

FACTORS AFFECTING ADOPTION OF INTERNET BANKING IN KARACHI; AN EXTENDED TAM APPROACH

By

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A thesis presented to the Department of Management Sciences, Bahria University
Karachi Campus, in partial fulfillment of the requirements
of the MBA degree



FALL, 2017

Bahria University Karachi Campus



Approval Statement

MBA Thesis

2nd Half-semester Progress Report & Thesis Approval Statement

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Thesis Title	"Factors Affecting adoption of Internet Banking in Karachi: an extended TAM approach"

Supervisor-Student Meeting Record

#	Date	Place of Meeting	Topic Discussed	Student's Signature
5	12-11-17	Supervisor's Office	Introduction, Literature Review. Research Methodology	<i>[Signature]</i>
6	19-11-17	Supervisor's Office	Data Analysis	<i>[Signature]</i>
7	26-11-17	Supervisor's Office	Data interpretation, SPSS, Discussion	<i>[Signature]</i>

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TABLE OF CONTENTS

Approval Statement..... i

Declaration..... ii

Acknowledgement..... iii

List of Tables and Matrices vii

List of Figures..... viii

List of Abbreviations..... ix

Plagiarism test report x

Abstract xi

Chapter 101

Introduction..... 01

 1.1 Problems Background 01

 1.2 Research Context..... 03

 1.3 Problem Statement 05

 1.4 Aim of the Study..... 05

 1.5 Objectives of the Study..... 06

 1.6 Research Questions 06

 1.7 Thesis Time Horizon..... 06

 1.8 Thesis Time Scale..... 07

 1.9 Limitation of the study 07

 1.10 Significance of the Study 07

 1.11 Prospects for Further Research..... 08

 1.12 Ethical Considerations..... 08

 1.13 Organization of the Thesis..... 08

Chapter 210

Literature Review..... 10

 2.1 Internet Banking..... 10

2.2 Technology Acceptance Model and Internet Banking Adoption Studies..... 11

2.3 Conceptual Framework and Hypotheses development..... 17

 2.3.1 Perceived Usefulness..... 17

 2.3.2 Perceived Ease of Use..... 17

 2.3.3 Security and Privacy..... 18

 2.3.4 Risk..... 19

 2.3.5 Awareness..... 19

 2.3.6 Computer self-efficacy..... 19

 2.3.7 Intention..... 20

Chapter 3 22

Research Method..... 22

 3.1 Research Philosophy..... 22

 3.2 Research Approach..... 22

 3.3 Research Type..... 22

 3.4 Nature of Research 23

 3.5 Target Population..... 23

 3.6 Sampling Technique..... 23

 3.7 Sample Size..... 23

 3.8 Data Collection Method..... 24

 3.9 Data Collection Instrument..... 24

 3.9.1 Development of Instrument24

 3.9.2 Constructs definition.....26

Chapter 4..... 27

Data Integration and analysis..... 27

 4.1 Methodology and Data Analysis..... 27

 4.2 Reliability Test..... 31

 4.3 CFA Analysis 34

 4.4 Linear Regression Analysis..... 37

4.5 Hypotheses Summary..... 41

Chapter 542

Critical Debate 42

Chapter 6 44

Conclusion and Recommendations 44

6.1 Conclusion..... 44

6.2 Recommendations 44

6.2 Suggestions for further Research 45

References 46

Appendix-A: Questionnaire 52

Appendix-B: CFA Matrices 54

ABSTRACT

Purpose: This research is conducted with the aim to determine different factors affecting the adoption of internet banking in Karachi by using TAM model. This study focuses on impact of perceived ease of use, perceived usefulness, security, privacy, risk, awareness, computer self-efficacy on intention of customers for acceptance and usage of internet banking. This study helps to determine individual impact of each independent variable on dependent variable for adoption of internet banking and identify most critical factors responsible for changes in internet banking users in Karachi.

Research Methodology: In this work deductive research approach has been followed and study is primary in nature. This study is causal in nature that is performed to identify the impact of selected independent variables on dependent variables. Targeted population of current study includes all bank customers residing in Karachi. Sample size of 384 has been selected and survey technique has been employed to assist in data collection process by using questionnaire as data collection instrument. For data analysis linear regression technique is employed through SPSS.

Findings of the Research: The results of current study provide overall support for the extended TAM model and reveal that all selected variables have positive significant impact on acceptance of internet banking services among consumer at 5 percent level of significance while risk of internet banking showed negative impact on adaptation of internet banking services among consumers at 5 percent level of significance.

Practical implications: The study makes an analytical effort in order to point out areas that banking institutions should emphasize in order to successfully implement internet banking services to enhance its adoption and, therefore, harvest its potential benefits.

Keywords: TAM, perceived ease of use, perceived usefulness, risk, awareness, security and privacy, Internet banking