

**RESEARCH ON CUSTOMER TRUST IN INTERNET BANKING AND ITS EFFECT  
ON INTERNET BANKING CUSTOMER ADAPTATION**

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## **Abstract**

Nowadays, the emergence of online banking has provided another opportunity for customers to benefit from online services. Many scholars have pointed out that there are a large number of factors that forces the banks to run their services through online channels. The main factor that banks should care is customer's trust which is emphasizes in our research study. Apparently, clients may not accept to use so much the online services due to the low level of trust in that bank. However, our aim of this study is to understand the influence of dimensions on customer's trust in online banking and their adaptation with this kind of banking. Moreover, the study brings out the relationship between easy access of the bank webpage as well as website quality by comprising the webpage accessibility, privacy and security, information quality, offline services by effecting on customer's trust in online banking, and then on customer adaptation. The study was conducted through a survey by delivering it in hardcopy and electronically to clients who were used to apply online banking for their needs on this sector. The results showed that customer's trust in online banking can crucially affect customer adaptation. Ease of access, website and information quality, security and privacy, and offline banking services are the important antecedents of customer's trust.

**Keywords:** Ease of Access; Website Quality; Information Quality; Security and Privacy; Customer's Trust; Online Banking; Customers' Adaptation.

## **Abstrakt**

Në ditët e sotme, shfaqja e bankingu“online” ka dhënë një mundësi tjetër për konsumatorët për të përfituar nga shërbimet nëpërmjet internetit. Shumë studiuesë kanë vënë në dukje se ka një numër të madh faktorësh që i detyron bankat për t’i drejtuar shërbimet e tyre përmes kanaleve online. Faktori kryesor që duket të jetë dhe që bankat duhet të kujdesen është besimi i konsumatorit e cila është e theksuar në studimin tonë. Me sa duket, klientët janë të predispozuar të mos pranojnë të përdorin aq shumë shërbime në internet për shkak të nivelit të ulët të besimit të asaj banke. Megjithatë, qëllimi ynë në këtë studim është për të kuptuar ndikimin e dimensioneve që çojnë në arritjen e besimit të konsumatorit dhe përshtatjen e tyre me këtë lloj shërbimi online. Për më tepër, studimi sjell marrëdhëniet midis lehtësisë së madhe të përdorimit, cilësisë së internetit duke përfshirë privatësinë dhe sigurinë, cilësinë e informacionit, shërbimet“offline”duke prurë arritjen e besueshmërisë së konsumatorit në shërbimet bankare online, dhe pastaj në adaptimin e plotë dhe përshtatjen e këtyre konsumatorëve me atë lloj banke. Studimi është kryer me anë të një sondazhi apo pyetësori duke e shpërndarë atë në letër dhe version elektronik për klientët të cilët kanë akses në shërbimet bankare online, të cilët e përdorin për nevojat e tyre në këtë sektor. Rezultatet treguan se besimi i konsumatorit në veprimet bankare online mund të ndikojnë në mënyrë vendimtare adaptimin e klientëve. Lehtësisë e madhe e përdorimit, cilësia e internetit dhe informacionit, siguria dhe privatësia, dhe gjithashtu veprimet bankare “offline” janë disa nga komponentët më të rëndësishëm të arritjes së besimit të konsumatorit.

**Fjalët kyçe:** Lehtësia e Aksesimit; Cilësia e web-faqes; Cilësia e Informacionit; Siguria dhe Privatësia; Besueshmëria e Klientit; Bankingu Online; Adaptimi i Klientëve.

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## **List of Abbreviations**

*TAM*: Technology Acceptance Model

*PC banking*: Banking way realized through personal computer

*CRM*: Customer Relationship Management

*PU*: Perceived usefulness

*PEOU*: Perceived ease of use

*SSCI*: Social Science Citation Index

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## **Declaration Statement**

1. The material included in this thesis has not been submitted wholly or in part for any academic award or qualification other than that for which it is now submitted.

2. The program of graduate studies of which this thesis is part has consisted of:

i) Research Methods course taken during the studies

ii) Declaration of several thesis guides of a variety of universities both in Albania and abroad on this subject.

Tekim Peza

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## **General overview**

Banking operations through internet are emerged nowadays as very efficient way for customers. By the increased level of users of technology, clients get more adapted with online services of banks. On the other hand, by the broadening of bank's boundaries, services need to be processed widely. The importance of internet banking is crucial in the offers of banking institutions, and distance slowly will not be problem anymore. More services you offer, more efficient you are as a bank and closer with clients. More accuracy and safely you offer, more trust you build in the customer perception. At the end, image of the brand will remain in customer mind and thus, more profitability will be achieved.

It is seen that conduct of banking transactions via online leads the customer to bypass the bank lines and visiting the bank in the location. In the same time, the level of ease and serenity is increased. Time and cost savings are the most important advantages of the internet banking and their role as main factors for adaptation of internet banking is to be taken seriously. Also by itself, the purpose of banks is increasing benefits by collecting more revenues, and cost savings be increased. That is actually a success for a strong relationship between bank and customers by benefiting both services and savings. Then, customers will keep using services of the bank for a long-time as their primary solution.

## **Scope of the study**

This study includes recent researches on the internet banking opportunities and its applications in Albania. This service is offered by most of the banks in Albania through their websites. Presenting these opportunities in front of Albanian customers and explaining about the security features will lead to more trust by customer side. Such a fact highlights the need for customer adaptation on this implementation of the system of banking sector in Albania. The assessment of these features of customer trust could be a good guide for further studies and applications to similar evaluations of the internet banking field.

## **Problem Statement**

Nowadays, there has been an increased number of internet banking transactions and everyday new users are exploiting the unlimited opportunities of internet banking. However, little research has been done to evaluate the efficiency of internet banking procedures and assess the ease of adaptation of the Albanian customers with internet banking procedures. Another important issue is whether the bank procedures are user friendly, less time consuming and easy to be applied.

## **Objectives**

The main objective of this study is to conduct a research on the internet banking services in Albania, by analyzing the current situation related to customer trust and customer adaptation. Moreover, there will be a direct survey regarding e-banking, usability and its applications in Albania.

## **Organization of the thesis**

The thesis is divided in five chapters. In Chapter 1, it is talked about the main dimension which is trust; definitions and conceptual meanings of trust; understanding it according to different fields and perspectives. In *Chapter 2*, it is talked about the concept of internet banking; features of online banking by bringing out the main antecedents as being crucial for customers. In *Chapter 3* there is talked about the technology acceptance model as an important factor enabling such procedure in offering such service. In *Chapter 4*, methodology and data analysis and also research question and hypothesis are defined. In *Chapter 5*, discussion and conclusion of data collected based on results is given. At the end, conclusion for the topic is given with the purpose of continuing the studies further.

## **Introduction**

Recently, the online services of banks are widespread almost in all the countries. There has been a fundamental shift using self-service channels such as online banking since the mid-1990s, in the banking sector.(Hoseyin, 2010) The kinds of services which customers may benefit may vary from one bank to another but mostly they benefit in some services like the payment of bills, completion of the transactions, booking of tickets, checking of the deposit accounts etc.

Different concerns are the promoter of such banking activity in which consists on the long-relationships of customers with the bank institution. Developing of the internet feature is the main promoter in this process which enables the proceeding of the online banking activity. In the same line with this, (Namin, 2012) has considered the information technology as the undeniable feature of this development. Simply said, e-banking offers the provisioning of the banking products and services through different electronically channels captured by customers. (Chavan, 2013)

By this idea of explaining the revolution of the internet in the sector of economy, he is continuing to mention that this trend is being transformed in a modern system while some currency, money and notes and converted to data through simple lines. Money in this case, being part of the process is turned from pure cash form to credit cards, cheques etc. Understanding of trust in e-commerce is crucial to achieve high business performance. Referring to (Pennanen, 2009) consumer trust is an important phenomenon and should have special role in studying by academicians.

# CHAPTER 1

## CUSTOMER'S TRUST

### 1.1. Definitions of Trust

Trust seems as a simple and understandable concept but there are so many different definitions of across research areas. This has made the concept of trust a little confused. Trust has been defined in various ways in literature:

- According to definition of McKnight and Chervany, 2002, Trust is an extremely complicated construct and has many dimensions.(Goudarzi, 2013)
- Also, Chen and Corkindale, 2008, defined as: Trust is considered as the behavior intention to adopt online information service. (Korath, 2012)
- Mayer, 1995, is stating that: Trust is defined as a psychological state which leads to the willingness of customer to perform banking transactions on the Internet, expecting that the bank will fulfill its obligations, irrespective of customer's ability to monitor or control bank's actions. (Yousafzai, 2003)
- Rotter, 1980, is defining as: A generalized expectancy that the word, promise, oral or written statement of another individual or group can be relied upon.(Korath, 2012)
- Sirdesmukh, Singh &Sabol (2002:17) defined as: Trust is the expectation held by the consumer that the service provider is dependable and can be relied on to deliver on its premises.(Pennanen, 2009)

### 1.2. Difficulties of the definition of Trust

Speaking about trust that is widely recognized in the areas of management, marketing, communication, computer science, information systems, philosophy, psychology, and etc., there is widespread disagreement about its definition and characteristics.

