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Key Factors Influencing Adoption of Online Dispute Resolution in Banking Sector: An Empirical Analysis

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Abstract

Background: Online dispute resolution system helps banks to reduce expenses and time associated with dispute resolution while enhancing client satisfaction and loyalty However, it faces several challenges necessitating the establishment of standards to ensure consistency and security.

Objectives: Many online dispute resolution (ODR) services like email, chat, and video conferencing offer global grievance solutions, yet individuals face challenges due to diverse regulations, leading to security, privacy, and connectivity issues. Thus, this study aims to understand how customers perceive online dispute resolution for resolving banking issues.

Methods: The research adopts an explanatory research design and employs a convenient sampling method for data collection. It's grounded in the Unified Theory of Acceptance and Use of Technology theory. A total of 403 data points were gathered using structured questionnaires and were analyzed using both descriptive and inferential analysis.

Results: This study reveals that the trust placed in ODR technology, trust in the bank's services, and the perceived ease of use (effort expectancy) are crucial determinants shaping individuals' intentions to engage with ODR. The challenges of limited technology access, lack of awareness and trust, and inadequate infrastructure pose constraints on online dispute resolution's effectiveness. Addressing these limitations involves enhancing access to technology, and infrastructure and organizing awareness programs as managerial solutions.

Conclusion: Trust in ODR technology, trust in the bank's services, and perceived ease of use are key factors influencing individuals' intentions to utilize ODR. Challenges, including limited technology access, lack of awareness and trust, and inadequate infrastructure, pose significant constraints on the effectiveness of online dispute resolution. Managerial solutions should prioritize enhancing technology access, improving infrastructure, and implementing awareness programs to overcome these barriers and optimize the potential of ODR.

Keywords: Alternative dispute resolution, behavioral intention, grievances, online dispute resolution, partial least square structural equation modeling

JEL Classification: B16, B23, C21, C83, G21

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Introduction

Effective customer protection plays a crucial role, with customer complaint resolution being a key component. Resolving customer complaints promptly and effectively is vital for consumer protection, as it boosts customer confidence and elevates banking standards (Adeleke & Suraju, 2012; Bellamkonda, & Sheel, 2023). Failure to address grievances in a timely manner can escalate conflicts, as both parties hold their own perspectives and opinions. It is essential to establish an efficient Online Dispute Resolution (Afzalur, 2002). Online dispute resolution has emerged as a promising approach that encompasses various methods of resolving disputes, wholly or partially utilizing virtual platforms within open or closed networks (Rule, 2003; Saygili, Mert, & Tokdemir, 2022). Online dispute resolution can be considered as any method of dispute resolution in which wholly or partially an open or closed network is used as a virtual location to solve a dispute (Carneiro et al., 2012; Schmitz & Rule, 2019). The term "Online Dispute Resolution" is presently the most frequently used when discussing information and communication technology enabled dispute settlement, especially when it takes place online (Omoola, 2016).

In the fintech industry, recognizing and addressing the specific obstacles encountered by online dispute resolution is crucial for its successful implementation as an alternative dispute resolution mechanism (Suryono et al., 2021). The need for quicker and more effective dispute resolution, the expansion of digital banking services, and the increasing demand for convenient and accessible mechanisms have driven the adoption of Online dispute resolution platforms in the banking sector. Online dispute resolution systems can help banks reduce expenses and time associated with dispute resolution while enhancing client satisfaction and loyalty (Komunda & Osarenkhoe, 2012).

ODR has contributed to improving access to justice in the online realm, offering faster and more cost-effective conflict resolution compared to traditional litigation and alternative dispute resolution methods (Tan, 2019). The banking sector can particularly benefit from the use of information technology in Online dispute resolution systems, especially for parties located across different geographical regions. Online dispute resolution enables shorter travel times, lower expenses, streamlined procedures, and faster resolutions. Various online dispute resolution services such as email, instant messaging, chat rooms, and video conferencing offer global solutions to grievances (Sela, 2017). However, online dispute resolution systems face challenges such as security concerns, privacy issues, risks, and connectivity problems due to their diverse and scarce regulatory frameworks, necessitating the establishment of standards to ensure consistency and security (Drigă & Isac, 2014).

By examining the factors influencing the adoption of online dispute resolution in banks and work effectiveness, this study seeks to partially fill the vacuum left by earlier studies. This study is designed to address the following problems because there is a lack of knowledge regarding the various online

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dispute resolution concepts, leaving several questions unanswered: What are the factors influencing the adoption of online dispute resolution in bank? What are the problems faced by customers in online dispute resolution in bank? What is the management strategy for enhancing online dispute resolution in banks?

Review of Literature

In the present era, the convergence of technology and human expertise has brought about a new phase of global expansion, marked by the transition towards a paperless environment. Whether referred to as going paperless, adopting digital office practices, implementing document management, or embracing a digital practice model, the trend towards digitalization is evident (Gupta, 2015). Technological advancements, financial liberalization, and the widespread use of the internet are driving the emergence of borderless markets. To thrive in this global landscape, banks have harnessed technology and automation to an unprecedented extent. Bank websites now offer not only traditional services like fund transfers and account information, but also facilitate stock trading on international markets, bill payments, check book requests, credit card applications, and global investment advice (Murinde et al., 2022). However, challenges associated with internet banking include security concerns, privacy issues, risks, and connectivity problems (Drigă & Isac, 2014).

