

**ADOPTION OF INTERNET BANKING SERVICES BY CORPORATE
CUSTOMERS FOR FOREX TRANSACTIONS BASED ON THE TRA
MODEL – A CASE OF FNB INDUSTRIAL BRANCH**

By

Lufwendo Lishomwa

GSB 151739

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LUSAKA

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Name: Lufwendo Lishomwa

Signed:.....

Date:.....

Supervisor:

Name: Dr. Jackson Phiri

Signed:.....

Date:.....

CERTIFICATE OF APPROVAL

This thesis by Lufwendo Lishomwa has been approved as partial fulfilment of the requirements for the award of Master of Business Administration (General) by the University of Zambia

| | Name | Signatures | Date |
|-----------------------|-------|------------|-------|
| Examiner 1 | | | |
| Examiner 2 | | | |
| Examiner 3 | | | |
| Chairperson | | | |
| Board of Examiners | | | |
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ABSTRACT

The digital banking system provides numerous advantages to customers, however, there is still a lack of trust among some corporate customers. Absence of face-to-face interaction makes it very impersonal. Thus, customers are more comfortable dealing with people in a physical bank setting that provides personalized services as opposed to through online self-service channels. Many customers still do not trust the online mode of service especially for money related transactions. Users who are not familiar with internet banking feel very uncomfortable as they have doubts regarding the accuracy of the transactions done online. The aim of the study was to develop a model that will address challenges corporate customers face with regards to the adoption of internet banking services for Forex transactions. The study looked to identify the factors inhibiting the corporate customers of FNB Industrial Branch from adopting internet banking technologies. The data was collected through closed ended questionnaires that were administered face-to-face within First National Bank Industrial Branch. The study focused on corporate customers and was administered to 132 respondents which represented an 88% response rate. The data labelling and cleaning was done using SPSS. Cronbach's Alpha was used for measuring the total consistency between all items of the instrument and internal consistency among items for each dimension. After reliability analysis, it was established that the key factors influencing internet banking were; performance expectancy, control factors, social influence and behavioural intention. A simple regression analysis was conducted to test the research hypotheses following the criteria established by considering use of internet for Forex transactions as the dependent variable. All of the independent variables were positive but only one was significant at the confidence level of $P \leq 0.05$. Only social influence is said to have an effect on internet use for Forex transactions. The study also looked to devise a model which can be used to improve the uptake of the services. A model was devised to expand on the framework of the Theory of Reasoned Action to demonstrate that within the Zambian context, based on the study, social influence would be a stronger factor leading to adoption of internet banking for Forex transactions.

KEYWORDS

Internet Banking Services, Theory of Reasoned Action, Corporate Customers, Adoption

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LIST OF ABBREVIATIONS AND ACRONYMS

| | |
|-------|---|
| FNB | First National Bank |
| TRA | Theory of Reasoned Action |
| WWW | World Wide Web |
| ATM | Automated Teller Machines |
| ZIPSS | Zambian Interbank Payment and Settlement System |
| EFT | Electronic Fund Transfer |
| CIC | Cheque Image Clearing |
| ZECHL | Zambia Electronic Clearing House Limited |
| GDP | Gross Domestic Product |
| US | United States |
| FX | Foreign Exchange |
| IT | Information Technology |
| CRM | Customer Relationship Management |
| TAM | Technology Acceptance Model |
| BI | Behavioural Intention |
| SPSS | Statistical Package for the Social Sciences |
| CF | Control Factors |
| SI | Social Influence |
| FC | Facilitating Conditions |
| EFA | Exploratory Factor Analysis |
| FA | Factor Analysis |
| PCA | Principal Component Analysis |

1.0 INTRODUCTION

This section provides a brief background to the problem which provides an aspect of historical information relating to this research. The problem statement follows the background in order to put the problem into perspective. The aim of the study is highlighted in order to identify the main goal of this research. Objectives of the study are then stated to outline the intentions of this study. These objectives were then used to generate the research questions which were used to carry out investigations at FNB. The significance of the study is then discussed to define the beneficiaries of this research. Lastly, the format of the study will provide a summary of what each individual chapter will cover whilst the conclusion ends all the discussions relating to this chapter.

1.2 Background to the problem

The digital banking system provides numerous advantages to the customers, however, there is still a lack of adoption among corporate customers. Absence of face-to-face interaction makes the banking experience for customers seem impersonal. Thus, customers who are more comfortable dealing with people in a physical bank setting that provides personalized services rather than mechanical interaction; digital banking is not an ideal alternative. Many customers still do not trust the online mode of service especially for money related transactions. “The role of trust encompasses the exchanges and interactions of a retail bank with its customers on various dimensions of online banking” (Mukherjee & Nath, 2003). Users who are not experienced on the internet banking platform feel uncomfortable as they have doubts regarding the accuracy of the transactions done online. One reason for this is; clients do not appear to know about the advantages offered by digital banking. Components required for technology adoption and utilization are the formation of awareness and conveyance of data. This is in line with the findings of a study on adoption of e-banking in South Africa by Maduku (2014).

For beginners, it appears to be a complex mode of service as customers find the bank’s website complicated to navigate. Despite the young population in Zambia, the adoption of new media technologies seems to be a challenge due to lack of technological knowhow as well as educational gaps. According to Maduku (2014), in the Southern African context, studies indicate that internet banking is a fairly new experience to many banking customers

and thus a lack of awareness is an important factor contributing to customers' disinterest in adopting and using internet banking.

Zambia is still growing its internet infrastructure and accessibility; only 20.4% of the population has access to internet, below the 28.7% average for Africa and 54.2% average globally (MMG, 2016). It could be argued that internet banking can only be embraced with clear laws regulating it and a developed secure telecommunication network. Efforts have been made by FNB to reduce the number of physical forex transfers brought into branches for processing. The internet banking platform has been upgraded to include the option for customers to process transactions themselves. Relationship banking teams have also been conducting visits to corporate customers premises in order to teach clients how to use the forex processing options. A marketing campaign was launched to inform customers who may have been unaware of the forex functions embedded into the online platform. Despite the attempts to encourage corporate clients to utilize the internet banking platform, there has not been a decrease in the numbers of physical instructions being brought into the branch for processing.

1.3 Research Problem

In the current climate of the information age, FNB is looking at decongesting branches by migrating customers from banking within the branch to banking through self-service channels. A large number of corporate customers are making the decision to forego the self-service channels in favour of face to face interaction within the branch. There has been a push for digital bankers to be present in every branch to assist corporate customers. The bank has invested heavily in training sessions for corporate customers and also increased the size of the team who handles internet banking queries. Despite all of the points of presence designed to assist customers, there are still a large number of customers who ignore the internet banking facilities.

This points to a knowledge gap between the corporate customers and the bank's effort towards digital migration. The assumption by the bank is that as long as the services are readily available and from the organizational perspective, user friendly, the customers will be willing to utilize them. (FNB, 2018).

The reluctance to use internet banking services has negatively affected FNB Industrial branch corporate customers. From a total of 5,462 manual instructions for forex processed, corporate

customers only processed a further 869 for themselves using the online banking platform (FNB, 2018). The literature on corporate clients uptake of internet banking services for forex transactions is very limited which makes further research necessary in order to gain insight into the perception of corporate clients.

1.4 Aim

The aim of the study is to develop a model that will address challenges corporate customers face with regards to the adoption of internet banking services for forex transactions.

1.5 Objectives

- i. To identify the factors inhibiting corporate customers from adopting internet banking technologies to process forex transactions based on the Theory of Reasoned Action model
- ii. To assess the current status of internet banking in Zambia and devise a model that will help to improve internet banking services for corporate customers

1.6 Research Questions

This study is seeking answers to the following research questions:

- i. What are the major factors inhibiting corporate customers from adopting internet banking technologies to process forex transactions?
- ii. How can a model be developed to address the challenges in (1) based on the TRA model?

1.7 Significance of the Study

FNB Zambia, as other retail banks in the nation, is investing heavily in the advancement of digital banking with the expectation that this will convert into higher returns and market penetration. Nevertheless, the quick adoption of these digital banking innovations is still in question. Any corporate level strategy which seeks to accomplish far reaching adoption and utilization of these digital banking services lays on the understanding of the elements that impact clients' adoption and utilization of the services.

The findings of the study will be of great use to the FNB Zambia to improve the way digital banking technologies are tailored. The results of this study will further offer service providers a better knowledge and understanding of the typical digital banking user, regarding their information needs and use, thus, adding value to their marketing actions in the field of digital banking. The results of this study will be informative for managers when planning and implementing new digital banking technologies in future FNB projects.

Through the understanding of the clients' perspective of digital banking, the bank will have the capacity to profit on the inborn qualities of new technological innovations and be able to encourage immediate correspondence with clients. Further, this study will be a contribution to empirical research on digital banking information services, specifically the Sub-Saharan Africa experience.

1.8 Scope of the Study

There is a problem in the elements influencing the selection and utilization of digital banking with a particular focus on internet banking for forex transactions by corporate customers in the business banking section of FNB Zambia Industrial Branch. The study is limited to Corporate Client who opened their business account at FNB Lusaka Industrial Branch. The respondents are individuals who have the mandate to transact on a particular business account because they will be able to drive the change of adoption of the service. The study is focused on the use of the online banking platform to process forex transactions. This study which investigated the ways that digital banking adoption can be increased embedded in the Theory of Reasoned Action helped to identify the particular areas which the business can focus on in order to encourage corporate customers to utilize internet banking services.

1.9 Thesis Outline

The first chapter this positions the main emphasis of this study, clarifying the aims, objectives and significance of the study. A comprehensive review on recent literature pertaining to this research is discussed. These in-depth findings examine factors which could potentially assist FNB in the successful transition of migrating customers from traditional banking to online banking. In chapter three, the justification behind the research methodology engaged in this study is explained. Moreover, it inspects how the study was conducted and the research design most fitting for this study.

There is a discussion on the results of the primary research. Finally, the conclusions and recommendations are discussed.

1.10 Chapter Summary

In summary, the background of the study was discussed in this chapter, providing a brief history of the implementation of internet banking at FNB. The problem statement highlighted the issues of concern surrounding the adoption of internet banking at FNB whilst the aim and objectives stated the purpose of the research. Lastly, the importance of the study was discussed followed by a brief description of the studies chapter organization.

CHAPTER 2 LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 Introduction

This chapter appraises previous research by accredited scholars and researchers. A literature review is a body of text that aims to review the critical points of current knowledge on a particular topic. Its ultimate goal is to bring the reader up to date with current literature on the topic and forms the basis for another goal, such as the justification for future research in the area. The chapter starts with introduction of electronic banking, its adoption, the different E-banking service delivery channels, E-banking benefits, its challenges and Critical Success Factors.

2.2 Electronic Banking

2.2.1 Definition of Internet Banking

Internet banking means a framework through which financial organizations and clients are able to access their records, transfer funds and get the most recent data on their monetary items from public or private systems, such as the internet (Okibo, Wario 2014). Internet banking does not only handle the transfer of data between clients living spaces such homes and workplaces and the physical offices of the bank, but additionally manages sales, deals and access to services, all without requiring the client to be on the bank premises. “Among other benefits, e-banking saves time, customers need not to visit the bank branch and banks have the opportunity to enhance their customer base thereby experience improved profits” (Okibo, Wario 2014).

As per Basel Committee Report on Banking Supervision (2003), e-banking is to incorporate the arrangement of retail and small value financial items and services through electronic channels as well as a large value electronic payment and other discount banking services conveyed electronically. Concerning the field of banking and financial services, e-banking has been portrayed as a result of electronic commerce. According to Sokolov (2007), financial institutions, in addition to providing traditional banking products and services can also facilitate a wider array of banking products and services that have been designed or tailored to shore up e-commerce. The most common and popular support services are: Electronic card; Phone and mobile bank; Call center; Home bank; corporate bank and Internet bank. The adoption of electronic banking is often credited with helping fuel strong growth in the many economies (Coombs, Saviotti & Walsh, 1987).

2.2.2 The Background of Electronic Banking

Commercial uses of the internet have become the fastest growing part of the World Wide Web (WWW) (Hawi, 2012). The idea of Internet banking is to give customers access to their bank accounts via a web site and to enable them to enact certain transactions on their account, given compliance with stringent security checks (Essinger, 1999). Internet Banking was thought to signal a revolution in banking distribution. Banks invested heavily in the development of the Internet channels (Anderson, 2006). Internet Banking has experienced explosive growth in many countries and has transformed traditional banking practice (Mols, 1999). With the global advancements in technology, an online presence is necessary in order for banks to remain accessible to their customers. Thornton and White (2001), who examined customer orientations and usage of financial distribution channels in the Australian financial industry, found that more recently most financial institutions, faced with competitive pressure after the introduction of deregulation in 1983, had rethought their strategies to take full advantage of Internet technology.

This thought was affirmed in a study led by Jasimuddin (2004) who analysed the job of E-banking in Saudi Arabia. Jasimuddin (2004) demonstrated that most of the Saudi banks had exploited internet innovation to set up sites yet few offered E-banking services. The researcher proposed that if the Saudi Arabian financial industry wished to be effective in the worldwide economy it would need to coordinate internet innovation into its financial methodology. Sander & Mukwana (2003) noted that Sending or receiving money for either payment of salaries, settlement of business transactions, payment of school fees, or for family support is common both for businesses and individuals. It requires efficient, reliable and affordable money transfer services whereby money can be deposited in one location and withdrawn in another in both urban and rural areas, (Loudon & Traver, 2010).

2.2.3 Automated Teller Machines (Atm)

Automated Teller Machines (ATMs) were the first well-known machines to provide electronic access to customers. “An ATM is a computerized telecommunication device that provides the customer of a financial institution with access to financial transactions in a public space without the need for a human cashier, clerk or bank teller” (Cronin, 1998). According to Aldajani and Alfares (2009), Automated Teller Machines are among the most important service facilities in the banking industry. The ATM has enjoyed widespread acceptance in the industry. “Most ATMs are connected to interbank networks, enabling people to withdraw and deposit money from machines not belonging to the bank where they

have their account or in the country where their accounts are held thus enabling cash withdrawals in local currency” (Maxwell, 1990).

2.2.4 Point of Sale

A point of sale is the device that represents the most critical function in a retailer’s supply chain, the checkout process. The cash register is the moment of truth at which the consumer must commit to a purchase and offer tender in exchange for the goods (Maciá-Fernández, Camacho, Magán-Carrión, García-Teodoro, & Therón, 2018). At point of sales, for example, supermarket or service station, clients make their purchases with the utilization of payment cards, to be specific debit or credit cards. Each time a purchase is made, the payment card would need to be swiped through a card reader. “After the process is completed and the payment card is deemed to be valid, a coded certificate is sent from the card owner’s bank to the merchant through the Processing Centre, thus allowing the transaction to go through” (Sethi & Bhatia, 2007).

2.2.5 Cellphone Banking

The use of cell phone technology has grown exponentially since the turn of the century. Naturally, with the need for information to be accessed at the click of a button, banks have also bridged the gap between the branch and the customer. “The speed of retail payments is now immediate in some countries thanks to improvements in information and communication technologies, including the ubiquity of smartphones and the internet” (Beck, Shimizu & Wong, 2017). Cellphone banking is more cost-effective than ordinary branch banking and the process increases customer convenience as well as expanding access to a wide variety of services for customers (Mols, Bukh & Nielsen, 1999). Cellphone banking allows customers to access bank services; pay bills, transaction notification without physically visiting the bank (Giannakoudi, 1999). The increase in the use of cell phone banking has helped customers perform self-banking activities without visiting a branch.

2.3 Electronic Banking in Zambia

A case for additive potential for electronic banking exists in Zambia. “This is due to the prevalence of cash-based financial transactions and the high access to, and regular use of, mobile phones among the unbanked” (Adongo, 2007). According to the Finscope Zambia survey conducted in 2009 only 33.7% of Zambian adults have access to financial services, leaving 66.3% financially excluded. This is despite the growth in the number of banks and branches in Zambia. Financial institutions are always on the move to innovate for new e-

banking products and some banks are now going into cloud banking to facilitate internet and mobile banking as the next generation of cloud banking (Finance Bank Zambia, 2013). The widespread use of mobile phones has opened the doors to several mobile payment services. Celpay, owned by First Rand Bank in South Africa, offers an m-banking solution in Zambia that provides its subscribers with inter-bank transfers, airtime vending via its dealer network, mini automated teller machine (ATM) capabilities and cash on delivery with its built-in mobile ordering application (Mulambo, 2007).

