ASSESSING FACTORS INFLUENCING THE ADOPTION OF INTERNET BANKING SERVICES. CASE STUDY OF ZIMBABWEAN BANKING INDUSTRY.

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DEDICATION

This research is dedicated to my dearest mother, my brother, all my family members and my friends, for their tireless support during the hard times encountered throughout my studies at Bindura University.
ACKNOWLEDGEMENTS

Firstly, I want to thank the Lord Almighty for his abundant love that keeps us going. I am also grateful to my mother who supported me from day one, her love and support is priceless. I also extend my gratitude to my brother who has been an icon to me.

Secondly, I thank my friends and classmates who played a part in my academic activities.

Lastly, I would like to thank all those who completed the questionnaires and participated in the interviews, I appreciate your cooperation it made this study a possibility.

God bless!!
ABSTRACT

The purpose of the study was to assess the factors that influence the adoption of internet banking services in the Zimbabwean banking industry. A descriptive research design was employed. The target population of the study comprised of the local banks in the Zimbabwean banking industry located in Msasa. The sample size was 194 bank customers and eight e-banking officers. A self-administered questionnaire was established and then disseminated to bank customers and a panel of interviews were held amongst e-banking officers. Primary collection technique was used and out of 194 questionnaires dispersed, 175 were successfully returned but a few 137 were usable for investigation as they were completed, yielding a response rate of 70.6%. The data was injected into the SPSS version 16 and Microsoft excel 2013 and the results were investigated through multiple regression and parenthesis test analysis. It was found that among the Extended Technology Model variables, perceived risk was the core factor that influenced the adoption of internet banking services. However, awareness was found to be the least factor since lot of bank customers accredited that they knew the facility’s existence yet there was proof that internet banking services adoption rate was low in the Zimbabwean banking industry. Demographic variables such as age, gender, education and income level were also found to be major factors that contributed to the adoption or usefulness of internet banking services in the Zimbabwean banking industry. It is suggested that Zimbabwean banks should continuously invest in the upgrade of internet banking services platform as to secure it since bank customers prefer more on the security of their money. In addition, banks should expand and introduce more electronic services that are cheaper in their accessibility so as draw attraction to their valued customers towards the adoption of their internet banking services.

Keywords: Extended Technology Acceptance Model, Demographic variables, Internet banking services, Adoption.
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LIST OF ABBREVIATIONS AND ACRONYM

BI Behavioural Intention
ETAM Extended Technology Acceptance Model
TAM Technology Acceptance Model
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>TRA</td>
<td>Theory of Reasoned Actions</td>
</tr>
<tr>
<td>TPB</td>
<td>Theory of Planned Behaviour</td>
</tr>
<tr>
<td>PBC</td>
<td>Perceived Behaviour Control</td>
</tr>
<tr>
<td>IDT</td>
<td>Innovation Diffusion Theory</td>
</tr>
<tr>
<td>UTAUT</td>
<td>Unified Theory of Acceptance and Use of Technology</td>
</tr>
<tr>
<td>PEOU</td>
<td>Perceived Ease Of Use</td>
</tr>
<tr>
<td>PU</td>
<td>Perceived Use</td>
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CHAPTER ONE

INTRODUCTION

1.0 Introduction
This study is an assessment of the critical factors contributing the adoption and usage of internet banking services provisioned by Zimbabwean commercial banks. This chapter aims to edify the reader by highlighting the statement of the problem, objectives of the study, assumptions, delimitations, limitations and finally the summary.

1.1 Background of the study
Information technology has basically changed the global face of the banking industry. Malik (2013) defined internet banking as the provision of financial services on the internet through the bank’s website. The rapid development and popularity of the internet has resulted in the emergence of internet banking which offers banking firms great opportunities along with threats in the process of delivering their services using the internet as a distribution medium. Researchers have emphasised the importance of internet for financial services more than other industries.

Since the introduction of the internet in 1969, it has evolved from just being exclusively a computer network to a mainstream channel of communication. Recently, it has been gaining attraction as a possible medium for electronic commerce. Probably because internet banking is somehow one of the emerging and new industries in Zimbabwe, the level of consumer acceptance and use of internet banking is still limited. However as the country’s internet base subscriber base continues to grow, progressively more consumers are warming to internet banking. The chance to access a banking account at any time or anywhere a client has an active internet connection is a main advantage for individuals and business. It provides convenience to clients who may want to enjoy their banking services in the comfort of their homes or work places by not requiring them to travel
to the bank’s physical location. The recent introduction of broadband internet by Econet, Telecel, Africom and Powertel among others has extended the accessibility of internet in the country and it can only mean an enhanced development in internet banking. Zimbabwe experienced an increased number of internet phone owners since the last decade. Fin-scope, (2015) confirmed that nearly 85% of the Zimbabwean population own a mobile phone or has access to a computer. Therefore, internet banking has the potential of being exploited by approximately 85% of the population of which this will be a great influence. Nevertheless, even though the number of internet phone users is very large, internet banking penetration accounts only 38.6% of the population in Zimbabwe according to (Reserve Bank of Zimbabwe, 2015). This means that, large numbers of people are not using internet banking facility as compared to internet phone owners.

Hence this shows that somehow in Zimbabwe internet banking is being under-utilized despite the convenience it brings to the customers and the banks. Traditional banking has been slow and time consuming, consumers on occasion have to wait quite a lot of times to process a simple transaction like clearing a cheque. But, internet banking has extremely reduce the time required to process transactions, thereby making banking faster and convenient. For bankers this system is cost-effective, as it has noticeably reduce the administrative costs and paper work related to transactions. Thus, there is need to determine factors that are contributing to the usage and adoption of internet banking by customers to execute financial transactions. In order to assess the factors that are contributing to the adoption of internet banking service in Zimbabwean banking industry. The student found it realistic to adopt the Technology Acceptance Model (TAM) and demographic variables as ideal factors.

1.2 Overview if Zimbabwe’s Banking Industry

The Zimbabwean banking industry contains the reserve bank of Zimbabwe, 13 commercial banks, a merchant bank, 4 building societies, a discount house and the post office savings bank, (Bankers association of Zimbabwe, 2015). The reserve bank of Zimbabwe is the central bank thus it plays a supervisory role in monitoring all the financial institutions operations in the industry in accordance to the amended reverse bank act.
The Reserve Bank of Zimbabwe is promoting greater use of electronic banking systems by reviewing the transaction fees downwards with the intention of ensuring that 80 percent of monetary transactions are done using electronic transfers using in the next five years, ref. High charges by had discouraged the acceptance of internet banking services and also the services were often been very unreliable. Due to the high rate of unemployment, the economy has become largely informal hence banks failed to accommodate the informal sector the reason being the impracticability of using internet banking services or plastic money in the execution of informal sector transactions.

