis of the influence of individualism level on the switching intention

Based on the hypothesis test in this study, the results of the T-Statistic value of 3.030 were obtained, then the P-Value value of 0.041 and the original sample value of 0.401. The T-Statistic value exceeds the T-Table value of 1.69, then the P-Value value corresponds to the recommended value, which is less than 0.05.

Conclusions

The purpose of this study was to analyze the relationship between dependent switching intention, with independent variables of service quality, information seeking behavior, alternative attractiveness, and individualism level as moderation variables. The results of this study show that the quality of service has a positive and significant effect on the switching

intention and the H1 hypothesis is declared accepted, information seeking behavior has a positive and significant effect on the switching intention and the H2 hypothesis is declared accepted, alternative attractiveness has a positive and significant effect on the switching intention and the H3 hypothesis is declared accepted, the quality of service moderated individualism level on desire Switching has a positive and significant effect and the H4 hypothesis is accepted, the moderated information search perception of individualism level towards the switching intention is influential but not significant and H5 is rejected, the attraction of alternatives moderated by individualism level to the switching intention has a positive and significant effect and the H6 hypothesis is accepted, individualism level has a positive and significant effect on the switching intention and the H7 hypothesis is declared accepted.

References

- Astuti, Y., Eliana, E., & zarman, n. (2021). Perilaku Switching Behavior Pengguna Electronic Commerce (e-Ceommerce) di Kota Langsa dengan Model Migrasi Konsumen Push, Pull Mooring. *SI-MEN (Akuntansi Dan Manajemen) STIES*, 10(1), 9-21. Retrieved from <http://jurnal.stiesabang.ac.id/index.php/simen/article/view/226>
- Bansal, H. S., Taylor, S. F., & James, Y. S. (2005). "Migrating" to new service providers: Toward a unifying framework of consumers' switching behaviors. In *Journal of the Academy of Marketing Science* (Vol. 33, Issue 1, pp. 96–115). <https://doi.org/10.1177/0092070304267928>
- Chang, H. H., Wong, K. H., & Li, S. Y. (2017). Applying push-pull-mooring to investigate channel switching behaviors: M-shopping self-efficacy and switching costs as moderators. *Electronic Commerce Research and Applications*, 24, 50–67. <https://doi.org/10.1016/j.elerap.2017.06.002>
- dataindonesia.id. (19 Januari 2022). Pengguna Bank Digital RI Diproyeksi Capai 75 Juta pada 2026. Diakses pada 7 September 2022, dari <https://dataindonesia.id/digital/detail/pengguna-bank-digital-ri-diproyeksi-capai-75-juta-pada-2026>.
- Guo, J., Shan, S., Wang, Y., & Khan, Y. A. (2021). Analyzing Chinese Customers' Switching Intention of Smartphone Brands: Integrating the Push-Pull-Mooring Framework. *Discrete Dynamics in Nature and Society*. <https://doi.org/10.1155/2021/6660360>
- Haridasan, A. C., Fernando, A. G., & Balakrishnan, S. (2021). Investigation of consumers' cross-channel switching intentions: A push-pull-mooring approach. *Journal of Consumer Behaviour*, 20(5), 1092–1112. <https://doi.org/10.1002/cb.1918>

- Hair, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2017). *Classroom Companion: Business Partial Least Squares Structural Equation Modeling (PLS-SEM) Using R AAWorkbook*.
- Jabeen, S., Bakar, A., Hamid, A., & Rehman, S. U. (2015). International Journal of Economics and Financial Issues Switching Intentions: A Case of Saudi Arabian Hypermarkets. *International Journal of Economics and Financial Issues*, 5, 10–11. <http://www.econjournals.com>
- Kotler, P., & Keller, K. L. (2016). *Marketing management*.
- Sekaran & Bougie, (2016). *Research Methods for Business : A Skill Building Approach Seventh Edition. United States of America : Wiley*
- Wardani, Suhata. (2020). *Pengaruh Organizational Climate Terhadap Destructive Deviance Dan Constructive Deviance Dengan Individualism Dan Collectivism Sebagai Variabel Pemoderasi. (Thesis, Universitas Airlangga)*. <https://repository.unair.ac.id/95986/>
- Agarwal, R., & Dhingra, S. (2023). Factors influencing cloud service quality and their relationship with customer satisfaction and loyalty. *Heliyon*, 9(4), e15177. doi:10.1016/j.heliyon.2023.e15177
- Agustina, T. S., & Arganata, M. E. P. (2023). Determining Factors in SMEs Innovation Performance: An Empirical Study in Indonesia. *INOBIS: Jurnal Inovasi Bisnis dan Manajemen Indonesia*, 6(2), 149-162.
- Azari, A., Vanoirbeek, J. A. J., Van Belleghem, F., Vleeschouwers, B., Hoet, P. H. M., & Ghosh, M. (2023). Sampling strategies and analytical techniques for assessment of airborne micro and nano plastics. *Environ Int*, 174, 107885. doi:10.1016/j.envint.2023.107885
- Hidayat, T., & Mahardiko, R. (2021). A mathematical model to forecast future banking income. *International Journal of Mathematics in Operational Research*, 19(4), 515-529.
- Indaryani, L., & Wulandari, R. (2022). Effect of Service Quality and Trust on Revisiting Interest toward Customer Satisfaction. *International Journal of Management Science and Application*, 1(2), 68-78.
- Vuchkovski, D., Zalaznik, M., Mitređa, M., & Pfajfar, G. (2023). A look at the future of work: The digital transformation of teams from conventional to virtual. *Journal of Business Research*, 163, 113912. doi:<https://doi.org/10.1016/j.jbusres.2023.113912>