

Variable	<i>t</i> -statistic	<i>p</i> -value	Rejection threshold	Conclusion
Distance to headquarters (km)	-10.7840	0.0000	0.01	rejecting H_0
Distance to headquarters (min)	-9.9035	0.0000	0.01	rejecting H_0
Distance to closest branch (km)	-4.4793	0.0000	0.01	rejecting H_0
Distance to closest branch (min)	-2.9561	0.0016	0.01	rejecting H_0
Sex	-14.6415	0.0000	0.01	rejecting H_0
Age	33.5096	0.0000	0.01	rejecting H_0

Table 5.1. T-test results.

Notes: In the table above one can find the results for every single t-test conducted for our four distance measures. Moreover, the results from the t-tests, concerned with the client’s age and sex, are displayed. We report the *t*-statistic as well as the *p*-value and the conclusion with regard to the null hypothesis. The rejection threshold on the 99% confidence level is 0.01.

Source: Own table, based on the LLB dataset

Summarising our findings from all t-tests, with regard to our three hypotheses, we can say with a 99% certainty that they all seem to hold true within the sample at hand. Even though, we have to appreciate the limiting findings with regard to our last set of t-tests. We will now delve into our results from the regression models.

5.2 Regression Models

In order to check for the robustness of the findings in our previous subsection we will now look at six regression models. As explained in the research methodology section, the main idea of those models is to examine the effect of our distance measures on the outcome variable e-banking adoption. The variables Age and Sex will be added to the regression equation to control for the effects of those two variables. Additionally, we will estimate the model with both controls also as a probit and logit model. The first four models use the OLS method. Table 5.2 shows the regression output for model 4, 5 and 6, with the distance to the closest branch in minutes as the main explanatory variable. These three models present the most interesting findings. Since model 4 combines the first three specifications and is consistent with them, those estimates are shown in Appendix D.¹³ The results for the remaining three distance measures, i.e. distance to headquarters in kilometres and minutes and distance to the closest branch in kilometres, point in the same direction. The regression outputs, with those measures as the main explanatory variables, can be found in Appendix D.

Model 4 The fourth specification of our model, stated in equation 4.5, adds both controlling variables to the regression. In this model we combine all previous findings and see that the effects are robust. For the distance variable we find that an increase of one minute is linked to an increase in the likelihood of e-banking adoption of about 0.19%. The age effect is still negative and the estimate suggests that for every additional year the probability of e-banking adoption decreases about 0.44%. For the sex of the client the effect is still biased towards males and proposes that males are 7.35% more likely to adopt electronic banking. This specification gives us the highest R^2 of 0.04, meaning we are able to explain 4% of variability.

Model 5 Our main goal is to determine the effects on the response probability $\Pr(y = 1|x)$ resulting from a change in one of the explanatory variables, say x_j . In linear models the marginal

¹³The first three model specifications show R^2 s of 0.000 (1), 0.035 (2) and 0.007 (3). They are part of model 4, shown in table 5.2.