Factors influencing the adoption of internet banking: An integration of TAM and TPB with perceived risk and perceived benefit

Ming-Chi Lee

Department of Information Engineering, National Pingtung Institute of Commerce, No. 51, Minsheng E. Rd., Pingtung, Taiwan, ROC

Abstract

Online banking (Internet banking) has emerged as one of the most profitable e-commerce applications over the last decade. Although several prior research projects have focused on the factors that impact on the adoption of information technology or Internet, there is limited empirical work which simultaneously captures the success factors (positive factors) and resistance factors (negative factors) that help customers to adopt online banking. This paper explores and integrates the various advantages of online banking to form a positive factor named perceived benefit. In addition, drawing from perceived risk theory, five specific risk facets – financial, security/privacy, performance, social and time risk – are synthesized with perceived benefit as well as integrated with the technology acceptance model (TAM) and theory of planned behavior (TPB) model to propose a theoretical model to explain customers’ intention to use online banking. The results indicated that the intention to use online banking is adversely affected mainly by the security/privacy risk, as well as financial risk and is positively affected mainly by perceived benefit, attitude and perceived usefulness. The implications of integrating perceived benefit and perceived risk into the proposed online banking adoption model are discussed.
risk, perceived benefit and the theoretical foundations. Section 3 introduces methodology and research design, and Section 5 presents the data analysis and hypotheses testing results. Section 6 discusses our research findings. Section 7 provides implications, and finally Section 8 concludes with this paper's limitations, and potential topics for future research.

2. Perceived risk, perceived benefit and theoretical background

Since the 1960s, perceived risk theory has been used to explain consumers' behavior. Considerable research has examined the impact of risk on traditional consumer decision making (Lin, 2008). Peter and Ryan (1976) defined perceived risk as a kind of subjective expected loss, and Featherman and Pavlou (2003) also defined perceived risk as the possible loss when pursuing a desired result. Cunningham (1967) noted that perceived risk consisted of the size of the potential loss (i.e. that which is at stake) if the results of the act were not favorable and the individual's subjective feelings of certainty that the results will not be favorable. Most of scholars claimed that consumers' perceived risk is a kind of a multi-dimensional construct. Six components or types of perceived risk have been identified: financial, performance, social, physical, privacy, and time-loss (Jacoby and Kaplan, 1972; Kaplan et al., 1974; Roselius, 1971). However, the dimensions of perceived risk may vary according to the product (or service) class Featherman and Pavlou, 2003. Online banking does not incur any threat to human life; therefore, measures of physical risk were not included in this study. We define perceived risk in online banking as the subjectively determined expectation of loss by an online bank user in contemplating a particular online transaction. The dimensions of perceived risk were defined in Table 1.

2.1. Perceived risks of online banking

The present research investigated five types of risk – security/privacy, financial, social, time/convenience, and performance loss, and the details of these five risks related to online banking are described as follows:

1. Security/privacy risk: This is defined as a potential loss due to fraud or a hacker compromising the security of an online bank user. Phishing is a new crime skill by which phishers attempt to fraudulently acquire sensitive information, such as usernames, passwords and credit card details, by masquerading as a trustworthy entity in an electronic communication (Reavley, 2005). A phishing attack takes places when a user receives a fraudulent email (often referred to as a spoof email) representing a trusted source that leads them to an equally fraudulent website that is used to collect personal information (Entrust, 2008). Both fraud and hacker intrusion not only lead to users' monetary loss, but also violate users' privacy, a major concern of many Internet users. Many consumers believe that they are vulnerable to identity theft while using online banking services (Littler and Melanthiou, 2006).

2. Financial risk: It is defined as the potential for monetary loss due to transaction error or bank account misuse. According to Kuisma et al. (2007), many customers are afraid of losing money while performing transactions or transferring money over the Internet. At present online banking transactions lack the assurance provided in traditional setting through formal proceedings and receipts. Thus, consumers usually have difficulties in asking for compensation when transaction errors occur (Kuisma et al., 2007).

3. Social risk: This refers to the possibility that using online banking may result in disapproval of one's friends/family/work group. It is possible that one's social standing may be enhanced or diminished depending on how online banking is viewed. It may well be that people have unfavorable or favorable perceptions of online banking that in turn affect their views of its adopters; or, alternatively, not adopting online banking may also have negative or positive connotations.

4. Time/convenience risk: It may refer to the loss of the time and inconvenience incurred due to the delays of receiving the payment or the difficulty of navigation (finding appropriate services and hyperlinks). Two leading causes of dissatisfying online experiences that may be thought of as a time/convenience risk include a disorganized or confusing Web site and pages that are too slow to download (Forsythe and Shi, 2003). It may also be related to the length of time involved in waiting the website or learning how to operate online banking website.

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Definition</th>
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<tr>
<td>Performance risk</td>
<td>The possibility of the product malfunctioning and not performing as it was designed and advertised and therefore failing to deliver the desired benefits</td>
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<tr>
<td>Social risk</td>
<td>The probability that a purchaser results in loss of money as well as the subsequent maintenance cost of the product</td>
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<tr>
<td>Financial risk</td>
<td>Potential loss of control over personal information, such as when information about you is used without your knowledge or permission. The extreme case is where a consumer is “spoofed” meaning a criminal uses their identity to perform fraudulent transactions</td>
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<tr>
<td>Privacy risk</td>
<td>The probability that a purchased product results in a threat to human life</td>
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<tr>
<td>Time risk</td>
<td>Consumers may lose time when making a bad purchasing decision by wasting time researching and making the purchase, learning how to use a product or service only to have to replace it if it does not perform to expectations</td>
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Table 1
Dimensions of perceived risk.
دریافت فوری
متن کامل مقاله

امکان دانلود نسخه تمام متن مقالات انگلیسی
امکان دانلود نسخه ترجمه شده مقالات
پذیرش سفارش ترجمه تخصصی
امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
امکان دانلود رایگان ۲ صفحه اول هر مقاله
امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
دانلود فوری مقاله پس از پرداخت آنلاین
پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات