

Determinants of User Acceptance of Internet Banking: An Empirical Study

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Abstract

The explosion of Internet usage and the huge funding initiatives in electronic banking have drawn the attention of researchers towards Internet banking. In the past, the conventional focus of Internet banking research has been on technological development, but this is now shifting to user-focused research. Although millions of dollars have been spent on building Internet banking systems, reports have shown that potential users may not use the systems in spite of their availability. This points out the need for research to identify the factors that determine acceptance of Internet banking by the users. According to the technology acceptance model (TAM), perceived ease of use and perceived usefulness constructs are believed to be fundamental in determining the acceptance and use of various IT. These beliefs may however not fully explain the user's behavior toward newly emerging IT, such as Internet banking. Using the technology acceptance model (TAM) as a theoretical framework, this study introduces "perceived credibility" as a new factor that reflects the user's security and privacy concerns in the acceptance of Internet banking. It also examines the effect of computer self-efficacy on the intention to use Internet banking. Based on a sample of 123 users from a telephone interview, the results strongly support the extended TAM in predicting the intention of users to adopt Internet banking. It also demonstrates the significant effect of computer self-efficacy on behavioral intention through perceived ease of use, perceived usefulness, and perceived credibility.

Key words : Data security; Individual perception; User studies; Virtual banking