ABSTRACT

This study is concerned with identifying the important factors that affect the acceptance and use of personal Internet Banking services. The study was conducted in the context of Thailand and provides answers to the following research questions:

- What are the main factors that affect an individual's adoption and use of personal Internet Banking services provided by banking institutions operating in Thailand?

- What types of relationships are there among these main factors?

- What is the relative importance of each of these factors in determining an individual's adoption and use of personal Internet Banking services?

- What are the theoretical and practical implications of the findings?

The research design, methodology, and analysis methods used in the study are compatible with a positivist quantitative approach. The research design uses a cross-sectional field study approach which is partly descriptive and explanatory and partly basic and applied in its purpose. The unit of analysis is an individual user of personal Internet Banking services. It is noted that no other study of this type concerning the adoption and use personal Internet Banking services in Thailand was found among studies reported in the literature and as such the study represents a contribution to emerging theory related to this topic and also produces practical advice for banking and other professionals who have interests in promoting the use of Internet Banking services.

Based on a literature review of existing theories and previous studies a proposed theoretical model was developed: important variables were identified, defined, and operationalized; relationships among the model variables were hypothesized; and existing measuring instruments for the variables were used to develop a self administered mail

questionnaire which was assessed by a focus group and a pilot study. Following data preparation procedures 618 questionnaire responses were analyzed in order to identify and systematically test modifications to the proposed theoretical model. The statistical techniques used included a range of descriptive and inferential statistics and Structural Equation Modeling with maximum likelihood estimation.

A final parsimonious model with satisfactory fit statistics emerged. In summary, the final model indicates that the most important effects on the extent to which an individual uses Internet Banking are due to: the amount of trust the individual has in the system; the length of time they have been using the system; and the emphasis they place on having personal relationships with the bank and its officers. These important effects on the extent of use are strengthened by their indirect effects on intervening variables concerned with the ease with which the system can be used and the individual's motivation to continue to use the system. Although results similar to these have been reported previously many other factors emphasized in previous studies such as the individual's age, gender, level of education, income, Internet experience, and position in an organization were not found to be important factors. In particular, the influence on an individual due to the opinions of their colleagues and friends was not an important factor.

Practical implications of the findings are presented together with an evaluation of the limitations of the study expressed in terms of the various forms of measurement and research design validity and reliability. In particular 2 variables were removed from the theoretical model because: the variable measuring the perceived usefulness of the system did not show satisfactory construct validity; and the variable measuring the individual's attitude to the system was involved in a negative suppression effect. Noting the

limitations of the study and other issues the thesis concludes with recommendations for further research.