ST.MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

CONSUMER ACCEPTANCE OF ONLINE BANKING IN UNITED BANK SELECTED BRANCHES

A Thesis Submitted to ST. Mary's University School of Graduate Studies in Partial Fulfillment of the Requirements for the Degree of Master of Business Administration (MBA) in Accounting And Finance

Adviser: Abebaw (PhD)

By: Yordanos Adugna

ADDIS ABABA, ETHIOPIA

ST.MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

Master of Business Administration (MBA) in Accounting and Finance

CONSUMER ACCEPTANCE OF ONLINE BANKING IN UNITED BANK SELECTED BRANCHES

By

YORDANOS ADUGNA ASSEFA

Approval of Board of Examiners

Internal Examiner	**External Examiner**
Name _____	Name_____
Signature _____	Signature_____
Date _____	Date_____

Advisor

Name _____

Signature _____

Date _____

Confirmation

Chairperson, Department of Graduate Committee

Name _____

Signature_____

Date _____

Acknowledgments

First of all, I would like to that almighty GOD for giving me all the strength from the beginning to the end. I would like to express my thankfulness to my advisor Dr. Abebaw who has advised and supported me from the beginning to the end. And also I would like to thank the respondents who filled my questionnaires.

Last but not the least I would like to thank my Dear husband Kalewold Tegegne and my sweat mother Aynalem Adugna for helping me all the way.

ABSTRACT

The objective of this thesis is to is Assessing the electronic banking quality of in selected Dashen Bank Branches Service quality plays an important role as competitive weapon and a significant differentiator for many service organizations involving e-banking industry. Good e-service quality offering is the key issue to survive in the intensively competitive banking market, especially maintain customer satisfaction. As a result of this phenomenon, a good understanding of service attributes that customers use to evaluate electronic banking service quality is needed for banks so that the performance of e-service is able to be monitored and immediate adjustments and improve can be done as soon as possible. In this study, an overview of e-service quality and related literature is discussed, especially in the context of e-banking industry that is taken as the case subject. Moreover, the study adopts E-S-QUAL scale to establish a suitable multiple e-service item scale for measuring e- banking in dashin bank. Through the process of data collection and data analysis in the analysis part, the refined scale for measuring e-banking in Dashin Bank was identified, involving 4 dimensions and 22 items: Efficiency, system availability, fulfillment, privacy this finding indicated that the dimensions and items from E-S-QUAL needed to be reorganized and reinterpreted for measuring e-banking. Data pertaining to the study objectives of the study was conducted using descriptive statistics, which includes mean and percentage among others. Inferential statistics was deployed to assess the relationship between the variables also correlation and multiple regression analysis were used. Findings of the study shows that there is a high e service quality in Dashin Bank. Accordingly, the bank should increase the quality of the service to sustain the bank's growth and to keep and increase its customers in the future.

Key words: e- banking, service quality, E-S-QUAL

CHAPTER ONE:

INTRODUCTION

1.1. Background of the Problem

1.2.Statement of the problem

1.3. Research Question

1.4. **Objectives of the Study**

1.4.1. General Objective of the Study

1.4.2. Specific Objectives of the Study

1.5.Significance of the Study

1.6.Scope of the Study

1.6.1. Delimitation

1.6.2. Limitation

CHAPTER TWO

LITERATURE REVIEW

2.1. Empirical review

2.2. Conceptual framework

Fig 2.1: research model: Own sketch

CHAPTER THREE

METHODOLOGY

3.1. Research Application

.

3.2. Data Collection Procedures

3.3. Data analysis methods

3.4. Reliability and Validity

Table 3.1 **Table Reliability Statistics**

3.5. Data analysis methods

3.6. Ethical Consideration

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1. Response rate

Table 4.1 **Response Rate**

4.2. Descriptive statistics

4.2.1. Demographic characteristics of the respondent

Table 4.2 Cross Tabulation

Table 4.3 Use of online Banking

4.2.1 Mean range

Table 4.4: mean range

4.1.3. Descriptive statistics on the dependent variable

Table 4.5 online banking provided by united bank is acceptable

4.1.4. Perceived ease of use Variables

Table 4.6: **Perceived ease of use**

4.1.5. Security and privacy Variables

Table 4.7: Security and privacy

4.1.6. Perceived usefulness Variables

Table 4.8: Perceived usefulness

4.1.7. Amount of information Variables

Table 4.9: Amount of information

4.1.8. Perceived enjoyment Variables

Table 4.10: Perceived enjoyment

4.1.9. Descriptive statistics for each of the factors (taking Average)

Column chart 4.1: Descriptive interpretation of Ease of Use Factors (Taking Average)

Endorsement

This thesis has been submitted to St. Mery University, school of Graduate studies for examination with my approval as an advisor.

Abebaw (PhD) _____

Advisor Signature

CHAPTER ONE:

INTRODUCTION

1.7. Background of the Problem

The development of information technology changed the way individuals and businesses carry out different activities in the past twenty years all over the globe (Saibaba and Murthy, 2013). More recently, the Internet has transformed into a tool used to reach consumers throughout the world at the consumers' convenient timing and location. Internet is a new communication tool that is characterized as a means of exchange (al-qeisi, 2014). In fact, the number of global users of the internet increased from time to time dramatically.

In the context of businesses, the advent of Internet technology transformed the way products and services are designed, communicated and delivered to consumers. Specifically, the internet has provided marketers with many opportunities to understand customers and their needs over competing marketer in the market. For instance, the Internet has made it possible for majority of firms to save costs through personalized communication and products/service delivery online. Firms have also been employing hybrid (physical and virtual) channels to interact with different customer segments, and to expand their market around the globe (Saibaba and Murthy, 2013). Users of the Internet have also showed an increase as avenues of task performance have opened up (e.g., communication, shopping, banking etc).

E-banking or Internet banking refers to the service that enables consumers to conduct banking interactions through a computer with an internet connection. Similarly, Internet banking was also defined based on its use by Pikkarainen *et al.* (2004) as an Internet portal via which customers can conduct their banking activities like bill payment or investment making. It is therefore of no surprise that e-banking has transformed into a global phenomenon, and an invaluable and powerful tool that develops, supports, and promotes innovation and improves competitiveness (Hasan *et al.*, 2010).

Internet banking benefits are evident (Mozie *et al*., 2012), the banking industry is still slow to accept Internet technology, particularly in developing nations (Al-Hajri, 2015). This is evident by the slow reach of Internet banking among the developing countries compared to their

developed counterparts. This slow reach may be attributed to low education level, poor economy and infrastructure, and trust effects (Sankari *et al.*, 2015).

As noted, online banking offers many benefits to banks as well as to customers. However here in Ethiopia online banking acceptance is very low therefore this study tries to see consumer acceptance of online banking in UNITED Bank which is one of the private banks operating in Ethiopia.

1.8.Statement of the problem

Technology acceptance is increasingly developing with the evolution of new technologies. In this regard, two main disciplines have had a hand in developing models and theories that are focused on technology acceptance, adoption and use (Tero Pikkarainen, 2014).

E-banking or Internet banking refers to the service that enables consumers to conduct banking interactions through a computer with an internet connection. Similarly, Internet banking was also defined based on its use by Pikkarainen *et al.* (2004) as an Internet portal via which customers can conduct their banking activities like bill payment or investment making. It is therefore of no surprise that e-banking has transformed into a global phenomenon, and an invaluable and powerful tool that develops, supports, and promotes innovation and improves competitiveness (Hasan *et al.*, 2010).

From the point of view of banks, internet banking has assists in lowering costs of operations (Polasik and Piotr, 2009). Prior studies revealed that banks employing internet banking solutions were operating at a lower expense ratio of 15-20% compared to non-internet banks where expense ratio is at 50-60% (Booz and Hamilton, 1997). Prior studies also evidenced that Internet banking promotes customer commitment and loyalty, which in effect translates to superior banking profitability (Mohan *et al*., 2013). In other words, Internet banking technology has become a tool used by banks to retain customers, enhance customer experience, and ultimately, increase market shares.

According to Tuchila (2000), the benefits of running e-banking are numerous – some of these benefits for banks, like (improved market appearance, minimized costs of doing business, timely reaction to changes in the market, extensive market penetration and promotion and selling of current products), and some of it for customers, like (minimized costs of opening and using bank

services, maximized saving of time and ease in using 24 hours a day, timely transaction completion and improved funds management).

Online banking in this study is defined as an Internet portal, through which customers can use different kinds of banking services ranging from bill payment to making investments. Therefore banks' Web sites that offer only information on their pages without possibility to do any transactions are not qualified as online banking services.

The goal of this study is to increase our current understanding of the factors that influence online banking acceptance in the light of the technology acceptance model (TAM) (Davis et al., 1989; Mathieson, 1991; Davis and Venkatesh, 1996).

No study has ye investigated the Online banking acceptance of United Bank and the arguments presented above are the reasons and motivation for this study and it is the ambition to conduct the analysis in line with previous academic evidence in the field of online banking using TAM model More precisely, online banking acceptance was studied in united bank's online banking system.

1.9. Research Question

- How is the Perceived ease of use of the online banking?
- How is the Security and privacy of the online banking?
- How is Perceived usefulness of the online banking?
- How much is the Amount of information of the online banking?
- How is Perceived enjoyment of the online banking?

1.10. Objectives of the Study

1.4.1. General Objective of the Study

The general objective of the study is to assess the Consumer acceptance of online banking in united bank.

1.4.2. Specific Objectives of the Study

This study has the following specific objectives

- To examine the Perceived ease of use of the online banking.
- To assess the Security and privacy of the online banking.
- To assess Perceived usefulness of the online banking.
- To examine the Amount of information of the online banking.
- To examine Perceived enjoyment of the online banking.

1.11. Significance of the Study

The findings of this research paper will add its value to financial institutions; namely for United bank it will be a good input for decision making towards the consumer acceptance of online banking. For the policy makers it will be a good input see the experience of one bank and learn to incorporate for the countries' financial economy. Also this research paper will serve other researches as a reference for further study in the subject matter. Finally the study will provide recommendation for the bank for enhancing and delivering competitive service/product and also their survival.