To have a positive adoption of internet banking, several conditions need to be in place. Failure by the banks to effectively market internet banking and lack of efficiency in the infrastructure has made customers no being convinced with the new banking systems and they would rather stay loyal to the traditional banking. Lack of enough adoption to internet banking is being costly to the banks who have invested so much in the systems considering their return on investment (Riquelme and Rios, 2011).

Banks play a vital role in the wellbeing of every economy, they need new and innovative ways to retain customers. Thus the Zimbabwean banking industry with the support of the Reserve Bank have to find ways in adding value to internet banking or electronic banking as a whole and discourage traditional banking system as a way of improving efficiency considering the benefits it brings to the economy. The concern of improving our banking environment and so as the economy has motivated the researcher to undertake this study on the assessing factors influencing internet service adoption in Zimbabwe banking industry.

1.3 Problem statement

Zimbabwe like other developing countries are late adopters of the internet. Since the introduction of the internet in 1969, some developed economies such as the USA and most of the European countries have taken advantage of it in developing electronic-based banking products like internet banking. Despite the increased number of internet phone users and personal computer owners, the users of internet banking were gradually falling from 38.8% in 2012 to 38.7% in 2014 and lastly 38.6% in 2015. Fin-Scope (2015). However, the rate of adoption has been low. This low rate of
adoption continues to haunt the banking industry as banks are enforced to employ workers to provide services which can be easily online. These factors justify a study on the factors that are affecting the acceptance of internet banking in the Zimbabwe banking industry.

1.4 Research Objectives

Main objective

- To determine major factors that are contributing to the adoption of internet banking services in the Zimbabwean banking industry.

Primary objectives

- To determine the contribution of the Extended Technology Acceptance Model’s variables (convenience, awareness, perceived risk and perceived cost) towards the adoption of internet banking services in Zimbabwe.
- To determine contribution of demographic variables (gender, age, income and education level) towards the adoption of internet banking services in Zimbabwe.
- To give recommendations based on research findings that the Zimbabwean banks might use to foster the adoption of internet banking services by their customers.

1.5 Research Questions

- What are the major factors that contributing to the adoption of internet banking services in the Zimbabwean banking industry?
- How does the Extended Technology Acceptance Model’s variables (convenience, awareness, perceived risk and perceived cost) contributes to the adoption of internet banking services in Zimbabwe?
- How does demographic variables (gender, age, education and income level) contributes to the adoption of internet banking services in Zimbabwe?
• What are the strategies that the banks in the Zimbabwean banking industry might implement in order to foster the adoption of internet banking services by their customers?

### 1.7 Delimitations of the study

The researcher concerted on the assessment of factors that are contributing to the adoption of internet banking services in which a sample of bank customers and e-banking officers from the Zimbabwean banks was considered. The information from the respondents was taken using a self-administered questionnaire and a panel of interviews. The researcher focused on local banks with their branches in Msasa only thereby excluding other banks in major towns such as Bulawayo and Mutare because of time limitation. The researcher also predominantly focused on customer’s behavioural dimension derived from Extended Technology Acceptance Model (ETAM) and demographic variables. The research was carried out from August 2015 to October 2017.

### 1.8 Limitations of the study

- Limited literature on factors contributing to the adoption of internet banking services in Zimbabwe posed as a major challenge to the researcher. However, the researcher used 6 online publications available on the internet from other developed and developing countries to make implications to the case of Zimbabwe.
- Time and financial constraints impeded the capturing of a wide spectrum of the population given the expansiveness of the target population (bank customers). However, the researcher mitigated this challenge by incorporating both probability and nonprobability sampling to ensure the capturing of a true representative of the target population using limited resources.

### 1.9 Significance of the study

The findings of the study are expected to be beneficial to the following groups:
To the Banks
The study is expected to provide the banks with vital information and solutions to the factors that are contributing to the adoption of their internet banking services, so that they might be able to foster the adoption of internet banking services. This might as well reduce investment wastage.

To the customers
The study is expected to provide the valued bank customers with knowledge towards their financial capabilities using an internet phone.

To Academies
Findings from the study would serve as a source of relevant information for academic purposes by serving as an additional source of library reference for students and lecturers. By this, further studies could be replicated in different settings.

To the Researcher
The study would bring a sense of academic development and achievement for the researcher.

1.10 Definition of the key terms

Internet banking:

Service: It refers to a function of serving or performing a duty (Layton, 2017).

Customer: A customer is an individual who uses a service whereas in this context it means an individual that uses internet banking services.

Adoption: Adoption in the context of internet banking means acceptance, having the ability to accept a new technology as it is introduced and by accepting the service means a customer willing to use the service. If a customer chooses to adopt an internet banking service, Mallat (2004) explains that they will be able to obtain and interact with internet services anytime and anywhere which in turn initiate great value for them. Cruz (2010) and Dasgupta (2011) also suggested that if one adopted this service it had great potential to provide reliable services to anyone in any location even those limited by facilities.
**Extended Technology Acceptance Model (ETAM):** It refers to a predictive measure of human behavioural intention towards innovation adoption (Lin, 2011).

**Demographic:** It refers to the quantifiable characteristic of a human population (Layton, 2017).

**Variables:** It refers to the factors that hinder the progress of an event or system (Punch, 2013).

1.11 Chapter Summary

This chapter focused on the background of the study, statement of the problem, objectives of the study, delimitations and other issues of the study as above. The core aspect of this chapter was on familiarising the research topic which was aimed at assessing factors that are contributing on the adoption of internet banking services in the Zimbabwean banking industry. The study was conducted from August 2015 to October 2017.
CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This particular chapter explores the previous work done by other researchers. It focuses on reviewing the theoretical, conceptual, and empirical contributions of the study. It further takes a comprehensive look on internet banking in broad sense and the related concepts in order to produce a clear framework of the subject under study.

2.1 Theoretical Framework

2.1.1 Overview of internet banking

Internet banking identifies the systems that permit bank customers to access their accounts and basic information on bank products and services through the utilisation bank's website, without the inconvenience or trouble of sending letters, faxes, original signatures and mobile phone confirmations (Henry, 2000). It differs from online banking in the sense that internet banking provides universal connection from any location and is universally accessible from any internet linked device it can be a mobile phone or computer.