A study conducted by Yuen et al. (2015) in the United States revealed that consumers hold a positive perception of online banking. According to a study conducted by (Corney, 2016) factors such as access to a wide range of financial products and services, positive attitudes toward money, and trust in the internet significantly influence Europeans' adoption of internet banking. In developing countries like India, electronic banking distribution networks have expanded over time, but customer acceptance of internet banking remains slow (Chauhan et al., 2019). In the Philippines, customers express wariness towards internet and mobile banking due to concerns about potential financial risks. News about banking fraud, whether through traditional branches or online platforms, creates obstacles for the mainstream adoption of technology. To address this resistance, banks must actively communicate with consumers about the security measures in place (Atienza, 2018). Similarly, in Indonesia, customers' decision to utilize internet banking services depends on factors such as ease of use, trust, and risk. Neglecting these factors can result in a waste of time and money for customers (Candra, 2019). According to Pokhrel et al., 2020, the development of banking services in Nepal has been relatively slow. Internet banking in Nepal offers several advantages, including online tax payment, balance checking, stock trading, money remittance, electronic bill payment, and fund transfers. It provides cost and time savings, instant transactions, and easy access to information for customers. However, the development and widespread use of online banking face obstacles such as legal and security difficulties, as well as managerial challenges (Estrada, 2020).

Different theories are explored in relation to the factors influencing the adoption of ODR in banks in

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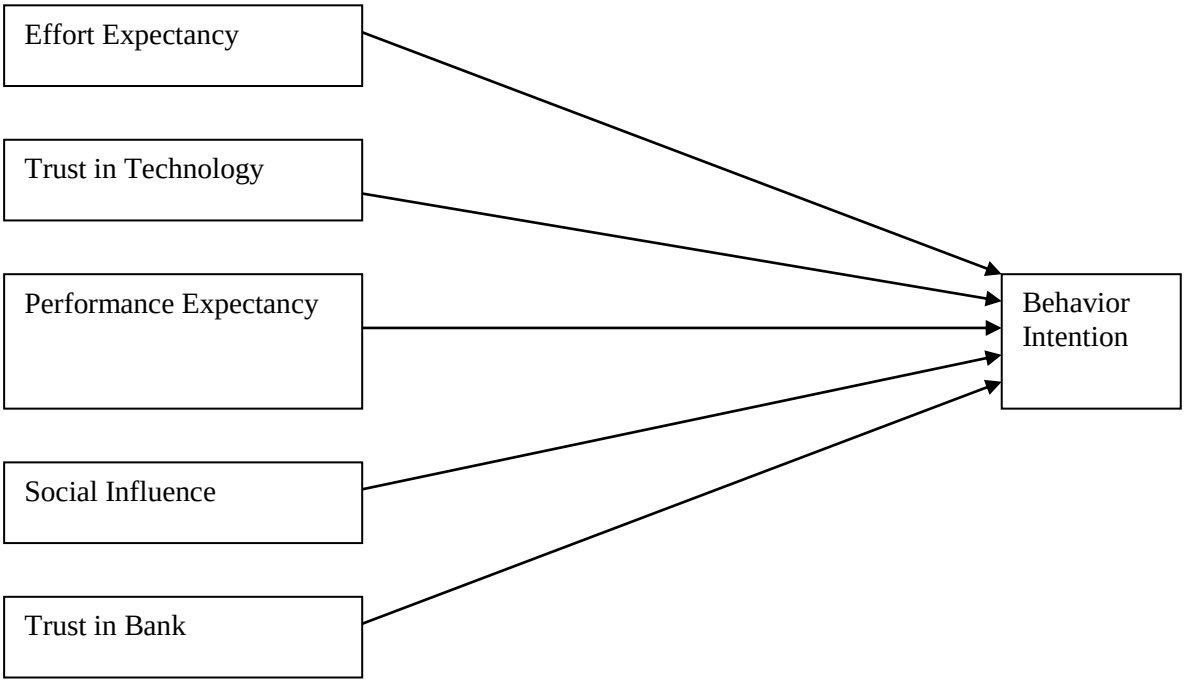
developed and developing countries. For this purpose, the theory of planned behavior (TPB), theory of reasoned action (TRA), unified theory of acceptance and use of technology (UTAUT), and technology acceptance model (TAM) were reviewed. TAM states that intention is explained by attitude, which in turn is predicted by perceived ease of use, perceived usefulness, and subjective norms (Davis et al., 1989). Similarly, in UTAUT (Venkatesh et al. (2012), eleven constructs are established to be the determinants of behavioral intention. According to UTAUT, the intention of the customer is equally influenced by their attitude, subjective norms, and behavior Intention. This intention refers to an individual's willingness to engage in a specific action. The theory of reasoned action, proposed by Azjen and Fishbein (1975), explains that customer intention determines their behavior depends on attitude and social perceived behavior (Mohammad et al., 2021). Likewise, the Theory of Planned Behavior (TPB), illuminates that behavioral intention is influenced by attitudes toward behavior, subjective standards, and perceived behavioral control in humans' behavior (La Barbera & Ajzen, 2021). After a thorough review of some possible theories to be employed for this study, the UTAUT theory is employed as it is the best to test the behavior intention of customers and it is the latest model modified from TAM.

The conceptual framework of this study is depicted below. For the model, the possible variables were identified to be effort expectancy, trust in technology, trust in banks, social influence, and behavior intention and performance expectancy. Effort expectancy, trust in technology, trust in the bank, social influence, and performance expectancy are independent variables whereas behavior intention is the dependent variable.