The National Payment Systems act was enacted in 2007 in order to provide legal backing for the operation of various payment mechanisms in Zambia. The Bank of Zambia (2019) has identified several systems which can be categorized as systematically important payment systems, these payment systems are essential for the flow of finances and their failure could lead to widespread adverse effects for the economy. These systems are;

- Zambian Interbank Payment and Settlement System
- Electronic Funds Transfer System
- Cheque Image Clearing System

(Bank of Zambia, 2019)

2.3.1 Zambian Interbank Payment and Settlement System

“The central bank of any country is usually the driving force in the development of national payment systems” (Badrudin, 2015). “The Zambian Interbank Payment and Settlement System (ZIPSS) is an electronic payment system in which processing of transactions for settlement takes place continuously on a transaction by transaction basis in real time” (Bank of Zambia, 2019). This real time processing allows for more efficient transfer of funds. The new system can help with managing risks associated with high value payments.

2.3.2 Electronic Funds Transfer System

The Electronic Funds Transferring System has imposed a new dimension on bank marketing decision makers. Andam (2003) noted that, electronic banking, also known as electronic fund transfer (EFT), uses computer and electronic technology as a substitute for cheques and other paper transactions. According to The Bank of Zambia (2019), it is a simple, safe and speedy way to collect payments since value is given to customers on the same day as it is available with all commercial banks.

2.3.3 Cheque Image Clearing System

The Cheque Image Clearing (CIC) system is a cheque processing and clearing system and allows customers belonging to one bank to write cheques belonging customers of another bank. Similar to Electronic Funds Transfer (EFT) system, the CIC system is operated by the Zambia Electronic Clearing House Ltd (ZECHL) (Bank of Zambia, 2019).

2.3.4 Zambian Policy for Inclusion

The government is actively seeking to embrace new technology including internet banking through policies which encourage financial inclusion. Financial inclusion is a distinct dimension of financial development. The National Financial Sector Development Policy 2017 (Ministry of Finance, 2017) provides a framework for the development of a stable, resilient, competitive, innovative, and inclusive financial sector that contributes to broad-based wealth creation and sustainable economic development. It recognizes the role of the national payment system in helping accelerate the country's transition from cash to digital payments.

The National Financial Inclusion Strategy 2017–22 (NFIS) (Ministry of Finance, 2017) aims to achieve universal access to and usage of a broad range of quality and affordable financial services that meet the needs of individuals and enterprises. It sets out to increase the formal financial inclusion of adults from 38 percent in 2015 to 70 percent by 2022. The NFIS includes “improved outreach and adoption of digital financial services” as one of the key drivers for reaching these targets and has a dedicated working group on delivery channels and digital payments.

The National Payment System Vision and Strategy 2018–2022 (Bank of Zambia, 2018) outlines framework payment systems that are inclusive, affordable, appropriate, efficient, secure, and interoperable. It aims to achieve this goal through a clear regulatory framework, a cyber-security monitoring system, an increase in access points and interoperable retail payment systems, digitized government payments, safer and more efficient remittance services, and promotion of digital financial services through increased sensitization. It also recognizes the emergence of priority areas such as financial inclusion, cyber-security, and consumer protection.

2.4 Forex

Foreign Exchange trading has been one of the quickest developing activities among private financial specialists in the past 15 years (Dewett, 2006). As indicated by research by

Citigroup in 2014, 4 million individuals are presently exchanging currencies on the web, and retail merchants represent around 20 percent of the normal every day turnover of the worldwide spot forex market. “An expected \$5.3 trillion changes hands each day in the foreign exchange markets” (Citigroup, 2014). Consistently, the financial institutions in the City of London make speculative money exchanges worth about as much as the whole country's GDP for an entire year. As per the Global Policy Forum, in 2011 just 0.6% of foreign exchange trade could be followed to genuine international trade in merchandise and services.

Forex trading is the simultaneous buying of one currency and selling another. Currencies are traded through a broker or dealer and are traded in pairs. “The forex market is the place where such currency trading occurs and is the largest, most liquid market in the world with an average daily trading amount of more than \$5 trillion” (Citigroup, 2014).

There is a need to trade currencies around the world to conduct foreign trade and business, which has resulted in sustained growth of the market. The market also provides many opportunities for investors to profit from the changing values of currencies. The forex market is where businesses, governments, banks and traders come to buy, sell and speculate on currencies. “It is open for 24 hours a day, 5 days a week as it has trading centres in different time zones across Sydney, Tokyo, Hong Kong, Singapore, Frankfurt, Zurich, London and New York” (Dewett, 2006). With no central marketplace, forex trading is conducted electronically over the counter. This means the market is active at all hours, resulting in price fluctuations and many opportunities to make gains from currencies rising or falling in value throughout the day (Laudon & Traver, 2010).

2.4.1 History of Forex

Foreign exchange goes back to ancient times, when merchants initially started trading coins from various nations. Be that as it may, the foreign exchange itself is the most current of the financial markets. Over the last hundred years, the foreign exchange has experienced some dramatic changes.

The Bretton Woods Agreement, set up in 1944, established a new global monetary system. The agreement replaced the gold standard with the US dollar as the global currency. As a result of this, the United States became the dominant power in the global economy. The World Bank and the International Monetary Fund were created to monitor the new system.

As part of the new system, countries agreed to maintain fixed exchange rates between their currency and the dollar (International Monetary Fund, 2019).

The central banks of member countries agreed to regulate supply and demand of their currency depending on the currency's strength against the dollar. "In 1971, the Bretton Woods Agreement exhibited the first signs of weakness due to uncontrollable exchange rate variances, by 1973 the gold standard was abandoned by president Richard Nixon, currencies were now able to float uninhibitedly" (Igwe, 2018). From that point, the foreign exchange market immediately established itself as the financial market. "Before the year 1998, the foreign exchange market was just accessible to larger entities to exchange currencies for business and investment purposes through banks" (Strange, 2011). Presently, online exchange platforms and the internet permit smaller organizations and retail financial specialists to get to a comparable degree of liquidity as the major foreign exchange banks, by offering a door to the primary (Interbank) market (Lownstein, 2011).

2.4.2 Physical Foreign Exchange

This is also referred to as deliverable FX as there is physical delivery of the currency. This is a basic foreign exchange contract, a binding agreement between parties to sell one currency and purchase another for a predetermined sum, at a predefined rate, for quick delivery (inside 2 days) (Shamah, 2003). "Traditionally, settled Spot rates (T+2) can be flexible within that time period and can also be settled with same or following day value, provided that the cut off times have been met" (International Monetary Fund, 2019). A few firms and agents offer physical foreign exchange services and liquidity to organizations in order to help with managing risk as well as offering currency change for large sums. Such firms deal with several of their customer's foreign trade requirements, everyday currency purchases and liquidity necessities, to longer term supporting and portfolio management.

2.5 Corporate Customers

Corporate banking is a significant area of a bank's target markets. As a specialty unit, it gives financial administrations to large companies, associations, and organizations. Regularly the services offered bear the sign of world class transactions. Banks send experienced experts to manage their portfolio of corporate customers. "Not only is corporate banking a coveted banking sector, it is also the hub and centrepiece of relationship management in banking" (Onyiriuba, 2016). "Corporate banking provides tailored systems and products, which includes foreign exchange, liquidity management, payments, and cash management" (Kumar,

2014). “Professional financial reporting, disciplined management, and management succession plans are some other key features of corporate banking customers and accounts” (Onyiriuba, 2016).

Corporate customers are managed by a team of relationship managers and analysts to ensure that they have efficient service. The banks are guaranteed to gain significant revenue from corporate customers. According to Onyiriuba (2016), banks go the extra mile in order to keep corporate customers satisfied, in return, this keeps them in contention to obtain good corporate clients to improve their lending portfolio.

There are two broad categories of accounts that make up the corporate banking sector—local corporates and multinationals. “Ordinary corporates encompass all incorporated private sector firms that are a step above commercial banking customers. They have fairly formal organization structures; maintain the required books of accounts, and document business transactions” (Onyiriuba, 2016). “A multinational company can be defined as an enterprise that engages in foreign direct investments and which owns or, to a certain extent, controls value-added activities in several countries” (Dunning & Lundan, 2008). They achieve remarkable annual sales turnover. This underpins the competition among banks for their banking transactions and relationships. Big and small banks alike pride themselves on having particular companies as customers (Kumar, 2014).

2.5.1 Information Technology in Business

A significant inquiry regarding business investment in IT today is whether the normal financial advantages can materialize. Numerous studies endeavour to assess the effects of IT ventures. Barua, Kriebal & Mukhopadhyay (1995) suggested that effects ought to be seen at each vital specialty unit level. They utilize two-stage investigation to determine the estimated value of data innovation investment: intermediate and high level yield factors for estimating the IT contribution. They break down intermediate level factors dependent on variables, for example, limit use, stock turnover, quality, cost, and new items, while high level factors or final performance factors are estimated by market share and return on resources. They also propose that IT worth ought to be estimated at the procedure level at which IT is implemented. Chircu & Kauffman (2000) investigated both market and process level variables, to assess obstructions to electronic commerce investment. IT creates value streams that occur internally, for example, cost reduction, increased item quality and innovation (Bakos, 1991).

Stamoulis, Karnellis & Martakos (2002) proposed a model for evaluating the business value of internet banking distribution channels which applies five viewpoints: client, marketing, accounting, innovation, and strategic perspectives. These points of view can be utilized to assess business value along two perspectives, interior and exterior. The interior view implies that the internet banking distribution channel is considered as an asset giving proficiency, adequacy, market development, and upper hands to the financial organization. Business value from the exterior view derives from the client perspective, and is estimated by the degree to which the internet banking channel underpins the connection between the bank and its client. The study will essentially be focusing on the exterior view, client perspective, as the focus will be on corporate customer reception of the internet services for forex transactions.

A great part of the discourse centres around benefits and off-setting barriers. For instance, Weill (1992) characterized the informational level of IT value as information technology infrastructures that assist effective operations for the firm in terms of communication, reporting, analysing, planning, controlling, and decision-making. Web innovation provides the capacity to transfer data inside the firm, in addition to other firms and their business partners in the network, for example, to clients or suppliers. Teo, Tan & Buk (1997-1998), discovered that internal organizational and technological factors are a higher priority than external factors about relationships with suppliers/clients. Factors affecting adoption of the internet banking services include; aggressive technology policy, compatibility of the internet with organization culture and framework, as well as top executive support.

2.5.2 Internet Benefits

Earlier studies about business utilization of internet innovations demonstrated that internet innovation gives various data benefits, as organizations utilize the online channels to give data about item details, cost, and service delivery strategies. Specific informational benefits incorporate quality data, simpler access to information, and abilities for information sharing (Lederer, Mirchandani & Sims, 2001). There are also transaction benefits, which can give the organization the capacity to computerize business functions by means of the web and provide service to clients at a lower cost, in addition to, more responsiveness, and more potential for customization (Greaves, Kipling & Wilson, 1999).

2.5.3 Quality of Information

Quality information is important as it identifies with customer needs and interests so it includes an incentive for clients (Edmunds & Morris, 2000). Organizations need to concentrate on applicable data which reacts to customer needs and attracts them to continue

accessing the company's website as a quality data source (Huang, 2000). The information advantage is also significant to clients if site owners give accurate data (Daugherty, Ellinger & Rodgers, 1995; Freiden, Goldsmith, Takacs, & Hofacker, 1998). Accuracy alludes to "how well the data speaks to the phenomenon it purports to depict" (Freiden et al., 1998). Quality information must be convenient, which implies that forward-thinking or current data must be given.

2.5.4 Data Accessibility

One of the significant attractions in business utilization of the internet is the capacity to get data more effectively. Daugherty et al. (1995) indicated that accessibility to the organization's website can create better levels of responsiveness from clients. Furthermore, if the company site is effectively available with up to date information, clients can get to information quicker, promising them to keep interfacing back to the site. "In addition, to make websites most accessible, firms have to pay particular attention to creating flexible ways to disseminate information resources to their customers"(Lederer et al., 2001).

2.5.5 Information Sharing

Online data sharing has been conceptualized in various ways. One of the most common issues referenced by specialists is data sharing by means of a virtual social network. Organizations can make a virtual community to serve the requirements for correspondence and information sharing among clients who have basic interests or experience, e.g., by means of the notice board. Virtual social networks can be utilized to attract clients and enhance their interaction with the organization (Cothrel, 2000; Kodama, 1999; Weill & Vitale, 2002). Companies are now be able to cooperate with clients on a worldwide scale, progressively, and utilizing two-way interaction (Kiani, 1998). Information sharing among customers can help enhance customer service by increasing convenience, through collection of service performance information to support management decisions, and by making possible the offering of more customized products or extra services according to customer needs (Harrison-walker, 2001; Karimi, Somers & Gupta, 2001).

Information sharing should provide links to related websites that may be of interest to clients. The goal of the network is to furnish clients with all the data they need. Lin & Arnett (2000) recommended that a main consideration for the achievement of a site is the plan of data interfaces and navigation that allow clients to connect to different websites.

2.5.6 Transactional Benefits

The benefits associated with transactions have been outlined below.

2.5.6.1 Reduced costs of transactions

In the business world, the aim of buyers and sellers is to attempt to limit exchange costs. Clients see cost advantage if the seller sets costs lower than others with no considerable reduction in quality. Cost advantage prompts the sellers to maintain more superior quality than their competitors if they can provide a lower cost product for their customers. One of the significant advantages of internet-based banking is the decrease in costs as buyers and sellers can get in touch with one another straightforwardly. Financial institutions can increase operational advantages by diminishing time, overhead expenses in activity, and furthermore eliminate the need to employ extra personnel to facilitate transactions (Ghosh, 1998; Ng, Pan & Wilson, 1998).

In the financial services industry, the web is utilized as a method payment or other online transactions. This channel diminishes time and cost to both customers and banks. The online payment procedure might be seen as helpful, and can create time as well as cost savings for clients. Empirical research about internet banking revealed that time and cost are key factors in influencing internet banking adoption. Polatoglu and Ekin (2001) found that cost and time measurements are seen as a bigger advantage when customers use internet banking for larger transactions.

2.5.6.2 Enhanced Customer Service Response

Offering the internet for business purposes also necessitates that the degree of service administered to clients remains equivalent to that which is provided through conventional marketing (Gurau, Ranchhod & Hachney, 2001; McIvor, Humphreys & Huang, 2000). Communication exchanges with regards to customer service can positively be upgraded by the web, which is regularly utilized as a channel to impart and offer help to clients so as to improve client relations (Emiliani, 2000; Klein and Quelch, 1997; McIvor et al., 2000).

Firms need to communicate with their clients so as to give them more information on related items or services they offer. Parasuraman, Berry & Zeithmal (1991) found that information technology provides integral assets that allow organizations to communicate with customers. In a research paper about electronic services, Rust and Lemon (2001) found that web innovation gives situation specific or customized correspondence. For example, customers can submit complaints about a product or service in order to get their concern resolved or express their particular needs or want through different methods (for example email, live chat, FAQ page), this also helps the company respond to their customers more quickly.

Customer support can improve by utilizing web applications to distinguish and report issues rapidly, and permit progressively precise conclusions and quicker reactions to the company's customers. Web applications, for example, customer relationship management (CRM) can assemble information and analyse a client database for specific client needs with the goal that customers can have quick input on services accessible. Kardaras and Papathanassiou (2001) found that when banks give support through the internet to its corporate clients, customers request numerous sorts of help from banks, for example, after sales support for client training in utilizing the internet banking framework.

Internet technology encourages employee cooperation, data sharing, and information integration which can make development quicker. Quick development offers more chances to modify particular products or services as indicated by client needs (Henderson, 1994; Johannessen, Olaisen & Olsen, 1999). In the financial sector, service development has become significant in order to maintain competitive advantage. Corporate customer adoption of online service delivery demonstrates that the internet opens new doors for corporate clients and the bank to improve joint collaboration in product planning and customization.