The Standard bank trading as Stanbic bank in Zimbabwe like many other Zimbabwean banks developed its own internet banking channel which they have termed Enterprise online, this is a digital online solution that has been developed for small and medium enterprises to enable them to conveniently manage their own business accounts at anytime from anywhere. The range of internet banking services offered include savings, funds transfer, stock market transactions,
balance enquiry, electronic bill payments (ZETDC and DSTV payments) and airtime-top ups. Recently ZB financial holdings has provisioned school fees payments on their internet banking platform. Internet banking enables customers to bank essentially at any convenient time and place irrespective of their social groups (Tiwari and Herstat, 2007). The convenience of internet banking is that it enables service delivery even after working hours and is reachable from anywhere. This means that internet banking enhances marketing and communication, as it serves 24 hours a day and a customer can be guided through a catalogue of products and services (Jayawardhana and Foley, 2000).

Furthermore, from the banker’s perspective, internet banking lessens the expense of handling transactions by reducing the necessity for consumers to go to a bank branch for non-cash withdrawal and deposits. Moreover, an internet banking system allows bankers to increase their business geographically without the constraint of establishing of new branches and, because of this the customer platform is broadened.

Although internet banking offer huge benefits, numerous researchers found that internet banking adoption globally still remains at a growing stage (Koenig-Lewis, Palmer, and Moll, 2010). This is mainly contributed by the reason that people are less aware on the benefits of such new innovation. Meanwhile, the usage of internet banking has yet to meet the industrial expectations as the dynamic growth of internet penetration as evidences by the number of people registered on social media platforms such as facebook and whatsapp is mainly driven by consumer behaviour especially in the developing economy (Korir, 2012). Thus, the outcomes from a study on a developing country such as Zimbabwe are of interest.

2.2 Types of internet banking

Mu Yibin (2003), acknowledged three functional level/classes of internet banking that are currently employed in the market place and these are: informational, communicative and transactional.
2.2.1 Informational (websites)
This has been pointed out as the initial level of internet banking. Typically the bank has the marketing information regarding the bank’s products and services on a stand-alone server. The risk is quite low as informational systems basically have no path between the server and bank’s internal web. This is commonly used in Zimbabwe by internet banking customers because it is considered to be affordable (Chitungo and Munongo, 2013).

2.2.2 Communicative/Simple transactional (websites)
This type of internet banking permits some communication between the bank’s systems and the customer. The interaction is limited to electronic mail, account inquiry, loan application, or static file updates (name and address). It does not permit authorization any funds transfer.

2.2.3 Advanced Transactional (websites)

This level of internet banking allows bank customers to electronically transfer funds to or from their accounts, pay bills and conduct other banking transaction online. CABS, Zb financial holdings and Stanbic provide this internet banking platform. The interface is generated from the server which is transported to the user device it can be a computer or internet phone, this allows the content to be displayed through the browser. This method is extremely fast depending on the server (network service provider) that the customer is connected. Its major disadvantage is that, it requires the customer to stay online always through the transaction process and could lead to higher cost for the customers (Korir, 2012).

2.3 The importance of determining factors that contributes to the adoption of internet banking

In the perspective of improving internet banking service adoption, the assessment of factors that contribute to the adoption of internet banking has turned into a compulsory necessity in various nations including Zimbabwe. The low adoption of internet banking services may make visible
patterns of loss to the future bank’s investments (Brown et’ al, 2012). This then, creates the need of various models such as the Extended Technology Acceptance Model’s (ETAM) and demographic variables in helping the banks and in deciding the possible factors that may impact clients in utilising their internet banking services.

2.4 Factors contributing to the adoption of internet banking services.

2.4.1 Convenience (Perceived ease of use and Perceived Usefulness)

Convenience is allied to perceived ease of use and perceived usefulness. Perceived ease of use (PEOU) is defined as the degree to which a person believes that by using a particular system would be of free of effort (Lin, 2011). That is a person's evaluation in light of the opinion that utilising a particular advancement would be free of both mental and physical exertion in directing every day exchanges through an internet connection gadget for this situation. Therefore, it is important to note that customers are willing to accept an innovation if they believe that it requires less effort to learn and use. One of the factor that was identified as disablement to the growth of internet banking in the Zimbabwean banking sector in a recent study was customer’s perception of considering new technology to be more difficult to use (Chitungo and Munongo, 2013). In support, according to Herstatt (2006), perceived ease of use contributes towards performance and lack of it causes frustration among participants towards the service. He then recommended for the need of educating the participants on the functionality of the system inorder to convince them.

On the other-hand, perceived usefulness (PU) is defined as the degree to which a person believes that using a particular system would enhance his or her job performance (Lin, 2011). That is, the point to which an individual considers that using a particular system would enhance his or her job enactment. It also suggests that using computers or other information systems in the workplace would increase user’s productivity, improve job performance and enhance job effectiveness (Koeng-Lewis et’ al, 2010). In the banking industry such as the one in Zimbabwe, the use of internet banking services would enhance the customer’s time in performing transactions since using traditional banking slows transaction time performance. In support, Herstatt (2006) suggests that, a system that does not help people to perform their jobs is not likely to be received favorably.
This means that a customer would take up the service that is more useful as well as which provide greater benefits. Therefore, convenience might be considered to be one of the reason why customers’ are not using internet banking services in the Zimbabwean banking industry.

2.4.2 Awareness

Awareness is the level of information that an individual know about a specific system or service (Davies, 2013). It is also considered as a key factor that contributes to customers to adopt electronic banking. According to Koeng-Lewis et’ al, (2010), failure to address customers’ concerns with regards to internet banking results in customers being not convinced with the system. Other early researches also showed that low awareness of internet banking and other electronic services such as SMS banking services served as a major factor that caused customers not to adopt those services and as result wasted many banks’ investments towards the system (Lin, 2011; Korir, 2012 and Davies, 2013). Therefore, awareness might be one of the reasons why customers’ are reluctant to use internet banking services in the Zimbabwean banking industry. Hence, the researcher found it viable to determine the contribution of awareness to the adoption of internet banking services.