Figure 1

Conceptual Model



Source: Modified from UTAUT, 2012.

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Effort Expectancy

Effort expectancy refers to the perceived ease of use or the perceived effort required for adopting and using a particular technology or system (Sharma & Mishra, 2014). In the context of online dispute resolution (ODR), it represents the extent to which individuals believe that using ODR will be convenient, effortless, and user-friendly. Effort expectancy plays a crucial role in influencing behavioral intentions to adopt ODR. It is a component of the Technology Acceptance Model (TAM) that focuses on users' perceptions of the effort required to adopt and use a new technology (Thakur, 2013). When individuals perceive ODR as easy to use and understand, they are more likely to have a positive attitude toward adopting the technology and engaging in online dispute resolution processes (Casey & Wilson-Evered, 2012). When individuals consider using a new technology or system, their assessment of effort expectancy plays a significant role in their decision-making process (Shin, 2021). Users evaluate how much effort they believe will be required to learn and operate the technology, as well as the potential challenges they may encounter along the way.

H1: Effort expectancy has a significant influence on behavior intention to adopt online dispute resolution.

Trust in Technology

Trust in technology refers to the belief or confidence individuals have in the reliability, security, and effectiveness of technology-mediated systems, particularly in the context of dispute resolution (Avgerou et al., 2009; Bodó, 2021). It encompasses factors such as perceptions of system integrity, data privacy and security, user-friendliness, and the perceived ability of technology to handle disputes effectively (Sigala, 2004). Individuals who have higher levels of trust in technology are more likely to express a positive intention or willingness to adopt and use ODR systems. Higher levels of trust may foster confidence in the security and confidentiality of personal information shared during the dispute resolution process (Abedi et al., 2019). It can also enhance perceptions of fairness, efficiency, and effectiveness of ODR systems, leading to a greater likelihood of adoption. Trust in technology may also influence individuals' perceptions of convenience, ease of use, and overall satisfaction with the ODR process, further influencing their intention to adopt.

H2: Trust in technology has a significant influence on behavior intention to adopt online dispute resolution.

Performance Expectancy

Performance expectancy, as a significant factor, plays a crucial role in shaping individuals' behavioral intention to adopt online dispute resolution (ODR). When individuals consider using ODR, they form expectations about the effectiveness and anticipated outcomes of this dispute resolution method (Rana & Dwivedi, 2015). These performance expectations heavily influence their intention to adopt ODR. When individuals perceive ODR as a reliable and effective means of resolving disputes online, they are more likely to develop a positive attitude towards its adoption (Ward & Brown, 2004). If they believe

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that ODR can efficiently address their conflicts and deliver satisfactory outcomes, such as fair resolutions, reduced costs, and convenience, their confidence in the effectiveness of ODR increases. This positive perception builds strong performance expectancy (Tax et al., 1998). Individuals who hold high performance expectations are more inclined to express a favorable behavioral intention to adopt ODR. When individuals perceive ODR as an effective and reliable mechanism for resolving disputes, they are more likely to develop a positive attitude and express a stronger intention to utilize this technology-driven approach (Chauhan et al., 2021). Therefore, enhancing individuals' performance expectations by highlighting the benefits and successful outcomes of ODR can encourage its adoption and acceptance as an efficient method for resolving conflicts in the digital era.

H3: Performance expectancy has a significant influence on behavior intention to adopt online dispute resolution.

Social Influence

Social influence is crucial in shaping individuals' behavior and decision-making processes, particularly when it comes to the adoption of online dispute resolution (ODR) (Venkatesh et al., 2000). The decision to adopt ODR is not solely determined by personal factors but is heavily influenced by the social environment. Social influence manifests through normative pressure exerted by significant others and societal expectations (Lu, 2014). People often conform to the behavior and opinions of their social groups, seeking acceptance and approval. In the context of ODR adoption, individuals may be more inclined to embrace this alternative dispute resolution method if they perceive it as a widely accepted and valued option within their social circles (Napitupulu et al., 2021). Normative pressure, informational influence, and the power of social media and online communities all play pivotal roles in shaping individuals' behavioral intentions regarding ODR (Park & Lee, 2008). Recognizing the impact of social influence can help stakeholders in the ODR field develop effective strategies to promote its adoption and facilitate its integration into society.

H4: Social influence has a significant influence on behavior intention to adopt online dispute resolution.

Trust in Bank

Trust in a bank also plays a crucial role in shaping individuals' intentions to embrace online dispute resolution (ODR) mechanisms (Bodó, 2021; Gaggioli et al., 2019). When customers place their trust in a bank, they develop a sense of confidence in the institution's ability to handle their financial affairs effectively and ethically (Yousafzai et al., 2003). This trust extends beyond basic banking transactions to include the resolution of disputes that may arise in their online interactions.

The level of trust individuals has in their bank strongly influences their behavioral intentions towards ODR (Luarn & Lin, 2005). If customers perceive their bank as trustworthy, they are more likely to adopt and utilize online dispute resolution methods when faced with conflicts or issues related to their banking activities (Rotchanakitumnuai & Speece, 2003). This trust is built upon the bank's reputation,

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reliability, security measures, and the effectiveness of their customer support. When customers trust their bank, they believe that the ODR process offered by the institution will be fair, transparent, and impartial (Grabner-Kräuter & Kaluscha, 2003). They have confidence that their concerns will be addressed promptly and professionally. Trust in the bank creates a perception of reliability and reduces uncertainty, encouraging customers to opt for online dispute resolution.