2.6 Technology Acceptance Model

Over the last several decades, the use of information and computer technology has steadily increased. Users have integrated it into their private and professional life and it has resulted in a decision on whether to accept or deny the new technologies. Interest in the various reasons for the acceptance of technology has led to a number of theories in the research community. The technology acceptance model, which was introduced by Fred Davis (1985), has suggested that there are two main factors which affect adoption of technology. These factors are perceived ease of use and perceived usefulness, these form the users perception and determine whether or not they will actually proceed to use a system. TAM has roots in the Theory of Reasoned Action as well as the Theory of Planned Behaviour. Unlike the theories that TAM draws from, it focuses on explaining user's behaviour towards technology as opposed to the psychological aspect of the decision.

In 1985, Fred Davis proposed a conceptual model for technology acceptance, he postulated that the usage of a system can be predicted by user motivation which is directly linked to external factors such as system capabilities. Davis (1985) further expanded his hypothesis to include the attitude of a user towards the system as a major determinant of whether the user will either accept or reject the system. It was also reported by McKenzie (2006) that TAM

helps in understanding the factors that affect users' acceptance of internet in financial services. According to Ramos & Castro (2017) perceived usefulness is determined by many factors that have an effect on the system acceptance which is considered crucial in its implementation.

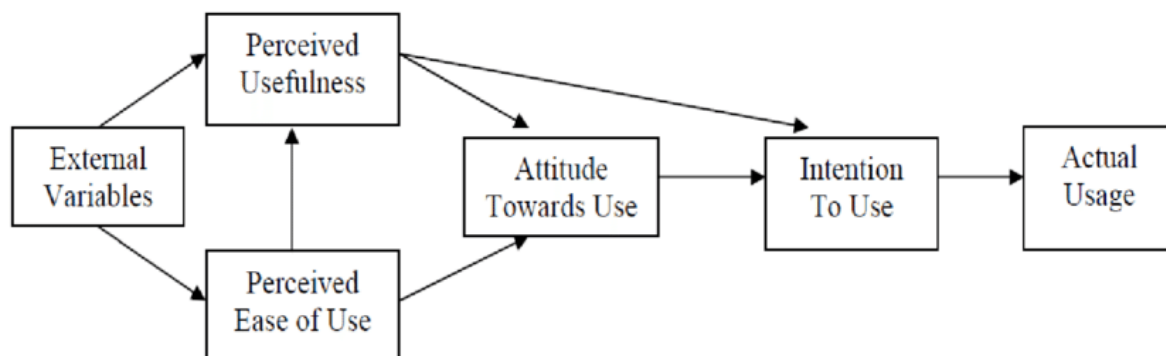


Figure 2.1 Technology Acceptance Model (TAM)

(Source: Marina, 2009)

2.6.1 Perceived Usefulness

Internet banking services solve the problem of customers spending time in the bank. This provides the clients with a more efficient channel to use when transacting with minimal stress and diversion from their daily work flow. “Since internet banking is 24/7 customers can access their banks' activities any time of the day and on any day of the week. It is considered convenient and affects the adopters of e-banking services” (Sohail & Sanmugham, 2003). Based on the literature, the technology acceptance model is the mostly widely used to predict individual adoption of a new system or technology (Venkatsh & Davis, 2000; Yusoff, Muhammad, Zahari, Pasah, Robert, 2009; Kesharwani & Bisht, 2012).

2.6.2 Perceived Ease of Use

The perceived ease of use is noted in several studies to be a key determinant on whether a new technology is adopted or not. The ease of use is determined by the features and the website design of the bank. It has been noted that when the website meets and individuals needs then it will be viewed favourably. Clients use internet banking to connect with the banks website. It is imperative that the site furnishes clients with the required services and data to finish their transactions effectively (Alhudaithy & Kitchen, 2009). Sites ought to be characterized by clarity of data, high level of security (particularly for financial exchanges) as

well as, user friendliness. Internet banking provides clients with the benefit of performing banking transactions and permitting exchanges from any location at any time (Ndubisi & Sinti, 2006; Kesharwani & Bisht, 2012). As indicated by Ortega, Martinez & Hoyos (2007), web design is viewed as one reason for having a successful web banking adoption and that the failure of some financial organizations to adopt internet banking was a direct result of poor site characteristics.

2.6.3 Perceived Security And Privacy

It was noted by Susanto (2016) that privacy and security are viewed as a basic determinant of the success of internet banking. This is due to the fact that clients need to provide personal information when transacting online. Threats of hacking attempts decrease consumers' intention to provide their personal and sensitive information over the internet (Polasik & Wisniewski, 2009; Kesharwani & Bisht, 2012). Akter (2014) demonstrated that online clients are increasingly acquainted with how to secure their online privacy. Furthermore, Akter (2014) noticed that positive attitudes reduced customers' protection concerns while increasing clients' willingness for data control. El-Kasheir, Ashour & Yacout (2009) noted that perceived risk is a major factor affecting intentions.

2.7 Theory of Reasoned Action

The theory of reasoned action was invented to address the knowledge gaps in research which resulted from a weak correlation between attitude and voluntary behaviour. The aim of the model was to understand the relationships that drove behaviours. The Theory of Reasoned Action (TRA) suggests that a person's behaviour is determined by their intention to perform the behaviour and that this intention is, in turn, a function of their attitude toward the behaviour and subjective norms (Fishbein & Ajzen, 1975).

The theory is based on the assumption that an individual's behavioural intention leads to the actual behaviour. "The best predictor of behaviour is intention or instrumentality (belief that the behaviour will lead to the intended outcome). Instrumentality is determined by three things: their attitude toward the specific behaviour, their subjective norms, and their perceived behavioural control" (Luxton, 2016). "Intention towards a behaviour is shaped by the person's attitudes and subjective norm (expectancies of social environment) which act as pros and cons towards a behaviour" (Hammond & Niedermann, 2010).

The subjective norm is an individual's belief about the desirability of the behaviour. Subjective norms focus on the social desirability of the behaviour. The social desirability is

based on the perceived viewpoint of important people to the individual, these are family, friends and people who an individual holds in high esteem. The internal motivation to comply with others beliefs comes from whether an individual cares about the opinion of the people in their social network. “A high correlation of attitudes and subjective norms to behavioural intention and to behaviour has been confirmed in many studies” (Sheppard, Hartwick & Warshaw 1998).

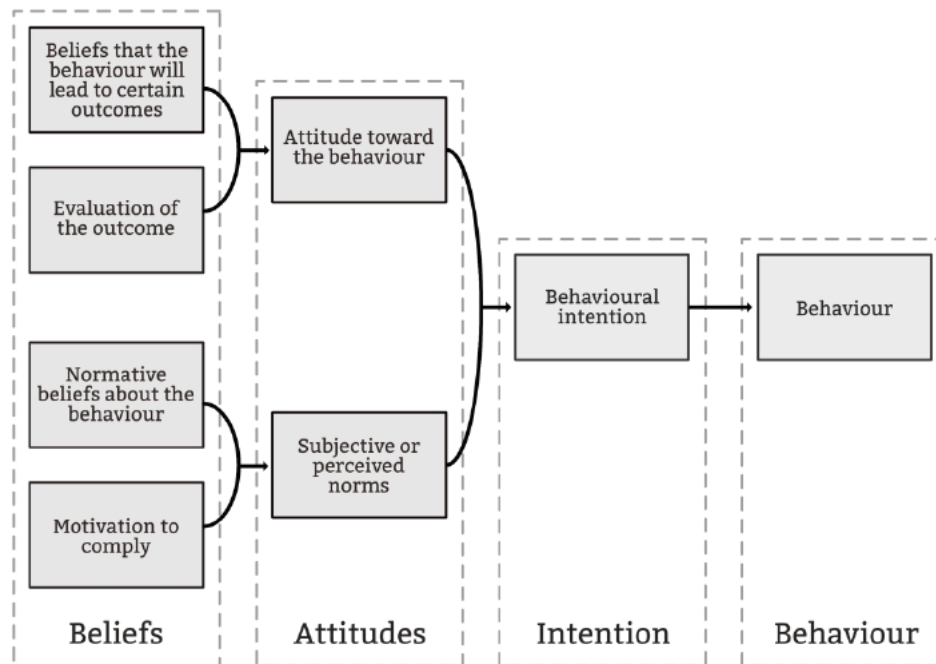


Figure 2.2 Theory of Reasoned Action (TRA)

(Source: Fishbein & Ajzen, 1975)

According to O’Keefe (2002), in its simplest form, the Theory of Reasoned Action can be expressed as the following equation:

Behavioural Intention = Attitude + Subjective Norms

$$BI = A_B (W_1) + SN (W_2)$$

In the formula, *BI* represents behavioural intention, *A_B* represents attitude towards the particular behaviour, and *SN* represents one’s subjective norm. The *W*’s represent the weights for each factor.

When *A_B* is broken down, we can see that the evaluation of each belief (ei) and the strength of the belief held (bi) determine the attitude toward the behaviour.

$$A_B = \sum b_i e_i$$

When breaking down SN , we also see that normative beliefs (NB) and motivation to comply (MC) influence subjective norm.

$$SN = \sum NB_i MC_i$$

O’Keefe (2002) states that this theory has been proven to work well in predicting topics like voting, consumer purchases, exercise and more. It should also be noted that often times A_B has a stronger influence than SN .

2.8 Related Works

The following section explores the studies which have been conducted on internet banking. The studies outlined are critiqued and gaps in the literature are identified in order to establish how this study could add to the existing knowledge.

2.8.1 Global Perspective

A study done by Alkailani (2016) based on the TAM model added perceived risk, perceived trust and also bank credibility to empirically test the models ability to predict the customers intentions of adopting internet banking based on their perceptions. The study was based in Jordan and used questionnaires which were distributed to 400 graduate students based in four different universities. The researcher used regression analysis to analyse the results and found that the trust element was a significant contributing factor to whether the respondents would proceed to utilize internet banking. The perceived ease of use and perceived usefulness were also key factors leading to adoption in the market. The study was limited because it was distributed in English, assuming that all respondents had a good grasp of the language which would be sufficient enough to ensure the results were reliable. The effects of demographics were also not taken into consideration which may have had a moderating effect on the level of acceptance.

A study conducted in India on the adoption of internet banking looked to expand the TAM to include subjective norm, image, banks initiative and internet banking self-efficacy. These factors identified by Marakarkandy, Yajnik and Dasgupta (2017) were used to examine the internet banking climate in India. A survey questionnaire was administered to 300 respondents. The model that was proposed was analysed using a confirmatory factor analysis approach. The results collected found that the variables in the proposed model had a significant effect on the participants’ perception of internet banking. The limitations of the

study were that self-reported usage was taken as actual usage and the model created to augment the original TAM had limited explanatory utility.

A study on the applicability of the TRA model in the context of internet banking intention in Saudi Arabia was conducted in 2013. Albarq and Alsughayir (2013) used structural equation modelling to test whether the theory was applicable in the non-western culture. A survey was administered and a total of 350 respondents properly completed the survey. The researchers looked to create a new model by combining attitude and subjective norms in order to make it more applicable to the Saudi culture. It was discovered that subjective norms play a large part in Saudi internet banking needs as religion and financial transactions are intertwined. The researcher acknowledged that the limitations of the study were that it can only be applied to internet banking customers in Riyadh and there is a possibility of different results if it was conducted in other cities in the kingdom.

The Theory of Reasoned Action was used in a study which sought to understand factors that led to customers adopting internet banking in Jordan. The study which was conducted by Al-Majali in 2011, surveyed 700 public university employees who had already used internet banking services. There was a confirmatory factor analysis performed to determine if the results were reliable and the measurements were valid. The results yielded from the study showed that the respondents had serious intentions to continue using internet banking. The results also showed that both subjective norms and attitude towards the behaviour had a heavy influence on the respondent's behaviour. The major limitation of the study was that it was conducted amongst university employees and as result may not have been a direct representation of the general population.

The TAM model has also been used in several studies in the Middle East. In a study by Al-Ajam and Nor (2013) the factors that influence the intention of use of Internet banking in Yemen were addressed. Cross-sectional data was collected from 1286 respondents through a survey. Structural equation modelling was employed to analyse data. The results showed that the determinants of adoption were perceived ease of use, trust of internet banking and also perceived relative advantage. The model confirmed all the hypotheses of the study about the variables playing a significant role in influencing attitudes towards the use of internet banking. The limitations of the study were that the model focused strictly on behavioural intentions and also focused on the environment in Yemen.

In a 2016 study on the intention to adopt Islamic banking in Indonesia, Reni and Ahmad (2016) adopted the TRA model to determine the effects that the various constructs had on respondents. The data was collected through questionnaires which were distributed to 375 lecturers of 4 different universities. The Cronbach's Alpha score was above 0.7 which showed that the data collected was reliable. The research model was tested using a Partial Least Square Structural Equation Model. The results showed that attitude, subjective norms, religion and pricing had a direct effect on the intention to use the Islamic Banking services. Government support was not statistically significant on the respondents' intention. The researcher concluded that it is necessary for banks to formulate strategies to disseminate information on the Islamic Banking services available and also the importance that the religion aspect plays in the services available. However, the study was limited to lecturers which means that it did not provide a clear picture of society at large.

2.8.2 Regional Perspective

In a study conducted on the factors affecting customers adoption of internet banking in Egypt, Fawsy (2017) looked at what led customers to use the service with the TAM model as the framework. The study was quantitative and data collection was carried out through distribution of questionnaires in public and private banks. The results of the study pointed to the design of the website, computer literacy and perceived risk as the key factors driving the adoption of the services. The researcher found that ease of use was a major factor for customers as if they perceived the task too complex, they often shied away from attempting to use the service. A limitation that the researcher noted was that the system did not address perceived behavioural control described in the theory of planned behaviour.

In a study conducted in Uganda by Lujja and Hassan (2016), the researchers looked to determine the behavioural intention to adopt Islamic banking using TRA as the framework. The authors chose to use structural equation modelling to determine the relationship between attitude, subjective norms and public intention to adopt Islamic banking. A questionnaire was administered to collect data from 300 bank customers. The researchers found that subjective norm was influenced positively by attitude. It was determined that attitude also mediates the relationship between subjective norm and intention to use the service.

2.8.3 Zambian Perspective

In the Zambian context, there have been several studies conducted on the factors affecting adoption of mobile banking based on the TAM model. Sakala and Phiri (2019) conducted a quantitative study where a total of 384 respondents who held accounts at three different

commercial banks were surveyed. The methodology was chosen because the researcher aimed to tailor the research to each of the TAM model constructs. The results analysed using SPSS showed that when the perceived ease of use was high, the user positive attitude towards the system also increases. The relationship between all the constructs of the model yielded positive results, meaning that if all the ratings were high, the respondent would be more likely to use the service. The results of study were that there is a significant positive relationship between perceived ease of use, perceived usefulness, user attitude, external variables, user intention and system use. The researcher suggested that further research could be conducted in different provinces in order to enhance the knowledge base and also further research using a different model.

In a study investigating the of the Xapit electronic banking product in Zambia, Kaulu, Sichinsambwe and Kazong (2016) various self-service banking applications were compared using the TAM framework. The Xapit product integrates internet, mobile banking and ATM services on a single platform which makes it appealing to several consumers. The major objective of the study was to determine the extent of effectiveness that Xapit delivered services to clients. The respondents were strictly limited to students in public universities. The researcher's justification for using this specific group was that they were from three universities scattered across the country and they were also intellectually capable of answering the questionnaires. It was found that Xapit was both useful to the users and easy to use. It was further established that overall, Xapit is effective in client service delivery to students in public universities in Zambia. Despite this, a number of students stated that there was room for improvement. The reasons for this were established to include factors such as; system downtime, lack of reliability in the service delivery and lack of innovations to match customer demands. One of the research limitations identified was that it only focused on students in public universities. There was no diversity in the research population in order to get a holistic view of the environment. The questionnaire did not take the psychological aspect of the interaction with application into account.