2.4.3 Perceived Risk

Perceived risk is user’s subjective expectation of suffering a loss in pursuit of a desired outcome (Kabir, 2012). It is a personal belief that a user has on the system to carry out a transaction securely and maintain the privacy of personal information. Usually, risk perception of the clients arises when they have a doubt which is related to the degree of inconsistency between their judgment, real behaviour and technology failing to deliver its anticipated outcome as well as its consequent losses (Koeng-Lewis et’ al, 2010). That is, customers may worry about the unjustified delay in product delivery as well as the provision of a payment without receiving a service or product and other illegal activities such as fraud.

In the context of internet banking, the perception of risk is even more important due to the treat of privacy and security concerns (Lin, 2011). Privacy and security incorporates, fear of losing
personal identification codes (PIN) or information and fear of losing funds due to theft of the
device or making mistakes while performing a transaction or hacking of bank accounts via stolen
codes, respectively (Kabir, 2012). Therefore, both security and privacy concerns are likely to cause
low adoption of internet services and this study found it viable to determine how these attributes
of perceived risk contributes towards the adoption of internet banking services in the Zimbabwean
banking industry.

2.4.4 Perceived Cost
The cost of using electronic banking facilities such as internet banking is an extreme concern to
the adoption of such services (Lin, 2011). It is not viable for customers to change their way of
performing their banking tasks without offering a strong attention to the price (Bradley and
Stewart, 2012). According to Riquelme and Rios (2011), the cost of using banking services have
an adverse effect to the adoption of those services and is also one of the major reason why
customers still prefer traditional banking rather than moving with emerging electronic services
such as internet banking services in the developing countries. Therefore, the researcher found it
feasible to determine how the contribution of perceived cost to the adoption of the internet banking
services in the Zimbabwean banking industry.

2.5 Other factors which contributes to the adoption of internet banking services

2.5.1 Demographic Variables
Demographic variables are personal characteristics that are used to collect and evaluate data on
people in a given population and they include age, race, marital status, income, education, sex, and
occupation (Davies, 2013). According to Kabir (2012), due to the complexity of electronic
products, there are certain traits that are expected from the group of users such as in services and
there is a need to include the demographic factors in researches. Malik and Gulati (2013) also
outlines that, males used internet banking more than females and internet banking users tended to
come from high income groups such as salaried employees and small business owners. Therefore,
because of these reviews, the researcher found it feasible to carry out this study by looking into
demographic factors such as gender, age, education and income levels, in trying to determine how
they contribute to the adoption of internet banking services in the Zimbabwean banking industry.
2.6 Theoretical Review of Models

2.6.1 Theory of Reasoned Actions
The Theory of Reasoned Action is a commonly used model from social and psychology studies which was developed by Ajzen and Fishbein (1975). The theory is concerned with the determinants of consciously intended behaviours. It suggested that, individual's Behavioural Intention (BI) to perform an action is determined by the individual's attitude, intention and subjective norm and it was concluded that (TRA) is a three construct theory. Attitude was referred to as the belief while Subjective norms as expectations and finally Social norms as an individual’s perceptions which are influenced by people around especially in choosing the performance for the behaviour in question. The theorist also recommended the use of modal-salient beliefs for the population obtained by taking the beliefs most frequently drawn out from a representative sample of the population. TRA was successfully applied in a reasonable number of times by various researchers to predict the performance of behaviour and intentions. A good example is when TRA was used to predict occupation at workplace in a study by Crawley and Fine in 2012.

However, TRA faced criticism from Laukkanen and Lauronen (2007), as they argued two important issues that made this theory a problematic. First of all, using the theory needs someone to differentiate behaviour from intentions and secondly, there is no requirement in the theory for considering whether the chances of failing to perform are due to one’s behaviour or intentions. Therefore, as a solution to the previous errors, TRA was extended by adding another construct which was the Theory of Planned Behaviour (TPB) and later on Perceived Behavioural Control (PBC), was added to the new model as it has both direct and indirect effect on actual behavior intentions, as shown in figure 2.1 below.
Source: Theory of Planned Behaviour (Tiwari and Buse, 2007)

Figure 2.1: Theory of Planned Behaviour

The Theory of Planned Behaviour was then successfully applied to many studies in predicting the performance of behaviour and intentions. The study results of Van Raaji and Schepers (2008) who provides evidence on how beneficial and correct it is to use these two theories for studying technology usage behaviour. The researcher of this study found it feasible to understand the behavioural intention of the bank customers towards the adoption of internet banking services.

2.6.2 Innovation Diffusion Theory

According to Tiwari et al (2007), innovation is an idea, act, or instrument that is new to an individual or a group of people, while, diffusion is a process in which new technology is transferred through certain channels of communication in time among individuals who are targeted to use new Information System. The theory of IDT was developed by Sir Rogers in 1995 and it has five innovation characteristics which are relative advantage, compatibility, complexity, trialability and observability (Laukkanen and Lauronen, 2007).

These variables may look different and unrelated to each other but in reality they have everything to do with each other in the context of Information system. It was found that the relative advantage construct in IDT is similar to the notion of the perceived usefulness (PU) in Technological Acceptance Model (TAM), and the complexity construct in IDT captures the perceived ease of use in the Technology Acceptance Model (TAM), although the variables sound different (Tiwari et al, 2007). According to Medlin, (2001), diffusion of innovations theory is the most appropriate
theory among all theories for investigating the adoption of technologies in higher education environments. Therefore, the researcher of this study made references to variables of (TAM) with few variables of (IDT) in trying to determine contribute to the adoption of internet banking services in the Zimbabwean banking industry.

2.6.3 Decomposed Theory of Planned Behaviour

The theory was developed by Taylor and Todd (1995). The two developed this theory by releasing some features of attitude, subjective norm and perceived behavioural control. Sohail and Sahin (2012), further revealed that decomposed theory of planned behaviour, offers a comprehensive approach to understanding the factors affecting a person's decision to use technology information. Therefore, the researcher of this study used some of the features that are related to the factors that contribute to the adoption of internet banking services. The following figure 2.2 below shows the factors that are attached to the decomposed theory of planned behaviour.

Source: Decomposed theory of planned behaviour (Sohail and Sahin, 2012).

Figure 2.2: Decomposed theory of planned behavior
2.6.4 Unified Theory of Acceptance and Use of Technology

Unified theory of acceptance and use of technology was developed by Venkatesh and David (2000). This is a more complex theory which explains individual intentions to use technologies and how differences between individuals can influence the use of new technologies. It was introduced after a critical review of eight theories and models of Information systems which are, TRA, TAM, TPB and IDT. The theory establishes that variables such as perceived ease of use and perceived usefulness can influence adoption of new technology but was varied depending on age, gender and experiences of the individuals. According to Venkatesh and David (2000), the UTAUT theory assumes that the effect of core constructs is moderated by age, gender, experience and voluntariness of use. The following figure 2.3 shows the variables that are attached to UTAUT.