H5: Bank trust has a significant influence on behavior intention to adopt online dispute resolution.

Materials and Methods

The research methodology is primarily quantitative in nature. This study employs an explanatory research design based on the Unified Theory of Acceptance and Use of Technology (UTAUT) to explore the adoption of online dispute resolution (ODR) in the banking sector, with a focus on customer perceptions in Kathmandu Valley, Nepal. The research includes 403 bank customers selected through a convenient sampling method under non – probability sampling technique as the population in this study is unknown, utilizing structured questionnaires as the primary data collection tool. The sample size was calculated by using Cochran's formula (i.e. $n = z^{2pq}/_{e2}$. where, n = required sample size of the study, z (tabulated value for 5% level of significance) =1.96, p (Prevalence of customers) = 50%=0.5, q = 1-p, =0.5 and e (Allowable tolerated) =5%. The total sample for the study = (1.96)2 ×0.5×0.5/ (0.05)2=384.16. We have also added non-response error (5%) = 384.16 ×5/100= 19.20. Thus, the total sample size for the study is (384.16+19.20) =403.36 (≈ 403). The questionnaire was borrowed and modified from the past studies and research related questions were in the form of a 5-point Likert scale, subjective questions and multiple choice. The survey instruments use variables such as trust in ODR technology, trust in the bank's services, perceived ease of use, and behavioral intention to adopt ODR. Collected data undergoes descriptive analysis for socio-demographic interpretation, challenges faced, and managerial solutions. Inferential analysis, employing Partial Least Square Structural Equation Modeling (PLS-SEM), tests hypotheses and establishes variable relationships. The study integrates continuous evaluation mechanisms, featuring a structural model with path analysis to assess relationships between latent constructs.

Table 1

Variables and its Definition

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Construct	*Observe Variables*	*Indicators*	*Explanation*
Performance Expectancy	*Possibility*	*PE-1*	*Possibility to resolve disputes online without the need to go to the bank.*
	Fast, seamless, and cost-effective	*PE-2*	*Resolving banking disputes online is a fast, seamless, and cost-effective*
	Dispute resolution platform	*PE-3*	*Internet banking disputes can be resolved through an online dispute resolution platform*
	Grievances	*PE-4*	*Online dispute resolution enables to solve grievances more quickly*
	Useful	*PE-5*	*ODR platform is useful to solve grievances*
Social Influence	Awareness	SI-1	Awareness of Online Dispute Resolution (ODR) as a dispute resolution methods
	Modern way	SI-2	Online Dispute Resolution (ODR) is the modern way of resolving dispute
	Opportunity	SI-3	Opportunity using Online Dispute Resolution
	Paper savings	SI-4	Adopting an Online Dispute Resolution platform will result in paper savings.
	Widely	SI-5	Online Dispute Resolution platform is widely used among people.
Trust in Banks	Confidence	TB-1	Access to justice boosts my confidence in the banking industry
	Easy	TB -2	Internet banking services have made banking activities easier
	Saving	TB -3	Resolving banking disputes over the internet saves time and cost
	Security	TB -4	Banks are secured for solving disputes.
Trust in ODR Technology	Assessment	TT-1	It is preferable to have an assessment of every decision obtained online.
	Implementation	TT-2	It is preferable to implement a dispute settlement platform on the Smartphone Apps of banks
	Websites of bank	TT-3	It is preferable to implement a dispute settlement platform on the website of banks
	Feasibility	TT-4	It is feasible to implement an online platform for dispute resolution in banking
Behavioral intention	Resolve	BI1	Resolve a dispute within the shortest possible time
	Separate process	BI2	It is preferable to have a separate process for resolving banking disputes and complaints online
	Plan	BI3	Plan to use Online Dispute Resolution (ODR)

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Effort Expectancy	Preference Islamic bank	EE-1	Preference to solve a dispute online
		EE-2	Preference to open an account with an Islamic bank that has an online procedure for resolving complaints
	Recommendation	EE-3	Recommend a bank that has an online procedure for resolving disputes to a friend
	Preference of Monitoring	EE-4	Monitor the status of a dispute online rather than making a phone call
	Monitoring through a Smartphone App	EE-5	Monitor the status of a dispute through a Smartphone App

Source: Umar and Oseni (2017).

Result and Discussion

Socio-demographic Characteristics

The socio-demographic data typically pertains to the respondent individual traits. Age, sex, and education level were the variables examined for the socio demographic characteristics. Table 2 reveals the socio-demographic characteristics of respondents where the males number is slightly higher (i.e., 52.48%) and by age, the age group between 26-33 are highest (47.03%). Further, half of the respondents have a bachelor's level education (49.26%). It reveals that most of the respondents are from Lalitpur district which is 187 (46.29%), 41.34% of respondents are from Kathmandu district, and 12.38% respondents are from Bhaktapur district.