Mayer et al. (1995) have identified the following five issues that summarize the root of this disagreement:

- a). The difficulty of defining trust;

- b). Confusing trust with its antecedents and outcomes;
- c). Failing to clearly understand the relationship between trust and risk,
- d). Confusing the levels of analysis due to lack of specificity of trust referents, and
- e). Failure to consider both the trusting party and the party to be trusted.(Yousafzai, 2003)

Trust has been considered by Hawes et al., 1989, as a catalyst in many buyer & seller transactions that can provide consumers with high expectations of satisfying exchange relationships.

In a like manner, many researchers such as Luhmann, 1988; McKnight and Chervany, 2002, have argued that trust is essential for understanding interpersonal behavior and economic exchanges

To make a long story short, the notion of trust has been examined in various contexts over the years as related to bargaining Schurr and Ozanne, 1985, industrial buyer-seller relationships Doney and Cannon, 1997, distribution channels Dwyer et al., 1997, partner co-operation in strategic alliances Das, 1998, and the use of market research Moorman et al., 1993. Customers' trust is selected as the main factor affecting the acceptance of online transactions. This concept was selected due to the fact that trust can improve the quality of relationship, and building relationships with customers, plays a vital role in increasing the level of future revenue in any organization says Wang *et al.*, 2003.

Similarly, this approach is supported by the authors (Chen and Barnes, 2007) who indicated that the basic goal of customer relationship management is to guarantee a constant source of revenue and the highest level of customer lifetime value. However, Flavián *et al.*, 2006, showed that initial trust is a significant factor because it has important effects on purchase intention in online shopping.

Moreover, trust is very vital in online transaction because of the risk and uncertainty associated with the services and lack of physical presence of the parties involved in the transaction. For these motives, Eastlick and Lotz, 2011, say that trust is the main factor in electronic commerce growth. Azam and Qiang, 2012, emphasize that trust, economic values and perceived risks are strong factors that determine the behavior of online customers.(Goudarzi, 2013)

### **1.3. Types of the concept of Trust**

According to McKnight and Chervany, they have classified the definition of trust into four types: disposition to trust, institution-based trust, trusting belief, and trusting predict intention. Disposition to trust is the extent to which one displays a consistent tendency to be willing to depend on others in general across a broad spectrum of situations and persons.

These researchers have derived this type of trust from psychology spectrum. Institution-based trust means one believes that the conditions are favorable to the situational success in an endeavor or aspect of one's life that are in place. This type of trust was derived from sociology which implicates that actions are not determined by factors within the person, but by the environment or situation.

Trusting belief is where one believes that the other party has one or more characteristics beneficial to oneself. Trusting predict intention means that one is willing to depend on, or intends to depend on, the other party even though one cannot control that party.

It looks that these researchers have concluded that trusting belief and trusting intention came primarily from social psychology, which says that interactions between people and cognitive-emotional reactions to such interactions determine behavior. (Suh, 2002)

Also, McKnight et al., 1998, has stated that trust has been conceptualized as "trustor's cognitive beliefs that results from observing the trustee's action, and attributing the cause of the behavior to the trustee's internal trust-related characteristics". On the other hand, several researchers such as Komiak and Benbasat, 2004, have viewed trust from the emotional point of view and defined as the extent to which an individual feels secure and confident about relying on the trustee.

But for this, Ennew and Sekhon, 2007, have defined the trust as "individual's willingness to accept vulnerability on the grounds of positive expectations about the intentions or behavior of another in a situation characterized by interdependence and risk". Thus, we have here a combination of the emotional and cognitive dimensions of trust. For that reason, Kesharwani, 2012, says that consumer trust should be understood as an element of risk which is involved in the situation and it is basically needful only in uncertain situations.

Trust in literature has been analyzed based on some characteristics. Mayer et al. 1995, stated that trust has three characteristics which are ability, benevolence, and integrity. Ability means that trustor believes trustee has the power to do what the trustor need done. Benevolence is the extent to which a trustee wants to do good to a trustor, aside from an egocentric profit motive.

Integrity means that a trustor thinks that a trustee will make good-faith agreements, tell the truth, act ethically and fulfill promises.

McKnight and Chervany, 2002, found one other factor which is predictability. However, Mayer et al. 1995, asserted that trust must be beyond predictability, because one person does not trust the other parties who are highly predictable to ignore the needs of others and act in a self-interested fashion. While in comparison, Ratnasingham, 1998, found that the question of trust could be more important in the Internet banking environment than in the entity banking environment.

In the internet banking environment, customers are allowed to access critical files on computers and information transferred via the Internet. Therefore, Internet banking is inherently risky from the viewpoint of security.

Moreover, Internet banking is highly uncertain, is underlining Clarke, 1997, because the parties involved in a transaction are not in the same place. Given these points, in conclusion trust is an important factor in internet banking area. Many authors have concluded that customer trust is a crucial and prime factor indicating customer's satisfaction.(Ma, 2013)

Trust is the willingness to rely on an exchange partner in whom one has confidence is Moorman et al. 1993, mentioning. Similarly, Morgan and Hunt, 1994, argued that trust exists when one party has confidence in an exchange partner's reliability and integrity. But, according to Deutsch, 1960, claims that trust consists of two components: confidence in ability and intention. Nevertheless, according to Spekman, 1988, trust is so important to relational exchange that it is the cornerstone of the strategic partnership between the seller and the buyer. In his study, he tested the adaptation of the commitment-trust theory of relationship marketing in the online banking context.

Although the main variables were mostly borrowed from the commitment-trust framework Morgan and Hunt, 1994, the dimensions and the items were adapted significantly to the context of online banking.(Mukherjee, 2008)In addition, trust plays a huge role in determining consumers' initial and continued use of the e-banking service agreed Suh and Han, 2002; Rexha et al., 2003; Lichtenstein and Williamson, 2006. More importantly, according to McKnight et al., 1998; McKnight and Chervany, 2002; Balasubramanian et al., 2003, trust is derived from two components: situational normality and structural assurance.

Based on the evidences of Lewis and Weingert, 1985, p. 974, situational normality refers to trustees' beliefs that "everything seems in proper order"; while structural assurances refer to "trustees beliefs that protective structures in place are conducive to situational success" while McKnight and Chervany, 2002, p.48. are declaring.

Again, these two are indicators by which customers use to evaluate the trustworthiness of an e-banking service. Thus, situational normality signal are sought from the online attributes of the e-banking website and structural assurances signal are sought from traditional bank attributes.(Yap, 2010)

## CHAPTER 2

### INTERNET BANKING

#### 2.1. Platforms of internet banking

The technology is becoming a crucial factor in the future development of financial services industry and especially banking field. Banks are faced with a number of challenges on taking the advantages of new opportunities. E-banking is becoming the newest delivery channel for banking services.

Based on what Mobarek, 2007, has concluded, electronic banking can be defined as a variety of following platforms:

- (a) Internet banking or online banking,
- (b) Telephone banking,
- (c) TV-based banking,
- (d) Mobile phone banking,
- (e) PC banking or offline banking.

Internet banking is a form of self-service technology which leading retail banks have made available in the recent past. Bank managers by understanding the adaptation of internet banking services should try to implement the self-service technology.

Oh his study, he has identified eight characteristics, which influenced the rate of adoption. Two of these characteristics which are named accessibility and confidentiality, are new to the literature. His results show that adopters of internet banking perceive the service to be more convenient, less complex, more compatible to them and more suited to those who are PC proficient.

According to the Gartners Group's 1999 report, there has been a rapid growth in online PC banking in the USA; from just over 10 million in 1999 to the projected 35 million by the year 2003 with a rapid shift in internet access, Barto, 1999. In the same regard, Bons, 1999; Slywotzky, 2001, are confirming that consumer growth in some european countries such as Germany, Norway and Sweden has been similar.

However, Fonseca et al., 2001; Saatcioglu, 2001 say that in order to expand customer relationships and stay ahead of the competition, banks are turning to the next generation online services as such internet banking portals and mobile banking. Rotchanakitumnuai & Speece, 2003, have stated that though banks are very interested in internet banking they are concerned with the risks connected with procedures for transactions over the Internet. (Mobarek, 2007)

## **2.2. Security aspect in online banking**

Although, the security solutions of the future are therefore major concern for banks. If customers distrust the security features it may create major problems. It looks that Banks will find it hard to launch Internet banking services if demand is low because of security doubts.

