

Consumer Awareness and Attitude Towards Adoption of Internet Banking

Samsinar Md. Sidin, Universiti Putra Malaysia
Chong Cheong Hong, Universiti Putra Malaysia
Ainul Zakiah Abu Bakar, Universiti Putra Malaysia

Abstract

The explosion of internet usage in the electronic banking field has drawn the attention of many researchers towards internet banking. Although firms have invested some amount of money in this electronic banking system, however consumers' adoption towards Internet banking is still limited as Internet banking is quite new in Malaysia. Therefore, the purpose of this study is to investigate the level of consumer awareness and attitude towards Internet banking in order to gage the acceptance of the services among the public. In addition, it is hoped that the findings on this study will provide some insight and understanding for bankers on how to increase consumer acceptance of Internet banking among Malaysians. From the findings, it is demonstrated that there is a positive relationship between perceived relative advantage, perceived compatibility and trialability of Internet banking with the intention to adopt Internet banking, while perceived complexity of using Internet banking has a negative relationship with the intention to adopt Internet banking.

Introduction

The Internet has been an extremely important technology in today's era of globalization. It is widely regarded as the third wave of revolution, after the agricultural revolution

and the industrial revolution. With the rapid diffusion of the Internet, banking in Malaysia is undergoing a period of substantial change, the impact of which can be seen in the transformation of the way financial services are delivered. One of the major changes in the banking industry is the evolving of traditional branch banking to a move towards electronic delivery channel such as the Internet banking or mobile banking.

According to Burnham (1996) Internet banking services are crucial for the long-term survival of banks in the world of electronic commerce. Infact, it was also predicted that financial institutions that failed to respond to the need for Internet banking services would likely lose their customers. The Internet is now being considered as a strategic weapon and will revolutionize the way banks deliver, operate, and compete against one another, especially when competitive advantages of traditional branch networks are eroding rapidly. Polatoglu and Ekin (2001) cited that banks are now keen in offering financial services over the Internet, knowing that the cost of delivering a service over the Internet is much lesser than over-the-counter services. It is also believed that, in the future, Internet banking will increase in importance as a strategic application to become a competitive necessity that must be adopted by most if not all banking and financial institutions (Orr, 1998).

There is enough evidence to show