Table 2

Socio-demographic Table

Title	Category	Number	Percentage
Age	18-25	88	21.78
	26-33	190	47.03
	34-41	77	19.06
	41-48	31	7.67
	49 or above	18	4.46
Gender	Male	212	52.48
	Female	192	47.52
District	Kathmandu	167	41.34
	Lalitpur	187	46.29
	Bhaktapur	50	12.38
Education Level	SEE	8	1.98
	Higher Secondary	102	25.25
	Bachelors	199	49.26
	Master's and above	95	23.51

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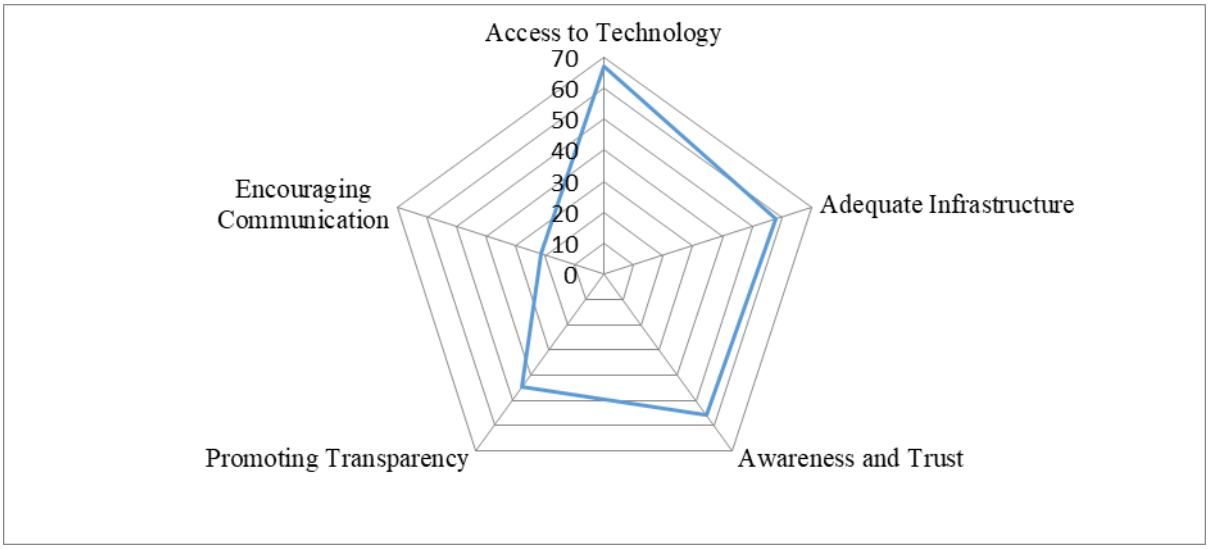
Source: Based on authors' calculation and field survey, 2023.

Challenges in Online Dispute Resolution and Managerial Solutions

There are several challenges that customers face regarding ODR. The majority of the respondents (67.82%) stated that limited access to technology, followed by lack of awareness and trust (58.91%), inadequate infrastructure (56.93%), language barriers (45.3%), and data privacy and security (25.5%) are the major problems of ODR. When asked about the possible managerial solution regarding the challenges, the most common solution is to provide access to technology to the customers through financial literacy programs and proper guidance to increase the reach of online banking and adequate infrastructure or to increase internet facilities to increase the use of online dispute resolution.

Figure 2

Managerial Solutions for Reducing Challenges on Online Dispute Resolution Platforms



Inferential Analysis

In addition to descriptive analysis, the study also used inferential analysis where statistical tests were performed to check if our hypotheses matched the study's goals and data. We looked at things like potential biases, how we measured things, and how different variables relate to each other. These thorough analyses helped make our study's findings more reliable and trustworthy.

Common Method Bias: As suggested by Kock (2015), the possibility of common method bias was investigated by testing the whole collinearity because the data were only collected from a single source. If the VIF value is less than 3.3, there won't be any bias from the single source of data. The analysis revealed that the VIF was less than 3.3, demonstrating that single source bias is not a significant issue with the data in a table.

Table 3

Common Method Bias

	Bi	Ee	Pe	si	tb	Tt

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VIF	2.843	1.105	1.272	1.297	1.245	2.665

Source: Based on authors' calculation and field survey, 2023.

Measurement Model: The assessment of a measurement model's ability to accurately measure the intended construct is carried out through a procedure referred to as measurement model evaluation. In this assessment, the measurement's validity, reliability, and accuracy are all assessed (Hair, et al 2020). Using the two-step methodology, the validity and reliability of the measurement model were assessed by Hair et al.'s (2019) guidelines. Internal consistency reliability, convergent, and discriminant validity are tested in the measurement model.

For internal consistency reliability, Cronbach's alpha (CA) and composite reliability (CR) were measured. The CAs values and CRs values need to be greater than 0.5 and 0.7 respectively (Cheung et al., 2023). Again, convergent validity was measured using AVE and loading which need to be greater than 0.5 (Kamis et al., 2020). Since all the CAs > 0.5 and CRs are > 0.7 and AVE are > 0.5 (see Table 4), there is no issue of internal consistency reliability and convergent validity.

Table 4

Internal Consistency Reliability and Convergent Validity

Constructs	Items	Loadings	Cronbach Alpha (CA)	Composite Reliability(CR)	Average Variance Extract(AVE)
Behavioral Intention	BI1	0.724	0.846	0.886	0.609
	BI2	0.751			
	BI3	0.73			
	BI4	0.807			
	BI5	0.879			
Effort Expectancy	EE1	0.677	0.833	0.877	0.589
	EE2	0.828			
	EE3	0.792			
	EE4	0.773			
	EE5	0.76			
Performance Expectancy	PE1	0.856	0.848	0.888	0.614
	PE2	0.853			
	PE3	0.737			

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	PE4	0.749			
	PE5	0.71			
Social Infuence	SI1	0.801	0.935	0.951	0.795
	SI2	0.879			
	SI3	0.929			
	SI4	0.92			
	SI5	0.923			
Trust In Bank	TB1	0.389	0.755	0.846	0.598
	TB2	0.855			
	TB3	0.933			
	TB4	0.799			
Trust in Technology	TT1	0.389	0.738	0.829	0.552
	TT2	0.855			
	TT3	0.933			
	TT4	0.799			

Source: Based on authors' calculation and field survey, 2023.

