

ABSTRACT

The purpose of this research is to study differences in perceived characteristics of an Internet banking service and personal characteristic differences between those who want to adopt the service and those who do not. We will refer to the former as “intending adopters” and the latter as “non-intending adopters.” The study is also designed to find out perceived characteristics of the service and personal characteristics that can explain adoption intention. In addition, the objective is to identify services required to use by the interested-to-adopt via the Internet. Based on the result, it will make recommendation for banks in formulating marketing strategy in term of target marketing, product design along with promotional campaign setting.

In this study, the researcher uses the survey method and a questionnaire is employed as the instrument in primary data collection. The target population in this research is working people who use the Internet and hold bank accounts. The researcher uses quota sampling as the sampling technique and the quota samples are specified by organizational sector that Internet users work for. The data analysis consists of both descriptive statistics and hypothesis testing. Independent sample t-tests are carried out to examine the differences between intending adopters and non-intending adopters and to determine predictor factors of adoption intention, binary logistic regression analysis is conducted. The results indicate that:

- Intending adopters perceive the online service to have higher *relative advantage* and *social value*. They also view the new service to be more highly *compatible* with their current need, to be *easier to use* on a *trial basis* and to be less *complex* than the other group. In addition, intending adopters perceive *risk* in term of functional risk to be lower but they do not perceive lower security risk. The former also perceive *cost* of Internet banking service be lower than the latter.

- There is no evidence to say that the interested-to-adopt are *younger and earn a higher income* than the other group. For *personality trait*, intending adopters are found to have a more favorable attitude toward change than non-intending adopters; however, the study has not shown the former are more innerdirected and venturesome than the latter. The interested-to-adopt also exhibit a higher degree of opinion leadership, more involved in product category usage (except for weekly Internet hour usage).
- From the binary logistic regression analysis, six variables are together found as predictors of adoption intention. They are opinion leader in term of technological matter, relative advantage from timesaving, complexity, trialability, compatibility (selfuse) and electronic banking usage in terms of telephone banking usage.
- The study shows the first three services intending adopters want from using the Internet are balance inquiry, money transfer and information inquiry respectively. Moreover, they require banks to offer on-line account opening and on-line loan decision service in the future.

From the study, working people using the Internet can be considered as a target market with high potential to use the service. To encourage trial, banks can employ *pricing incentive*, *online demonstration* and *word-of-mouth* strategies. In addition, banks have to counteract negative perception -- complexity and risk -- by focusing on *simplicity* and *security* in product design and in setting promotional campaign.