1.12. Scope of the Study

1.12.1. Delimitation

The scope of this study is delimited to United Bank's selected branches in Addis Ababa. This study basically attempts to assess the Perceived ease of use, Security and privacy, Perceived usefulness, the Amount of information and Perceived enjoyment of the online banking. The study will explore these factors in the context of united bank.

1.12.2. Limitation

All dimension of factors may not be considered, this study only considered the five categories of factors(the Perceived ease of use, Security and privacy, Perceived usefulness, the Amount of information and Perceived enjoyment) which can measure the online banking consumer acceptance based on TAM model. And also since the study is only on one private bank which is currently working in the domestic market might limit the generalization of the research finding.

CHAPTER TWO

LITERATURE REVIEW

For more than 40 years banks have been using electronic fund transfers (EFT) to transmit account information over private communication networks. Banks have also been engaging in an electronic data interchange (EDI) to transmit computer readable data in a standard format to other banks (Schneider, 2011). Internet banking is a new concept of conducting banking transactions and has captured the interest of many banks as an alternate way to traditional banking is a highly information intensive activity that depends heavily on information technology to acquire, process and deliver financial information to all users. Information technology advances have made significant operational changes to internet banking. (Maenpaa, et.,al, 2008). The Web has existed and made the Internet Banking promising for many businesses and individuals. These quick developments of internet and electronic banking have motivated the banking sector to encourage customer to bank over the internet (You, et, al, 2007) which made internet banking the fastest growing area for businesses (Aladwani, 2001). This rapid growth of internet banking provides efficient ways of serving customers throughout the years (Hu & Liao, 2011).

Internet banking also helped to reduce transaction costs of traditional banking services such as, the cost of walk-in customers, reliance on new branches, hiring new qualified personnel, and reducing the amount and cost of paperwork. The increase number of internet users, easy access to the internet, convenience; efficiency and profitability are all factors that encouraged Banks to adopt internet Banking. (Schneider, 2011). Internet banking services are also more attractive and convenient than traditional ones which eliminate the human interaction with bank at end and reduce transaction costs for both the bank and clients (Alam, et. al, 2007). Thus internet banking is believed to improve customer satisfaction as it can provide faster, easier and more convenient service (Bauer & Hein, 2005).

Online banking acceptance has gained special attention in academic studies during the past five years as, for instance, banking journals have devoted special issues on the topic (e.g. Karjaluoto et al., 2002; Waite and Harrison, 2002; Bradley and Stewart, 2003; Gerrard and Cunningham,

2003; Mukherjee and Nath, 2003). We can find two fundamental reasons underlying online banking development and diffusion. First, banks get notable cost savings by offering online banking services. It has been proved that online banking channel is the cheapest delivery channel for banking products once established (Sathye, 1999; Robinson, 2000; Giglio, 2002). Second, banks have reduced their branch networks and downsized the number of service staff, which have paved the way to self-service channels as quite many customers felt that branch banking took too much time and effort (Karjaluoto et al., 2003). Therefore, time and cost savings and freedom

From place have been found the main reasons underlying online banking acceptance (Polatoglu and Ekin, 2001; Black et al., 2002; Howcroft et al., 2002). Several studies indicate that online bankers are the most profitable and wealthiest segment to banks (Mols, 1998; Robinson, 2000; Sheshunoff, 2000). On this basis, no bank today can underestimate the power of the online channel. Luxman (1999) for instance estimates that in the near future the online channel reinforces its

Importance especially in the countryside, where banks have closed many branches. However, there is no supporting evidence on this regional issue. Without the possibility of managing banking affairs directly from home or office, customers easily perceive troubles in managing their financial affairs such as paying bills. As noted, online banking offers many benefits to banks as well as to customers. However, in global terms the majority of private bankers are still not using online banking channel. There exist multiple reasons for this. To start with, customers need to have an access to the Internet in order to utilize the service. Furthermore, new online users need first to learn how to use the service (Mols et al., 1999). Second, nonusers often complain that online banking has no social dimension, i.e. you are not served in the way you are in a face-to-face situation at branch (Mattila et al., 2003). Third, customers have been afraid of security issues (Sathye, 1999; Hamlet and Strube, 2000; Howcroft et al., 2002). Traditional banks have been the vanguard of online banking channel development and control lion's share of the total market. However, the online banking channel works without having an extensive branch network, at least in theory. In recent years we have witnessed the rise of pure online banks, but their impact on the whole banking sector has been remote. Pure online banks often use other channels as well, such as contact centers (both outbound and inbound), and some have even established physical presences by establishing branch services. Quite many pure online players

have suffered from achieving sufficient customer base and thus have had to close their business down (Orr, 2001; Schneider, 2001).

In recent years, the extraordinary advances in information technology (IT) are considered to be the most powerful force for change in the financial services sector. This includes the availability of online banking services in the retail banking sector. Together with innovative business thinking, IT has transformed the ways in which personal financial services are designed and delivered (Crane and Bodie, 1996; Wang et al., 2013). This technological development and an increase in innovation diffusion serve as defensive measures to satisfy increasingly sophisticated and highly demanding consumers, as well as making the market more competitive in terms of reducing rising costs (Wang et al., 2003; Lin, 2006; Shah et al., 2007). The use of the internet in retail banking has provided financial institutions with a remote distribution channel. Now, by virtue of the internet, consumers are able to conduct their financial transactions virtually without ever going themselves to the banks (Daniel, 1999; Pikkarainen et al., 2004).

Internet is one of the most important advances in IT sector. Internet offers a variety of services particularly in carrying out transactions and facilitating communication in business field. E-commerce is a miracle of internet which has potential to transcend the geographical limitation and boundaries. Considering the potential use of internet in business, Chou and Chou (2000) believes that internet serves for four different purposes (1) facilitates in establishing direct relationship between organizations and customers so that business transactions could be carried out smoothly and easily (2) helps organizations to win over their rivals by providing services to the customers (3) assists companies in providing services and delivering products to new customers, and (4) it facilitates organizations to increase their dominancy and retain it through utilizing potential benefits of internet.

Due to advent of internet, new models of business, and modern methods and channels of distribution are introduced in banking as well in other sectors. Internet has increased competition among banks. Now it has become quite difficult for banks to survive without introducing internet reforms. The traditional system of banking having just physical presence could no longer compete with those which provide virtual facilities to their customers. Internet could be utilized in banking sector through two ways. A bank which already exists physically can develop a Web Site to provide services of internet banking along with employing orthodox channels and

traditional methods as described by (Furst et al., 2002 and Hernandez-Murillo et al., 2010). This type of strategy is known as a 'click-and mortar' (Xue et al., 2011).

DeYoung (2005) maintains that click-and-mortar (C&M) model of business assists in the routine value-added transactions via internet at the time when customized, high value-added transactions are run by more costly network in a branch. Another way of utilizing internet services could be to develop a virtual or internet only model without establishing any physical branch. In this model, a single main computer server could play a complete function of the bank which could be placed at any location. This model is non-physical so banks can provide all facilities of deposing and withdrawing funds and money via ATM's or other delivery channels (Furst et al., 2002). It is important to mention that the present study focuses on the former strategy, i.e. C&M model. C&M model's significance lies in its dual nature, in that the banks could offer customers the option to carry out their transactions online without taking risk of losing those clients who prefer traditional method of banking and performing transactions in brick-and-mortar branch (DeYoung, 2005). Prior to the development of the internet, banks were already utilizing IT for the purposes of digitizing back-office functions and operations in 1960s. This specific use of IT was later changed by a move of technology into the front office and thus the beginning of management information systems (MIS) emerged (Liao et al., 1999). Consequently, IT made it possible for banking industry to extend the back office (core process and support process) to the front office and beyond the branch (Legg, 1994; Llwellyn, 1995; Liao et al., 1999). This extension in banking marked the beginning of new era, where a sudden increase in IT applications has been seen throughout banking industry, and in this way distance and communication gap between different departments of banks was lessened as integrated software systems increasingly blur the line. After the development of faster internet services, financial institutions such as the banks have started introducing online banking information systems to facilitate and complement their traditional services channels such as counter teller, automated teller machines (ATM) and telephone banking (TB). The advent of this new era of internet/online banking systems was the result of integration of intelligent systems which did not differentiate between back-office and front-office (Liao et al., 1999).

Pikkarainen et al. (2004) maintain that electronic banking accompanies with many benefits to customers all over the world. It is observed that the benefits and usefulness of online banking

system play a significant role in determining the choice of the customers, who are attracted more to those banks that offer more online banking benefits than the others (Pikkarainen et al., 2004; Wang et al., 2003). There are varieties of benefits that an online banking can offer, which are however not limited only to the service provider but customers can also benefit from them by utilizing the services in order to carry out their banking transactions (Karjaluoto et al., 2002; Pikkarainen et al., 2004). These benefits can be summarised as follows: Firstly, online banking service is available 24 hours compared to unlike the brick and mortar banks. Secondly, online banking systems attend the queries regarding financial irregularities faster than traditional banking system by logging on instantly and having access to his/her online banking account. In this way, online banking services not only save time but also money, and provide convenience and instant accessibility. Thirdly, online banks information system ensures privacy better than human-teller processing speed by executing and confirming transactions at a quicker speed. Finally, consumers are updated not only about new services but also about special events, promotions and reports, if there is any, on regular basis Despite of benefits that online banking information systems can offer, it must be noticed that the technological developments alone cannot guarantee the use of online banking system by the potential customers. It is therefore essential to consider the likings and disliking of the customers. In other words, while making technological improvement to make the online banking more efficient, the banks should also care for the likings of the customers to make sure the technological innovations are
utilized to the maximum by the customers. Because, if customers do not accept or fully utilize capabilities of these newly launched information system then there is very less return and benefit of such investments (Venkatesh and Davis, 1996; Burton-Jones and Hubona, 2006). The acceptance of technology by customers is necessary for the success of online banking system, which is a very complex phenomenon involving the changing of behavioral patterns and developing a familiarity with both the technology and the financial services. The complex nature of financial services often makes the task of information-search easier than information-evaluation (Black et al., 2001). It is therefore very difficult to foresee the combined effect of customers' understanding of both the internet channel and the financial services; therefore, the more research is needed to understand customers' use of complex services on the Internet (Suh and Han, 2002). Quicker transaction in a short period of time may also facilitate online banking information system use. Individuals do not like to spend more time on performing transactions;

they are therefore highly sensitive to the speed of the service delivery (Ody, 2000). In view of sophisticated supplies of the internet and availability of web based systems, customers expect more efficient and faster service delivery. Previous research shows that efficient and speedy response from a web-based service was a main factor for increasing satisfaction level of customers. In this regard, Doll and Torkzadeh (1988) agree that consumers' satisfaction largely relies on the efficiency and the quality of web site features. Ody (2000) becomes more emphatic in highlighting the relation between convenient and speedy web service and customers' satisfaction. Previous research provides support for a significant association between transaction time and willingness to use. For example, Liao and Cheung (2002) found that a perception of higher transaction speed was a significant predictor of willingness to use. Similarly, Jun and Cai (2001) posit that when a consumer interacts with an internet based system (i.e. performs any transaction), a slow response time from the system causes him/her concern as to whether the transaction was completed. In the view of Ody (2000), convenience and speed are the main reasons why consumers use web-based systems to perform any transaction.