Similarly, the HTMT criterion, the Fornell and Larcker criterion, and cross loading were evaluated for discriminant validity. The HTMT values should be ≤ 0.85 the stricter criterion and the mode lenient criterion is- it should be ≤ 0.90. As shown in Table 5, all the values of HTMT were lower than the stricter criterion of ≤ 0.90 as such it can be concluded that the respondents understood that the constructs are distinct (Franke and Sarstedt, 2019). Likewise, the Fornell and Larcker criterion was evaluated which stated that the square root of the average variance extracted (AVE) for each construct should be greater than the strongest correlation between that construct and every other construct in the model (Limayem & Cheung, 2008). This was also satisfied by this study. Similarly, the cross-loading indications on the assigned construct must be greater than all loading on other constructs when considering the cross-loadings (Pasha et al., 2017). All the aforementioned criteria have been fulfilled (see Table 5), signifying a strong presence of discriminant validity. Hence, the data is suitable for further analysis.

Table 5

HTMT for Discriminant Validity Test

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	bi	ee	pe	si	tb
bi					
ee	**0.534**				
pe	0.281	**0.461**			
si	0.482	0.522	**0.425**		
tb	0.634	0.681	0.489	**0.566**	
tt	0.735	0.492	0.428	0.675	**0.802**

Source: Based on authors' calculation and field survey, 2023.

Table 6

Fornell and Larcker for Discriminant Validity Test

	Bi	Ee	pe	si	Tb	tt
bi	**0.781**					
ee	0.49	**0.768**				
pe	0.265	0.42	**0.783**			
si	0.448	0.489	0.389	**0.892**		
tb	0.56	0.58	0.433	0.507	**0.773**	
tt	0.698	0.401	0.312	0.528	0.579	**0.743**

Source: Based on authors' calculation and field survey, 2023.

Table 7

Cross loadings for Discriminant Validity Test

	Bi	ee	pe	si	Tb	Tt
bi1	**0.724**	0.298	0.178	0.356	0.43	0.87
bi2	**0.751**	0.426	0.199	0.302	0.437	0.358
bi3	**0.73**	0.344	0.131	0.268	0.298	0.291
bi4	**0.807**	0.377	0.208	0.326	0.414	0.398
bi5	**0.879**	0.483	0.294	0.441	0.541	0.517
ee1	0.147	**0.677**	0.242	0.214	0.351	0.107
ee2	0.464	**0.828**	0.372	0.432	0.523	0.393
ee3	0.311	**0.792**	0.279	0.319	0.425	0.225
ee4	0.378	**0.773**	0.277	0.343	0.418	0.276
ee5	0.428	**0.76**	0.389	0.464	0.46	0.392
pe1	0.224	0.393	**0.856**	0.29	0.413	0.243
pe2	0.288	0.4	**0.853**	0.342	0.472	0.299
pe3	0.109	0.295	**0.737**	0.188	0.295	0.161
pe4	0.153	0.26	**0.749**	0.309	0.21	0.229
pe5	0.185	0.246	**0.71**	0.354	0.205	0.244
si1	0.342	0.442	0.389	**0.801**	0.456	0.424
si2	0.365	0.427	0.317	**0.879**	0.393	0.402
si3	0.414	0.41	0.309	**0.929**	0.462	0.506
si4	0.415	0.478	0.375	**0.92**	0.481	0.474
si5	0.449	0.432	0.351	**0.923**	0.466	0.535
tb1	0.177	0.188	0.143	0.1	**0.389**	0.177
tb2	0.41	0.492	0.365	0.307	**0.855**	0.383
tb3	0.598	0.575	0.389	0.481	**0.933**	0.536
tb4	0.423	0.435	0.384	0.556	**0.799**	0.598
tt1	0.385	0.416	0.324	0.434	0.671	**0.636**

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tt2	0.324	0.366	0.369	0.511	0.518	**0.654**
tt3	0.513	0.2	0.178	0.383	0.243	**0.786**
tt4	0.724	0.298	0.178	0.356	0.43	**0.87**

Source: Based on authors' calculation and field survey, 2023.

Structural Model

A structural model is a visual representation or conceptual framework that highlights the connections and interactions between different parts of a system. Partial Least Square Structural Equation Modeling (PLS-SEM) is conducted in Structural Modeling. It is a statistical technique used to analyze the relationships between latent constructs and their indicators, as well as the relationships between the latent constructs themselves (Hair et al., 2019). A 10,000-sample re-sample bootstrapping approach was used to report path coefficients, standard errors, t-values, and p-values for the structural model (Hair et al., 2019).