There are three security aspects in a transaction: content confidentiality, integrity and authentication and non-repudiation. These aspects are treated independently with various and often disparate standards. It is recommended that security be provided at all levels: client interface, transport and internal systems. Solomon (1997) claims that for client interface and transport, security is currently mainly ensured by the use of cryptographic instruments and by the setup of private financial network. Also, private networks are another solution to secure transactions. (Mobarek, 2007)

Based on the De Young's study, the diffusion rate of internet websites in the banking industry has been rapid. Several studies have revealed that the first internet banking websites were not launched until 1995, but nearly half of U.S. banks and thrifts were allowing customers to perform banking transactions over the Internet by 2002.

Other studies have attempted to identify the conditions that cause banks to adopt this technology. Furst, Lang, and Nolle, 2002, found that a national bank in 1998 was more likely to offer internet banking if it was large, well-run in the term of high return-on-equity, located in an urban area, an affiliate in a bank holding company, incurred high amounts of branch network expenses, and generated large amounts of non-interest income.

Courchane, Nickerson, and Sullivan, 2002, derived two testable implications from a theoretic model: firms are more likely to be early adopters of new technology when they are strategically large relative to their rivals and when uncertainty about demand for the services produced with

the new technology is low. They explored the data for banks in the Tenth Federal Reserve District in 2000 and found significant empirical support for these theoretical implications.

Three previous studies examined the financial performance of internet banks. The first two studies employed a broad definition of internet bank that includes both click-and-mortar banks and internet-only banks. Sullivan, 2000, found that Internet banks in the Tenth Federal Reserve District incurred somewhat higher expenses but generated somewhat higher fee income and concluded that “in general banks have been neither helped nor harmed by their early commitment to the Internet as a delivery channel” ( p. 12).

In contrast with him, Furst et al. 2002, studied the profitability (return on equity) of national banks in 1999 and found that internet banks tended to outperform non-internet banks on average. However, both studies found that de novo internet banks earned lower profits than non-internet de novo banks.

The third study examined the financial performance of six internet-only banks and thrifts. Consistent with the de novo bank results of the other two studies, De Young, 2001, found that the average internet-only bank (which was only about 1 year old) earned significantly lower profits than the average 1-year-old branch-ing bank, due primarily to low business volumes and high noninterest expenses.(De Jong, 2005)

A considerable amount of literature has been published on Internet banking that is however, now used as the term for new age banking system, Singhal and Padhmanbhan, 2008. This view is also supported by Ahasanul et al, 2009 which states that internet banking is defined as the use of the internet to deliver banking activities such as funds transfer, paying bills, viewing current and savings account balance, paying mortgages and purchasing financial instruments and certificates of deposits.

Particularly, internet banking is also called online banking, e-payment and e-banking have mentioned Ozuru et al, 2010; Singhal and Padhmanbhan, 2008; Beer, 2006; Jun and Cai, 2001; IAMAI, 2006. In a like manner, e-payment is described as a means whereby banking businesses are transacted through automated processes and electronic devices such as personal computers, telephones, and fax machines, Internet card payments and other electronic channels, Turban et al, 2006; Ozuru et al, 2010.

Considering this, Chaffey et al, 2006, will be telling that the electronic communications used in internet banking includes: internet, e-mail, e-books, data base and mobile phones. But, cell phone

banking apart from internet banking is considered the way of the future Fisher – French, 2007; Masocha et al, 2011. In the recent time, the development in technology has affected business organizations in several ways, most especially in terms of management and control; marketing and research; operations and decision making. In other word, most organizations find means of enjoying the advantages contained in the new technologies, Larpsiri and Speece, 2004; Durkin and Howcroft, 2003; Masocha et al, 2011.

Subsequently, many researchers have proved that there was a high reduction of costs while improving the efficiency by business organizations. This resulted in banks diverting their focus towards extensive computerization and electronic operations, Masocha et al, 2011. Likewise, the electronic delivery of banking service has become ideal for banks in meeting customers' expectations and building close customer relationship, Ching, 2008; Lamb et al, 2002.

It is therefore, no doubt that e-banking will definitely overwhelm traditional banking in the near future; since more developing nations seem to direct their focus on building up their infrastructure with specific attention on e-banking, e-commerce and e-learning, Kamel, 2005; Masocha et al, 2011. In recent years, internet banking it is becoming very popular. It started with simple functions such as real time access to information about interest rate, checking account balances and computing loan eligibility.

However, these services have graduated to online bill payment, transfer of funds between accounts and cash management services for corporate organizations and individuals, Khan et al, 2009; Singhal and Padhmanbhan, 2008. (Chavan, 2013)

### **2.3. Benefits of online banking**

In this regard, many researchers have concluded that the use of e-banking has brought many benefits amongst which include: there are no barrier limitations; it is convenient; services are offered at minimal cost; it has transformed traditional practices in banking; the only way to stay connected to the customers at any place and any time is through internet applications; it results in high performance in the banking industry through faster delivery of information from the customer and service provider; customers prefer the use of e-banking because it saves time; it makes possible the use of innovative product or service at a low transaction fees and it encourages queue management which is one of the important dimensions of e-banking service

quality, Gonzalez et al, 2008; Singhal and Padhmanbhan, 2008; Brodie et al, 2007; Williamson, 2006; Beer, 2006; Cooper, 1997; IAMAI's, 2006 and Joseph et al, 1999.(Chavan, 2013)

Online banking offers many advantages to both banks and customers. Several publications have appeared in recent years documenting that United States is having the highest number of online users compared to other regions of the world. The business benefit of the internet, according to Gow, (1997), is to generate additional revenue, improve customer service, extend marketing, and increase cost saving.

Banks enjoy these benefits as well. In an article entitled "Next-Generation Retail Banking" Compaq, 2001, the business drivers for internet banking included:

- ❖ Additional transaction revenues. Banks can derive revenues over and above their offline revenues by charging for online services and value-added services, such as providing a portal for financial services linked to short-and long-term insurers, links to stock brokers, and links to foreign banks.
- ❖ Savings from reduced transactional costs. On the internet, customers serve themselves, negating the need for frontline staff. Savings are gained from reductions in staff, reduction in branch sizes, and reduction in consumable costs: such as paper, ink cartridges, and other stationery.
- ❖ Opportunities for acquiring new customers. Customers looking for the flexibility and convenience offered by internet banking will be attracted to banks providing the best services. Existing customers can be sold products that they do not have in their portfolio such as a second credit card, life insurance, and home loans among others.
- ❖ Improved ability to retain customers. Customer relationship management (CRM) can be facilitated by the data acquired and captured on the corporate database. Products and services can be customized to suit the needs of the customer or groups of customers, thus facilitating customer loyalty.(Hoseyin, 2010)

Electronic commerce is transforming the marketplace by changing firms' business models and by shaping relationships amongst market actors and by contributing to changes in market structure" (OECD, 1998).

According to Llewellyn, 1997, the emergence of internet banking not only changed the way we do banking in all main areas: distribution, production, payment and trading but on the other side also created new customer values in content, infrastructure, and context Methlie, 1998.

Thus, understanding customers' new values in electronic markets is a requisite for the growth of online banking.

Mo, 2000, contends that internet banking may bring a dramatic transformation in the way banks build and maintain close relationships with customers. Furthermore, industry analysis outlining the potential impact of Internet banking on cost savings, revenue growth and risk profile of the banks have also generated considerable interest and speculation about the impact of the Internet on the banking industry, Berger, 2003.

Banking through internet has emerged as a strategic resource for achieving higher efficiency, control of operations and reduction of cost by replacing paper based and labour intensive methods with automated processes thus leading to higher productivity and profitability. More recently in India too, a wider array of financial products and services have become available over the Internet, Malhotra and Singh, 2004, which has thus become an important distribution channel for a number of banks. (Korath, 2012)

According to published studies, the majority of the banks that avoided internet banking in the beginning did so because they simply did not see the benefits of using it. Polatoglu&Kin, 2001, stated that the average internet banking transaction costs the institution only one twentieth of a teller transaction.

Based on a report of the Consumer Bankers Association (2001), it is indicated that internet banking usage remained stagnant from 1996 to 1998, with less than 10% of the market utilizing the service.

Researchers emphasize that the early adoption phase where the banking industry, in its striking transformation, has fight to bring out the era of "anytime, anywhere" banking. In fact, earlier researchers Reil et al., 2001; Long & McMellon, 2004, point out that automated service is still at its infancy stage and there is no generally accepted theoretical conceptualization of automated service quality.