![Figure 2.3: Unified theory of acceptance and use of technology](Agarwal and Prasad, 2011).

Figure 2.3: Unified theory of acceptance and use of technology

However, the theory attracted a lot of criticism from a number of intellectuals such as Van Raaji and Schepers (2008) who criticized the theory by saying it lacked enough information to yield correct results hence it does not guarantee to give correct information in the results of any study.
According to Yu C (2012), the UTAUT theory is clear in all its targets but it has too many variables which make it complex and confusing enough for the reader if not carefully noted. Hence, as for these reasons mentioned above the researcher of this study neglected the model.

### 2.6.5 Extended Technology Acceptance Model (ETAM)

The Technology Acceptance Model (TAM) is the most widely used model to understand the user acceptance of new information systems (Agarwal and Prasad, 2011). It is an adaptation of the Theory of Reasoned Action (TRA) which was developed by Fishbein and Ajzen (1975) and later advanced by Fred Davis (1989). At first it was suggested that the drive upon users to accept new technology can be influenced by two aspects that are perceived ease of use (PEOU) and perceived usefulness (PU). Davis (1989) further, proposed that the readiness of a user or customer to use or not to use a new technology is determined by his or her attitude. However, the original TAM had its weaknesses which include limited explanations on the factors that contribute to the adoption of new technology, failure to acknowledge social processes of information system development and inability to predict the outcomes. Therefore, as a result of this, many other simulations of extension were suggested so as to suit the changes in the different economies such as perceived playfulness, awareness, perceived cost, self-efficacy and perceived credibility (Lin, 2011).

![Technology Acceptance Model Diagram](image)

Source: The original Technology Acceptance Model (Laukkanen and Lauronen, 2007)

**Figure 2.4: Technology Acceptance Model**

The extension of the TAM model to Extended Technology Acceptance Model (ETAM) proved to be of significance to the adoption of technologies such as internet banking as many scholars yield positive results which showed correlation between many incorporated variables such as perceived...
usefulness, self-efficacy, awareness, and perceived ease of use (Herstatt, 2006; Lin, 2011 and Korir, 2012). Mohini and Phadtare (2012), used the Extended TAM model to analyze relationships between variables that influenced adoption of internet banking in Malaysia. The findings of this research revealed that the model is useful in predicting the individual intention to adopt internet banking, were perceived usefulness, perceived credibility and awareness were given high priority in the use of internet services. However, the extension of TAM has been receiving many criticism by other scholars, such as Jeong and Yoon (2013) who criticized the extended model by stating that, it does not serve the original purpose. But despite the opposition, many researchers still support the use of this model as an excellent model that can explain acceptance of information systems (Davies, 2013).

The relation between this theory and the present study was that, the extension of Technology Acceptance Model (ETAM) incorporated major variables such as perceived risk, perceived cost and awareness which influenced individual’s perception to the use new innovations. These variables have been also widely explored by many researchers in different set-ups to study behaviour (Herstatt, 2006; Korir, 2012 and Davies, 2013). Therefore, the researcher of the present study found it viable to determine the contribution these factors towards the adoption of internet banking services in the Zimbabwean banking industry.

### 2.6 Conceptual Framework

Based on the surveyed literature above, the researcher of the present study found it feasible to extend the Technology Acceptance Model (ETAM) by encompassing various important factors (independent variables) towards the adoption of internet banking services (dependent variable), as shown in figure 2.5 below:

![Conceptual Framework Diagram](source: The Extended Technology Acceptance Model (Laukkanen and Lauronen, 2007))
2.7 Empirical Evidence

There are so many similar studies done in different economic set-ups which are similar to the current study of assessing the factors that are contributing to the adoption of internet banking services in the Zimbabwean banking industry. Therefore, this unit aims at reviewing some of the empirical evidence.

An analysis on the factors influencing the adoption behavior of internet banking in South Korea.

Lee et al. (2014), carried out a study to examine the adoption behaviour of internet banking in South Korea. The study covered a sample of four commercial banks in South Korea, with 266 respondents made up of respective bank managers and consumers. 266 questionnaires were distributed to the respondents via only online channels and 97 were returned giving a response rate of 36.5%. SPSS was used for descriptive statistics and for factor analysis. It was found that lack of understanding and awareness of internet banking benefits among consumers were the major factors which hindered the customer’s adoption behaviour towards internet banking usage in South Korea. In addition, other factors such as perceived risk, compatibility and social influence (culture) were considered as minor barriers. As a strategy, it was recommended that the banks should undertake an aggressive marketing campaign to make consumers aware of the service.

An investigation on the factors affecting the adoption of internet banking in Kenya. Case study of Kenya’s commercial bank LIMURU.

Mutua (2014), carried out a research aimed to investigate factors affecting the adoption of internet banking in Kenya’s commercial bank (KCB) LIMURU. The sample size for the research comprised of 267 customers and the data was collected through questionnaires. The results indicated that the adoption rate of internet banking in KCB LIMURU was below the targeted bank’s customer population. The main reasons that led to low adoption were found to be risk of loss of money when the internet phone is stolen or lost, also fear of system failure as well as transaction failure when customers transfer their funds both from and to the bank account and
lastly, customers they indicated that they fear loss of personal or account information if their identity personal codes are hacked via a internet phone. It was recommended that the bank should assure customers of the reliability and integrity of their services systems to their clients so that they can adopt their services.

**An investigation on the factors that influence the use of Internet Banking in Mauritius.**

Dineshwar and Steven, (2013) carried out a research based on investigating factors that influence the use of internet banking in Mauritius. The approach for this study was quantitative. During the course of the research a self-administrated questionnaire was given to the clients of two full-fledged internet banking service providers of Mauritius called Brac Bank Limited and Dutch Mauritius Bank Limited. 100 questionnaires were distributed but only 64 useable questionnaires were returned giving a response rate of 64%. The data was analyzed using multiple regression and the outcome of the research was that, variables such as integrity, benevolence, perceived usefulness, perceived ease of use, relative cost and time advantages were found to be influencing the adoption of internet banking services in Mauritius.