Figure 3

Path Analysis

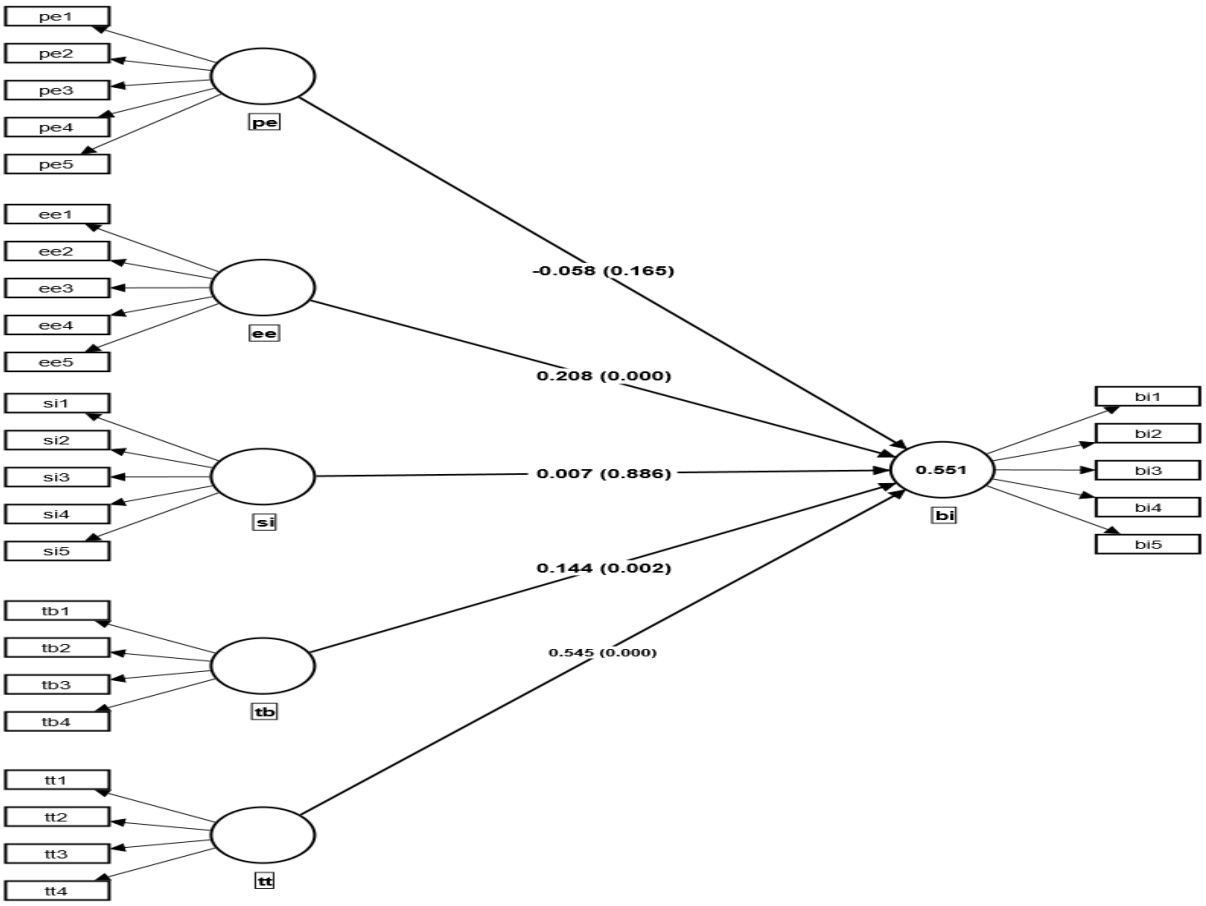

Figure 3 shows the summary of the criterions which have been used to test the hypotheses developed. Here Behavioral Intention (BI) is the endogenous latent construct and Performance Expectancy (PE), Effort Expectancy (EE), Social Influence (SI), Trust in Bank (TB), and Trust in Technology (TT) are exogeneous latent constructs. In this model, the beta coefficient between EE and BI is 0.208 which means that when EE changes by 1 unit BI changes by 0.208 units. The beta coefficient between TB and BI is 0.144 which means that when TB changes by 1 unit BI changes by 0.144 units. The beta

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coefficient between TT and BI is 0.545 which means that when TT changes by 1 unit BI changes by 0.545 units. Additionally, the R2 for S is 0.551 which means that 55.1% of the variation in Behavioral Intention is explained by Effort Expectancy, Trust in Technology, and Trust in Bank.

Hypothesis Testing

Hypothesis testing is defined as statistical tools used to make inferences or draw conclusions about a population based on a sample of data. It includes formulating a hypothesis and testing the relationship between variables.

Table 8

Hypothesis Testing

	Beta	SD	t values	P values	LL 2.5%	UL 97.5%	Result
H1: ee -> bi	0.208	0.045	4.584	0	0.117	0.294	Supported
H2: tt -> bi	0.545	0.039	14.166	0	0.467	0.617	Supported
H3: pe -> bi	-0.058	0.041	1.39	0.165	-0.144	0.019	Not Supported
H4: si -> bi	0.007	0.051	0.144	0.886	-0.092	0.107	Not Supported
H5: tb -> bi	0.144	0.046	3.141	0.002	0.053	0.234	Supported

Source: Based on authors' calculation and field survey, 2023.

Table 8 shows the result of hypothesis testing which shows some of the hypotheses are supported, indicating that there is a significant relationship between the dependent and independent variables. The hypothesis in which the β-coefficient lies within the lower limit and upper limit confidence interval is accepted. In this study, H1, H2, and H5 are accepted as its β-values lie within the LL and UL coefficients. This means Effort Expectancy, Trust in Technology, and Trust in Bank has a significant relationship with Behavioral Intention.