As mentioned above, technologies in the early market provided many single services and not complete solutions during this period. According to this study, it is understandable that these examples demonstrate the development of a complete service that is widely spread out.

The study which was realized for European Commission (September 2003) has concluded that lack of trust is the key factor affecting the customers from participating in e-banking. Apart from

trust, there are also other variables which we tried to explain in the early chapter influencing the usage of Internet banking. (Srivastava, 2007)

## CHAPTER 3

### TECHNOLOGY ACCEPTANCE MODEL (TAM)

#### 3.1. Technology Acceptance Model (TAM) concept

One of the well-known models related to technology acceptance and use is the Technology Acceptance Model (TAM), originally proposed by Davis in 1986. TAM has proven to be a theoretical model in helping to explain and predict user behavior of information technology Legris, Ingham&Collerette, 2003. TAM is considered an influential extension of theory of reasoned action (TRA), according to Ajzen and Fishbein, 1980. Davis, 1989 and Davis, Bagozzi, and Warshaw, 1989, proposed TAM to explain why a user accepts or rejects information technology by adapting TRA.

TAM provides a basis with which one traces how external variables influence belief, attitude, and intention to use. Two cognitive beliefs are posited by TAM: perceived usefulness and perceived ease of use.

According to TAM, one's actual use of a technology system is influenced directly or indirectly by the user's behavioral intentions, attitude, perceived usefulness of the system, and perceived ease of the system. TAM also proposes that external factors affect intention and actual use through mediated effects on perceived usefulness and perceived ease of use.(Park, 2009)

#### 3.2. Major variables of individual's information system

The Technology Acceptance Model (TAM) is considered the most influential and commonly employed theory for describing an individual's acceptance of information systems. TAM, adapted from the Theory of Reasoned Action Ajzen and Fishbein, 1980, and originally proposed by Davis 1986, assumes that an individual's information systems acceptance is determined by two major variables:

- ✚ Perceived Usefulness (PU) and
- ✚ Perceived Ease of Use (PEOU).

During the past eighteen years, the information systems community considered TAM a parsimonious and powerful theory Lucas and Spitler, 1999; Venkatesh and Davis, 2000.

Further supporting the notion of TAM's popularity, Venkatesh and Davis, 2000, found that the first two TAM articles, by Davis, 1989 and Davis et al. 1989, received 424 journal citations in the Social Science Citation Index (SSCI) by the beginning of 2000.

TAM has been applied to different technologies (e.g. word processors, e-mail, WWW, GSS, Hospital Information Systems) under different situations (e.g., time and culture) with different control factors (e.g., gender, organizational type and size) and different subjects (e.g. undergraduate students, MBAs, and knowledge workers), leading its proponents to believe in its robustness. Currently, researchers in the IS field consider TAM one of the information systems fields' own theories, and still put much effort into the study of research using the theory. Despite its great success, however, few previous systematic efforts trace its history or investigate and evaluate its findings, limitations, and future e.g., Doll et al., 1998; Gefen and Straub, 2000; Legris et al., 2003.

Evaluation is crucial for the IS community in that it helps researchers of IS adoption understand TAM's past research findings, identify possible research topics, and conduct future studies. In addition, it helps educate current IS doctoral students in examining how a well-known IS-owned theory evolved.(Lee, 2003)

The technology acceptance model (TAM) suggests that perceived usefulness and perceived ease of use are beliefs about a new technology that influence an individual's attitude toward and use of that technology Davis et al., 1989.

The TAM has been applied in the context of online consumer behavior e.g., Bruner and Kumar, 2005. Further, it has received empirical support via numerous studies, Venkatesh and Davis, 2000. Despite vast support for the TAM, researchers call for others to explore whether the TAM's belief variables are mediators of the effect of external variables and, if so, which external variables are important, Venkatesh, 2000; Venkatesh and Brown, 2001.

To our knowledge, no previous research has included collectively age, education, income and race in a single TAM-based model, even though these variables are relevant in the context of explaining Internet use. Also, while previous research shows that access barriers, such as cost, could influence the use of personal technology Hoffman et al., 2000; Venkatesh and Brown, perceived access barriers has not been included as an additional belief variable in previous applications of the TAM.

Thus, we extended the TAM in two ways:

- First, we included perceived access barriers among the key beliefs about a technology that influence its use.
- Second, we added four key demographic constructs as external variables to the TAM (i.e., age, education, income and race).

Our model suggests that the TAM's belief variables are differentially relevant to consumers with different demographic profiles and serve to mediate the relationships between demographic variables and attitude toward the Internet.

### **3.3. Paradigms of accepting technology**

Two research paradigms have emerged to explain technology adoption and acceptance which are:

- Firstly, using the first paradigm, researchers focus on trait variables to explain an individual's propensity to use new technology. For example, Parasuraman's, 2000, technology readiness index delineates two drivers (optimism and innovativeness) and two inhibitors (discomfort and security) of an individual's propensity to use new technologies.
- The second paradigm focuses on how a technology's attributes affect an individual's perceptions and, ultimately, use of that technology. Indeed, the TAM is the most widely applied of these theories, Venkatesh, 2000.

According to the TAM, perceived usefulness and perceived ease of use are beliefs that are presumed to influence attitudes toward new technology and mediate the relationship between external variables and attitude, Davis et al., 1989.

The TAM is a preferred choice of models when parsimony, research costs and outcomes are considered, Mathieson, 1991. For example, the TAM explains more variance in attitude toward a technology, and a comparable percentage of variance in usage, as the Theory of Planned Behavior Mathieson, 1991; Taylor and Todd, 1995. Also, the TAM constructs are more amenable to operationalization and empirical testing than are the broad concepts of Rogers' 1995, diffusion of innovations framework.

Finally, while numerous extensions to the TAM have enhanced our understanding of technology acceptance, Wixom and Todd, 2005, prior studies exclude variables that are relevant to explaining demographic differences in Internet use and reflect perceptions of access barriers relating specifically to cost.(Porter, 2006)

Whereas, the study by Wang et al, showed that perceived usefulness was a significant antecedent of the intention to use an internet banking system. Perceived usefulness is one of the components of Technology Acceptance Model (TAM), which has been widely used by information system researchers.

According to Amin “PU is the extent to which a person believes that using a particular system will enhance his or her performance”. Mathwick, et al, defined PU as the extent to which a person deems a particular system to boost his or her job performance. The importance of PU has been widely recognized in the field of electronic banking. It is the primary prerequisite for mass market technology acceptance, which depends on consumers’ expectations about how technology can improve and simplify their lives. Empirical studies on TAM have suggested that PU has a positive effect on the adoption of information technology.

For studying the acceptance of e-banking, the original TAM is inadequate because the technology used and the transaction environment in e-banking are different from that of conventional IT and the normal business environment. Before accepting e- banking services, users should be aware about benefits, security issues and the risk associated with it.

In this regard, an extended TAM model with the addition of an extra variable (perceived risks) to the model to provide a more comprehensive theoretical perspective of user technology acceptance in the context of e-banking services becomes imperative.(Porter, 2006)

## CHAPTER 4

### METHODOLOGY AND DATA ANALYSIS

#### 4.1. Purpose and importance of research

In order to achieve customer trust and being preferred in a highly competitive environment in banking sector in Albania, banks should provide customer-oriented quality service by adding additional features to their services. Applying online banking is directed by insistence of banks to offer a variety of opportunities for customers. In the same time, a lot of factors are bringing out customers trust to this service and in a longer time, their adaptation. Thus, the determination of factors creating the customers trust constitutes the main objective of study for evaluating the customers' adaptation in this sector.

This study will seek to answer the following questions:

- i. Which factors determine customers trust in Albanian banking sector?
- ii. How online banking techniques affect trust to customers?
- iii. Is customers trust effecting internet banking customer adaptation?

#### 4.2. Research constraints

This thesis was conducted within the framework of the following limitations:

- This research covered 150 internet banking users who are having an online banking account.
- Research is limited to field survey and questionnaire application.
- Question form is limited to questions which are used as a data collection tool in the research for understanding dimensions and behaviors of online banking users.
- In addition, person who answered the questionnaire may meet with some restrictions due to misunderstanding of the questions.

### 4.3. Research Method

In this survey the questionnaire study was undertaken for determining the relationship between customer trust in internet banking and its effect on internet banking customer adaptation on 150 internet banking users, registered as clients in Albanian banking sector. The data were collected from 150 randomly selected candidates who regularly or periodically get accessed and have service from their online accounts. They answered to the questionnaire between a six-month period. In order to analyze, the collected data were entered into SPSS program.

### 4.4. Initial Research Model

After reviewing previous studies in the literature, we managed to establish our initial model as it appears in the Figure 1 below. Initial model is proposed firstly in order to identify whether the dimensions in this study are proper to be implemented or not.