A 2019 study by Daka and Phiri looked to identify the factors driving the adoption of E-Banking. The study utilized the UTAUT model which combined a total of 8 models. A study including 313 respondents was performed with the sample comprising of clients from the main five (5) banks in Zambia with the best computerized capacities. Questionnaires were administered to these clients through purposive sampling to get data on their perspectives on Internet banking. Information was investigated utilizing SPSS descriptive analysis. The study

proved that performance expectancy, effort expectancy, facilitating conditions and behaviour intentions influence the users behaviour intention to adopt internet banking. However, for the Zambian context, social influence was found to not be a significant factor. The study looked at all aspects e-banking but did not specifically look at the respondents views on a specific type of e-banking. The gap identified was that the study did not investigate the ways in which the e-banking adoption could have been increased.

Nuwagaba and Ngoma (2019) conducted a study which looked at e-banking as a tool to improve banking services in Zambia. The study was about analysing e-banking and how it impacts on service delivery on the country. It was both qualitative and quantitative in nature and hence a triangulation approach was adopted. The case study was Bank of Zambia and the study periods under consideration are the years ending December 2012 and year ending December 2013. The data analysis was done using correlation coefficient tool for statistical data as it is an effective tool for testing relationships between variables. The study found that RTGS, cheque clearing and EFT had a strong correlation but mobile money had a weak correlation. The study did not take internet banking into account and it did not look at the views of the customers who were using the services. The gaps identified can be addressed with further research into the users of the service and also using a model that looks at the psychology behind the decisions to use certain e-banking services instead of others.

2.9 Critique of literature

There have been a number of significant studies in electronic banking in the Middle-East, Asia and some from African nations, for example, Uganda, South Africa and Egypt. Researchers demonstrated various elements affecting selection and utilization of electronic banking in their particular locale and nation of study, such as, perceived usefulness and perceived ease of use. The majority of studies in the area of electronic banking used the technology acceptance model and thus, the most common factors studied, perceived usefulness, ease of use and relative advantage were found to positively influence usage of the electronic banking services.

Locally, Daka & Phiri, (2019) performance expectancy, effort expectancy and behavioural intentions influence the decision to utilize digital banking technologies. Sichinsambwe & Kazong (2016) express that there was satisfaction in the use of Zanaco's Xapit product but respondents noted that there was room for improvement.

There is lack in writing on the components affecting use of internet banking in Zambia. Additionally, the broad writing accessible on the subject from different nations depicts a deficiency as its focus is outside Zambia. The majority of literature available is also related to E-Banking as a whole or mobile banking, none of the studies locally or regionally explore the usage of internet banking specifically in relation to Forex transactions. Along these lines, this study gives insight into factors that impact the use of internet banking services for Forex transactions in order to create an understanding of this new technology in the banking sector in Zambia.

The below table illustrates the literature available on the subject as well as the gaps identified.

Table 2.1 Related Works

| Title | Year | Author(s) | Findings | Gaps |
|--|-------------|----------------------------|--|---|
| Internet Banking Adoption in Egypt | 2017 | Fawsy, S. F. | The findings of this study were in line with the typical process flow of the technology acceptance model. It found that website design played a major role in the adoption of internet banking and ultimately discovered that perceived ease of use was the factor that led to actual usage. | The study did not address perceived behavioural control of the subjects |
| Internet Banking Adoption: Integrating Technology Acceptance Model and Trust | 2013 | Al-Ajam, A.S. & Nor, M. K. | The findings of the study demonstrated that perceived ease of use, trust of internet banking and perceived relative advantage all played a role in the adoption of | The study focused strictly on behavioural intention but did not focus on the environment in which the |

| | | | | |
|---|------|--|--|---|
| | | | internet banking | respondents were located. |
| Factors Affecting the adoption of internet banking in Jordan: An Extended TAM Model | 2016 | Alkailani, M. | The researcher expanded the Tam Model to include, perceived risk, perceived trust and also bank credibility to the decision making process. The researcher found that the trust element along with perceived ease of use and perceived usefulness. | The demographics were not taken into consideration, which would have a moderating effect on the study. |
| Enabling Internet Banking Adoption | 2017 | Marakarkandy, B., Yajnik, N., & Dasgupta, C. | The study looked to expand the TAM to include subjective norms, image, bank initiative and internet banking efficacy. The results showed that the expanded variables had an effect on the respondents perception of internet banking. | The researchers considered self-reported usage as actual usage and the model proposed had limited explanatory utility. The psychological reasoning behind the decisions was not proposed in the survey. |
| Factors Affecting | 2019 | Sakala, L., & Phiri, J. | The results showed that when perceived ease of | The study only took one |

| | | | | |
|---|------|------------------------------|---|--|
| Adoption and Use of Mobile Banking Services in Zambia | | | use is high, the user attitude towards the system also increases. The researchers found that all the components leading to the formulation of an attitude are interrelated and if the user viewed them favourably, they would be more likely to use the service | province into account and a more comprehensive model could be used to find the psychological process the customers went through to reach those decisions. |
| Examining Theory of Reasoned Action in Internet Banking Using SEM Among Saudi Customers | 2013 | Albarq, A., & Alsughayir, A. | The study tested the theory in a non-western setting. The findings suggested that subjective norms play a large part in Saudi internet banking due to religious and financial beliefs of the region. | The study was limited to customers in Riyadh and may not have applied to other cities in the kingdom or non-western countries |
| The Use of the Theory of Reasoned Action to Study Information Technology in Jordan | 2011 | Al-Majali, M | The findings from the research showed that subjective norms and attitude towards the particular behaviour had a significant impact on the decision to use information technology. | The gap identified was that the study only examined university employees and as a result may not have given an accurate reflection of the regular citizens |

| | | | | |
|--|------|---|---|---|
| Modelling Public Behavioural Intention to Adopt Islamic Banking in Uganda | 2016 | Lujja, S., Mohammad, M. O., & Hassan, R. | The findings of the research suggested that subjective norm was mediated by attitude. It was also found that attitude mediated the relationship between subjective norm and the intention to use the service. | The study was cross-sectional therefor changes in behaviour over time were not addressed, since it was a quantitative study, it limited the respondents opinions on the study variables |
| Application of Theory of Reasoned Action in Intention to Use Islamic Banking in Indonesia | 2016 | Reni, A., & Ahmad, N | The findings of the study indicated that attitude, subjective norms, religions and pricing had an effect on where customers utilized the service | The study was only limited to lecturers, therefore it did not give an insight into the other members of society who formed the target market |
| Investigation of the Effectiveness of Xapit Electronic and Mobile Banking Products in Zambia | 2018 | Kaulu, B., Sichinsambwe, C., & Kazonga, E | The findings of the study suggested that the respondents found the Xapit service easy to use as well as useful. | The study was limited to students in public universities and did not look at the diverse population of users of banking services |

| | | | | |
|---|------|--------------------------|---|---|
| Factors driving the adoption of E-banking services based on the UTAUT Model | 2019 | Daka, G, C., & Phiri, J | The study proved that performance expectancy, effort expectancy, facilitating conditions and behaviour intentions influence the users behaviour intention to adopt e-banking. | The study did not look at a specific part of e-banking so was not able to identify which of the components of e-banking the respondents utilized which helped them form their attitude. |
| Analysis of E-Banking as a tool to improve banking services in Zambia | 2014 | Nuwagaba, A., & Ngoma, B | The study found that RTGS, cheque clearing and EFT had a strong correlation but mobile money had a weak correlation. | The study did not take internet banking into account and it did not look at the views of the customers who were using the services. |

2.10 Chapter Summary

This chapter focused on literature which exists regarding corporate banking customers. The review covered studies which had been conducted using different models. Further discussions were conducted on the background of the electronic banking landscape in Zambia. Finally, it was established that the Theory of Reasoned Action had not been used to conduct this type of research in Zambia and this study will help to supplement the current body of literature.

CHAPTER 3 RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the methodology adopted to obtain primary data. In this chapter, the research design and philosophy used during this investigation were described in addition to the reasons for choosing them. The target population, data analysis and limitations of this study were also discussed.

3.2 The Research Philosophy

The research philosophy is the foundation upon which the entire methodology is built. There are two main methods of research; these are qualitative and quantitative research. Mertens (2014) defines qualitative or phenomenological research as a pursuit that consists of a set of revelatory material practices that make the world discernible. These methods are used in investigations that are designed to provide a thorough description of detailed programmes. Mertens (2016) further defines quantitative or positivist research methods as practices used to enumerate a problem through producing results from a wider population base. The above definitions can be understood to explain one phenomenon, which is; the qualitative approach is an individualistic approach during analysis, whilst the quantitative approach is a general view of the target population.

The research philosophy used for this research was quantitative in nature. This research philosophy was chosen as it excluded or decreased partiality of judgment in results. Furthermore, this research philosophy was best suited as it is less time consuming and also provided a snapshot or high-level understanding of the study researched. Lastly, according to Mertens (2016), this research method aides the researcher to become more objective about the findings of the research as they investigate how independent variables impact on the dependant variables.

3.3 Research Design

A research design is defined as the overall technique chosen to incorporate the different components of the study in a logical flow, ensuring that the research problem is effectively addressed (Creswell, 2013).

3.3.1 Descriptive Research

Descriptive research takes up the majority of web based surveying and is viewed as conclusive because of its quantitative nature. In contrast to exploratory research, descriptive

research is pre-planned and organized in structure so the data gathered can be statistically derived on a populace. The fundamental thought behind utilizing this sort of research is to better define an opinion, attitude, or behaviour held by a group of people on a given subject. Grouping the responses into predetermined choices will provide statistically inferable data. This enables the researcher to gauge the noteworthiness of the outcomes on the general populace that is being examined, as well as the progressions of the respondent's opinions, frames of mind, and behaviour over time. (Creswell, 2013).

This study utilized descriptive research. The reason for the choice was due to the need to gain an overall view of the research population through the sample; this was achieved through measures of central tendency (mean, median and mode). The additional data obtained through the quantitative study was able to provide an insight into the relationship between the variables.

3.4 Research Strategies

A research strategy has been explained as a general plan that aids the researcher to inspect the issue at hand (Bryman & Bell, 2015).

3.4.1 Quantitative Research Strategy

The research strategy that was used was quantitative. This type of strategy includes a more orthodox approach in which behavioural science carried out research in past times (Richey & Klein, 2014). Due to its nature of being generalised to a whole population as it involves the larger sample selected randomly. It tends to become less time consuming. Most approaches used for the quantitative research strategy include questionnaires, quasi-experimental studies and experimental studies. The main reason for selecting this type of strategy is that it is possible to generalise the information retrieved from the study to the rest of the population of FNB Industrial Branch.

3.5 Target Population and Sample

According to Bryman and Bell, (2015) a population is a comprehensive set of elements that hold some common characteristic defined by the sampling criteria which is established by the researcher.

The total population of this study consisted of 1063 corporate customers. The population was determined after a list of all the corporate customers under Industrial Branch who had not used online banking was extracted from the system.

Furthermore, Bryman & Bell (2015) suggest that time constraints and high costs are the major reasons why an entire population is not used in the collection of data as this would provide too much data to analyse.

3.5.1 Sampling

As a result of the above-mentioned reasons, a sample had to be selected which represented a part of the total population of 1063. A sample is defined by Bryman & Bell (2015) as a subclass of a population. By using a sample size of 150 respondents instead of an entire population, it helped to allow for a better focus during research as findings from the study could be easily applied. The sample selected represented 14% of the entire population. The equation which was used to determine the size of the sample was:

$$\text{Sample size} = \frac{Z^2 \times (p) \times (1-p)}{c^2}$$

Where:

Z = Z value (i.e. 1.96 for a 96% confidence level)

P = percentage expressed as a decimal (0.5 for sample size needed)

C = confidence interval, expressed as decimal (i.e. 0.5 = ± 5)

3.5.1.1 Probability Sampling Methods

This type of sampling technique is based on the concept of each element in the population having an equal chance of being selected as part of the sample (Bryman & Bell 2015). There is therefore no biasness in this selection process. Examples to this technique include;

Table 3.1 Probability Sampling

| | |
|------------------------|---|
| Stratified sampling | This type of sampling technique is where a population is divided into sub-populations or divisions and use simple random sample on each division, (Bryman & Bell 2015). |
| Simple random sampling | This type of technique is an entirely unsystematic method of selecting subjects. In most cases numbers are randomly allocated to all test subjects, then with the use of a random number generator numbers will be selected and the test subjects |

| | |
|---------------------|---|
| | belonging to these numbers will then form part of the sample (Lohr, 2010). |
| Systematic sampling | This involves choosing every nth test subjects from a complete list of participants (Bryman & Bell 2015). |
| Cluster sampling | This is technique allows the researcher to select participants from a larger list which would be too great for simple random sampling to take place (Lohr, 2010). |

3.5.1.2 Non-Probability Sampling Methods

This type of sampling technique on the other hand, is normally used when the researcher performs an exploratory study (Bryman & Bell 2015). In this sampling, a range of alternative techniques is provided and samples are selected based on independent judgement.

Table 3.2 Non-Probability Sampling

| | |
|--|--|
| Quota sampling | With this type of sampling technique, a target number of completed interviews with specific subgroups of the population of interest are set. This sampling technique uses a non-random selection mechanism until the desired number of completed interviews is obtained for each subgroup (Bryman & Bell, 2015). |
| Purposive sampling / Judgemental sampling | In this type of sampling method any individual is selected in a target population that is not so easy to detect (Bryman & Bell, 2015). |

The type of sampling that was used for this study was the probability sampling method whilst the type of technique that was used was the systematic sampling technique. With this technique, corporate customers were administered the questionnaire when they visited the designated area in Industrial branch for their particular type of accounts. The reasons that this

type of sampling method was chosen was because it leaves no room for bias regarding choosing the sample. The interval was determined by using the below formula:

$$\frac{\text{Number of elements in the population}}{\text{Number of elements in the sample}}$$

3.6 Conceptual Framework

Based on the extensive literature review presented in chapter 2, the study proposes a conceptual framework as illustrated below:

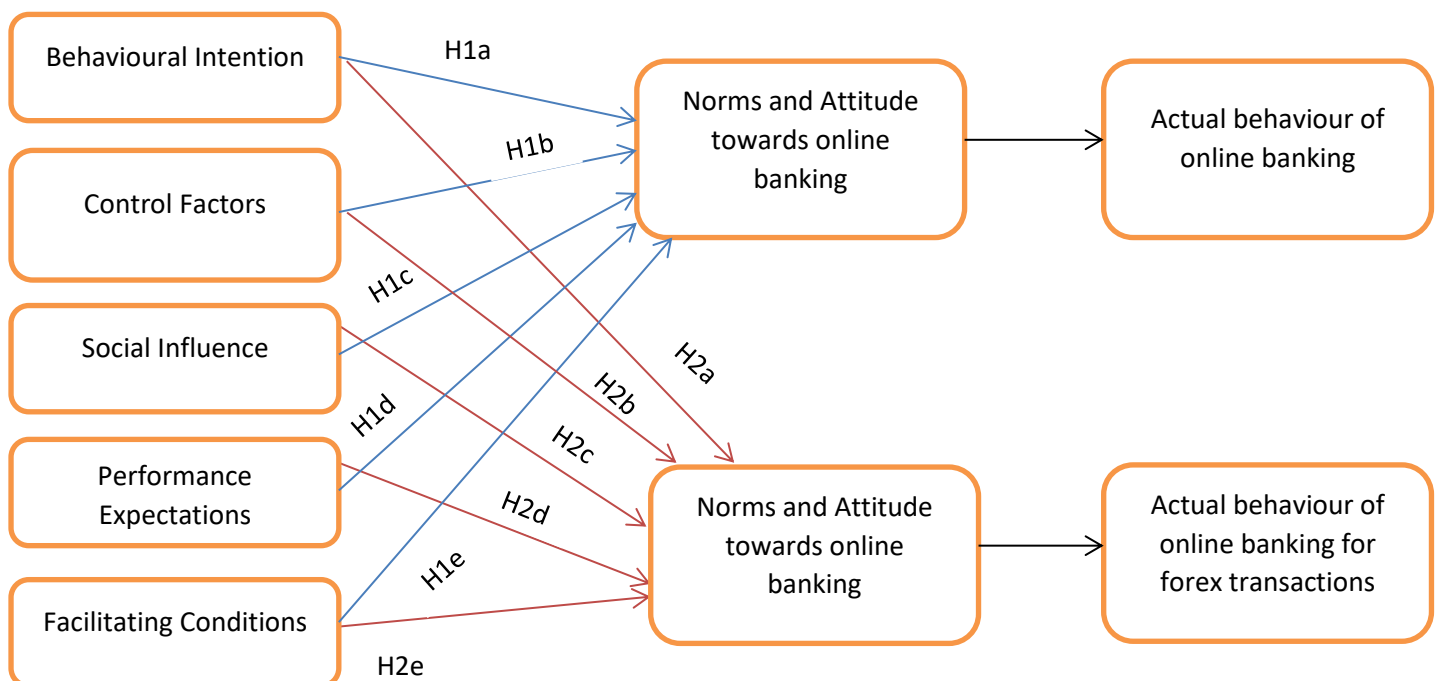


Figure 3.1 Conceptual Framework Model

The framework consists of two parts, one includes the independent, mediating and dependant variables and their relationship to use of online banking, the second part consists of the same variables and their relationship to online banking for Forex transactions.

