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FACULTY OF COMMERCE

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**AN ANALYSIS OF INTERNET BANKING ADOPTION AND ACCEPTANCE IN
HARARE BY EXTENDING THE TECHNOLOGY ACCEPTANCE MODEL WITH THE
THEORY OF PLANNED BEHAVIOR (2008-2013).**

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ABSTRACT

The study sought to analyse internet banking adoption and acceptance in Harare by extending the Technology Acceptance Model with the Theory of Planned Behaviour (2008-2013). The objectives of the study were; to investigate the adoption and use of internet banking in Harare, to quantify the constructs concerning the current state of customer beliefs and attitudes towards internet banking, to develop and validate the relationships between the factors that drive adoption and acceptance of internet banking services, to propose opportunities for managers to uncover unseen problems and to improve the use and acceptance of internet banking. The literature reviewed revealed that in many countries adoption of internet banking has been relatively low compared to what had been expected given the benefits of using internet banking as opposed to going to the branch. It was also noted that internet banking adoption is affected by demographics-gender age and occupation as well as income, the constructs that influence customers' attitude toward internet banking adoption and the drivers of adoption that influence adoption the most are trust, security and risk. Cell phone banking and internet banking are adopted differently. The Technology Acceptance Model and Theory of planned behaviour have been widely used in different countries to help determine factors affecting adoption of internet banking. The research design used was the survey method. The study population was the account holders in the commercial banks in Zimbabwe. The target population was retail bank customers in the city of Harare who are internet users. To the scale of this study, the actual population figure could not be obtained however a sample size of 200 respondents was used in this research survey. There was no available sampling frame for the study, non- probability sampling in the form of convenience sampling was used. Respondents were selected because they happened to be at a designated place and willing to cooperate. A questionnaire was used to collect primary data. The research findings are that in Harare acceptance is affected by demographic elements, women used internet banking more than the men, private sector employees and younger ages used internet banking more than the other groups. Perceived risk, perceived ease of use and intention, perceived usefulness do affect internet banking adoption. Subjective norm was found to loosely have an effect on adoption as respondents indicated that they do not necessarily do what others think they should. The study concluded that demographics in terms of gender, age and occupation do have an impact in adoption of internet banking. Security has an impact as well on adoption and usage of internet banking in Harare. However the cost of internet banking has no effect in adoption. Customer attitude, trust and security positively affect adoption and risk deters adoption. Cell phone banking has been better accepted because of the convenience it has than internet banking as well as that cell phone bankers do not need to have bank accounts to transact. It was recommended that banks study the demographics of their client base and make targeted promotions, security and trust need to be built and reinforced to improve adoption. Awareness of internet banking must be done in the branch and through coordinated services with other service providers and improved collaboration with internet service providers.