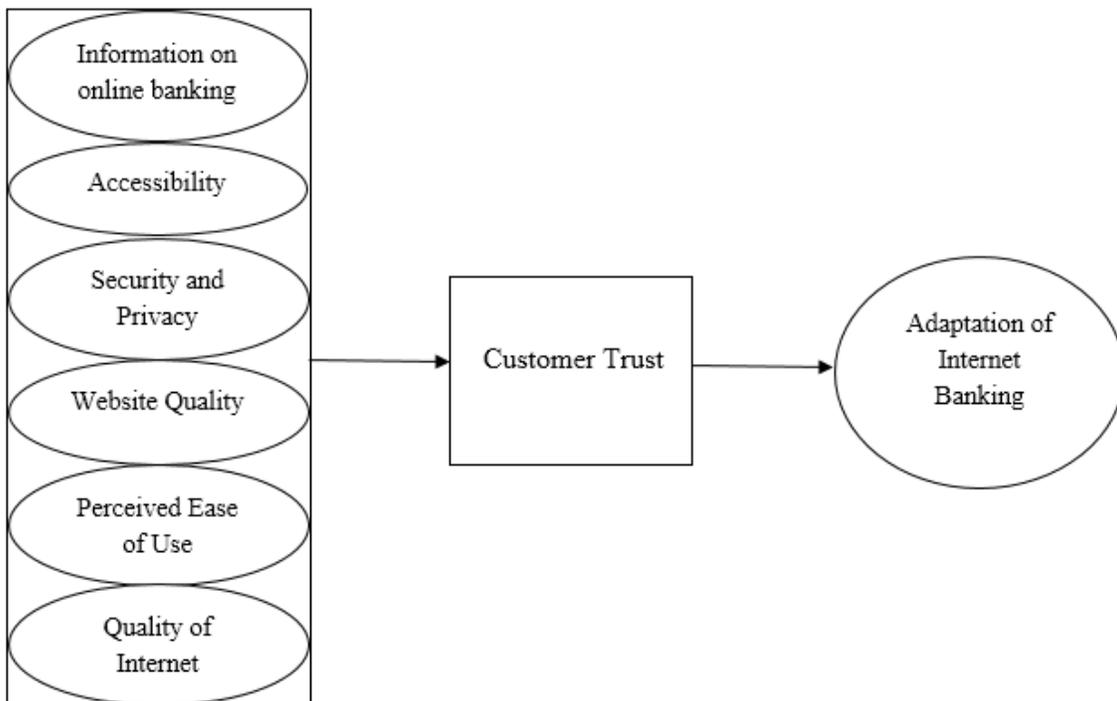


Figure 1. The Initial Research Model

As seen in the figure, there are six variables that might affect general customer trust in our model. The dimensions will be seen if they can be part of the model or after analysis, they can be removed. The variables are mentioned in the below list:

- Information on online banking;
- Accessibility;
- Security and privacy;
- Website quality;
- Perceived ease of use;
- Quality of internet.

In the literature these antecedent are explained and defined in various ways. Hereunder are summarized according to our factors.

#### **Information on online banking:**

According to Daniel (1999), he defined the “online banking” as the provision of information or services by a bank to its customers over the Internet. (Floh)Rotchanakitumnui and Speece (2004) found out that information sharing in the internet was identified as one of the two major drawbacks for Thai Internet banking adoption.(Floh)

#### **Accessibility**

A higher accessibility means a higher number of users in using the service; hence higher income for the service providers.(Moga, 2012)Also it is understood that accessibility is new to the literature. According to the results achieved most customers said that despite the convenience and easy accessibility of e-banking, they feel that they must pay the bank a visit once a month as not all their requests can be met through e-banking and to assure themselves that everything is well they go to their bank once in a while.(Mobarek, 2007)

#### **Security and Privacy**

Benassi, (1999) has mentioned that: Mechanisms such as bankers’ code of ethics and institutional governance that establish and enforce rules and regulations can build trust by

addressing security and privacy concerns.(Mukherjee, 2008)The importance of security and privacy to the acceptance of online banking has been noted in many other banking studies (Sathye, 1999; Hamlet and Strube, 2000; Tan and Teo, 2000; Polatoglu and Ekin, 2001; Black et al., 2002; Giglio, 2002; Howcroft et al., 2002).

Being more precise, privacy and security were found to be significant obstacles to the adoption of online banking in Australia (Sathye, 1999). Roboff and Charles (1998) found that people have a weak understanding of online banking security risks although they are aware of the risks. Furthermore, they found that consumers often trust that their bank is more concerned about privacy issues and will protect them. They argue that although consumers' confidence in their bank is strong, their confidence in technology is weak (Howcroft et al., 2002).(Hoseyin, 2010)

### **Website Quality**

Components of website quality are listed below:

1. Technical adequacy
2. Content quality,
3. Specific content and
4. Appearance (Shirley, 2012)

These were part of the Likert's five-point scale in which the author had presented on her study.Zeithaml et al. (2002), have identified that what really determines an e-banking portal's quality is the customers' expectations and demands rather than objective or technical characteristics. (Bauer, 2005)

### **Perceived ease of use (PEOU)**

Davis (1986) defined perceived ease of use as “the degree and perceived ease of use may not fully reflect to which an individual believes that using a particular system would be free of physical and mental effort.(Suh, 2002)

## **Quality of internet**

“E-service quality” cannot be assessed if a customer has not yet adopted any e-banking services. The quality of service delivered through traditional channels is what most bank customers are familiar with and accustomed to; hence, in-person service quality is effectively a *de facto* indication of the quality of other services, including e-banking.(Yap, 2010)

There is negative significant relation reported between government policies and internet quality. Government has to improve the quality as well as increase the access to internet by expanding their infrastructure. It will help people to access online banking facilities which are currently available to only urban areas and in urban area to only major cities. (Oye, 2011)

## **4.5. Research Hypothesis**

The following hypotheses are thought to affect positively customer trust. Trust itself is estimated to affect positively the usage and adaptation of online banking. The initial hypothesis are as follows:

H1: Information on Online Banking affects Trust positively;

H2: Accessibility affects Trust positively;

H3: Security and Privacy affects Trust positively;

H4: Website Quality affects Trust positively;

H5: Perceived Ease of Use (PEOU) affects Trust positively;

H6: Quality of Internet affects Trust positively;

H7: Customer’s Trust affects usage and adaptation of online transactions positively

#### 4.6. Data Analysis

Firstly, we have conducted reliability analysis in order to understand whether the scale and the items used are reliable or not.

*Table 1: Reliability*  
Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
<b>.860</b>	.864	26

As we have mentioned above, in order to be able to define the reliability of the scale, then reliability analysis was conducted. According to the table 1, we can identify that the scale is reliable due to its Cronbach's Alpha value which is 0.860.

After conduction of the reliability analysis, in order to find whether the questions of the scale are under the proper dimension or not we have also conducted factor analysis. The factor analysis showed us that the initial dimensions had to be changed afterward. Firstly, we are providing item statistics in order to understand how respondents reacted to the questions. Table 2 is showing the mean and standard deviation of each item.

Table 2: Items

Item Statistics			
Questions	Mean	Std. Deviation	N
1.I am able to get on this internet bank site quickly	3.88	1.1228	150
2.It is easy to find what I need on this internet bank website	3.7067	1.03332	150
3.It is quick to complete a transaction through this online bank’s website	3.78	1.06733	150
4.Using this bank’s website does not require a lot of effort	3.58	1.1659	150
5.My online transactions with this online bank are always accurate	3.84	0.87531	150
6.This Internet banking webpage is attractive	3.7267	0.98237	150
7.This Internet banking webpage is visually pleasing	3.5667	1.00613	150
8.This internet banking site is trustworthy	3.7067	1.03979	150
9.I trust in the benefits of the decisions of this Internet banking site	3.56	1.0198	150
10.This Internet banking site keeps its promises and commitments	3.6067	0.89665	150
11.This Internet banking site keeps customer’s best interests in mind	3.4867	0.93217	150
12.I trust this internet banking site	3.64	0.97815	150
13.This internet bank does not misuse my personal information	3.62	1.04702	150
14.I feel safe in my transactions with this online bank	3.7467	1.05669	150
15.I am confident over the privacy aspects of this internet banking	3.7333	1.04699	150
16.Banking institution keep customers information private and confidential	3.6133	1.02837	150
17.Customers financial details may be passed on to other banks (reverse coded)	2.84	1.21003	150
18.Internet banking transactions are intercepted by unauthorized third parties	2.4133	1.11239	150
19.The bank keeps the promises it makes to me	3.48	0.91754	150
20.The bank services meet my needs	3.6467	0.88338	150
21.The bank seller is trustworthy	3.62	0.86444	150
22.My interaction with an online bank is clear and understandable	3.8733	0.88459	150
23.I have found an online banking flexible to interact with	3.6	1.01664	150
24.Using an online bank enhances my effectiveness of utilizing banking services	3.92	0.9798	150
25.Using an online bank for my banking services increases my productivity	3.86	0.98328	150
26.I find it easy to do what I want to do in online banking	3.6533	1.02313	150

According to the table, the items were consolidated and had similar answers approximately.