3.6.1 Development of Hypothesis

The following section looks at the conceptual frame work that was used to formulate the hypothesis. The descriptions outlined establish the background for the independent variables.

3.6.1.1 Behavioural Intention

Behavioural intention (BI) is defined as a person's perceived likelihood or "subjective probability that he or she will engage in a given behavior" (Committee on Communication for Behavior Change in the 21st Century, 2002). It is a sign of an individual's readiness to

perform a given behavior and is an immediate precursor of behavior. It is based on attitude toward the behavior, subjective norm, and perceived behavioral control, with each predictor weighted for its importance in relation to the conduct and populace of interest.

BI is behaviour-specific and operationalized by direct questions such as “I intend to (behavior),” with Likert scale response choices to measure relative strength of intention. Intention has been represented in measurement by other synonyms (e.g., “I plan to (behavior)”) and is distinct from similar concepts such as desire and self-prediction (Armitage & Conner, 2001). Ajzen (1991) argued that BI reflects how hard a person is willing to try, and how motivated he or she is, to perform the behaviour. Therefore, the first hypothesis is as follows:

H1a: There is a positive relationship between behavioural intention and the general use of internet banking

H2a: There is a positive relationship between behavioural intention and the use of internet banking for forex transactions

3.6.1.2 Control Factors

According to Ajzen (1991) a behavior is a function of compatible intentions and perceptions of behavioral control in that perceived behavioral control is expected to moderate the effect of intention on behavior, such that a favorable intention produces the behavior only when perceived behavioral control is strong.

H1b: There is a positive relationship between control factors and the general use of internet banking

H2b: There is a positive relationship between control factors and the use of internet banking for forex transactions

3.6.1.3 Social Influence

An individual's perception of social pressures, or relevant others' convictions that he or she ought to or ought to not perform such behavior. Relevant others refers to people who the individual holds in high esteem. One could state that normative beliefs are an individuals' beliefs about the degree to which other people who are important to them think they should or should not perform particular behaviours. (Tryon, 2014). In general, specialists who measure normative beliefs also measure motivations to comply-how much people wish to behave consistently with the prescriptions of significant others (Hammond & Niedermann, 2010).

Each normative belief about an important other is increased by the person's motivation to comply with that significant other and the items are summed over all of the person's important others to result in a general measure that predicts subjective standards (Silverman, 2016).

3.6.1.4 Subjective Norm

The subjective norms for an individual to use internet banking depends on how they are being influenced and ultimately which source of influence makes the larger impression. "...subjective norm is a function of the person's beliefs that specific individuals or groups think he or she should, or should not, perform the behaviour. A person who believes that most significant referents think he or she should perform the behaviour will perceive social pressure to do so" (Sutton, 2001). Based on these perspectives, the study posits as follows:

H1c: There is a positive relationship between social influence and general use of internet banking

H2c: There is a positive relationship between social influence and the use of internet banking for forex transactions

3.6.1.5 Performance Expectations

Attitude is the degree to which a person perceives the behaviour based on favorable or unfavorable assessment of the behavior (Ajzen, 1991; Ajzen & Fishbein, 2004). This entails a consideration of the outcomes of performing the behaviour. The attitude of the respondents towards the use of internet banking had a direct effect on whether or not they decided to utilize the service. "Attitude is held to reflect the person's salient behavioural beliefs concerning the possible personal consequences of the action" (Sutton, 2001). Based on the results of the questionnaire, the attitude of respondents also determined whether they were open to learning about how to use the service if they did not know. The belief that using internet banking would be useful to the individual also contributed to the formulation of the attitude. Based on these considerations, the study postulates as follows:

H1d: There is a positive relationship between performance expectations and general use of internet banking

H2d: There is a positive relationship between performance expectations and use of internet banking for forex transactions

3.6.1.6 Facilitating Conditions

Although the TRA suggests that an individual's behaviour is as a result of their intention to perform that particular action, the behaviour must be driven by their motivation to comply in order for it to happen. "A behaviour under volitional control is one in which the person is able to decide, at will, to engage in or not (Ajzen, 1991). In the internet banking environment, a customer must actively choose to forgo the temptation to visit a branch and it is only possible if they are confident with the tools that are available to them. With the necessary knowledge, they will be more likely to attempt to transact on the online platform. Therefore the following hypothesis was suggested:

H1e: There is a positive relationship between facilitating conditions and general use of internet banking

H2e: There is a positive relationship between facilitating conditions and the use of internet banking for forex transactions

3.7 THE RESEARCH INSTRUMENT

A research instrument can be defined as a testing device for gauging a given occurrence for example a questionnaire, an interview, or a set of procedures for observation (Bernard & Gravlee, 2014). The questionnaire was the research instrument of choice for this study and is explained to be a list of research questions asked to respondents, such that specific information could be extracted (Bernard & Gravlee, 2014). The main reason why this instrument was chosen over other research instruments is that it ensured suitable information was collected. This allowed for information to be compared and amended to the analysis.

3.8 Pilot Study

A pilot study is defined as a small study conducted in advance of a planned project, specifically to test aspects of the research design such as evaluating feasibility, time, cost, adverse events and to allow necessary adjustment before final commitment to the design (Saunders, Lewis & Thornhill, 2012).

The importance of a pilot study according to Saunders et.al, (2012) is that larger scale studies are typically done so that statistically significant results can be calculated. In such studies, each session needs to be run the same way. As such, a solid script must be created and tested. Reasons for undertaking a pilot study included; developing a research question and research

plan, collecting preliminary data, establishing if the sample frame and statistics were effective, refining research questions and assessing the questions validity.

For this research, a pilot test was conducted and based on 10 respondents, whose comments served as a basis of amending the final questionnaire.

3.9 Administering of Questionnaires

The questionnaire was administered to the respondents in their presence as they came to Industrial Branch for account maintenance. There is a specific area designated for customers with corporate accounts in the branch, therefore all customers who were being assisted in that specific office were potentially a part of the research target. Only individuals who had a mandate to transact on a specific corporate account were administered the questionnaire. The way this was determined was through scrutinizing each customer's identification and matching it to information held on the system as per bank process.

3.9.1 Collection Of Questionnaire

The collection of questionnaires was done after the respondents completed them at the branch. The names of respondents were not recorded to ensure confidentiality.

3.10 Data Analysis

For this research, descriptive and inferential statistics were used and data was analysed by the Statistical Package for the Social Sciences (SPSS) package based on the data collected from the survey. Descriptive statistics are utilized to depict the essential features of information in a study. They give straightforward outlines about the sample and the measures. In addition to basic graphical analysis, they structure the premise of virtually every quantitative analysis of data. Inferential statistics, as defined by Mendenhall, Beaver & Beaver (2013) as set of procedures used to make predictions or draw conclusions about a population's characteristics using the information obtained in a sample drawn from the population. This allowed the study to use the sample to generalise information onto the whole population from which the sample was drawn.

For this research, the regression analysis was used to test the strength of association between the use of internet banking for forex transactions and the major constructs outlined in the questionnaire (control factors, performance expectations, social influence and behavioural intentions). Statistical tests were done at the 5% significance level.

3.11 Validity

Validity and reliability tests were employed to essentially reduce the chances of the researcher arriving at an incorrect conclusion.

3.11.1 Validity

This was defined as the guarantee that a specific research undertaken of any information referred to is genuine and substantiated (Liljequist & Nikjoo, 2014)

3.11.1.1 Content Validity

Content validity uses an approach based procedure in statistics and it is regarded as a strong type of validity check (Silverman, 2016). Although this type of validity is similar to face validity, it is normally required to ensure the adequacy of the research instrument being used. This study ensured validity through literature review and exploratory factor analysis in SPSS. The results of the analysis were able to assist in validating the content of the questionnaire.

3.11.1.2 Criterion Validity

This has been defined as how well scores on one measure are able to predict the scores on another measure of interest (Silverman, 2016). Even though this type of validity check is less effective than predictive validity when predicting future performance or potential, it is a highly appropriate way to validate personal attributes for example individual strengths and weaknesses with regards to computer usage. This validity check was therefore used to authenticate the extent of a respondent's ratings or responses to predict behaviour outside the immediate context of the research instrument. This was achieved through using the exploratory factor analysis. For the purposes of this research criterion validity was done by correlating views captured from the pilot run with those from the data collected from respondents.

3.12 Reliability

This has been defined as the degree to which an instrument used to measure is stable or constant and its repeatability is guaranteed (Neuman & Robson, 2014).

3.12.1 Inter-Rater Reliability

With this type of reliability test the amount of agreement between two people who rate a behaviour, object or phenomenon is measured (Neuman & Robson, 2014). Therefore, inter-rater reliability assessed the level of homogeneity within the questionnaire.

3.13 Limitations of The Study

The following section examines the limitations of the study.

3.13.1 Limitations of the Study

These have been defined as factors which had the potential of affecting the results of the study which the researcher had no control over (Algozzine & Hancock, 2016). Limitations of this research included time constraints, these limited the response of this study as the respondents were given the period which they were present in the branch to answer the questionnaire. Therefore, if more time had been available, an even higher response rate may have been achieved.

3.13.2 Delimitations of the Study

These can be defined as boundaries of the research as planned by the researcher (Algozzine & Hancock, 2016). For this specific research delimitations of this study were the corporate customers who specifically did not open their business accounts at FNB Industrial branch. This population therefore did not form part of the focus of this study..

3.13.3 Elimination of Bias

Biasness can be defined as any orderly variation from the truth which has an influence on conclusions made based on the study's findings (Schmidt & Hunter, 2014). Elimination of biasness was ensured through the use of gender neutral words, and no identification of respondents by race or ethnic group was applied throughout the study.

3.13.4 Selection Bias

This type of biasness transpires when the test subjects have not successfully represented the population which the findings will be applied (Malone, Nicholl & Tracey, 2014). This type of biasness did not affect this study as measures were taken to ensure that the tests used correctly represented the population of this research.

3.13.5 Information Bias

This includes biasness that could take place as a result of measurements bias, misclassification of outcomes and inaccuracy of information which could have an impact on the study's findings (Malone, Nicholl & Tracey, 2014). This type of biasness did not affect this study as it was ensured that accurate information was obtained as this study was explained to respondents prior to the questionnaire being distributed to clarify any misconceptions.

3.13.6 Bias as a Result of Outliers

Outliers are values separate from the core body of the information. They could be simple typing errors or sincere observations (Malone, Nicholl & Tracey). This form of biasness did not affect this research as the questionnaire were proof-read, amended and perfected after piloting was completed.

3.14 Ethical Considerations

This has been defined as the responsibility of the researcher was to ensure integrity of the entire research process (Lacey, Howden, Cvitanovic & Dowd, 2015). This was achieved through ensuring that no harm comes to participants of this study, ensuring that participants had full informed consent of the study they were partaking in and lastly maintaining confidentiality and anonymity of results and data collection process.

3.14.1 Ensuring Participants have given informed Consent

Participants of this study were well informed of the nature of the research prior to the administration of the questionnaires. This was done face to face. As a result, participants had a clear understanding of what the study entailed and that they would not be exposed to any risk. A consent letter was also issued out to each participant taking part in the study ensuring that a written consent was acquired from the participants. Lastly, the topics covered in the questionnaire were also communicated to respondents before they gave their knowledgeable consent.

3.14.2 Ensuring no Harm Comes to Participants

Harm can be both physical and or psychological that is, in the form of stress, pain, anxiety, or an invasion of privacy (Lacey, Howden, Cvitanovic & Dowd, 2015). There was no harm to the participant that could have been caused as a result of participating in this study.

3.14.3 Ensuring Confidentiality and Anonymity

Confidentiality means that any classified information is not made available to, or accessed by anyone but the researcher (Lacey, Howden, Cvitanovic & Dowd, 2015). This also ensures such classified information is excluded from any reports or published documents, and confirms that there is no opportunity for people to be identified even though names are not used during the study. To adhere to this ethical consideration, the participant consent form includes a confidentiality clause which was signed both by the participant and the researcher. This clause therefore assures that the participant has no classified information that will be accessed by anyone other than the researcher.

3.14.4 Ensuring That Permission Is Obtained

For this research, permission was requested from FNB and granted as shown on “Appendix A” which shows a sample of the grant of permission letter

3.15 Chapter Summary

This chapter outlined the research design which addressed the research questions in an appropriate fashion. It then went on to discuss the research philosophy which focused on the positivist or quantitative approach for the purposes of this research. Research strategies were then outlined although further discussing ones which showed relevance to this study. The target population was then defined together with the appropriate sampling methods. Lastly, the research instrument of choice was delineated and ethical considerations were made as well as the validity and reliability processes being discussed. The following chapter will focus on results, analysis and discussions.

CHAPTER 4 DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter presents the findings and analysis of the survey on the data gathered from the questionnaires of the current investigation. The results of the completed questionnaires are shown in a combination of tables, graphs and pie-charts. The statistical interpretation is based on regression and correlation analyses obtained from statistical analysis and compared to the significance level (cut off point) of .05.

4.2 Sample And Data Collection

Table 4.1 Questionnaire response rate

| | |
|------------------|----------|
| Total population | N = 1063 |
| Sample size | N = 150 |
| Total responses | 132 |
| Response rate | 88% |

The targeted population of the study encompasses all corporate customers who opened their accounts at FNB Industrial branch. A total of 1063 made up the total population of the survey. Of the total, 150 subjects were administered questionnaires and 132 of the questionnaires were fully completed. These completed questionnaires represented an 88% response rate, which was sufficiently higher than the 60% outlined by Davies & Hughes (2014) which is sufficient for a meaningful statistical analysis and appropriate construal. These responses were firstly entered on an excel spread sheet and then exported to SPSS. All the data labelling and cleaning was done using SPSS.

4.3 Test for Sample Adequacy

A test for sample size adequacy was carried out using a Kaiser-Meyer-Olkin (KMO) test. This test is used to determine how suited that data is for factor analysis. The statistic is used to measure the proportion of variance among variables that might be of common variance. A minimum acceptable score for this test is 0.5 (Kaiser, 1974). According to MacCallum, Widaman, Zhang and Hong (1999), an average value of above 0.6 is acceptable for samples less than 100; an average between 0.5 and 0.6 is acceptable for sample sizes between 100 and 200. The formula for the KMO test is:

$$MO_j = \frac{\sum_{i \neq j} r_{ij}^2}{\sum_{i \neq j} r_{ij}^2 + \sum_{i \neq j} u_i^2}$$

...where: $\mathbf{R} = (r_{ij})$ is the correlation matrix

$\mathbf{U} = (u_{ij})$ is the partial covariance matrix

(Cerny & Kaiser, 1977).

Table 4. 2 KMO And Bartlett's Test

| | | |
|--|--------------------|--------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .751 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 22.514 |
| | Df | 6 |
| | Sig. | .001 |

The KMO test for sampling adequacy yielded a score of 0.751 which indicated that the sample size was sufficiently suited for factor analysis.

4.4 Measurement and Analysis

The first part of the questionnaire demonstrates the factual data of participants including age, gender, educational level, computer experience, and the second part included internet experience. These variables were divided into distinctive categories, and used as interval scales excluding gender. The third part includes the items of the model variables that anchored by a 5-point Likert scale (strongly disagree = 1, disagree = 2, neutral = 3, agree = 4, strongly agree = 5). Part 4 of the questionnaire explored behaviour – which encompassed use of internet for bank transactions. It measured frequency of use of internet banking.