In addition, it is observed that the terminology used in any system facilitates productive navigation through an information system as well as effective usage of resources (Hong et al., 2002; Kim, 2006). According to Hong et al. (2002), one major problem with the terminology used in information systems is inappropriate jargon. Talja et al. (1998) argue that the vocabulary that users often use to express their information needs often mismatch with the terminology of the information provider. This mismatch of vocabulary not only makes it difficult for users to interact with the system, but also minimizes the potential benefits that a system can provide to the users of that system (Hong et al., 2002). Thus, clear and understandable terminology can help users to interact with a system efficiently. Thus, it is expected that clear and correct descriptions, instructions, and terms and conditions used in an OBIS will make it easier for users to use the system.

United Bank has succeeded in upgrading its internet banking service to a new world class online banking – HIBIR as well as other banks, upload bulk payment such as salary of employees, effect local remittance ONLINE – successfully migrating from the legacy product it introduced to the local banking sector 7 years ago.

The upgrade has marked another milestone in the already established culture of the Bank; that capitalizes on innovative banking, integrating more benefits of technology that now enables customers to retrieve a wide array of vital account information online, as well as provide the freedom to conduct banking transactions 24/7, other than at their office.

Hibir Online is designed to add up on the bank's convenient self-service option with easy to use technology that allows customers to perform common transactions including: fund transfer to own and others account within United Bank and conduct similar other transactions. This convenient brand of service is also designed to assist customers to access a full range of vital account information regarding current, saving and over draft accounts, loan particulars, letters of credit (LC) and check book status, exchange rate of foreign currencies and many other relevant details. In order to use the service customers are expected to show up at branches only when signing up for service, ensuring they have an account with the bank; then on wards the service is rendered anytime and anywhere via www.unitedib.com.et, so long as there is a secured internet connection and an apparatus to surf online.

2.1. Empirical review

The technology acceptance model (TAM) has been one of the most widely applied models in research studies on technology acceptance. The model of TAM has been used in a wide range of application settings across various user populations, and its reliability and validity has been established in predicting user acceptance of technologies.

TAM evolved from the TRA with the goal "to provide an explanation of the determinates of computer acceptance that is general, capable of explaining user behavior across a broad range of end-user computing technologies and user populations, while at the same time being both parsimonious and theoretically justified" (Davis et al., 1989, p. 985). TAM, however, does not contain the subjective norm element of TRA. Davis states that, "It is difficult to disentangle direct effects of SN on BI from indirect effects via A" (p. 986).

Like TRA, TAM postulates that actual technology usage is determined by behavioral intent (BI).

The perceived usefulness (PU) is based on the observation that "people tend to use or not use the application to the extent they believe it will help them perform their job better" (Davis, 1989, p. 320). PU directly influences the attitude toward use of the system and indirectly influences behavioral intention to use. Even if an application is perceived as useful, it will only be used if it is perceived as easy to use, that is, benefits of usage outweigh the effort of using the system.

PEOU influences attitude toward use of the system. These two determinants, PU and PEOU, directly influence the user's attitude toward using the new information technology, which in turn leads to the user's behavioral intention to use.

PEOU influences perceived usefulness (PU). PU also has a direct impact on behavioral intention (BI). Behavioral intention to use leads to actual system use.

The two key variables in TAM are perceived usefulness and perceived ease of use. Perceived usefulness (PU) is defined from the prospective user's point of view. Will the application improve his or her job performance in the organization? Perceived ease of use (PEOU) is a variable that describes the perception of the user that the system will be easy to use. In the model, PU directly influences both attitude toward using attitude (A) and behavioral intention to use (BI). PEOU influences both PU and A. Davis (1989) develops and validates a scale for these variables.

Theoretical support for the use of these variables can be found in self-efficacy theory, the cost-benefit paradigm and adoption of innovation literature. Bandura (1982) defines self-efficacy as

"judgments of how well one can execute courses of action required to deal with prospective situations" (p. 122). Davis (1989) describes self-efficacy as similar to perceived ease of use.

Self-efficacy beliefs are theorized as determinants of behavior. This theory does not offer a general measure sought by Davis, but is situation ally specific.

Davis et al., (1989) differentiate TAM from TRA with respect to one's salient beliefs. In TRA these beliefs are "elicited anew for each new context" (p. 988). TAM determines these variables for a population resulting in a more generalized view of systems and users. External effects on the model can be separately traced to each of these variables The cost-benefit paradigm from the behavioral decision literature is also relevant to perceived usefulness and perceived ease of use. The paradigm describes decision-making strategies "in terms of a cognitive trade-off between the effort required to employ the strategy and the quality (accuracy) of the resulting decision" (Davis, 1989, p. 321).

Adoption of innovation literature finds that compatibility, relative advantage and complexity of the innovation are key factors. Rogers and Shoemaker's (1971) definition of complexity is similar to PEOU: "the degree to which an innovation is perceived as relatively difficult to understand and use" (p. 154). Davis (1989) points out the convergence of these and other theories to support the concepts of PU and PEOU. Gefen and Straub (2000) describe PEOU and PU in terms of intrinsic and extrinsic characteristics. PEOU relates to the "*intrinsic* characteristics of IT, such as the ease of use, ease of learning, flexibility and clarity of its interface" (p. 1). PU results from a user's assessment of IT's "*extrinsic*, i.e., task-oriented, outcomes: how IT helps users achieve task-related objectives, such as task efficiency and effectiveness" (p. 1-2). Using MBA students Gefen and Straub demonstrated that

PEOU affects intrinsic tasks, i.e., using a Web site for inquiry, but not extrinsic tasks, i.e., using a Web site to make a purchase.

In a study, Davis et al. (1989) compared model of technology acceptance and the TRA model, to examine the effectiveness of these two models in explaining behavioral intention to use in a word processing application. The empirical results indicated that the TAM explained 47 per cent of the variance in behavioral intention to use whereas the TRA explained 32 per cent of the variance in users' intention to adopt. Taylor and Todd (1995) compared three models: TAM, TPB, and decomposed TPB to understand information technology usage. The results of the study, in terms of overall fit, indicated that all three models had a good fit and almost equivalent

explanatory power. The research concluded that while TAM could be preferably used when the research goal was to predict usage behavior, the decomposed TPB model provided a more complete understanding of the determinants of usage behavior. Mathieson (1991) compared TAM and TPB to predict user intentions towards information systems. In an empirical study based on extended version of TAM, Chau (2001) investigated the influence of computer self-efficacy and computer attitude on individuals' information technology usage behavior. The model was empirically tested using data obtained from 360 business students by applying structural equation modelling software LISREL and their results supported the hypothesized model. They found that PU was a strong predictor of behavioral intentions. In addition, their results revealed that inclusion of computer related self-efficacy and attitude towards computer into the model significantly improved the explanatory power of the research model on the variance of PU.

In 2004a, Shih conducted an empirical study to predict consumer's acceptance of e-shopping on the web. He developed a model based on the TRA and TAM. The model was tested using data collected from 212 employees of eight small and medium size organizations in Taiwan. The results of study confirmed the theoretical postulation of the TAM. The results further suggested that both perceived ease of use of trading online and perceived usefulness were significant predictors of attitude towards acceptance of electronic shopping using the Internet. Findings also revealed that Internet and web perception of information, system and service significantly influenced user acceptance. In another empirical study, Shih (2004b) combined technology acceptance model (TAM) and the model of information behavior for Internet utilization. The extended TAM was tested using questionnaire survey of 203 office workers from ten small and medium sized organizations in Taiwan. The results strongly supported the extended TAM. The empirical results suggested that TAM beliefs (usefulness and ease of use), and relevance significantly influenced the attitude towards information use (Beta = 0.16, 0.48 and 0.31 respectively). PEOU was found strongest predictors of the Internet use through attitude. Furthermore, there was a significant effect of relevance on TAM's core beliefs i.e. PEOU and PU with Beta values 0.50, and 0.41 respectively. Overall, the extended TAM in the context of Internet utilization explained 47 per cent of the variance in information use.

Moreover, some technology acceptance models/theories attempted to employ different terminologies in their expression of acceptance variables, but they are essentially the same

concepts. In additional to that, when the researcher compares the technology acceptance theories/models (IDT, TRA, TAM, TPB, DTPB and UTAUT) it can be observed that the intention's antecedents are very similar. For example, comparing UTAUT's antecedents with other theories revealed that the performance expectancy is similar to perceived usefulness, and the effort expectancy similar to ease of use. Social influence is very close to the subjective norm in TRA, TPB and DTPB. Finally, there is no difference between the facilitating conditions in the both DTPB and UTAUT. In addition to that, despite the fact that TAM and IDT originated in different disciplines, they have clear similarities. For instance, the relative advantage attribute of innovation is often considered to be the perceived usefulness construct in TAM, and the complexity attribute is similar to the perceived ease of use concept in TAM. This suggests that TAM and IDT reconfirm and often goes together (Chen, Gillenson and Sherrell, 2002). dimension (technology readiness) has been suggested to be an important variable in influencing individuals' intention to accept new technology (Chen, Lin, Chen and Wang, 2008; Theotokis, Vlachos and Pramatari, 2008; Lai 2008; Wu and Herlina, 2008; Chan and Lin, 2009; Berndt et al., 2010; Chen and Li, 2010). Technology readiness has appeared to have the possibility to be incorporated in the study of new technology self-service's acceptance (Liljander, Gillberg, Gummerus, and van Riel, 2006; Lin and Hsieh, 2006; Lin, Shih and Sher, 2007; Lin, 2007; Lin and Hsieh, 2007; Rhee, Verma, Plaschka, and Kickul, 2007; Lai, 2007; Ranaweera et al., 2008).
Moreover, to the researcher's knowledge, there is no prior empirical study that has been conducted to investigate the relationship between individuals' technology readiness and individuals' intention to accept Internet banking services. In the context of both developing and developed countries, there has been no study conducted. Incorporating this construct, enhance explanatory power to predict individuals' behavioral intention in Internet banking context.