*Table 3: Items summary*  
Summary Item Statistics

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	N of Items
Item Means	3.604	2.413	3.920	1.507	1.624	.101	26

Table 3 is showing the general summary of the items. There were 26 items used in the questionnaire to build the scale and to measure the effect of several factors on trust. The total mean of the items is 3.604 and it shows that the general attitude was close to the middle level of the answers towards a positive perception.

*Table 4: Scale Statistics*  
Scale Statistics

Mean	Variance	Std. Deviation	N of Items
93.7000	153.446	12.38734	26

Throughout the table we see that total standard deviation of the items is 12.38734. On the other hand, variance value is 153.446. Mean value of the scale is 93.7000.

After the factor analysis we may see that the table of components matrix did not provide a meaningful division of the dimension. In order to check furthermore we have asked for rotated component matrix. Table 5 shows the “Component Matrix”.

Table 5: Components' Matrix

Component Matrix <sup>a</sup>					
	Component				
	1	2	3	4	5
1.I am able to get on this internet bank site quickly	0.55	0.375	-0.244	0.125	-0.258
2.It is easy to find what I need on this internet bank website	0.511	0.215	-0.242	0.377	-0.404
3.It is quick to complete a transaction through this online bank's website	0.589	0.284	-0.337	0.14	-0.177
4.Using this bank's website does not require a lot of effort	0.485	0.104	-0.14	0.356	0.57
5.My online transactions with this online bank are always accurate	0.47	0.06	-0.397	0.018	0.308
6.This Internet banking webpage is attractive	0.502	0.244	-0.173	-0.617	0.29
7.This Internet banking webpage is visually pleasing	0.515	0.374	-0.148	-0.514	-0.027
13.This internet bank does not misuse my personal information	0.57	-0.166	0.085	0.17	-0.091
14.I feel safe in my transactions with this online bank	0.678	-0.222	0.231	0.21	0.282
15.I am confident over the privacy aspects of this internet banking	0.642	-0.411	0.014	-0.26	-0.036
16.Banking institution keep customers information private and confidential	0.538	-0.243	0.386	0.075	0.261
17.Customers financial details may be passed on to other banks (reverse coded)	-0.06	0.703	0.368	0.038	0.125
18.Internet banking transactions are intercepted by unauthorized third parties	-0.124	0.779	0.333	0.17	0.084
19.The bank keeps the promises it makes to me	0.483	0.009	0.454	-0.313	-0.333
20.The bank services meet my needs	0.671	0.077	0.398	0.048	-0.109
21.The bank seller is trustworthy	0.577	-0.268	0.05	0.136	-0.181

Table 6 shows us the rotated component matrix. According to rotated component matrix the new dimensions are 5 and the questions related are as follows:

Table 6: Rotated Components' Matrix

Component Matrix <sup>a</sup>					
	Component				
	1	2	3	4	5
1.I am able to get on this internet bank site quickly	0.125	<b>0.703</b>	0.239	0.109	0.083
2.It is easy to find what I need on this internet bank website	0.165	<b>0.799</b>	-0.057	-0.001	0.048
3.It is quick to complete a transaction through this online bank's website	0.124	<b>0.691</b>	0.247	-0.002	0.196
4.Using this bank's website does not require a lot of effort	0.277	0.161	0.058	0.106	0.774
5.My online transactions with this online bank are always accurate	0.075	0.266	0.323	-0.149	0.523
6.This Internet banking webpage is attractive	0.122	0.026	<b>0.868</b>	0.004	0.193
7.This Internet banking webpage is visually pleasing	0.107	0.28	<b>0.77</b>	0.092	-0.023
13.This internet bank does not misuse my personal information	<b>0.519</b>	0.308	0.011	-0.15	0.1
14.I feel safe in my transactions with this online bank	<b>0.722</b>	0.091	0.038	-0.074	0.387
15.I am confident over the privacy aspects of this internet banking	<b>0.558</b>	0.1	0.342	-0.459	0.015
16.Banking institution keep customers information private and confidential	<b>0.714</b>	-0.092	0.052	-0.025	0.224
17.Customers financial details may be passed on to other banks (reverse coded)	-0.01	0.005	0.105	<b>0.8</b>	-0.015
18.Internet banking transactions are intercepted by unauthorized third parties	-0.089	0.085	-0.007	<b>0.868</b>	0.002
19.The bank keeps the promises it makes to me	0.584	0.122	0.312	0.072	-0.435
20.The bank services meet my needs	0.704	0.277	0.161	0.172	-0.045
21.The bank seller is trustworthy	0.526	0.327	0.002	-0.273	0.027

To define which expression should be under which factor we see the values at the table 6 and the items with  $p > 0.5$  are similar to each other. According to rotated component matrix table the antecedents were divided as follows:

- Information security: question 13-14-15-16-19-20-21
- Easy access: question 1-2-3
- Web page visibility: question 6-7
- Financial disclosure: question 17-18
- Perceived ease of use: question 4-5

We have made factor analysis individually also for trust and usage and adaptation of online banking. Table 7 shows us that trust defined from the items 8,9,10,11,12.

*Table 7: Trust dimension  
Component Matrix<sup>a</sup>*

	Component
	Trust
8.This internet banking site is trustworthy	.750
9.I trust in the benefits of the decisions of this Internet banking site	.533
10.This Internet banking site keeps its promises and commitments	.549
11.This Internet banking site keeps customer’s best interests in mind	.694
12.I trust this internet banking site	.745

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

We have made factor analysis also for usage and adaptation of online banking. Table 8 shows that usage and adaptation of online banking dimension is explained by the items 22, 23, 24, 25, 26.

*Table 8: Usage and adaptation of online banking dimension*  
Component Matrix<sup>a</sup>

	Component
	1
22.My interaction with an online bank is clear and understandable	.650
23.I have found an online banking flexible to interact with	.592
24.Using an online bank enhances my effectiveness of utilizing banking services	.476
25.Using an online bank for my banking services increases my productivity	.577
26.I find it easy to do what I want to do in online banking	.713

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

At the end of factor analysis, the research model has been updated. After the reorganization of the dimensions we have renamed those and managed to establish a new proposed model which is presented below. The new updated model is as shown at figure 2.

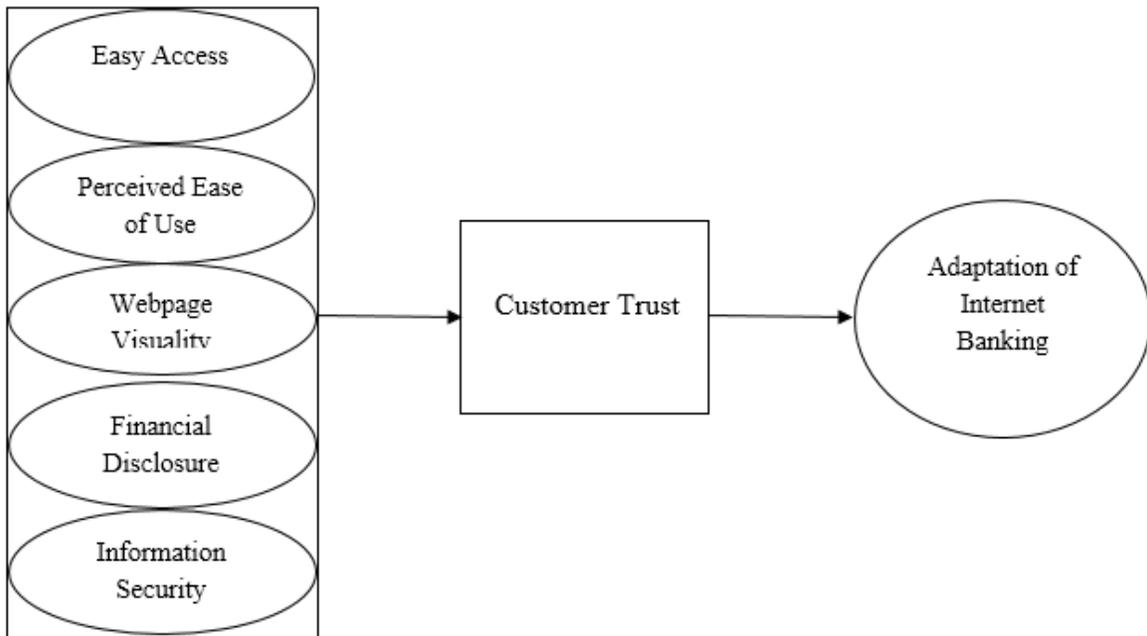


Figure 2. The Updated Research Model.