4.5 RESULTS AND DISCUSSION

4.5.1 Gender

Table 4. 3 Gender distribution

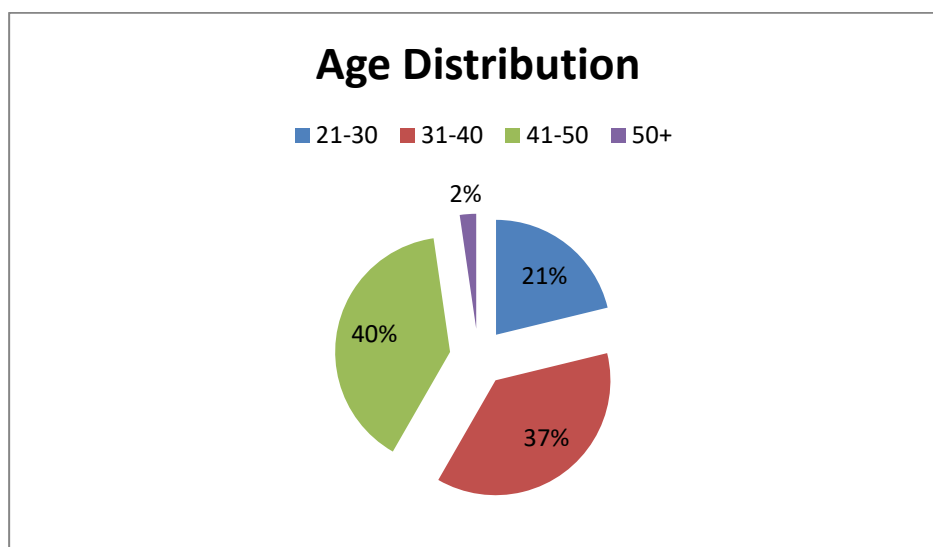
| | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------|-----------|---------|---------------|--------------------|
| Male | 78 | 59.1 | 59.1 | 59.1 |
| Female | 54 | 40.9 | 40.9 | 100.0 |
| Total | 132 | 100.0 | 100.0 | |

For the sex category, results revealed that 59.1% were male, and 40.9% were female. It can be said that males are more inclined to using Internet banking than females. Males (87.2%) were more likely to use internet for forex transactions more than once per week compared to females (72.2%). P value = 0.000.

4.5.2 Age

In relation to the age of respondents, 21.2% were aged of 21- 30 years old, 37.1% were aged 31-40 years old, 39.4% were in the 41-50 year aged group, and 2.3% were for aged above 50 years.

Figure 4. 1 – Age Distribution



It can be said that the higher percentages of internet use for forex transactions were associated with the ages of younger people. Over ninety percent (96%) of those aged 21-30 years, almost three-quarters (75.5%) among those aged 31-40 years and around eighty percent among those aged 41-50 years. However, those aged 50 years none used the facility.

4.5.3 Education Level

The results showed that over 50% of the respondents had at least a university degree, with 41% holding a college diploma and only 5% with high school or below. It can be inferred that a high education level urges individuals to adopt Internet banking for forex transactions. Internet use was highest among those with college diploma (93%) and university degree (82%). However, it was observed that those with high school level also used internet banking very well (83%) and use decreased with respondents who had a master's degree (10%).

Table 4. 4 Education Level Result Distribution

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------|-----------|---------|------------------|-----------------------|
| 1 | 6 | 4.5 | 4.5 | 4.5 |
| 2 | 54 | 40.9 | 40.9 | 45.5 |
| Valid 3 | 62 | 47.0 | 47.0 | 92.4 |
| 4 | 10 | 7.6 | 7.6 | 100.0 |
| Total | 132 | 100.0 | 100.0 | |

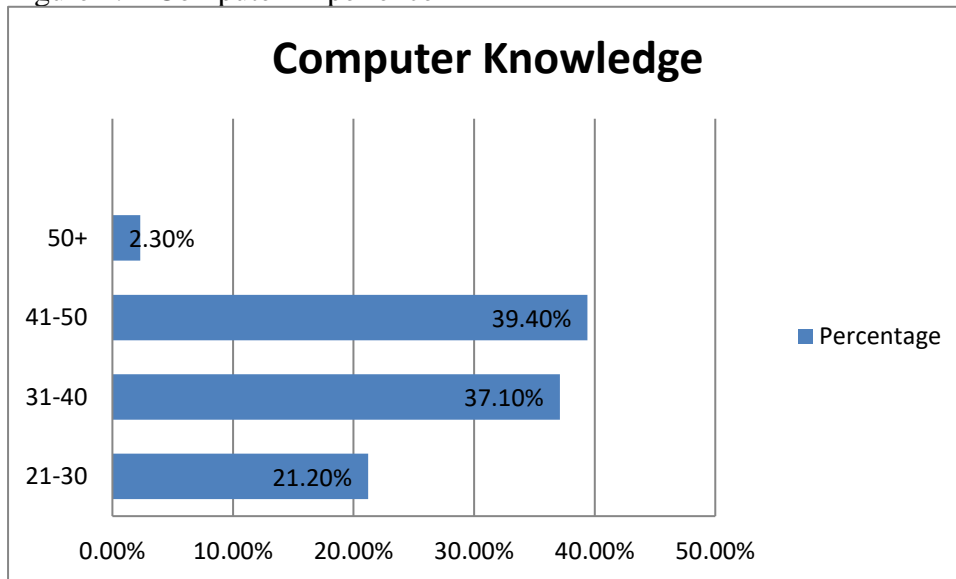
1. High school
2. Diploma
3. First Degree
4. Masters

4.5.4 Marital Status.

Over two-thirds (67%) of the respondents were married, 27% were single and around 5% were divorced. There were no differences observed between marital status and use of internet banking for forex transactions.

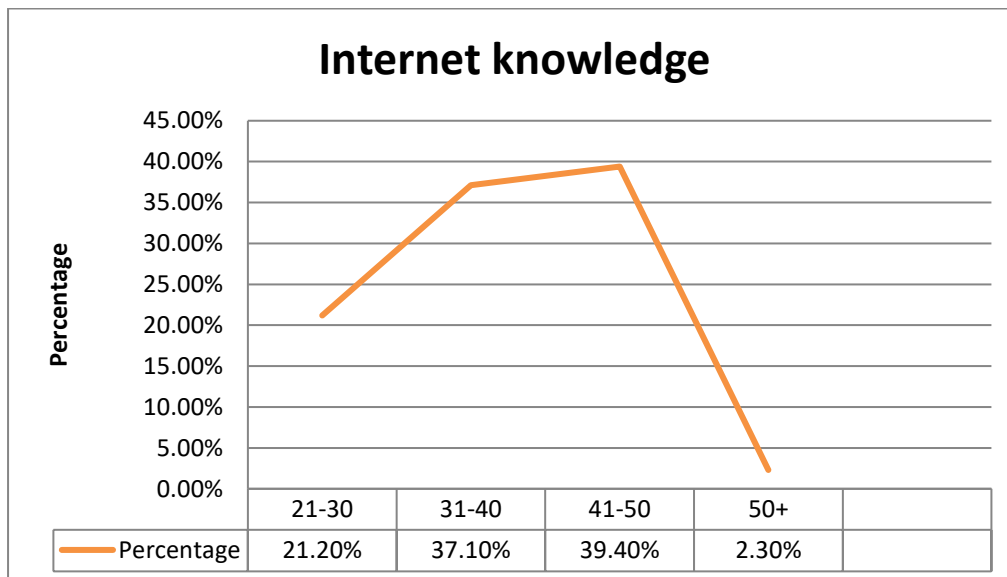
4.5.5 Computer Experience

Figure 4. 2 Computer Experience



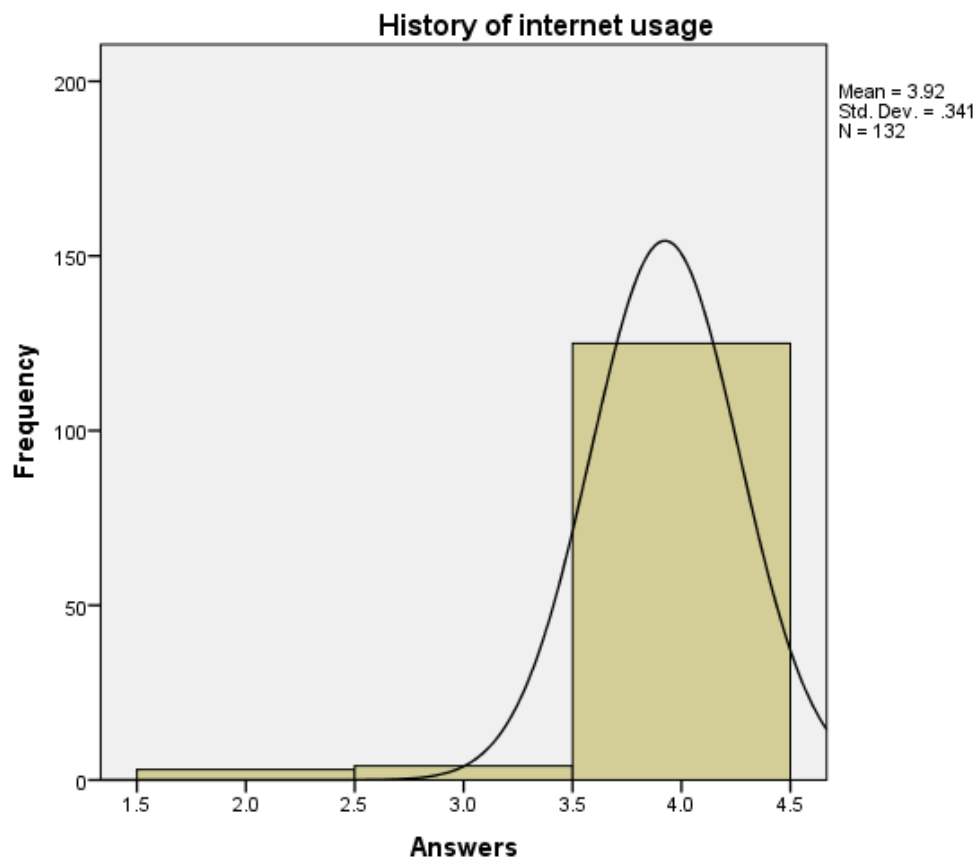
Only 19.7% of respondents described their knowledge of computers as good. Almost half either described their knowledge as moderate (40.90%) or poor (39.4%).

Figure 4. 3 Internet Knowledge



The above graph shows the respondents internet knowledge, more than half believed that their knowledge was moderate or good with only 27.3% describing their knowledge as poor.

Figure 4. 4 History of Internet Usage



Results indicated that 2% of participants had experience of less than 1 year, 3% had experience of between 1-2 and close to 95% had internet use experience of over two years. The histogram above highlights the spread of the data.

When asked how often they use the internet per day, 2% said they do not use, over a third (34.8%) use it for less than 1 hour, a third for between 1-2 hours, 21% for 3-4 hours and 8% reported using it for more than 4 hours.

Part 3 of the questionnaire used a likert scale to address the main constructs of the Theory of Reasoned action model.

The tables below show the breakdown of the results of the completed questionnaires

Table 4. 5 Performance Expectancy

| Number | Statement | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---------------|---|--------------------------|-----------------|----------------|--------------|-----------------------|
| PE1. | I think that internet banking would be useful to carry out my tasks | | 6.8 | 9.1 | 53.0 | 31.1 |
| PE2. | I think that using internet banking would be less costly | 6.1 | 12.9 | 41.7 | 28.0 | 11.4 |
| PE3. | I think that using internet banking would save me time | | 9.8 | 14.4 | 41.7 | 34.1 |
| PE4. | I think using internet banking would improve my performance | 0.8 | 26.5 | 24.2 | 36.4 | 12.1 |

The above table indicates that 84.1% of respondents believe that internet banking would be useful when carrying out their tasks (PE1). This could be attributed to the fact that the bank has made an active push to publicize the benefits of internet banking. Although this may be the case, there is little evidence to show that the cost aspect of the product has been an effective component of attitude formulation for the respondents as 41.7% were neutral when asked whether they thought that it would be less costly (PE2). Although over three quarters (75.8%) of respondents felt that internet banking would save time, there were large numbers who were neutral or disagreed (24.2% and 26.5%) that there would be any benefit with regards to their personal performance.

The next part of question 3 investigated the control factors which would help to formulate the opinion of the respondents.

Table 4. 6 Control Factors

| Number | Statement | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---------------|--|--------------------------|-----------------|----------------|--------------|-----------------------|
| CF1. | I think that I would be able to overcome any problems on the internet banking site | 0 | 15.9 | 26.5 | 43.9 | 13.6 |
| CF2. | I think that it is easy to become skilful at using internet banking | 5.3 | 12.1 | 38.6 | 31.1 | 12.9 |
| CF3. | I think that using internet banking is time consuming | 3.8 | 23.5 | 29.5 | 33.3 | 9.8 |
| CF4. | I think that it is safe to use internet banking | 6.8 | 31.8 | 32.6 | 25 | 3.8 |

The above table indicated that over 50% of respondents believe they would be able to overcome any problems on the internet banking site. This is important because it shows that they do not see the technology available as a stumbling block. In addition to this, only 17.4% of the respondents in response to CF2 believe that it is not easy to become skilful at internet banking. However, the respondents believed that internet banking is time consuming and only 28.8% believed that it is safe.

Table 4. 7 Social Influence

| Number | Statement | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---------------|---|--------------------------|-----------------|----------------|--------------|-----------------------|
| SI1. | People who influence my behaviour think that I should use internet banking | 4.5 | 20.5 | 23.5 | 38.6 | 12.9 |
| SI2. | People who are important to me think that I should use internet banking | 2.3 | 25.8 | 23.5 | 30.3 | 18.2 |
| SI3. | People in my environment who use internet banking services have more prestige than those who do not | 3.0 | 21.2 | 34.1 | 28.8 | 12.9 |
| SI4. | Social networks have influenced my decision to use internet banking | 6.1 | 23.5 | 29.5 | 26.5 | 14.4 |
| SI5. | Having internet banking will increase my profile in the organization | 3.0 | 35.6 | 22.7 | 30.3 | 8.3 |

The results of this section of the questionnaire addressed a major component of the theory of reasoned action; subjective norms. This part of the theory postulates that an individual's intention to perform a particular behaviour is influenced by their belief about the social desirability of a particular behaviour. The table above indicates that 51.5% of respondents agreed that important people who influence their behaviour believe that they should use internet banking. SI2 shows that the knowledge of the availability of internet banking services is known to respondents as well as the important people in their social circles. Evidence of this was that 48.5% of respondents agreed that important people felt that they should use internet banking. The prestige aspect of the services did not seem to be a major factor as 34.1% of respondents were neutral about the prestige. When asked about the influence of social networks on the respondents' decision to use internet banking, the

majority were neutral with 29.5% neither having a positive nor negative outlook. The majority of respondents (35.6%) did not believe that internet banking will increase their profile within the organization. These results show that although the views of important others plays a role in the respondents decision to adopt internet banking, prestige is not a major factor.

Table 4. 8 Facilitating Conditions

| Number | Statement | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|--------|---|-------------------|----------|---------|-------|----------------|
| FC1 | I have all the necessary tools for internet banking readily available | 1.5 | 16.7 | 40.9 | 39.4 | 1.5 |
| FC2 | I have the knowledge necessary to use internet banking | 0.0 | 27.3 | 49.2 | 17.4 | 6.1 |
| FC3 | I have been taught how to use internet banking by a staff member | 0.0 | 21.2 | 37.1 | 39.4 | 2.3 |
| FC4 | I am aware and understand the services/activities that can be done on the internet banking platform | 0.8 | 26.5 | 24.2 | 36.4 | 12.1 |

The table above addresses whether the respondents had a conducive enough environment to allow them to partake in the internet banking services. The results to question 1 regarding tools available show that 40.9 percent of respondents were neutral when they asked the question. This could mean that they do not always have access to the necessary facilities to partake in internet banking. The answers to FC2 also showed that 49.2% of the respondents felt that they were not sure whether or not they had the necessary knowledge to use internet banking. Despite the previous answers which suggested that customers had never heard of the internet banking products, 41.3 percent stated that they had been taught how to use the facilities. In FC4 more than half of respondents were not aware of the services offered by the bank.