**An analysis on the factors that are influencing the adoption of Internet Banking Services in Pakistan**

Kazi and Mannan (2013), Pakistan inspected factors that influence Pakistan customers from adopting internet banking services. Data collection was done by surveying 372 respondents from the two largest cities (Karachi and Hyderabad) of Sindh province using judgmental sampling method. The researchers also used a descriptive research design and the analysis was done using multiple regression inorder to come up with the findings. The findings reviewed that, the Extended Technology Acceptance Model (ETAM) played a big role in predicting the major variables that hinder the adoption of internet banking services in Pakistan. The major variable was found to be perceived cost.

**An investigation on the factors that are influencing the internet banking adoption in India.**

Malik and Gulati (2013), conducted a research in India using three main public sector banks. 300 questionnaires were randomly administered to the respondents. The questionnaire was structured and modified from previous studies on the similar topics. The data collected was coded before it was analysed. The research findings confirmed that five factors which were security, convenience
(PEOU and PU), accessibility and cost influenced the adoption of internet banking in India. Among the five factors, convenience, and security were found to be the major factors that greatly influenced the adoption of internet banking in India.

Examining the critical successful factors that are leading to the adoption of Internet Banking in Malaysia.

Mohini and Phadtare (2012), carried out a study to examine critical factors that influence the adoption of internet banking services in Malaysia based on the Extend Technology Acceptance Model (ETAM). The proposed model was empirically evaluated by using survey data from a sample of 245 internet banking users from the city of Myanmar. The results indicated that factors such as perceived ease of use, perceived usefulness, awareness, perceived credibility and awareness predicted by the model were successful in influencing the adoption of internet banking services among bank customers in Malaysia. In this study, it was further reviewed that perceived risk was a major variable that only yield positive results towards user’s behavioural intention to adopt internet banking services than perceived ease of use, awareness, cost and perceived usefulness. Cheah, Teo, Sim, and Oon (2011), carried an empirical study with an aim of investigation on the factors that affect the Malaysian consumers from adopting internet banking services. The approach for this study was quantitative. From this study, variables such as perceived ease of use, perceived usefulness and relative advantage were found to be positively and significantly related to the intention to adopt internet banking services while a constructs such as perceived risk was found to be negatively correlated towards adoption of internet banking by consumers in Malaysia.

Ching, Chuan, Kam and Tan (2011), analyzed the adoption of internet banking in relation to behavioural intention in Malaysia using extended (TAM). The researchers used questionnaires and interviews to obtain data from 105 respondents. The study found that convenience (perceived ease of use and perceived usefulness), relative advantages, perceived risks and personal innovativeness are factors affecting the behavioural intention of internet users to adopt internet banking services in Malaysia.

Conclusively from all the above studies carried in Malaysia, it was recommended that the banks should lay down strategies to leverage the modern services such as internet banking services
against other traditional banking services by highlighting the conveniences, integrity and relative advantages presented by the services in order to make them attractive to customers.

**Extending the Technology Acceptance Model to internet banking adoption in rural Zimbabwe.**

Chitungo, and Munongo (2013), carried a study about an analysis of the factors that influence internet banking adoption in the rural areas (namely Zaka, Chiredzi, Gutu and Chivi) in Zimbabwe through extending the technology acceptance model. The approach for this study was quantitative. The researchers adopted stratified random sampling to select the appropriate respondents and SPSS software package was also used for data analysis. The results of the study suggested that factors such as perceived risk, relative advantage, income and social norms influenced the intention to accept and use internet banking. But perceived risk and relative advantage, social norms were found to be the major factors influencing the adoption of internet banking. Therefore, Extended Technology Model’s variables were considered to be major factors.

**An investigation on the impact of factors influencing internet banking adoption in Singapore.**

Park, Snell and Chung (2011), carried out a study to examine the major factors which could influence the adoption of internet banking usage among the current users of internet banking facilities considering gender, income and age as demographic variables and other ETAM variables. The study covered a sample of 8 commercial banks in Singapore carried between the periods of 2006 and 2010. It was found that age, gender, income, convenience (PEOU and PU) and perceived risk had influence in the adoption of internet banking. Conclusively, it was suggested that banks should focus on communicating information that has emphasis on the use, security and demographic characteristics of the consumers’ in order to attract their clients towards the use of their internet services.

**An analysis on the adoption of internet banking: Case study of University of Taiwan.**

Sohail and Sahin (2012), carried out a research that looked into factors responsible for the hindrance in the adoption of internet banking facilities among university students in Taiwan. The researcher applied a regression analysis for the final analysis and 178 valid questionnaires that were collected from college students studying in banking and information systems related
departments. It was found that age, gender and cost of connection to the internet were slowing the adoption of internet banking facilities among students in Taiwan. It was recommended that banks should upgrade their internet banking systems inorder to secure their internet services. However, the true measure of factors contributing to the adoption of internet banking services required multiple studies using multiple methodologies and multiple theoretical perspectives before answering the questions under study.

2.8 Research Gap
Past studies concentrated much on factors that influence the adoption of internet banking by customers in developed countries were social background focused on traditional methods which are not linked to technological issues and also tend to overlook certain important components such as perceived cost and gender which are applicable in Zimbabwe. Although considerable studies are growing in developing economies it is also helpful to re-evaluate the performance of Extended Technological Acceptance Model (ETAM) in verifying factors that contribute to the adoption of internet banking services in relation to Zimbabwean context. Therefore, this study is developed to consider both technological and traditional elements in the Extended Technological Acceptance Model and demography in relation to Zimbabwean banking industry.

2.9 Chapter Summary
The review of theoretical and conceptual framework has seen literature that revolves around internet banking, factors that are contributing to the adoption of internet banking as well as the extended technological acceptance model (ETAM) and other models. The chapter has also showed empirical literature of past similar studies across the globe where other authors were studying factors that are influencing the adoption of internet banking services.
CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

The present chapter explains the procedures and techniques used by the researcher in conducting the study. It contains the research design, the research instruments, data collection technique, method of data analysis and presentation. Furthermore, it outlines the population of interest, the sample size, validity and reliability of the model derived.

3.1 Research Design

Research design refers to a plan to which research subjects are selected in order to collect information (Punch, 2013). It is also the overall strategy that one chooses to integrate the different components of the study in a coherent and logical way thereby, ensuring that the research problem is effectively addressed. The main aim of this study was to assess factors that are contributing to the adoption of internet banking services in the Zimbabwean banking industry, which was undertaken with more emphasis on descriptive research.