As seen in the figure, there are five variables that will be tried to affect general customer trust in our model.

These variables are mentioned below:

- easy access,
- perceived ease of use,
- webpage visuality,
- financial disclosure,
- information security.

Easy access, webpage visuality and perceived ease of use have a direct and positive impact on achieving overall internet banking usage and satisfaction. Financial disclosure and information security are crucial variable to ensure customer trust. It is expected that a positive relationship between these components increase customers trust.

At the moment, the customer's internet banking adaptation is also important. Customer acceptance and his adaptation behavior are formed as a result of customer trust. The main purpose of this model is to increase the number of trustee customers in order that customer

acceptance be adapted. Perceived ease of use, financial disclosure and information security provide a measure of trust to the customer and increase in the same time the reliability of the model.

As a result of achieving customers trust, they get used and accept easily internet banking adaptation behavior. In this way, as trustable clients, they keep using their online account for realizing their operational activities.

#### 4.7. Regression Analysis

In order to understand which dimensions affect trust and to generate the final accepted model we have conducted regression analysis. Moreover, regression analysis was conducted also to define the effect of trust on the usage and adaptation of online banking.

Table 9: Regression Analysis of Antecedents

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.778	0.475		1.639	0.103
	<b>Easy Access</b>	0.195	0.089	0.182	2.2	0.029
	Perceived Ease of Use	-0.013	0.089	-0.011	-0.143	0.887
	Webpage Visuality	0.007	0.083	0.006	0.08	0.937
	Financial Disclosure	0.01	0.066	0.011	0.153	0.879
	<b>Information Security</b>	0.586	0.115	<b>0.425</b>	5.094	0

Table 10: Regression Analysis of the Model

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.384 <sup>a</sup>	<b>.147</b>	.142	.59464

a. Predictors: (Constant), VAR00006

Given that the value of dimension of ease of access and information security is above 0.05 they are included in the model. The other dimensions have the value below 0.05, thus they are excluded from the accepted model.

According to the results, the figure 3, is an accepted model for our analysis as final research model.

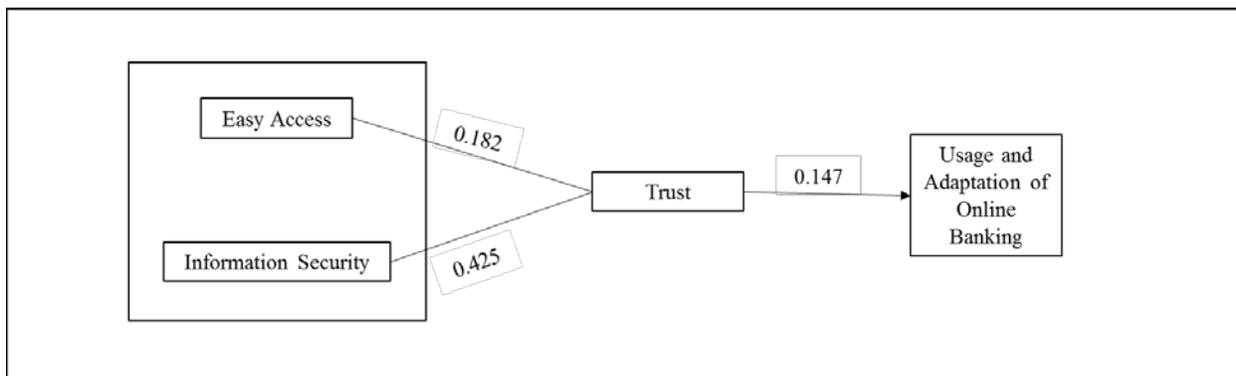


Figure 3. Accepted Research Model.

Finally, we would conclude that trust is affecting usage and adaptation of online banking but its effect is very low. Only 14,7% of the effect that several factors have on usage and adaptation of online banking can be described by trust.

## CHAPTER 5

### CONCLUSIONS AND DISCUSSION

In this study, it was reviewed several amount of published in internet banking adaptation studies, and proposed a model of customer's factors which affect trust. By all means, the impact of trust on internet banking adoption was emphasized. We can say that from the experience of existing literature it is provided a number of studies related to the effect of trust in the online banking practices.

Particularly the study is focused to the results related to trust dimension in internet banking. By the results, it was seen that there is positive relationship between trust and internet banking adoption. Moreover, trust as a concept, has really a strong impact on internet banking adoption. Generally, we can say that customers who do not use online banking and do not possess an online account, do not trust totally to such a service.

For this purpose, banking companies, in order to be successful, they need to take into consideration the factors influencing customers trust as it was mentioned in the thesis. The establishment of trust as a concept for bank managers and increasing the importance of it in a relationship level with customers, is important to make the customers stay near and loyal with the bank. Banks which offers internet banking operations need to take care of enhancing customers' perception in order to exercise wholly the probable online banking.

Moreover, most of the banks in Albania offer e-banking services. Nevertheless, the features and opportunities provided by those banks are changing compared with each other and need for their further development is crucial.

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## APPENDIXES

### *Questionnaire: "Trust in Internet Banking"*

- 1. I am able to get on this internet bank site quickly**  
*a. Strongly disagree   b. Disagree   c. Neutral   d. Agree   e. Strongly Agree*
- 2. It is easy to find what I need on this internet bank website**  
*a. Strongly disagree   b. Disagree   c. Neutral   d. Agree   e. Strongly Agree*
- 3. It is quick to complete a transaction through this online bank's website**  
*a. Strongly disagree   b. Disagree   c. Neutral   d. Agree   e. Strongly Agree*
- 4. Using this bank's website does not require a lot of effort**  
*a. Strongly disagree   b. Disagree   c. Neutral   d. Agree   e. Strongly Agree*
- 5. My online transactions with this online bank are always accurate**  
*a. Strongly disagree   b. Disagree   c. Neutral   d. Agree   e. Strongly Agree*
- 6. This Internet banking webpage is attractive**  
*a. Strongly disagree   b. Disagree   c. Neutral   d. Agree   e. Strongly Agree*
- 7. This Internet banking webpage is visually pleasing**  
*a. Strongly disagree   b. Disagree   c. Neutral   d. Agree   e. Strongly Agree*
- 8. This internet banking site is trustworthy**  
*a. Strongly disagree   b. Disagree   c. Neutral   d. Agree   e. Strongly Agree*
- 9. I trust in the benefits of the decisions of this Internet banking site**  
*a. Strongly disagree   b. Disagree   c. Neutral   d. Agree   e. Strongly Agree*
- 10. This Internet banking site keeps its promises and commitments**  
*a. Strongly disagree   b. Disagree   c. Neutral   d. Agree   e. Strongly Agree*
- 11. This Internet banking site keeps customer's best interests in mind**  
*a. Strongly disagree   b. Disagree   c. Neutral   d. Agree   e. Strongly Agree*

**12. I trust this internet banking site**

*a. Strongly disagree   b.Disagree   c.Neutral   d.Agree   e.Strongly Agree*

**13. This internet bank does not misuse my personal information**

*a. Strongly disagree   b.Disagree   c.Neutral   d.Agree   e.Strongly Agree*

**14. I feel safe in my transactions with this online bank**

*a. Strongly disagree   b.Disagree   c.Neutral   d.Agree   e.Strongly Agree*

**15. I am confident over the privacy aspects of this internet banking**

*a. Strongly disagree   b.Disagree   c.Neutral   d.Agree   e.Strongly Agree*

**16. Banking institution keep customers information private and confidential**

*a. Strongly disagree   b.Disagree   c.Neutral   d.Agree   e.Strongly Agree*

**17. Customers financial details may be passed on to other banks (reverse coded)**

*a. Strongly disagree   b.Disagree   c.Neutral   d.Agree   e.Strongly Agree*

**18. Internet banking transactions are intercepted by unauthorized third parties**

*a. Strongly disagree   b.Disagree   c.Neutral   d.Agree   e.Strongly Agree*

**19. The bank keeps the promises it makes to me**

*a. Strongly disagree   b.Disagree   c.Neutral   d.Agree   e.Strongly Agree*

**20. The bank services meet my needs**

*a. Strongly disagree   b.Disagree   c.Neutral   d.Agree   e.Strongly Agree*

**21. The bank seller is trustworthy**

*a. Strongly disagree   b.Disagree   c.Neutral   d.Agree   e.Strongly Agree*

**22. My interaction with an online bank is clear and understandable**

*a. Strongly disagree   b.Disagree   c. Neutral   d. Agree   e. Strongly Agree*

**23. I have found an online banking flexible to interact with**

*a. Strongly disagree   b.Disagree   c.Neutral   d.Agree   e.Strongly Agree*

**24. Using an online bank enhances my effectiveness of utilizing banking services**

*a. Strongly disagree   b.Disagree   c.Neutral   d.Agree   e.Strongly Agree*

**25. Using an online bank for my banking services increases my productivity**

*a. Strongly disagree   b.Disagree   c.Neutral   d.Agree   e.Strongly Agree*

**26. I find it easy to do what I want to do in online banking**

- a. Strongly disagree   b. Disagree   c. Neutral   d. Agree   e. Strongly Agree*