The above discussion shows the ideas of previous models/theories. At the same time, it highlights the need to develop a comprehensive model to avoid all the shortcomings in previous studies. Therefore, the current study aims to develop a comprehensive model that include all potential variables that influence individuals' intention to accept online banking services as a new technology in United Bank.
Although the appearance of TAM articles in major journal appears to be on a downturn, TAM research continues to appear in the literature.

More research extends the TAM to ERP implementation (Amoako-Gyampah and Salam, 2004; Bradley and Lee, 2007; Hwang, 2005), cross cultural implementation studies (McCoy, Galleta and King, 2006; McCoy, S., Everard, A., and Jones, B.M., 2005), e-commerce participation among older consumers (McCloskey, 2006), and biometric devices (James et al., 2006). Pijpers and van Montfort (2006) investigate senior executives acceptance of technology using the TAM and found that gender has no effect on perceived usefulness or perceived ease of use, but also found that gender affects positively actual usage frequency.

Following the introduction of the TAM in 1989 and validation period ranging from 1992 through 1996 and a period of model extension, a model elaboration period ensued "to develop the next generation TAM" model and "to resolve the limitations raised by previous studies" (Lee et al., 2003, p. 757).

2.2. Conceptual framework

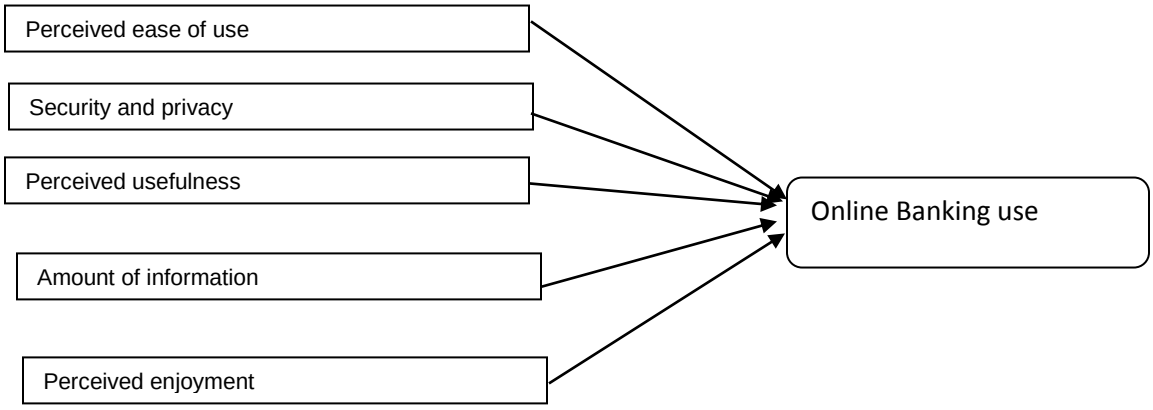


Fig 2.1: research model: Own sketch

Perceived usefulness PU and perceived ease of use PEOU TAM posits that PU is a significant factor affecting acceptance of an information system (Davis et al., 1989). Davis defined PU as "the degree to which a person believes that using a particular system would enhance his or her job performance" (Davis, 1989). According to TAM PEOU is a major factor that effects acceptance of information system (Davis et al., 1989). PEOU is defined as "the degree to which

a person believes that using a particular system would be free of effort" (Davis, 1989). Hence an application perceived to be easier to use than another is more likely to be accepted by users.

Perceived enjoyment: Enjoyment refers to the extent to which the activity of using a computer is perceived to be enjoyable in its own right (Davis et al., 1992). This is contrasting to the PU, which can be seen as an extrinsic motivation whereas perceived enjoyment (PE) as an intrinsic motivation to use information systems. A number of studies on PE (Davis et al., 1992; Igbaria et al., 1995; Teo et al., 1999) have noticed that PE significantly affects intentions to use computers. Igbaria et al. (1995) found that PE correlates positively with time of use but not with frequency of use or number of tasks. In contrast, Teo et al. (1999) noted that PE correlates positively with frequency of Internet usage and daily Internet usage. Definitions of perceived fun and perceived playfulness are quite similar to the concept of PE. In this research they are all handled as the same. Some studies have focused on perceived fun and perceived playfulness (Igbaria et al., 1994; Moon and Kim, 2001). According to Igbaria et al. (1994) perceived fun refers to the performance of an activity for no apparent reinforcement other than the process of performing the activity per se. They found that system usage and the perceived fun were positively correlated with each other. Moon and Kim (2001) define perceived playfulness as consisting of three parts: concentration, curiosity and enjoyment. They discovered that the perceived playfulness had a significant impact on the intention to use the Internet. On this basis, we expect that PE affects the acceptance of online banking:

Amount of information on online banking: The amount of information consumers have about online banking has been identified as a major factor impacting the adoption. According to Sathye (1999) while the use of online banking services is fairly new experience to many people, low awareness of online banking is a major factor in causing people not to adopt online banking. In an empirical study of Australian consumers Sathye (1999) found that consumers were unaware about

the possibilities, advantages/disadvantages involved with online banking.

Security and privacy: the importance of security and privacy to the acceptance of online banking has been noted in

many banking studies (Roboff and Charles, 1998; Sathye, 1999; Hamlet and Strube, 2000; Tan and Teo, 2000; Polatoglu and Ekin, 2001; Black et al., 2002; Giglio, 2002; Howcroft et al.,

2002). To be more precise, privacy and security were found to be significant obstacles to the adoption of online banking in Australia (Sathye, 1999). Roboff and

Charles (1998) found that people have a weak understanding of online banking security risks although they are aware of the risks. Furthermore, they found that consumers often rely that their bank is more concerned about privacy issues and protect them. Finally they argue that although consumers' confidence in their bank was strong, their confidence in technology was weak (see also Howcroft et al., 2002). via the Internet grows rapidly, consumers are more and more concerned about security and privacy issues. Generally speaking, many consumers are unwilling to give private information over the telephone or the Internet, for example credit card information (Hoffman and Novak, 1998).-

According to many studies (e.g. Westin and Maurici, 1998; Cranor et al., 1999) privacy issues have proven important barriers to the use of online services. Basically, consumers are not willing to accept that they do not have full control over their own behaviours. They want to master their own acts and to know the causes and consequences of their own and others' acts (Baronas and Louis, 1988). Users want to control what kind of data is collected, for what purposes, how long data is recorded for, how and for what purposes their data is processed (Kobsa, 2001; Kobsa, 2002).

Gathering and recording user data without consumers' awareness concerns them (DePallo, 2000).

CHAPTER THREE

METHODOLOGY

Research methodology defines the systematic and scientific procedures used to arrive at the results and findings for a study against which claims for knowledge are evaluated (Cooper & Schindler, 2006; Saunders et al. 2000). A methodology is therefore shaped by the perspectives the researcher chooses to approach a study.

3.1. Research Application

According to research application a study can be basic/pure study or an applied study. A basic research is a study that focuses on theory development and refinement while an applied study is a study whose finding are used to addressing specific needs or solving problems (Cooper & Schindler, 2006; Saunders et al. 2000). In this study, the findings will be used to help improve upon the management decisions and strategy regarding effective strategies for achieving and improving customer satisfaction with different electronic banking service dimensions in United Bank. Therefore, the study is an applied study.

3.2. Data Collection Procedures

Population and Sampling: The target population consists online banking customers of United Bank on selected branches which are 925 users as per the branches online bank customers list and Sample size is the actual respondents the total target population. For this study, the sample size was determined based on a simplified formula (Cochran, 1963) equation 3for calculating sample size for known population with a 95% confidence level.

Data Collection Instrument According to many scholars, in the use of survey strategy, the main instruments used are self-administered/interviewer, administered or structured/unstructured interviews and questionnaires or a combination of both (Saunders et al., 2000; Cooper & Schindler, 2006; and Malhotra& Birks, 2007). They further agree that, generally, the questionnaire can be used for descriptive or explanatory study, and must have a good layout, unambiguous questions, complete items, non-offensive but relevant items, logical arrangements of items, and the ability to elicit willingness to answer in respondents. As a result, in this study, a

self-administered, structured questionnaire are used to collect data from. The purpose of the questionnaire is to have insight into online banking acceptance in United bank finally to collect some data on respondents bio-data.

3.3. Data analysis methods

The study deploys both qualitative and quantitative data analysis techniques. SPSS will be used for the data analysis and interpretation purpose. After information obtained from different sources, the information obtained from questionnaires will be scaled, once the information was scaled then the researcher organizes in appropriate categories. The data was encoded to SPSS software package and results will be interpreted using quantitative method in line with the research objective and hypothesis to show and interpret the results. To evaluate the level of causal relationship between the constructs, variables that were found to have significant correlations will underwent through regression analysis.

Sample size

Sample size is the actual respondents the total target population. For this study, the sample size was determined based on a simplified formula (Cochran, 1963) equation 3 for calculating sample size for known population with a 95% confidence level. To calculate the sample size, the formula is:

$$n = \frac{no}{1 + \frac{(no - 1)}{N}} = \frac{385}{1 + \frac{(385 - 1)}{925}} = 272$$

Where:

n= the sample size

N= the population size

3.4. Reliability and Validity

Validity refers to the extent to which your data collection technique or analysis procedures will yield consistent findings'' (Saunders *et al*. 2009: 156).

Reliability refers to the consistency, stability and repeatability of data collection instrument. For any measurement to be valid, it must first demonstrate reliability (Frey, Botan, and Kreps, 2002).