Table 4. 9 Behavioural Intention

| Number | Statement | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---------------|--|--------------------------|-----------------|----------------|--------------|-----------------------|
| BI1 | I intend to use the system in the next few months | 2.3 | 34.8 | 33.3 | 21.2 | 8.3 |
| BI2 | I predict that using internet banking will help me gain a better understanding of the FNB system | 5.3 | 12.1 | 38.6 | 31.1 | 12.9 |
| BI3 | I intend to consult the balance of my account on the platform of internet banking | 6.8 | 31.8 | 32.6 | 25 | 3.8 |
| BI4 | I intend to use the internet banking platform to access my account information | 3.0 | 35.6 | 22.7 | 30.3 | 8.3 |

The table above shows that 37.1% of respondents did not intend to use the internet banking services in the near future. This illustrates the attitude of the respondents towards the internet banking platform. Despite this, when asked about whether the internet banking system would increase their understanding of the FNB system, 44% of respondents agreed that it would increase their understanding. The respondents had a negative reaction when asked about their intention to use internet banking for balance enquiry and account information. The attitude of respondents towards the service is largely negative especially with regards to their behavioural intention which makes up half of the theory of reasoned action; these answers provide some insight into why the respondents do not currently utilize the internet banking services as much as they can.

4.6 Testing Reliability

Cronbach's Alpha was used for measuring the total consistency between all items of the questionnaire and internal consistency among items for each dimension. Reliability Assessing: internal reliability is important in scales. It raises the question of whether scales are measuring a single idea; hence, whether the items that make up the scale are internally consistent. In this analysis, the Cronbach's alpha was used to calculate reliability. The minimum proposed composite reliability value is 0.70 (Hair, Black, Babin & Anderson , 2010). Though the Cronbach Alpha of 0.70 is recommended, the minimum alpha of 0.60 sufficed for the early stage of research (Nunnally, 1978).

Cronbach's alpha is computed by correlating the score for each scale item with the total score for each observation (usually individual survey respondents or test takers), and then comparing that to the variance for all individual item scores:

$$\alpha = \left(\frac{k}{k-1}\right)\left(1 - \frac{\sum_{i=1}^k \sigma_{y_i}^2}{\sigma_x^2}\right)$$

...where: k refers to the number of scale items

$\sigma_{y_i}^2$ refers to the variance associated with item i

σ_x^2 refers to the variance associated with the observed total scores

Alternatively, Cronbach's alpha can also be defined as:

$$\alpha = \frac{k - \bar{c}}{\bar{v} + (k-1)\bar{c}}$$

...where: k refers to the number of scale items

\bar{c} refers to the average of all covariance's between items

\bar{v} refers to the average variance of each item

Cronbach's alpha is thus a function of the number of items in a test, the average covariance between pairs of items, and the variance of the total score (Hair et al, 2010).

Below are the computed Cronbach's Alpha scores for each of the five constructs.

Table 4.10 showed that the result of the Cronbach's Alpha test was 0.94 for the entire items that greater than 0.70 and each dimension was above 0.60 which is acceptable in social science research.

Table 4. 10: Cronbach's Alpha per Construct

| Construct | Reliability Statistics | | |
|---------------------------|------------------------|--|------------|
| | Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
| Performance Expectancy | 0.793 | 0.794 | 4 |
| Control factors | 0.625 | 0.625 | 4 |
| Social Influence | 0.709 | 0.710 | 5 |
| Facilitating Conditions** | 0.405 | 0.409 | 4 |
| Behavioral Intention | 0.752 | 0.758 | 4 |

After reliability analysis, it was observed that Facilitating Conditions yielded a very low Cronbach Alpha score of 0.405 or adjusted score of 0.409 and even when one item was removed in order to raise the internal consistency, the Cronbach's alpha only increased to 0.411 or adjusted score of 0.423. Therefore, the construct – Facilitating Conditions has been completely removed in the analysis.

Table 4. 11 After dropping one scale item

| Construct | Reliability Statistics | | |
|-------------------------|------------------------|--|------------|
| | Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
| Facilitating Conditions | 0.411 | 0.424 | 3 |

4.6.1 Creation of Composite Score

Having established that only 4 out of the 5 constructs have internal consistency, the composite score for the items has been created using the average score across each construct for each respondent.

Table 4. 12: Composite Scores

| | | Performance Expectancy | Control factors | Social Influence | Facilitating Conditions** | Behavioral Intention |
|---|---------|-------------------------------|------------------------|-------------------------|----------------------------------|-----------------------------|
| N | Valid | 132 | 132 | 132 | 132 | 132 |
| | Missing | 0 | 0 | 0 | 0 | 0 |
| Mean | | 3.6667 | 3.2462 | 4.0587 | 3.2008 | 3.0739 |
| Median | | 3.6250 | 3.2500 | 4.2500 | 3.2500 | 3.0000 |
| Mode | | 4.00 | 3.25 | 4.25 | 3.25 | 2.25a |
| a. Multiple modes exist. The smallest value is shown ** Facilitating conditions will not be used in the regression and correlation as it has a very low Cronbach Alpha. | | | | | | |

4.6.2 Testing Validity

To explore the dimensions in a scaled construct, its typical use exploratory factor analysis (EFA) for scaled constructs. The purpose of EFA is to identify subscales or number of dimensions in a scale. EFA is useful in determining whether or not you have the scale-items used have has more than one dimension. EFA is a technique that will tell whether the scale used has two or more subscales rather than a general scale. “There are two types of EFA known as Factor Analysis (FA) and Principal Component Analysis (PCA)” (Samuels, 2016). FA is more preferable to PCA in the early stages of as it allows the researcher to measure the ratio of an item’s unique variance to its shared variance, known as its communality (Samuels, 2016). As dimension reduction techniques seek to identify items with a shared variance, is advisable to remove any item with a communality score less than 0.2 (Child, 2006). The analysis that was used to measure the variables was factor analysis.

The results of the factor analysis were:

Table 4. 13 Performance Expectancy

Communalities

| | Initial | Extraction |
|-----|---------|------------|
| PE1 | .366 | .350 |
| PE2 | .403 | .364 |
| PE3 | .587 | .612 |
| PE4 | .612 | .697 |

Extraction Method:
Principal Axis Factoring.

Table 4. 14 Social Influence

Communalities

| | Initial | Extraction |
|-----|---------|------------|
| SI1 | .132 | .093 |
| SI2 | .374 | .314 |
| SI3 | .336 | .435 |
| SI4 | .474 | .570 |
| SI5 | .341 | .377 |

Extraction Method:
Principal Axis Factoring.

Table 4. 15 Control Factors

Communalities

| | Initial | Extraction |
|-----|---------|------------|
| CF1 | .278 | .271 |
| CF2 | .358 | .646 |
| CF3 | .152 | .158 |
| CF4 | .244 | .217 |

Extraction Method:
Principal Axis Factoring.

Table 4. 16 Facilitating Conditions

Communalities

| | Initial | Extraction |
|-----|---------|------------|
| FC1 | .132 | .579 |
| FC2 | .052 | .052 |
| FC3 | .074 | .090 |
| FC4 | .065 | .109 |

Extraction Method:
Principal Axis Factoring.

All but the Facilitating Conditions construct were falling into a single component. Facilitating conditions had a number of negative inter-item correlations. As also noticed under reliability analysis, the construct was measuring two dimensions of the construct with unrelated item combinations.

4.7 Testing Hypotheses

4.7.1 Correlations

Two correlation analyses were conducted. In the first analysis, the relationship between general use of internet banking and the constructs – performance expectations, control factors, social influence and behavioural intentions as independent variables was explored.

In the second analysis, these independent variables are related to the use of internet for forex transactions.

Table 4. 17 Correlation for weekly use of internet banking

| | | Correlations | | | | |
|---------------------------------|---------------------|---------------------------------|--------------------------|-----------------|------------------|----------------------|
| | | Weekly use of Internet banking? | Performance Expectations | Control Factors | Social Influence | Behavioral Intention |
| Weekly use of Internet banking? | Pearson Correlation | 1 | .469** | .364** | .393** | .156 |
| | Sig. (2-tailed) | | .000 | .000 | .000 | .074 |
| | N | 132 | 132 | 132 | 132 | 132 |
| Performance Expectations | Pearson Correlation | .469** | 1 | .147 | .145 | .151 |
| | Sig. (2-tailed) | .000 | | .093 | .096 | .083 |
| | N | 132 | 132 | 132 | 132 | 132 |
| Control Factors | Pearson Correlation | .364** | .147 | 1 | .306** | .117 |
| | Sig. (2-tailed) | .000 | .093 | | .000 | .183 |
| | N | 132 | 132 | 132 | 132 | 132 |
| Social Influence | Pearson Correlation | .393** | .145 | .306** | 1 | .051 |
| | Sig. (2-tailed) | .000 | .096 | .000 | | .562 |
| | N | 132 | 132 | 132 | 132 | 132 |
| Behavioral Intention | Pearson Correlation | .156 | .151 | .117 | .051 | 1 |
| | Sig. (2-tailed) | .074 | .083 | .183 | .562 | |
| | N | 132 | 132 | 132 | 132 | 132 |

** . Correlation is significant at the 0.01 level (2-tailed).

The results in the table above show a very strong relationship between weekly use of internet banking and Performance Expectations, Control Factors and Social Influence. However, there was no relationship between internet use and behavioural intentions.

Table 4. 18 Correlation for forex transactions processed

| Correlations | | | forex transactions processed using internet banking? | Performance Expectations | Control Factors | Social Influence | Behavioral Intention |
|----------------|--|-------------------------|--|--------------------------|-----------------|------------------|----------------------|
| Spearman's rho | forex transactions processed using internet banking? | Correlation Coefficient | 1.000 | .174* | .142 | .176* | .129 |
| | | Sig. (2-tailed) | . | .046 | .104 | .044 | .140 |
| | | N | 132 | 132 | 132 | 132 | 132 |
| | Performance Expectations | Correlation Coefficient | .174* | 1.000 | .187* | .138 | .139 |
| | | Sig. (2-tailed) | .046 | . | .032 | .115 | .111 |
| | | N | 132 | 132 | 132 | 132 | 132 |
| | Control Factors | Correlation Coefficient | .142 | .187* | 1.000 | .342** | .127 |
| | | Sig. (2-tailed) | .104 | .032 | . | .000 | .146 |
| | | N | 132 | 132 | 132 | 132 | 132 |
| | Social Influence | Correlation Coefficient | .176* | .138 | .342** | 1.000 | .045 |
| | | Sig. (2-tailed) | .044 | .115 | .000 | . | .609 |
| | | N | 132 | 132 | 132 | 132 | 132 |
| | Behavioral Intention | Correlation Coefficient | .129 | .139 | .127 | .045 | 1.000 |
| | | Sig. (2-tailed) | .140 | .111 | .146 | .609 | . |
| | | N | 132 | 132 | 132 | 132 | 132 |

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

The table indicates that at a 5% level of significance, the only variables which have a strong relationship with forex transactions processed using internet banking are social influence and performance expectations.

4.8 Regression Analysis

The simple regression analysis was conducted to test the research hypotheses following the criteria established by Hier et al. (2010) considering use of internet for forex transactions as the dependent variable. As discussed under reliability analysis, Facilitating Conditions had a very low Cronbach's Alpha score and is not included in the analysis.

Two regression analyses were conducted. In the first analysis, the relationship between general use of internet banking and the constructs – performance expectations, control factors, social influence and behavioural intentions as independent variables was explored.

Table 4.19 shows that the standardized coefficient (Beta) values for all independent variables were positive and significant at the confidence level $P \leq 0.05$ except for behavioural intentions. Hence, the decision is to accept the hypothesis for all independent variables excluding behavioural intentions. Clearly, there is a significant positive relationship between the independent variables of PerfEx, SocialI, and ControlF.

Table 4. 19 Coefficient for independent variables

Coefficients

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | 95.0% Confidence Interval for B | | Hypothesis result |
|--------------|-----------------------------|------------|---------------------------|-------|---------|---------------------------------|-------------|-------------------|
| | B | Std. Error | Beta | | | Lower Bound | Upper Bound | |
| 4 (Constant) | -.471 | .372 | | 1.267 | .208 | -1.206 | .265 | |
| PerfEx | .364 | .067 | .390 | 5.422 | .000*** | .231 | .496 | Supported |
| SocialI | .202 | .056 | .266 | 3.593 | .000*** | .091 | .313 | Supported |
| ControlF | .225 | .076 | .219 | 2.944 | .004** | .074 | .376 | Not supported |
| BehaveI | .054 | .066 | .058 | .816 | .416 | -.076 | .184 | supported |

$R^2 = 0.613$, Adjusted $R^2 = 0.357$, (*) $p < .05$, (**) $p < .01$, (***) $p < .001$.

Table 4.20: The model below gives a summary of the 4 models for predicting the influence of the 4 independent variables on use of internet banking. The conclusions are based on model 4 as highlighted above and in the table below.

Table 4. 20 Model Summary

| Model Summary | | | | | | | | | |
|---------------|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|-----|---------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .469 ^a | .220 | .214 | .621 | .220 | 36.754 | 1 | 130 | .000 |
| 2 | .573 ^b | .328 | .318 | .579 | .108 | 20.642 | 1 | 129 | .000 |
| 3 | .611 ^c | .373 | .358 | .561 | .045 | 9.218 | 1 | 128 | .003 |
| 4 | .613 ^d | .376 | .357 | .562 | .003 | .666 | 1 | 127 | .416 |

a. Predictors: (Constant), PerfEx

b. Predictors: (Constant), PerfEx, SocialI

c. Predictors: (Constant), PerfEx, SocialI, ControlF

d. Predictors: (Constant), PerfEx, SocialI, ControlF, BehaveI

In the second analysis, these independent variables (IV) are related to the use of internet for forex transactions (DV). Table 4.21 shows that the standardized coefficient (Beta) values for all independent variables were positive and but only one was significant at the confidence level $P \leq 0.05$. Only social influence is said to have an effect on internet use for forex transactions. As observed in model 1, P value = 0.017. Therefore, the decision is to accept the hypothesis for social influence and reject for all independent variables. There is no significant positive relationship between the independent variables of PerfEx, BehaveI and ControlF with use of internet banking for forex transactions.

Table 4. 21 Regression

| Coefficients ^a | | | | | | | | |
|---------------------------|-----------------------------|------------|---------------------------|-------|------|---------------------------------|-------------|-------------------|
| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | 95.0% Confidence Interval for B | | Hypothesis result |
| | B | Std. Error | Beta | | | Lower Bound | Upper Bound | |
| 1 (Constant) | .791 | .179 | | 4.423 | .000 | .437 | 1.145 | Supported |
| SocialI | .104 | .043 | .207 | 2.414 | .017 | .019 | .189 | |
| 2 (Constant) | .282 | .299 | | .943 | .347 | -.309 | .873 | Supported |
| SocialI | .084 | .045 | .169 | 1.873 | .063 | -.005 | .174 | |
| PerfEx | .081 | .054 | .131 | 1.498 | .137 | -.026 | .187 | Not Supported |
| ControlF | .032 | .061 | .047 | .520 | .604 | -.090 | .153 | Not Supported |
| BehaveI | .061 | .053 | .100 | 1.158 | .249 | -.043 | .166 | Not Supported |

a. Dependent Variable: How many forex transactions have you processed using internet banking?

Table 4. 22 Regression Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
|-------|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|-----|---------------|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .207 ^a | .043 | .036 | .455 | .043 | 5.829 | 1 | 130 | .017 |
| 2 | .279 ^b | .078 | .049 | .451 | .035 | 1.599 | 3 | 127 | .193 |

a. Predictors: (Constant), SocialI

b. Predictors: (Constant), SocialI, BehaveI, PerfEx, ControlF

4.9 Chapter Summary

In summary, the findings of this research indicate that from a sample size of 150 FNB Industrial branch corporate customers, 132 fully completed the questionnaire which resulted in an 88% response rate. After a KMO test was conducted this sample size was deemed sufficient to proceed with factor analysis.