**Background information's questions**

**1. Gender:**

- a. Male   b. Female*

**2. Age:** \_\_\_\_\_

**3. Education**

- a. Primary   b. High School   c. Bachelor   d. Master   e. Doctorate*

**4. Occupation**

- a. President   b. Senior Manager   c. Branch Manager   d. Operation Manager   e. Operator*

**5. Income (ALL)**

- a. Below 19.000   b. Between 20.000 to 49.900   c. Between 50.000 to 89.900   d. Above 90.000*

**6. Bank name** \_\_\_\_\_

### **Pyetësor: Besueshmëria në Veprimet Elektronike Bankare**

Ky pyetësor është përgatitur për një punim teze me qëllim të kuptuarin e nivelit të besueshmërisë në veprimet elektronike bankare në Internet. Të dhënat tuaja do të mbeten plotësisht konfidenciale.

A jeni të regjistruar në një llogari elektronike bankare në Internet ? Nëse jo, ju lutemi mos vazhdoni me plotësimin e pyetësorit.

#### **1. Jam në gjendje të hyj në adresën elektronike të bankës në mënyrë të shpejtë**

*a. Plotësisht kundër      b. Kundër      c. Asnjëherë      d. Dakort      e. Shumë dakort*

#### **2. E kam të lehtë të gjej çfarë më nevojitet në adresën elektronike të bankës**

*a. Plotësisht kundër      b. Kundër      c. Asnjëherë      d. Dakort      e. Shumë dakort*

#### **3. Mund të përfundoj shpejt një veprim bankar në adresën elektronike të bankës**

*a. Plotësisht kundër      b. Kundër      c. Asnjëherë      d. Dakort      e. Shumë dakort*

#### **4. Përdorimi i faqes së internetit të kësaj banke nuk kërkon shumë përpjekje**

*a. Plotësisht kundër      b. Kundër      c. Asnjëherë      d. Dakort      e. Shumë dakort*

#### **5. Veprimet e mia bankare në shërbimin digjital të kësaj banke janë gjithmonë të sakta**

*a. Plotësisht kundër      b. Kundër      c. Asnjëherë      d. Dakort      e. Shumë dakort*

#### **6. Faqja e internetit e Bankës është tërheqëse**

*a. Plotësisht kundër      b. Kundër      c. Asnjëherë      d. Dakort      e. Shumë dakort*

#### **7. Faqja e internetit e Bankës është vizualisht e kënaqshme**

*a. Plotësisht kundër      b. Kundër      c. Asnjëherë      d. Dakort      e. Shumë dakort*

#### **8. Faqja e internetit e Bankës është e besueshme**

*a. Plotësisht kundër      b. Kundër      c. Asnjëherë      d. Dakort      e. Shumë dakort*

#### **9. Kam besim në të mirat e faqes digjitale të kësaj banke**

*a.Plotësisht kundër      b.Kundër      c.Asnjanës      d.Dakort      e.Shumë dakort*

**10. Kjo faqe interneti e Bankës mban gjithmonë premtimet dhe zotimet e dhëna**

*a.Plotësisht kundër      b.Kundër      c.Asnjanës      d.Dakort      e.Shumë dakort*

**11. Kjo faqe interneti e Bankes mendon interesin më të mirë për klientët**

*a.Plotësisht kundër      b.Kundër      c.Asnjanës      d.Dakort      e.Shumë dakort*

**12. Kam besim në këtë faqe interneti të bankës**

*a.Plotësisht kundër      b.Kundër      c.Asnjanës      d.Dakort      e.Shumë dakort*

**13. Kjo faqe interneti e bankës nuk keqpërdor informacionin tim personal**

*a.Plotësisht kundër      b.Kundër      c.Asnjanës      d.Dakort      e.Shumë dakort*

**14. Ndjem i sigurtë në veprimet e mia elektronike bankare në këtë banke**

*a.Plotësisht kundër      b.Kundër      c.Asnjanës      d.Dakort      e.Shumë dakort*

**15. Jam i bindur për çështjet e privatësisë elektronike në këtë bankë**

*a.Plotësisht kundër      b.Kundër      c.Asnjanës      d.Dakort      e.Shumë dakort*

**16. Ky institucion bankar ruan informacionin privat në mënyrë të besueshme për klientin**

*a.Plotësisht kundër      b.Kundër      c.Asnjanës      d.Dakort      e.Shumë dakort*

**17. Detajet financiare të klientëve mund t'iu kalohen bankave të tjera**

*a.Plotësisht kundër      b.Kundër      c.Asnjanës      d.Dakort      e.Shumë dakort*

**18. Veprimet bankare në faqen e internetit të kësaj banke mund të zbulohen nga palët e treta të pa-auritorizuara.**

*a.Plotësisht kundër      b.Kundër      c.Asnjanës      d.Dakort      e.Shumë dakort*

**19. Banka ime ruan premtimet e bëra**

*a.Plotësisht kundër      b.Kundër      c.Asnjanës      d.Dakort      e.Shumë dakort*

**20. Shërbimet e bankës plotësojnë nevojat e mia**

*a. Plotësisht kundër      b. Kundër      c. Asnjanës      d. Dakort      e. Shumë dakort*

**21. Punonjësi i Bankës është i besueshëm**

*a. Plotësisht kundër      b. Kundër      c. Asnjanës      d. Dakort      e. Shumë dakort*

**22. Bashkëveprimi im me llogarinë elektronike të Bankës është i qartë dhe i kuptueshëm**

*a. Plotësisht kundër      b. Kundër      c. Asnjanës      d. Dakort      e. Shumë dakort*

**23. Kam gjetur një llogari elektronike bankare shumë fleksibël në bashkëveprim**

*a. Plotësisht kundër      b. Kundër      c. Asnjanës l      d. Dakort      e. Shumë dakort*

**24. Përdorimi i një llogarie elektronike rrit efektshmërinë time në përdorimin e shërbimeve bankare**

*a. Plotësisht kundër      b. Kundër      c. Asnjanës      d. Dakort      e. Shumë dakor*

**25. Përdorimi i një llogarie elektronike bankare rrit produktivitetin tim**

*a. Plotësisht kundër      b. Kundër      c. Asnjanës      d. Dakort      e. Shumë dakort*

**26. E kam të lehtë të bëj çfarë dëshiroj në llogarinë elektronike bankare në internet**

*a. Plotësisht kundër      b. Kundër      c. Asnjanës      d. Dakort      e. Shumë dakort*

**Pyetje shtesë mbi formimin:**

**1. Emri i bankës tuaj** \_\_\_\_\_

**2. Gjinia**

*a. mashkull      b. femër*

**3. Mosha** \_\_\_\_\_

**4. Edukimi-Arsimimi**

*a. Filllore      b. E Mesme      c. Universitet      d. Master      e. Doktoraturë*

**5. Pozicioni**

*a. Shtëpiake b. Studentë c. Pensionist d. Drejtues punimeshe. Nëpunës*

**6. Të ardhurat mujore familjare (lekë)**

*a. Më poshtë se 19.000 b. Midis 20.000-49.900 c. Midis 50.000-89.900 d. Më lart se 90.000*

**7. Sa shpesh e përdorni llogarinë tuaj elektronike bankare ?**

*a. Një herë në ditë b. Një herë në javë c. Një herë në muaj d. Një herë në 6-muaj*

**8. Cilin nga shërbimet në llogarinë elektronike bankare përdorni më shumë ?**

*a. Transaksione b. Blerje Online c. Pagesa Faturash d. Prenotim Biletash*

## **Banks in Albania:**

1. Raiffeisen Bank
2. Banka Ndërkombëtare Tregtare
3. Crédit Agricole
4. Alpha Bank
5. Banka Kombëtare Tregtare
6. Intesa Sanpaolo Bank. Albania
7. ProCredit Bank
8. CredinsBank
9. TiranaBank
10. Société Générale Albania
11. Veneto Bank
12. UnionBank
13. First Investment Bank

*Note:* List of banks which offer internet banking service in Albania.