To insure the reliability of the reliability of this study, the following measures had been used by the researcher. In order to enhance the validity of the data collected, both qualitative and quantitative techniques were used. The population data base was taken from reliable sources and yearly book of each private banks under study.

Mainly the survey method was the strategy of the research and Cronbach's alpha should exceed the threshold of .70. Cronbach's alpha is a function of the average inter-correlations of items and the number of items in the scale.

To check the reliability, the questionnaires were pretested with 20 sample questionnaires. As a result, Cronbach's alpha showed a satisfying reliability, above 70% which is indicated in the table below

Table 3.1 **Table Reliability Statistics**

Factors	Cronbach's Alpha	N of Items
Perceived ease of use	.711	6
Security and privacy	.800	5
Perceived usefulness	.888	6
Amount of information	.778	2
Perceived enjoyment	.701	2

3.5. Data analysis methods

The study deploys quantitative data analysis techniques. SPSS was used for the data analysis and interpretation purpose. After information obtained from different sources, the information obtained from questionnaires was scaled, once the information was scaled then the researcher organizes in appropriate categories. The data was encoded to SPSS software package and results were interpreted using qualitative and quantitative method in line with the research objective and hypothesis to show and interpret the results. To evaluate the level of causal relationship between the constructs, variables that were found to have significant correlations underwent through regression analysis.

$$Y = \alpha + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + ei$$

Where:

Y= the dependent variable to be predicted

α= Y axis intercept (the constant)

β= slop of the independent variables (X1, X2, X3, X4 and X5)

X1, X2, X3,X4 and X5 = independent variables used to predict the dependent variable

ei= the error term.

3.6. Ethical Consideration

The participants' name and exact position has been kept confidential. The only people who have access to the data from the participants are the researcher and the supervisor of the research. The respondents were given clear covering letter stating the purpose of the survey and cleared that their response will be kept in confidential manner

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1. Response rate

According to Sekaran (2001), a response rate of thirty percent is acceptable for most studies however in this study the response rate of the questionnaire was 85% which is sufficient enough.

Table 4.1 **Response Rate**

Position	Number of questionnaire	Number of returned questionnaire	Percentage of returned questionnaire
customers	272	245	90.07%
Total	272	245	90.07%

Source: Own Survey, 2017

4.2. Descriptive statistics

4.2.1. Demographic characteristics of the respondent

The demographic characteristic including age, gender, education background and use of online banking responses towards the variables are summarized by descriptive statistics using frequencies and percentages.

The questionnaire requested limited amount of information related to personal and professional demographic characteristics of respondents. Accordingly the following variables about respondents were summarized and described in the subsequent tables. This variables includes: gender, age, education background and use of online banking (see table bellow)

Gender * Age Cross tabulation

Count

	Age	Total

		18-25	26-35	36-45	ABOVE 46	
Gender	male	56	82	9	21	168
	female	31	30	16	0	77
Total		87	112	25	21	245

Gender * Education Cross tabulation

Count

		Education			Total
		College Diploma	First Degree	second Degree and above	
Gender	male	8	121	39	168
	female	11	37	29	77
Total		19	158	68	245

Table 4.2 Cross Tabulation

Presenting the information of different demographic variables in the above table helps the research to see the nature of the demographic variable by obtaining information to analyze how close to the industry they are and their educational background. Thus most of the respondents were male (n= 168, 68.6%), educational Back ground (First degree) (n= 121, 49%) and fail in the age of 26-35 (n=82,45 %) .

Use of online banking of the respondents

USE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Home	82	33.5	33.5	33.5
	Work	163	66.5	66.5	100.0
	Total	245	100.0	100.0	

Table 4.3 Use of online Banking

among the respondents 82 (33.5%) use the online banking of United bank at their home but most of the respondents use online banking at their work by counting 163 (66.5%) of the respondents which indicates most of them use it for work purpose.

4.2.1 Mean range

In order to make the interpretation of the data easy the five scale was interpreted and calculated using the following formula (Jeff, 2011).

$$interval = \frac{highest\ score - lowest\ score}{no\ of\ interval}$$

$$interval = \frac{5-1}{5} = 0.8$$

Table 4.4: mean range

Range	Interpritation-1	Interpritation-2
1.00-1.8	Very low	Very poor
1.81-2.60	Low	Poor
2.61-3.40	Average	Fair
3.41-4.20	High	Good
4.21-5	Very High	Very good

Source: Jeff, 2011

4.1.3. Descriptive statistics on the dependent variable

This part of the questioner is all about the dependent variable which is the acceptance of online banking.

Table 4.5 online banking provided by united bank is acceptable			
		Frequency	Percent
Valid	STRONGLY AGREE	95	39.3
	AGREE	100	40.5
	NEUTRAL	50	20.2
	Total	245	100
		mean	3.84

The observed variable online banking provided by united bank is acceptable has scored a total mean of 3.84 which is a high degree of agreement, out of 245 respondents 95(39.3%) of the respondents responded strongly agree and 100(40.5%) of the respondents responded agree while 50(20.2%) of the respondents responded neutral. This show the respondents are highly agreed on the online banking of united bank.

4.1.4. Perceived ease of use Variables

I find it easy to do what I want to do in online bank	Frequency	Percent
strongly agree	76	31.0
AGREE	109	44.5
NEUTRAL	48	19.6
STRONGLY DISAGREE	12	4.9
	Mean	2.92
Overall, I find an online bank easy to use	Frequency	Percent
STRONGLY AGREE	66	26.9
AGREE	143	58.4
NEUTRAL	36	14.7
	Mean	2.78
My interaction with an online bank is clear and understandable	Frequency	Percent
STRONGLY AGREE	56	22.9
AGREE	137	55.9
NEUTRAL	52	21.2
	Mean	3.05
It is easy for me to become skillful at using an online bank	Frequency	Percent
AGREE	200	81.6
NEUTRAL	45	18.4
	Mean	3.65
Learning to use an online bank is easy for me	Frequency	Percent
STRONGLY AGREE	73	29.8
AGREE	159	64.9
NEUTRAL	13	5.3
	Mean	3.41
I find an online bank to be flexible to interact with	Frequency	Percent
STRONGLY AGREE	50	20.4
AGREE	165	67.3
NEUTRAL	30	12.2
	Mean	4.03
	Average mean	3.30

Table 4.6: **Perceived ease of use**

For question of "I find it easy to do what I want to do in online bank" 12(4.9%) of the respondent responded as low (strongly disagree) while 48(19.6%) of the respondents responded neutral, 109 or 44.5% of the respondents responded agree and 76 (31.0%) responded as strongly agree. Here the mean for "I find it easy to do what I want to do in online bank" is 2.92 being explained that

the mean is average. This indicates that this factor is moderate on acceptance of the online banking.

For question of ' Overall, I find an online bank easy to use" no respondents responded as low (disagree nor strongly agree) while 36(14.7%) of respondents responded as neutral, 143(58.4%) of the respondents responded agree and the rest 66(26.9%) of the respondents responded strongly agree scoring a mean value of 2.78 which indicate this factor have moderate effect on online banking acceptance.

For question of "My interaction with an online bank is clear and understandable" there is no respondent ant responded low(disagree or strongly disagree) meanwhile 52(21.2%) of the respondents responded neutral, 137(55.9%) of the respondents responded agree and the remaining 56(22.9%) responded strongly agree scoring a mean of 3.05 which indicated that this factor have a moderate effect on online banking

For question of "It is easy for me to become skillful at using an online bank" there is o respondents responded as low but 45(18.4%) of the respondents responded as neutral and 200(81.6%) of the respondents responded agree with a mean score of 3.65 which indicate this factor has high impact on online banking

For the question of "Learning to use an online bank is easy for me" no respondents responded low while 13(5.3%) of the respondents responded neutral, most of the respondents 159 (64.9%) responded agree and the rest 73(29.8%) of them responded as strongly agree and scoring a mean of 3.65 which has high effect on online banking.

For the question "I find an online bank to be flexible to interact with" 30(12.2%) of the respondents responded as neutral and 165(67.3%) of the respondents responded agree while 50(20.4%) of the respondents responded strongly agree scoring a mean of 4.03 which implicate this factor has high impact on online banking.

4.1.5. Security and privacy Variables

Table 4.7: Security and privacy

I trust in the technology an online bank is using	Frequency	Percent
AGREE	77	31.4
NEUTRAL	115	46.9
DISAGREE	53	21.6
	mean	2.90
I trust in the ability of an online bank to protect my privacy	Frequency	Percent
AGREE	99	40.4
NEUTRAL	68	27.8
DISAGREE	78	31.8
	mean	2.91
I trust in an online bank as a bank	Frequency	Percent
AGREE	120	49.0
NEUTRAL	71	29.0
DISAGREE	54	22.0
	mean	2.73
I am not worried about the security of an online bank	Frequency	Percent
AGREE	37	15.1
NEUTRAL	120	49.0
DISAGREE	88	35.9
	mean	3.20
Using an online bank is financially secure	Frequency	Percent
AGREE	160	65.3
NEUTRAL	64	26.1
DISAGREE	21	8.6
	mean	2.4
	Average mean	2.83

For the question "I trust in the technology an online bank is using" 115(46.9%) of the respondents responded as neutral and 77(31.4%) of the respondents responded agree while 53(21.6%) of the respondents responded disagree scoring a mean of 2.90 which implicate this factor has average impact on online banking.

For the question "I I trust in the ability of an online bank to protect my privacy" 68(27.8%) of the respondents responded as neutral and 99(40.4%) of the respondents responded agree while 78(31.8%) of the respondents responded disagree scoring a mean of 2.91 which implicate this factor has average impact on online banking.

For the question " I trust in an online bank as a bank" 71(29%) of the respondents responded as neutral and 120(49%) of the respondents responded agree while 54(22.0%) of the respondents responded disagree scoring a mean of 2.73 which implicate this factor has average impact on online banking.

For the question "I am not worried about the security of an online bank" 120 (49%) of the respondents responded as neutral and 37(15.1%) of the respondents responded agree while 88(35.9%) of the respondents responded disagree scoring a mean of 3.20 which implicate this factor has average impact on online banking.