According to Bradley and Stewart (2012), a descriptive research uses a set of scientific methods and procedures to collect data structures that are used to identify, determine and describe the existing characteristics of a target population. In this study, the researcher used descriptive research in the form of a case study.
3.1.1 Case study research design

The researcher employed case study research design, being the case study of Zimbabwean banks which include ZB Financial Holdings, CBZ, CABS and Steward Bank. This approach fitted well with the research problem as it required a study of ongoing organizations and those which had launched internet banking services. In this instance, the researcher was able to gather information about the possible factors that contribute to the adoption of internet banking services by the majority of banks customers. This design enabled the researcher to gain an in-depth understanding of the context of research. According to Layton, (2017), basic case studies entail a detailed and intensive analysis of a single challenge. In addition, the problem can be further be looked at in its natural setting.

3.2 Research approach

This was a causal mixed research which used both quantitative and qualitative methods because the research was based on different measurement scales as a result of the aim of the study. The combined method seemed to capitalize the strengths of the two approaches and to compensate for the weaknesses of the other approach. However, in this study it was more of quantitative than qualitative approach.

3.2.1 Qualitative research

A qualitative research refers to an enquiry process of understanding a social or human problem based on building complex, holistic pictures and words, reporting detailed views of informant, and conducting in natural settings (Bradley and Stewart, 2012). In this study, qualitative approach was done in a bid to obtain major factors that are contributing to the adoption of internet banking services. Furthermore, the researcher used qualitative data to gain more informed insight and better understanding about customers’ attitudes and perceptions that cannot be directly observed and measured as well as without too much pretence about generalizability on their feelings, thoughts, intentions and behaviours.
3.2.2 Quantitative research

Quantitative approach involves transforming perceptions or information from questionnaires, observations, scales, and experiments into quantifiable or numerical categories (Bradley and Stewart, 2012). According to Punch (2013), the primary aim of quantitative research is to determine the relationship that exists between independent variables and other sets of dependent or outcome variables in a population. Therefore, the researcher used this approach to analyze the factors in relation to the adoption of internet banking services in a statistical procedure and the results were numerically used as a reflection of the target population. The main reason for using this approach was that it made it easy for the researcher to collect, quantify and analyze data. On the other hand, qualitative approach assisted the researcher in interpreting the data obtained during quantitative research.

3.3 Target Population

Population refers to a full set of groups from which a sample is taken (Punch, 2013). The population of interest in this study consisted of bank customers and e-banking officers from local banks in Msasa, Harare. The bank customers were expected to be the ones who had opened personal bank accounts with various banks in Msasa and of the age above 18 as they were considered to be older enough to have a bank account in Zimbabwe. Therefore, the target population consisted of approximately over 1,900 bank customers, as shown in table 3.1. Other responses were solicited from the e-banking officers through interviews, inorder to obtain expert opinions.

3.4 Sampling

3.4.1 Sampling Technique
Sampling is obtained when it is impossible to examine or survey the entire targeted population. Layton (2017) defined sampling as, the selection of suitable items for the study. This study used both non-probability and probability sampling methods.

3.4.1.1 Stratified Random sampling (probability)

Stratified sampling refers to a modified sampling technique in which one can divide the population into two or more relevant and significant strata based on one or a number of attributes (Saunders, Lewis and Thornhill, 2009). In this study the researcher applied stratified random sampling through dividing the population into two strata of female and male bank customers from local banks in Msasa. This technique was mainly used in order to ensure that there is an equal chance (probability) to each female or male to be selected for the inclusion in the total population.

3.4.1.2 Convenience sampling (non-probability)

In order to identify the respondents from each stratum, a non-probability technique was employed by the researcher. According to Saunders et al, (2009) non-probability sampling methods provide a range of alternatives in terms of techniques that can be used for a study. In this study, convenience sampling was used to select bank customers and e-banking officers that were willing to give information (volunteer sampling). This method helped the researcher to complete large tasks in a short period of time and it was cost effective as it was cheap. Conclusively, the use of both sampling techniques helped the researcher to reduce the potential of human bias in the selection of the respondents.

3.4.2 Sample Size

A sample refers to a group or part of a larger population (Punch, 2013). Due to the expansiveness of the target population, the researcher of the present study used a representative sample to make inferences on the target population. According to Struwig and Stead (2001), ‘if a sample process
has been correctly followed then a sample size between 100 and 250, from a trial of 20% of the financial institutions, can be considered as acceptable reflection of the total population’. Therefore, the researcher sampled four local banks in Msasa out of 20 banks in Zimbabwe. The total population was known to be 1,940 and the researcher took information from a sample of 194 bank customers and eight e-banking officers from those four various banks, as shown in table 3.1 below.

Table 3.1: Total Population of bank customers in Msasa.

<table>
<thead>
<tr>
<th>Bank Name</th>
<th>Target Population</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>ZB Financial Holdings</td>
<td>530</td>
<td>53</td>
</tr>
<tr>
<td>CBZ</td>
<td>320</td>
<td>32</td>
</tr>
<tr>
<td>Steward Bank</td>
<td>230</td>
<td>23</td>
</tr>
<tr>
<td>CABS</td>
<td>860</td>
<td>86</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,940</strong></td>
<td><strong>194</strong></td>
</tr>
</tbody>
</table>

Source: Survey data (2017).

3.5 Research Instruments

Bradley and Stewart (2012) defined a research instrument as a tool or device that is used for measurement or to collect information. The researcher employed a well self-administered questionnaire and conducted a panel of face to face interviews as instruments for data collection during the period between August 2015 and October 2017. The respondents to the questionnaires were customers within four sampled Zimbabwean banks. This enabled the researcher to assess customers’ perceptions towards the use of internet banking services. Interviews were conducted among the respective e-bank officers during that period and most of them were done in time.

3.5.1 Questionnaires

According to Bradley and Stewart (2012), a questionnaire is a document which consists of a series of questions and other prompts for the purpose of conducting data. This means that, it is a document in which a person is asked to respond to a set of questions which are structured in a predetermined order. In this study, a well-self-administered questionnaire was used by the researcher, as it was easier for respondents to complete. According to Punch (2013), the quality of
information depends to a larger extent on the quality of the data instrument. Therefore, due to this assertion, the questionnaire used in this study was designed with different sections containing various vital requirements. To start with, the questionnaire had appendix 1 and 2, where appendix 1 consisted of the written introduction statement. The introduction statement was stated so as to provide the respondents with an assurance of confidentiality in the answers they provided. Appendix 2 consisted of three sections (Section A, B and C) which comprised of both open ended and close ended questions. These questions gave the researcher a proper understanding, genuine and accurate information about the subject matter.