Key Findings

S. N	Specific Objective	Method analysis	Statistical Tools	Findings
1	To investigate the factors influencing the adoption of ODR in banks.	Structural Equation Model (SEM)	Smart-PLS v4.0	Key determinants identified include trust in Online Dispute Resolution technology, trust in the bank's services, and perceived ease of use. These factors play a pivotal role in shaping individuals' intentions to engage with Online Dispute Resolution for resolving banking disputes.
2	To identify problems faced by customers due to ODR in the bank.	Descriptive Analysis	MS-EXCEL	Problems Faced by Customers involve limited technology access, lack of awareness, and inadequate infrastructure, which pose constraints on the effectiveness of Online Dispute Resolution.
3	To identify management	Descriptive Analysis	MS-EXCEL	The strategies for enhancing the effectiveness of Online Dispute

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	strategies for banks to enhance ODR in banks.			Resolution include improving technology access, enhancing infrastructure, and organizing awareness programs.

The study employs an explanatory research design grounded in the Unified Theory of Acceptance and Use of Technology to investigate the adoption of online dispute resolution in the banking sector, with a specific focus on customer perceptions in Kathmandu Valley, Nepal. A sample of 403 bank customers is involved in the research. The methodology incorporates quantitative analysis, utilizing survey data to assess key factors influencing online dispute resolution adoption. The research objectives encompass investigating influencing factors, identifying challenges, and proposing management strategies related to ODR in banking. Survey instruments are designed to examine the behavioral intention of customers through the performance expectancy, social influence, effort expectancy, trust in banks and trust in technology by banks. To establish and test the correlation between the variables, structural equation modelling was adopted where the reliability and validity tests were test. There are altogether 5 hypotheses out of 5, 3 hypotheses i.e. H1, H2, and H5 are significant.

Hypothesis 1 has been accepted indicating that there is a significant relationship between Effort Expectancy and Behavioral Intention. This finding aligns with study by Hung et al.(2019) which it concluded there is a significant relationship between, effort expectancy and behavioral intention. Thakur (2013) also concluded that there is a significant relationship between Effort Expectancy and Behavioral Intention. Hypothesis 2, has also been accepted indicating that there is a significant relationship between, trust in technology and behavioral intention. Faqih, (2016) also concluded a similar result highlighting a significant relationship between, trust in technology and behavioral intention. Hypothesis 3 was not accepted indicating that there is no significant relationship between performance expectancy and behavioral intention.

Whereas study Hung et al.(2019) concluded that there is a significant relationship between, performance expectancy and behavioral intention which contradicts this research. Similarly, Hypothesis 4, was also not supported indicating that there is no significant relationship between social influence and behavioral intention. In contrast to this study, Faqih (2016) concluded that there is a significant relationship between social influence and behavioral intention. Hypothesis 5 was accepted indicating that there is a significant relationship between trust in the bank and behavioral intention. Similarly, To et al (2021) concluded that there is a significant relationship between trust in the bank and behavioral intention.

Hence, this study underscores the pivotal role of trust in ODR technology, trust in the bank's services, and the perceived ease of use as determinants shaping individuals' intentions to engage with ODR for banking disputes. The study also brings to light several challenges, including limited technology

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access, lack of awareness, and inadequate infrastructure, hindering the optimal effectiveness of ODR in the banking sector. The proposed managerial solutions include enhancing technology access, improving infrastructure, and organizing awareness programs.

Conclusion and Suggestions

This study aims to gain insights into how customers perceive online dispute resolution (ODR) when dealing with banking issues in Kathmandu Valley. The specific objectives are to investigate the factors influencing ODR adoption in the banking sector, identify challenges faced by customers in utilizing ODR for banking disputes, and suggest potential management strategies for banks to improve the effectiveness of ODR. This study highlights the significance of trust in ODR technology, trust in the bank's services, and perceived ease of use as key determinants shaping individuals' intentions to embrace ODR for resolving banking disputes. Despite these findings, the study identifies challenges such as limited technology access, awareness gaps, and infrastructure inadequacies that hinder the optimal effectiveness of ODR. The managerial solutions proposed emphasize the necessity to address these challenges by enhancing technology access, improving infrastructure, and organizing awareness programs. By acknowledging and overcoming these obstacles, the banking sector can unlock the full potential of ODR, offering efficient and accessible dispute resolution mechanisms that align with the evolving needs and expectations of customers in the digital era.

To facilitate the seamless integration of online dispute resolution (ODR) in the banking sector, a comprehensive set of policy measures is recommended. Initiatives should be directed toward enhancing digital literacy among both customers and banking staff, ensuring they possess the necessary skills to effectively navigate ODR platforms. Collaborating with regulatory bodies is essential to adapt existing frameworks, fostering a secure and efficient ODR environment within the banking sector. Concurrently, significant investments in technological infrastructure are crucial to address challenges related to connectivity and technology access. Public awareness campaigns play a pivotal role in informing customers about the advantages of ODR, and dispelling concerns related to security, privacy, and convenience in resolving banking disputes online. Incentive programs should be developed to motivate banks to actively adopt and promote ODR systems, fostering industry-wide investment in digital dispute resolution mechanisms. Capacity-building initiatives for bank staff, continuous evaluation mechanisms, and legal recognition of digital transactions are essential components to ensure the successful implementation of ODR.

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