For the question "Using an online bank is financially secure" 64(26.1%) of the respondents responded as neutral and 160(65.3%) of the respondents responded agree while 21(8.6%) of the respondents responded disagree scoring a mean of 2.83 which implicate this factor has average impact on online banking.

4.1.6. Perceived usefulness Variables

Table 4.8: Perceived usefulness

Using an online bank enhances my effectiveness of utilizing banking services	Frequency	Percent
STRONGLY AGREE	84	34.3
AGREE	104	42.4
NEUTRAL	57	23.3
	mean	3.73
Using an online bank makes it easier for me to utilize banking services	Frequency	Percent
STRONGLY AGREE	101	41.2
AGREE	108	44.1
NEUTRAL	36	14.7
	mean	3.88
Using an online bank enables me to utilize banking services more quickly	Frequency	Percent
STRONGLY AGREE	57	23.3
AGREE	148	60.4
NEUTRAL	40	16.3
	mean	4.07
Using an online bank for my banking services increases my productivity	Frequency	Percent
STRONGLY AGREE	65	26.5
AGREE	138	56.3
NEUTRAL	42	17.1
	mean	4.32
Using an online bank improves my performance of utilizing banking services	Frequency	Percent
STRONGLY AGREE	61	24.9

AGREE	163	66.5
NEUTRAL	21	8.6
	mean	3.57
Overall, an online bank is useful for me to utilize banking services	Frequency	Percent
STRONGLY AGREE	81	34.9
AGREE	143	56.5
NEUTRAL	21	9.00
	mean	4.62
	Average mean	4.03

For question of "Using an online bank enhances my effectiveness of utilizing banking services " 57(23.3%) of the respondents responded neutral, 104 (42.4%) of the respondents responded agree and 84 (34.3%) responded as strongly agree. Here the mean for "Using an online bank enhances my effectiveness of utilizing banking services" is 3.73 being explained that the mean is high. This indicates that this factor is high on acceptance of the online banking.

For question of "Using an online bank makes it easier for me to utilize banking services" 36(14.7%) of the respondents responded neutral, 108 (44.1%) of the respondents responded agree and 101 (41.2%) responded as strongly agree. Here the mean for "Using an online bank makes it easier for me to utilize banking services" is 3.88 being explained that the mean is high. This indicates that this factor is high on acceptance of the online banking.

For question of "Using an online bank enables me to utilize banking services more quickly" 40(16.3%) of the respondents responded neutral, 148 (60.4%) of the respondents responded agree and 57 (23.3%) responded as strongly agree. Here the mean for "Using an online bank enables me to utilize banking services more quickly" is 4.07 being explained that the mean is high. This indicates that this factor is high on acceptance of the online banking.

For question of "Using an online bank for my banking services increases my productivity" 42(17.1%) of the respondents responded neutral, 138 (56.3%) of the respondents responded agree and 65 (26.5%) responded as strongly agree. Here the mean for "Using an online bank for my banking services increases my productivity" is 4.32 being explained that the mean is very high. This indicates that this factor is very high on acceptance of the online banking.

For question of "Using an online bank improves my performance of utilizing banking services" 21 (8.6%) of the respondents responded neutral, 163 (66,5%) of the respondents responded agree and 61 (24.9%) responded as strongly agree. Here the mean for " Using an online bank improves my performance of utilizing banking services" is 3.57 being explained that the mean is very high. This indicates that this factor is very high on acceptance of the online banking.

For question of "Overall, an online bank is useful for me to utilize banking services" 21 (8.6%) of the respondents responded neutral, 143 (56,5%) of the respondents responded agree and 81

(34.9%) responded as strongly agree. Here the mean for " Using an online bank improves my performance of utilizing banking services" is 4.03 being explained that the mean is high. This indicates that this factor is high on acceptance of the online banking.

4.1.7. Amount of information Variables

Table 4.9: Amount of information

I have generally received enough information about online banks	Frequency	Percent
STRONGLY AGREE	22	9.0
AGREE	124	50.6
NEUTRAL	59	24.1
DISAGREE	40	16.3
	mean	2.93
I have received enough information about the benefits of using an online bank	Frequency	Percent
STRONGLY AGREE	18	7.3
AGREE	150	61.2
NEUTRAL	77	31.4
	Mean	3.24
	Average mean	3.08

For question of "I have generally received enough information about online banks" 40(16.3%) of the respondents responded disagree 59 (24.1%) of the respondents responded neutral, 124(50.6%) of the respondents responded agree and 22 (9%) responded as strongly agree. Here the mean for " I have generally received enough information about online banks" is 2.93 being explained that the mean is average. This indicates that this factor is average on acceptance of the online banking.

For question of " I have received enough information about the benefits of using an online bank" 77 (31.4%) of the respondents responded neutral, 150(61.2%) of the respondents responded agree and 18 (7.3%) responded as strongly agree. Here the mean for " I have received enough information about the benefits of using an online bank" is 3.08 being explained that the mean is average. This indicates that this factor is average on acceptance of the online banking.

4.1.8. Perceived enjoyment Variables

Table 4.10: Perceived enjoyment

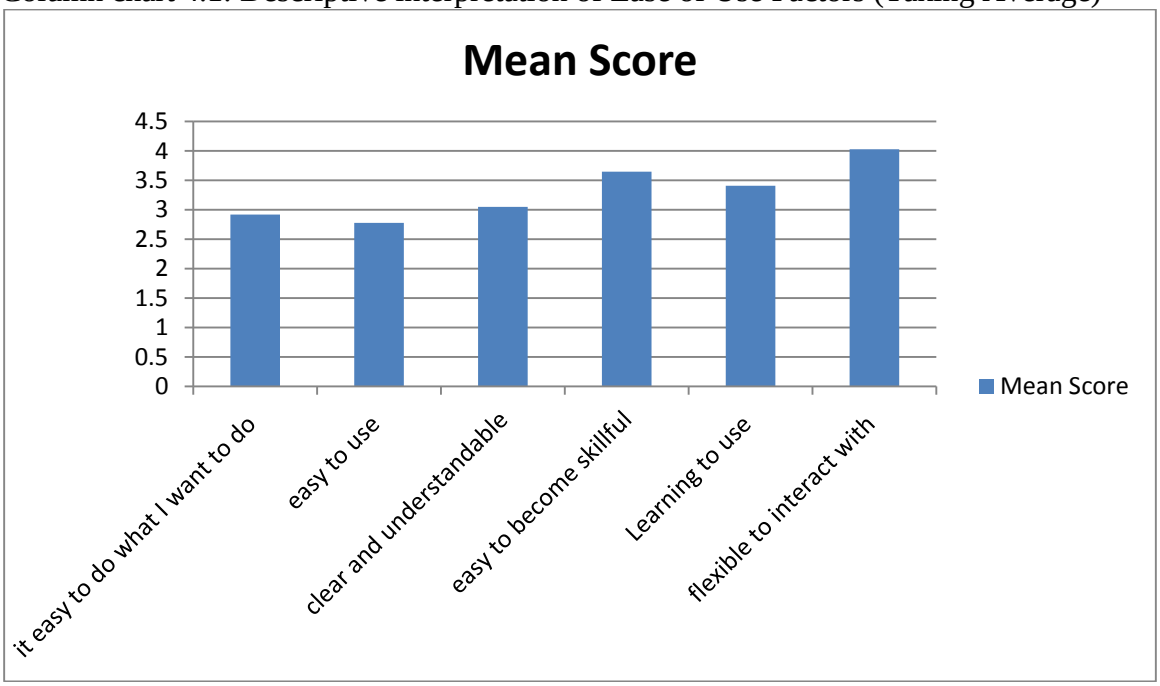
Using an online bank is pleasant	Frequency	Percent
STRONGLY AGREE	33	13.5
AGREE	150	61.2
NEUTRAL	62	25.3
	Mean	3.19
Using an online bank is positive	Frequency	Percent
STRONGLY AGREE	110	44.9
AGREE	88	35.9
NEUTRAL	47	19.2
	Mean	2.93
	Average mean	3.06

For question of " Using an online bank is pleasant" 62 (25.3%) of the respondents responded neutral, 150(61.2%) of the respondents responded agree and 33 (13.5%) responded as strongly agree. Here the mean for Using an online bank is pleasant" is 3.19 being explained that the mean is average. This indicates that this factor is average on acceptance of the online banking.

For question of " Using an online bank is positive" 47 (19.2%) of the respondents responded neutral, 88(35.9%) of the respondents responded agree and 110 (44.9%) responded as strongly agree. Here the mean for Using an online bank is positive" is 2.93 being explained that the mean is average. This indicates that this factor is average on acceptance of the online banking.

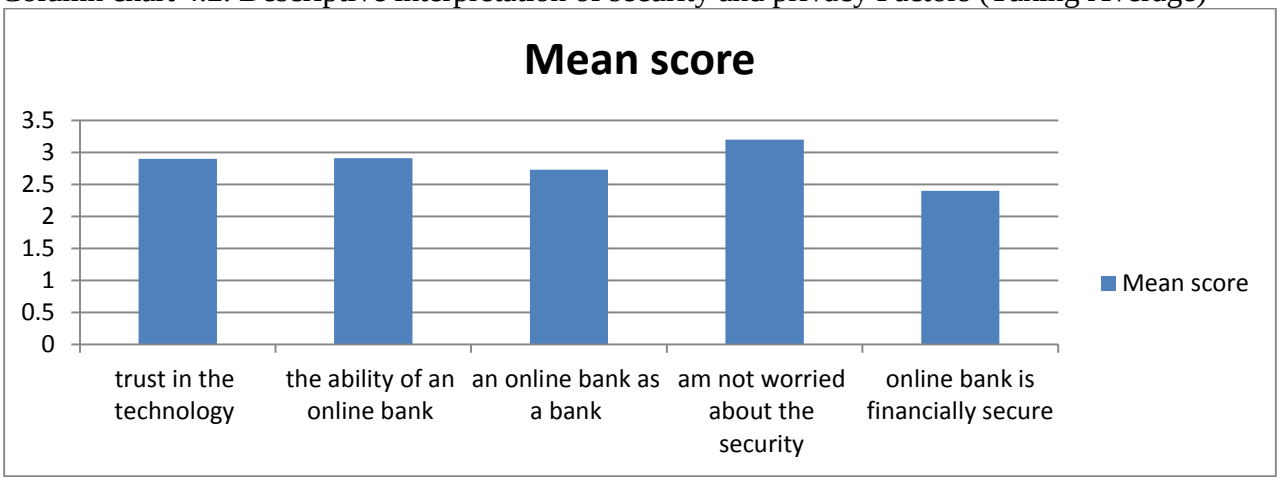
4.1.9. Descriptive statistics for each of the factors (taking Average)