Presentation of findings in this study began with demographic profiling of the respondents. The demographic findings indicate that the largest group of respondents were aged between 41-50 years old with 39.4%, whilst the group above 50 years of age had the lowest response rate with 2.3%. The highest number of respondents were males with 59.1%. With regards to educational level, over 50% were in possession of a university degree. Over 50% of the respondents considered themselves to have good knowledge of computers.

Cronbach's Alpha was used to measure the internal consistency of the independent variables. It was discovered that facilitating conditions yielded a score which was below the acceptable range and as a result was not considered in the final analysis.

A correlation analysis was used to measure the independent variables against the dependent variable of weekly use of internet banking. All the independent variables apart from behavioural intention showed that there was a relationship between the factors at a 5% level of significance. When the independent variables were measured against the dependent variable of internet use for forex transactions, only performance expectancy and social

influence showed a relationship at 5% level of significance. The correlation analysis addressed the gaps identified in Fawasy's (2017) study because it identified the respondents perceived behavioural control of the online banking technology.

Lastly, two regression analyses were conducted to measure the relationship between the independent variables and the use of the internet banking in general, as well as, the independent variables and use the use of internet banking for forex transactions. The results for the first regression analysis showed that there was a relationship between the dependent variable and all the independent variables except for behavioural intentions. The second, regression analysis showed that the only independent variable which had a relationship with the use of internet banking for forex transactions was social influence. Thus, it can be deduced that social influence is the major determining factor behind the intention of the respondents to use internet banking for forex transactions. The study was did not yield the same results as the previous study conducted by Daka & Phiri (2019). In their study using the UTAUT model, all factors except social influence were supported but in the case of online banking for Forex transactions the opposite was discovered.

The results validate the applicability of the modified TRA model in this unique study on the Zambian context. This study adds evidence to the emerging knowledge by providing better understanding of online banking utilization, as well as, the importance of the social aspect in the adoption decisions by clients.

4.9.1 Development of a Model

A model was created to address the challenges found in the study. Based on the research findings, the social aspect of the model is of utmost importance when establishing the intention to use internet banking for forex transactions. The evidence suggests that motivation to utilize the internet banking facilities for forex transactions encompasses an individual's reasoned appraisal of the service, as well as, perceived benefit of the product to the individual and organization that they represent. In addition to this, the correlation coefficient results highlighted that performance expectations also have an influence on whether the respondents intended to use the service. The proposed expanded model is:

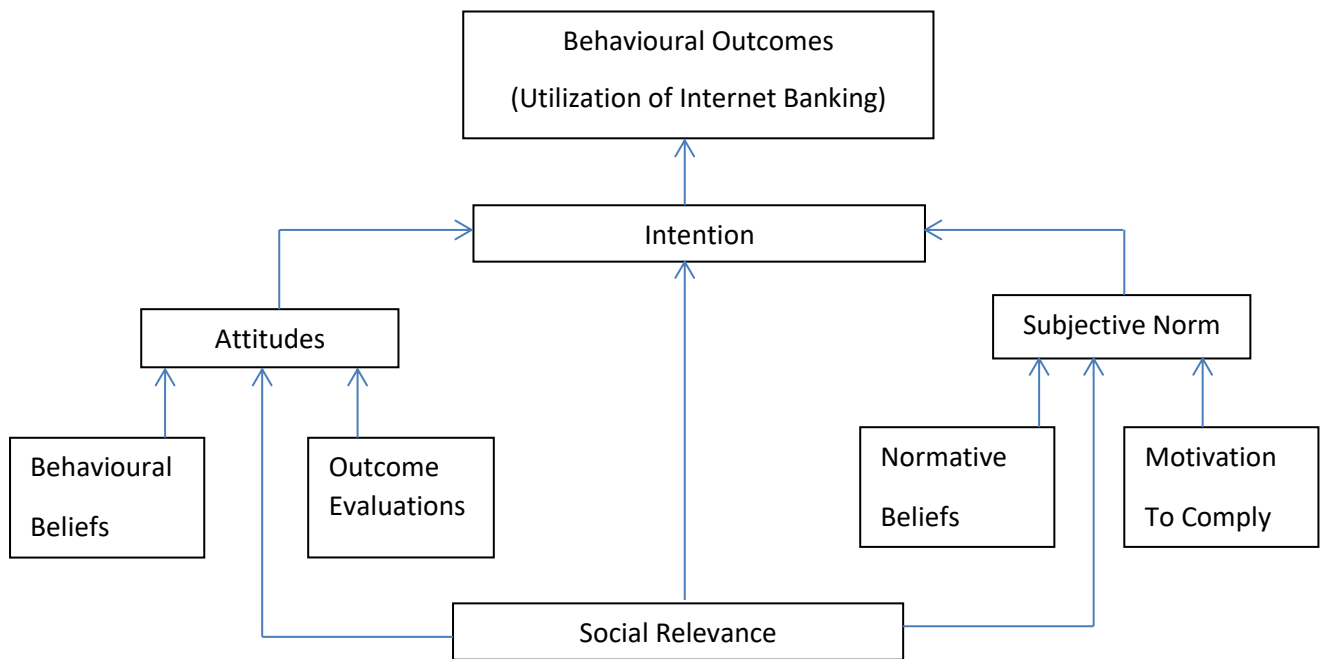


Figure 4. 5 Proposed Expanded TRA Model

In the proposed Figure 5.1, the usage of internet banking by corporate customers is expected to follow from intentions to participate, which, in turn, are also linked to favourable attitude and subjective norms. The precursors to attitudes and subjective norms are the same as the normal Theory of Reasoned Action, these are behavioural beliefs, outcome evaluation, normative beliefs and motivation to comply. The model was expanded to include social relevance. The reason for this expansion is because, based on the findings of the study, social relevance has the most pivotal role in determining whether the customers will continue with the service. Social Relevance, like the other aspects of the Theory of Reasoned Action, is mediated by attitude as well as subjective norms. The proposed model can be specifically implemented during marketing campaigns as the response can be quantified through targeted social media campaigns.

CHAPTER 5 CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the findings of this study along with conclusions grouped from data collection. Recommendations on how to increase the adoption of internet banking amongst corporate customers for forex transactions are also included.

5.2 Findings from the Study

This research study makes known the factors that have led to the current levels of adoption of internet banking amongst corporate customers. Recommendations on how to curb the current trends have also been shared. Lastly, the study provides a model to follow in order to connect with the target market in the future.

5.3 Findings from the Primary Research

5.3.1 Prohibiting Factors

The first research question sought to identify the factors that were inhibiting customers from performing online payments for forex transactions. Based on the answers provided using the five point Likert scale, the attitude of most respondents towards internet banking in general was negative. This shows that despite the information being readily available, the respondents were unlikely to implement any of the suggestions the bank made even if it would make their daily operations more efficient. However, more than half of the respondents were not even aware of the service being offered therefore it is clear that further studies need to be conducted to determine how to effectively communicate to the target audience. Almost a quarter of the respondents (26.5%) felt that the service would not save them any time, this suggests that the benefits of the service had not been clearly communicated to the customers when they opened their account.

The correlation results found that there was a relationship between the performance expectation, control factors and social influence when it came to the weekly use of internet banking. However, there was no relationship with behavioural intention and use of internet banking. This suggests that in the theory of reasoned action framework, behavioural intention and social influence play a part in determining whether the respondents would consider logging on to the internet banking platform. When the independent variables were measured against the dependent variable of the use of internet banking for forex transactions, only social influence and performance expectancy had a relationship on the respondents' intention

to utilize the service. This showed that the major factors involved in whether customers would process Forex transactions themselves are the subjective norms as well as how they expect the internet banking platform to perform.

The regression test conducted highlighted that social influence, with a significance level of 0.017, was the only independent variable which was supported at 0.05% level of significance. This showed that the respondents were influenced by social pressure which ultimately led to the decision of whether or not they intended to use the internet banking service for their forex transactions.

5.4 Recommendations

In the ever-changing banking industry, the only leverage that banks possess is the ability to adapt to the demands of their customers. This ability to adapt will help to differentiate banks from the competition. The following steps are recommendations made in order to facilitate increased adoption of internet banking for forex transactions.

5.4.1 Increased Awareness

The study found that the social influence had the largest impact on the decision to use internet banking. FNB can act on this finding and increase their online presence in the Zambian market. Lack of awareness is the most important factor that negatively affects internet banking adoption (Sathye, 1999). The increased online presence will open up a new avenue to reach customers who would not normally pay attention to traditional advertising campaign. The effectiveness of marketing campaigns about online banking should be measured over time, they should look at the trends of the uptake of the service before, during and after the campaigns in order to determine which channels are most effective.

5.4.2 Accessibility

The customers may be more encouraged to use the internet banking platform for forex transactions if the functionality was included on the banking application for smartphones. The study showed that 84.1% of respondents believed that internet banking would be useful in carrying out their tasks which means that the respondents see the value in the service. The results also indicated that 98% of respondents use the internet at least for 1 hour per day, which means that the target market is already active and with easier accessibility it would be possible to encourage users to take advantage of the bank products. Digital banking kiosks could be integrated with businesses that have partnerships with FNB. This would help to encourage existing customers to try the service if they had not already registered.

5.4.3 Further Research

The study was one of the few to focus on the topic using the theory of reasoned action.

Further research can be done at other branches using the same theory in order to expand the literature and gain a more holistic picture of the market. Further studies would be able to supplement the findings of this study and help FNB and other organizations streamline future marketing strategies. The future studies could also look at effective communication with customers since a large amount of customers were not aware of the products being offered.

5.5 Limitations

The study was limited due to time and budget constraints therefore a larger sample could not be taken. These limitations also meant that the only respondents to the survey were from Lusaka. Further research could help to gain insight into the environment outside Lusaka where other FNB customers are located.

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APPENDICES

APPENDIX 1 – QUESTIONNAIRE



The University of Zambia

Graduate School of Business

***Adoption of Internet Banking Services By Corporate
Customers for Forex Transactions Based on TRA Model
– A Case Of FNB Industrial Branch***

Lufwendo Lishomwa

MBA General

For more information or any queries, kindly get in touch on 097 246 1194

Dear Respondent,

I am a student at the University of Zambia in my final stage pursuing an MBA - General. As partial fulfillment for the award of a Master's degree, I am conducting a baseline study on: ***"Factors affecting adoption of internet banking services for forex transactions amongst corporate customers."***

You have been purposefully sampled to provide information for the topic indicated above. The information being collected is purely for academic purposes as such, it will be treated with maximum confidentiality. Subsequently, you are not supposed to indicate your name or any personal information that can lead to revealing of your identity.

Your co-operation will be greatly appreciated.

For more information or any queries, kindly get in touch with the following:

Project Supervisor: Dr. Jackson Phiri (0966 693 731) or

Coordinator:

Survey Questionnaires

Do you use the Internet for banking? Yes [] No []

Part One: Demographic information (Please tick [v])

1. Gender: Male [] Female []

2. Marital Status: Single [] Married [] Divorced [] Other []

3. Age: 20 or under [] 21-30 [] 31-40 [] 41-50 [] 51-60 [] 61+ []

4. Highest level of education: HS and below [] Diploma [] First degree [] Masters [] Ph.D. []

5. Occupation (Please specify, eg. "Accountant")

Part Two: Computer Knowledge and Experience (Please tick [v])

6. How do you describe your general knowledge about computers? Very poor [] Poor []
Moderate [] Good [] Very good []

7. How would you describe your Internet knowledge? Very poor [] Poor [] Moderate []
Good [] Very good []

8. How long have you been using the Internet? Don't use [] Less than 1yr [] 1- 2 yrs. []
More than 2 yrs. []

9. How often do you use the Internet per day? Don't use [] Less than 1hr [] 1-2 hrs. [] 3- 4
hrs. [] More than 4 hrs. []

Part Three: Internet banking Adoption Factors

Using a rating scale from the lowest point of 1 to the highest point of 5, please circle the number that indicates your level of agreement or disagreement with the following statement.

SD = strongly disagree | D = Disagree | N = Neutral | A = Agree | SA = Strongly Agree | NA= Not Applicable

| No | Statement | | | | | | |
|-------------------------|---|----|---|---|---|----|----|
| Performance Expectancy | | SD | D | N | A | SA | NA |
| 1 | I think that Internet banking would be useful in carrying out my tasks | 1 | 2 | 3 | 4 | 5 | - |
| 2 | I think that using Internet banking would be less costly | 1 | 2 | 3 | 4 | 5 | - |
| 3 | I think that using Internet banking would save me time | 1 | 2 | 3 | 4 | 5 | - |
| 4 | I think using Internet banking would improve my performance | 1 | 2 | 3 | 4 | 5 | - |
| Control factors | | SD | D | N | A | SA | NA |
| 1 | I think that I would be able to overcome any problems on the internet banking site | 1 | 2 | 3 | 4 | 5 | - |
| 2 | I think it's easy to become skillful at using Internet banking | 1 | 2 | 3 | 4 | 5 | - |
| 3 | I think that using internet banking is time consuming | 1 | 2 | 3 | 4 | 5 | - |
| 4 | I think that it is safe to use internet banking | 1 | 2 | 3 | 4 | 5 | - |
| Social Influence | | SD | D | N | A | SA | NA |
| 1 | People who influence my behaviour think that I should use Internet banking | 1 | 2 | 3 | 4 | 5 | - |
| 2 | People who are important to me think that I should use Internet banking | 1 | 2 | 3 | 4 | 5 | - |
| 3 | People in my environment who use Internet banking services have more prestige than those who do not | 1 | 2 | 3 | 4 | 5 | - |
| 4 | Social networks have influenced my decision to use internet banking | 1 | 2 | 3 | 4 | 5 | - |
| 5 | Having Internet Banking will increase my profile in the organization | 1 | 2 | 3 | 4 | 5 | - |
| Facilitating Conditions | | SD | D | N | A | SA | NA |
| 1 | I have all the necessary tools for internet banking readily available | 1 | 2 | 3 | 4 | 5 | - |
| 2 | I have the knowledge necessary to use Internet banking | 1 | 2 | 3 | 4 | 5 | - |
| 3 | I have been taught how to use internet banking by a staff member | 1 | 2 | 3 | 4 | 5 | - |

| | | | | | | | |
|-----------------------------|--|-----------|----------|----------|----------|-----------|-----------|
| 4 | I am aware and understand the services/activities that can be done on Internet banking | 1 | 2 | 3 | 4 | 5 | - |
| Behavioral Intention | | SD | D | N | A | SA | NA |
| 1 | I intend to use the system in the next few months. | 1 | 2 | 3 | 4 | 5 | - |
| 2 | I predict that using internet banking will help me gain a better understanding of the FNB system | 1 | 2 | 3 | 4 | 5 | - |
| 3 | I intend to consult the balance of my account on the platform of Internet banking. | 1 | 2 | 3 | 4 | 5 | - |
| 4 | I intend to use the internet banking platform to access account information | 1 | 2 | 3 | 4 | 5 | - |

Part Four: Actual use of Internet bank (Please tick [v])

1. How long have you been using Internet banking facilities? Under 1year [] 1-2 years []

3- 4 years [] more than 4 years []

2. On a weekly basis, how many times do you use Internet banking? Not at all []

once a week [] 2-3 times [] more than 3 times []

3. How many forex transactions have you processed using internet banking?

None [] 1 - 2 [] 3 – 4 [] more than 4 []

4. How frequently do you use your Internet banking for the following services:

| Functionality | Never 1 | Rarely 2 | Sometimes 3 | Often 4 | Always 5 | NA |
|----------------------------------|------------|-------------|----------------|------------|-------------|----|
| View Only | | | | | | |
| Balance enquiry | | | | | | |
| Foreign exchange transactions | | | | | | |
| Interest rate updates | | | | | | |
| Monthly statement by mail | | | | | | |
| Action/Account Control | Never 1 | Rarely 2 | Sometimes 3 | Often 4 | Always 5 | NA |
| Money transfer | | | | | | |
| Bill payments | | | | | | |
| Requesting standing instructions | | | | | | |
| Receiving alert | | | | | | |

