

A Study on Acceptance of Internet Banking: Validation using Technology Acceptance Model (TAM)

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ABSTRACT: This research is about investigating what are the factors that influence the adoption of internet banking among banking users. From the study, findings summarize out how strong is the influence of factors such as perceived web security, perceived of usefulness and perceived ease of use towards the acceptance of internet banking linking with Technology Acceptance Model (TAM). TAM model also known as technology acceptance model which is a model expansion from TRA model which known as theory reasoned model claims that behaviour is a direct consequences of behavioural intention. The p-value between internet banking and perceived ease of use in regression coefficients show a value of infinity which is less than 0.05. Therefore, there is a significant influence between the internet banking and perceived ease of use. This is because, respondents feel that the internet banking is easy to use and navigate. The bank has made the usage of internet banking friendlier to the users by adding features that can help to ease the use of internet banking. The easiness to use the internet banking is very important to attract people to use it because people nowadays want faster and convenient way of doing things. As summary, all users nowadays already choose and prefer internet banking as one of their prefer choice in doing business with the bank. Internet banking also has taken over the traditional way of banking by using retailing banking.

Keywords: *Internet Banking; Technology Acceptance Model (TAM); Business Management Methods*

1. INTRODUCTION

According to the information from central bank, there are initially 4 types of bank categories such as commercial banks, international Islamic banks, Islamic banks and investment banks. Due to the world advance in technology and quality of internet connection, Malaysia has started to develop internet banking since mid-2000 due to the increased of people awareness and believe in the technology adaption in the internet banking industry.

Banking industries is having revolution from day to day with more people choosing to interact with the bank through a system known as virtual system whereby it is system that promote on the without counter concept for banking users to settle their daily transactions. It is more convenient and save time for the users to do internet banking compared to traditional banking method. One of the catalysts to the more preference of users using internet banking is due to the internet penetration in the world [1]. According to the statistics portal, up to 2012, almost 22 % of the population in Asia Pacific already starts to practice internet banking. According to the source from the world bank, up to 67% of the population in Malaysia in 2013 already have an access to the internet and furthermore during the 2020 national budget presentation by Prime Minister, he also stated that by the end of 2020, all the internet speed in the rural area will be upgrade to 5 times more faster speed compared to now. This will indirectly causes the increase in the adoption of internet banking in Malaysia. In order to investigate more onto the world of internet banking, in this research, the researcher will concentrate more on the factors that influence people to adopt internet banking.

2. TECHNOLOGY ACCEPTANCE MODEL (TAM)

The model of technology acceptance model by Davis in the year of 1989 becomes the main modal that will help and guide the researcher throughout the whole research. Throughout the whole research, the impact of TAM on the adoption of internet banking will be tested and critically reviewed to test its effectiveness on affecting the adoption of people on internet banking. Nowadays, internet banking is the trend in the world of globalization and information technology. Internet banking has become the preferred ways of doing transactions with the bank. According to the statistics portal, up to 2012, almost 22 % of the population in Asia Pacific already starts to practice online banking while the figure in Malaysia is not being recorded [2].

By referring to the statistics portal, up to 2012, almost 22 % of the population in Asia Pacific already starts to practice online banking while the figure in Malaysia is not being recorded. Furthermore, according to [1], TAM is actually the model of extension of Theory of Reasoned Action which claims the behavior is a direct consequences behavioral intention.

3. PERCEIVED OF USEFULNESS IN INTERNET BANKING

Perceived usefulness refers to the prospective user's subjective likelihood that the use of a certain application will increase his or her performance. It is shown that there is positive relationship between dependent variable (internet banking) and independent variable (perceived of usefulness) as the r value is at 0.550. It also brings to a meaning of moderate correlation and substantial relationship. The p -value is at infinity which shows the significant at the 0.01 level (2-tailed).

Perceived of usefulness is among the elements inside the TAM. Perceived of usefulness is the degree to which using a specific product will increase a user's ability to achieve desired goals. Internet banking, defined as the delivery of banking services through the internet, offers numerous potential benefits to implementing financial organizations [4].

In virtual communications such as internet banking, the elements of trustworthy can serves as a selling point to attract people to use internet banking. It has come out with a statement that make the researcher aware that risk is the main obstacles in the adoption of new technology such as internet banking. The rapid advance of technology in the way of communication has helped to the adaption to an easier way of handling daily transactions.

Nowadays people need fast and convenient methods in order to do business and handling daily matters. With the rapid advances in technology and also in internet penetration. Many people has shift from the traditional banking methods to a more virtual methods in doing transactions with the bank which are faster, convenient and secure [5]. One of the ways to achieve the advantages just now is by adopting internet banking. These internet banking has given more customized and controlling way for the users to control and take charge of their personal account and personal transactions with the bank. Perceived of usefulness refers to the prospective user's subjective likelihood that the use of a certain application will increase his or her performance .

Moreover, it can also influence the behavioral intention of users in adopting internet banking. It is because the perceived of usefulness may develop a sense of desirability and behavioral intention on users to adopt on internet banking compared to traditional banking [6].

4. CONCLUSION

From the result of this research, it is known that there are many factors that contribute to the situation in which; the respondents would be attracted to use the

internet banking. In this research, there are three factors that are being analysis. The factors are perceived ease of use, perceived of usefulness and perceived web security. Internet banking can help to make the daily transactions become faster and also help to reduce paperwork which takes time and full of bureaucracy. It is considered to enhance customer satisfaction by providing faster, easier and more reliable services through an online platform.

TAM is found to be able to provide the reasonable reasons of user intention to the new technology and it is also been widely used in the research to determine the factors influencing on the adoption of the internet banking [7]. Besides that, TAM can also be able to provide a much insight detail on how to find out how behavioral intention of adopting the internet banking has been influenced by the elements inside the TAM model. Thus, it is well known that the TAM can explain well the intention of people on adopting internet banking. Among the element inside the TAM model is perceived of usefulness. Perceived of usefulness brings to the perceived feeling of how people feel and perceived of when using the online banking system.

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