Column chart 4.1: Descriptive interpretation of Ease of Use Factors (Taking Average)



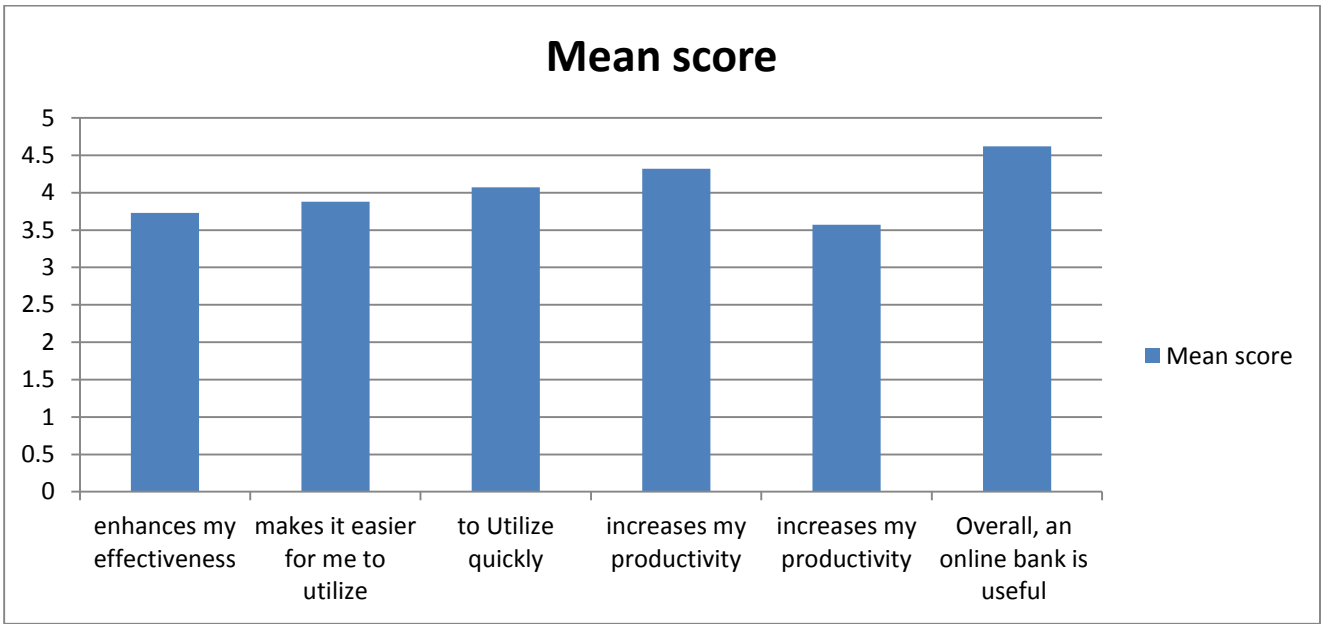
From variables under perceived easy of use only easy to become skillful, learning to use amd flexible to interact with scored high with a mean of 3.65, 3.41 and 4.03respectively the rest of the variables scored average.

Column chart 4.2. Descriptive interpretation of security and privacy Factors (Taking Average)



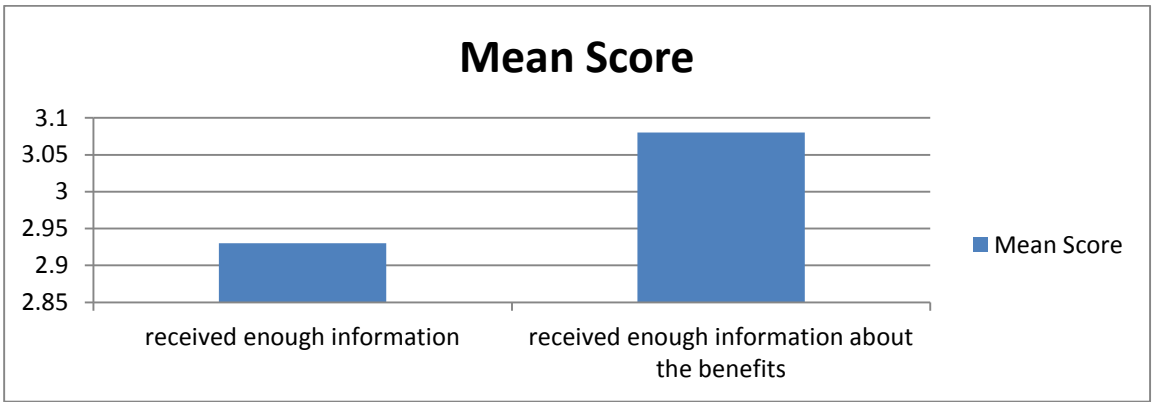
From security and privacy factor all scored average with a mean score of 2.90,2.91,2.73. 3.20 and 2.40 respectively.

Column chart 4.3 Descriptive interpretation of Usefulness Factors (Taking Average)



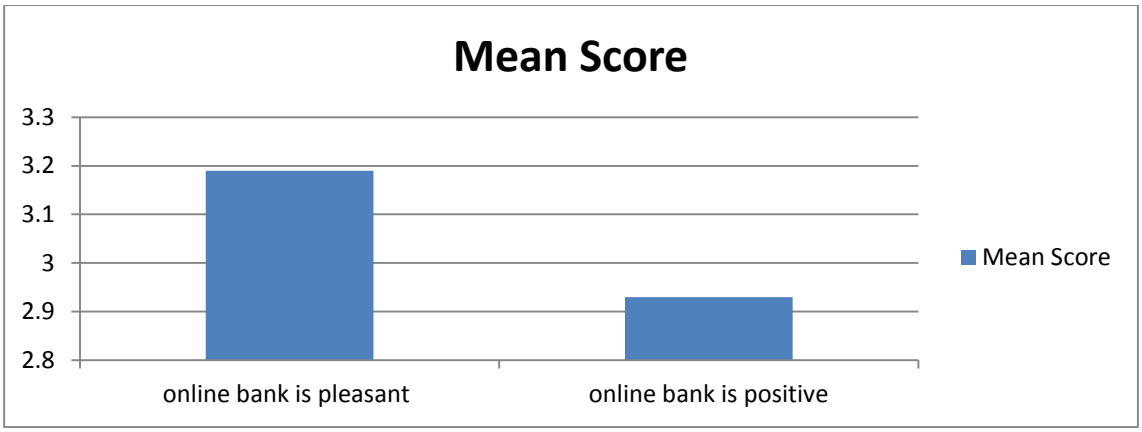
From the perceived usefulness factor all of the variables high with a mean score of 3.73, 3.88, 4.07, 4.32, 3.57 and 4.62 which indicate this factor has high impact on acceptance of online banking.

Column chart: 4.4 Descriptive interpretation of Amount of information Factors (Taking Average)



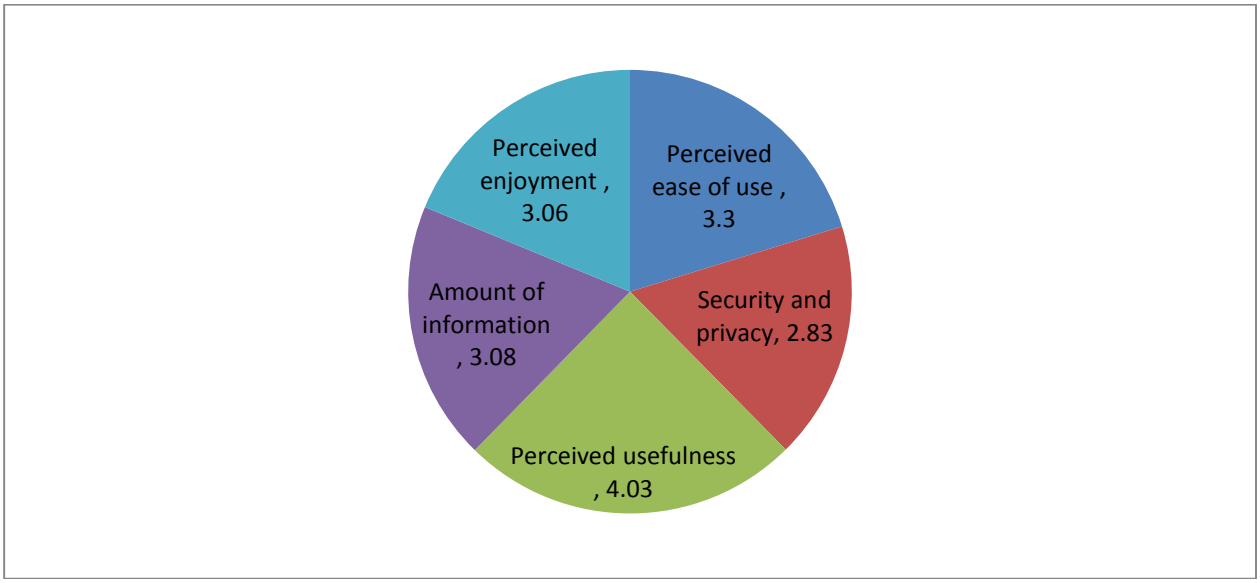
From the amount of information factor all variables scored average with 2.93 and 3.08 which indicates that this factor has moderate impact.

Column chart 4.5 Descriptive interpretation of Perceived enjoyment Factors (Taking Average)



From the perceived enjoyment factor both of the variables scored average with a mean of 3.19 and 2.93 which indicates this factor has moderate impact.

Pie Chart 4.1: Descriptive interpretation of online banking acceptance



By looking at the means of the factors under group which are perceived easy of use, perceived security and privacy perceived usefulness, amount of information and perceived enjoyment with average mean of 3.3, 2.83, 4.03, 3.08 and 3.06 respectively. Which indicates from the factors perceived usefulness has high impact on online banking while the rest has moderate effect on online banking.

4.2. Inferential Analysis

To assess the relationship between the variables and to test the stated hypothesis correlation and multiple regression analysis were used.

4.2.1. Correlation Analysis

According to (Pallant, 2001), the direction of relation between variables is explained as the Pearson Coefficient correlation (r) ranges from -1 to +1 and the positive sign indicates there is positive relationship and the negative sign indicates there is negative relation and also according to Cohen(1988) the following guidelines are used to interpret the strength of the relationships:
If r=0.10 to 0.29 or r=-0.10 to -0.29 indicate, that there is lower positive or negative relationship.

If r=0.30 to 0.49 or r=-0.30 to -0.49 indicate, that there is moderate positive or negative relationship

If r=0.50 to 1.0 or r=-0.50 to -1.0 indicate, that there is strong positive or negative

Table 4.6 Correlations

		Security and privacy	Perceived usefulness	Amount of information	Perceived enjoyment	Perceived ease of use
overall, online banking provided by united bank is acceptable	Pearson Correlation	.490**	.674**	.205	.301	.512**
	Sig. (2-tailed)	.000	.002	.000	.072	.000
	N	245	245	245	245	245

**. Correlation is significant at the 0.01 level (2-tailed).

Source: own survey (2017, 2018)

There is a positive relationship between online banking acceptance and security and privacy.
As shown in table because of the coefficient r is positive high the researcher knows that the relationship between online banking acceptance and security and privacy is highly positive by scoring 0.490 with statistical significant as 99% confidence interval.

There is a positive relationship between online banking acceptance and Perceived usefulness.

As shown in table because of the coefficient r is positive high the researcher knows that the relationship between online banking acceptance and Perceived usefulness is highly positive by scoring 0.674 with statistical significant as 99% confidence interval.

There is a positive relationship between online banking acceptance and Amount of information.

As shown in table because of the coefficient r is positive low the researcher knows that the relationship between online banking acceptance and Amount of information is low positive by scoring 0.205 with statistical significant as 99% confidence interval.

There is a positive relationship between online banking acceptance and Perceived enjoyment.

As shown in table because of the coefficient r is positive low the researcher knows that the relationship between online banking acceptance and Amount of information is low positive by scoring 0.301 with statistical significant as 99% confidence interval.

There is a positive relationship between online banking acceptance and Perceived ease of use.

As shown in table because of the coefficient r is positive high the researcher knows that the relationship between online banking acceptance and Perceived ease of use is highly positive by scoring 0.512 with statistical significant as 99% confidence interval.

4.2.2. Multiple regression analysis

The tools of regression and correlation analysis have been developed to study and measure the statistical relationship that exists between two or more variables.

Multiple regression analysis is similar to simple regression analysis. The difference between these two analysis is that simple regression just tests the impact of one independent variable towards one dependent variable, while multiple regressions are used to test the impacts of more than one independent variable towards one dependent variable. And in the present study, multiple regression analysis is used for the purpose of determining the extent to which the extent to which the explanatory variables explain the variance in the explained variable and identify the importance of independent variables by comparing the beta weights showed in the statistical table the results are explained in the following table.

The multiple regression analysis was conducted for the purpose of determining and testing the amount to which the five categories of variables explain the variance in the acceptance of online banking.

Table 4.7 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.553[a]	.421	.001	.74834

a. Predictors: (Constant),Security and privacy, Perceived usefulness , Amount of information , Perceived enjoyment , Perceived ease of use

The table shows the R value also known as the correlation coefficient between the dependent variable and independent variables taken together. The correlation coefficient's value (R value) for this study is 0.553. It means that the relationship between the dependent variable (online banking acceptance) and independent variables is positively strong and correlated.

The R square signifies the percentage or the extent to which independent variables can define the variation in the dependent variable. In this research the independent variables (Security and privacy, Perceived usefulness, Amount of information, Perceived enjoyment , Perceived ease of use) can define 42.1% of the variations in dependent variable. Nevertheless, it is still left 57.9% (100%-42.1%) undefined in this study. In simple terms there are other additional variables that are essential in defining the acceptance of online banking that have not been included in this study.

Table 4.8 Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.470	.434		3.215	.001
	Security and privacy	.037	.015	.198	2.800	.005
	Perceived usefulness	.016	.014	.037	-.806	.421
	Amount of information	.082	.012	.417	6.382	.000
	Perceived enjoyment	.078	.025	.178	3.464	.001
	Perceived ease of use	.136	.020	.312	6.302	.003
a. Dependent Variable: overall, online banking provided by united bank is acceptable						

As shown in the table above, by looking at the beta coefficients the following interpretation is drawn when Security and privacy, Perceived usefulness, Amount of information , Perceived enjoyment , Perceived ease of use factors increase each by 1, the acceptance of online banking also likely to increase by respectively, 0.198, 0.037, 0.417, .178 and .312

The standard error value of 0.434, which is relatively moderate value, shows that the moderately dependable the prediction likely to be.

From the data in table and referring the analysis, the equation for acceptance of online banking is:

$$\hat{Y} = .470 + 0.198(\text{Security and privacy}) + 0.037(\text{Perceived usefulness}) + .417(\text{Amount of information}) + 0.178(\text{Perceived enjoyment}) + .312(\text{Perceived ease of use}) + ei$$

$\hat{Y}$: is the estimated value of online banking acceptance.

4.2.3. Co linearity Diagnostics

Co linearity is a phenomenon in which two or more predictor variables in a multiple regression model are highly correlated meaning that one can be linearly predicted from others with a substantial degree of accuracy.

Table 4.9 co linearity statistics

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Security and privacy	0.359	2.783
	Perceived usefulness	0.758	1.318
	Amount of information	0.426	2.349
	Perceived enjoyment	0.695	1.438
	Perceived ease of use	0.531	2.316

a. Dependent Variable: online banking provided by united bank is acceptable

Based on the output of the SPSS in the above table co linearity statistics, obtained VIF value of 2.783, 1.318, 2.349,1.438 and 2.316 meaning that the VIF value obtained is between 1 to 10, it can be concluded that there is no multi co linearity symptoms.

CHAPTER FIVE

SUMMERY OF THE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1. Summary of the Findings

Finding on Perceived ease of use

With a mean of 3.30, it can be said that perceived ease of use has average or moderate influence on acceptance of online banking.

Flexibility to interact with the online banking is the most significant factor that influence acceptance of online banking, easy to learn to use an online bank and easy to become skillful has also high influence on online banking acceptance with a mean of 3.41 and 3.65 while the rest of the factors scored moderate mean indicating average influence on acceptance of online banking.

Finding on Security and privacy Variables

With a mean of 2.83, it can be said that Security and privacy has average or moderate influence on acceptance of online banking.

All variables in this category scored average mean which indicate that all variables has moderate impact on online banking acceptance.

Finding on Perceived usefulness Variables

With a mean of 4.03, it can be said that perceived usefulness has High influence on acceptance of online banking.

From the variables online bank is useful and using online banking increases productivity scored 4.46 and 4.32 respectively which implies this two factors have very high impact on acceptance of online banking. The rest online bank enhances effectiveness, online bank makes it easier to utilize banking services, online bank enables utilize banking services more quickly and online bank improves performance of utilizing banking services scored high 3.73,3.88, 4.07and 3.57 respectively indicating high impact on online banking acceptance.

Finding on Amount of information Variables

With a mean of 3.08, it can be said that amount of information has average or moderate influence on acceptance of online banking.

Finding on Perceived enjoyment Variables

With a mean of 3.06, it can be said that Perceived enjoyment has average or moderate influence on acceptance of online banking.

5.2. Conclusions

Based on basic research questions and results obtained the following points are forwarded as concluding remarks:

The overall level of Perceived ease of use of United bank Online Banking is Average with a total mean of 3.30 which is more than security and privacy, amount of information and perceived enjoyment but less than perceived usefulness factors.

The overall level of privacy and security of united bank online banking is average with a total mean of 2.83 which is less than from all the factors.

The overall level of perceived usefulness of united bank online banking is high with a total mean of 4.03 which is more than all of the factors.

The overall level of amount of information of united bank online banking is average with a total mean of 3.08 which is more than security and privacy and perceived enjoyment but less than Perceived ease of use and perceived usefulness.

The overall level of perceived enjoyment of united bank online banking is average with a mean score of 3.06 which is more than security and privacy but less than amount of information, perceived usefulness and Perceived ease of use factors.

Generally, the independent variables defined the variation in the dependent variable. As a result the independent variables defined the dependent variable which is the acceptance of online banking. However, the rest is undefined in this study and indicated that there are other variables which significantly affect the acceptance of the online banking that this study didn't cover.

5.3. Recommendations

Recommendations are forwarded based the findings and conclusions made so that it can help them in their attempt to make informed decisions in the area of their interest.

- It is recommended that in the development of online banking services, software developers as well as web designers should emphasize on the amount of information given on the web and the bank should work on the pleasantness of the web and online banking pages.
- It is recommended that in the development of the online banking the bank should give emphasis in improving the easy accessibility and understandability of the system.
- It is recommended that banks give assurances and guarantees to customers that online transactions are secured and the bank will carry full responsibility of any financial losses that might happen. Marketing-wise, the bank should emphasize the convenience and benefits online banking transactions entail. Promotional campaigns as well as advertisements should highlight the benefits of online banking.

5.4. Suggestions for Further study

The scope of this study was within selected branches of United Bank with the emphasis on Five dimensions based on the TAM Model which are Perceived ease of use Security and privacy, Perceived usefulness, Amount of information and Perceived enjoyment.

As the result showed there are other factors which can influence the quality of electronic banking other than studied in this research which around more than 57.9% therefore I recommend future researchers should study this remaining factors under other private or government banks with other models.

Letter of Declaration

I, yordanos adugna assefa, declare that this research, entitled" consumer acceptance of online banking in united bank selected branches" is my original work and has not been submitted to other institution of higher learning as a thesis and all source of information have been duly acknowledged.

I have carried out the research independently under the supervision of the research advisor dr. abebaw

_____

Yordanos Adugna Assefa

January, 2018

St Mery University

Addis Ababa