The second section (Section B) also used the 5 point likert scale from 1 (“strongly disagree”) to 5 (“strongly agree”) and this gave the researcher a clear insight of the factors contributing to the adoption of internet banking services in Zimbabwe. Lastly, Section C asked the bank customers to give their opinions with regards to best ways that can be implemented by their respective banks in order to improve internet banking services adoption. This was done so as to derive recommendations for the study.

The questionnaires were distributed to bank customers standing in the banking halls and ATM terminals which made it easy for distribution. The customers were also requested to return the questionnaires to their respective bank’s enquiry desk after they had completed and this was done in order to make it easy for the researcher to collect them as well as to reduce time wasting. In addition, the researcher used more questionnaires as they were cheaper than interviews. The questionnaire also made answers to be easy to compare and to put into statistical form. However, since questionnaires do not allow probing, answers which needed explanations and clarity were not achieved hence, a panel of interviews were held to overcome this short coming of the questionnaires.

3.5.2 Interviews

According to Punch (2013), an interview is a conversation between two or more people, in which an interviewer solicits information from the interviewee. The researcher found this method useful as most of e-banking officers from different banks were interviewed in a shorter length of time. The researcher used a semi-structured interview in which questions were asked and answered. This helped the researcher to trigger further questions in each interview. Moreover, interviews were
also very effective because they enabled various busy e-banking officers to give authentic information for the study and this provided the researcher with valid information. The major problem encountered in carrying out the interviews was that, some of the respondents were reluctant to respond. This made the comparison and coding of data difficult during the process. Therefore, the researcher used the questionnaires to counter the shortfall of interviews.

3.6 Data Collection Technique

3.6.1 Primary data

Primary data refers to the first-hand information collected for the first time in the field (Punch, 2013). In this study, questionnaires and interviews were used to get first-hand information from customers and electronic banking officers respectively. To enhance the validity and reliability, e-banking officers were informed about the interview three days before the interview, so that they would prepare for it. The researcher also managed to employ judgmental skills on the information that was given by the respondents towards the factors such as convenience (perceived ease of use and perceived usefulness) perceived risk, perceived financial cost, age, income, education level and awareness which appeared to be so crucial and applicable towards the adoption of internet banking services offered by the banks.

3.6.2 Secondary data

Bradley and Stewart (2012) defined secondary data as the information that is already available for the purpose of use. Secondary data is usually gathered from various sources such as websites, textbooks, journals and company documents such as annual reports. This study largely incorporated information from journals which had several information system models and theories. In addition, the journals were appraised to complement the self-administered questionnaire of the study. The researcher also used journals as they were much cheaper on collecting data and also they were not time consuming, unlike questionnaires in the primary data collection.
3.7 Validity of data

Validity is the accuracy of the measurement process or notion of truth (Layton, 2017). That is how far the findings actually provide a true picture of what is being studied. The researcher ensured data validity by gathering information from consenting respondents (e-banking officers) as they were assumed to be more knowledgeable and had vast experience on internet banking services. A pilot study was also done for testing the efficiency of the questionnaire so as to explore the relevant and irrelevant items in it and to see if the responses were reliable before the main survey. Furthermore, the researcher constructed the questionnaire with questions based on the factors that are contributing to the adoption of internet banking services so as to increase the objectivity of the study.

3.8 Reliability of data

Punch (2013) defined reliability as to measurement of instrument’s ability to provide consistent results in a series of repeated uses, overtime. That is, the extent to which a measuring device will produce the same results when applied more than once to the same situation under similar conditions overtime. The researcher employed the Test-Retest method to improve reliability of the questionnaire to be used as it increases the consistency of a measure over time. Test-Retest reliability is a measure of reliability obtained by administering the same questionnaire twice over a period of time to a group of respondents (Punch, 2013). Scores obtained from the administered questionnaires were correlated to get the coefficient of reliability. A Spearman’s correlation coefficient of 0.8 was realized and it was deemed acceptable for the study. This was supported by the fact that, a Spearman’s correlation coefficient greater than 0.7 shows a strong positive correlation between any two sets of data (Saunders et’ al, 2009). This implies that when the same questionnaire is administered twice over time, it gives almost similar results.

3.9 Data Presentation and Analysis
The quantitative information of the completed questionnaire was carefully analyzed so as to ensure there are no gaps and that collected data is accurate and consistent with other information gathered. Descriptive and inferential statistics were used the researcher to analyze the data. This involved the use of frequency tables and other measures of central tendency such as the mean and the median so as to analyze the collected data. Microsoft excel 2013 package was used to present the data in tabular form so as to make the interpretations for analysis. The excel package was used by the researcher because of its adaptability and simplicity. Inferential analysis was also used to determine the existent and extent of the contribution of Convenience, Perceived Risk, Awareness, Demographic variables and Perceived Cost to the adoption of internet banking services.

The researcher employed the 5-point likert scale type to capture extent of the independent variables to the adoption of internet banking services. The statistical package for social sciences (SPSS) version 16 was used as an aid in correlation analysis. The focus of the study was to determine the contribution of the variables of interest; therefore, in addressing these study objectives, the Multiple Regression Model was used. The Multiple Regression Model is a correlation analysis equation that is used to show the extent of association between variables of interest.

3.10 Chapter Summary

The chapter described how the researcher solicited relevant information from data sources and models. It covered research design, research approach, target population, and sample size, sampling technique, data collection procedures and instrumentation. Justification of the method used to collect data for the relevance of the research conducted was also presented.
4.0 Introduction

This chapter presents, interprets and discuss the findings of the study with similar previous studies. The researcher used frequency tables in presenting, interpreting and analyzing the findings basing on the data obtained from the questionnaires and interviews.

4.1 Questionnaire Response Rate

Questionnaire response rate indicates the frequency in percentages at which the questionnaires given to respondents were completed and returned. Table 4.1 below, shows the response rate from the sample of questionnaires distributed.

<table>
<thead>
<tr>
<th>Bank Name</th>
<th>Sample Size</th>
<th>Questionnaires Returned</th>
<th>Questionnaires Completed</th>
<th>Response Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>ZB Bank</td>
<td>53</td>
<td>48</td>
<td>41</td>
<td>29.9%</td>
</tr>
<tr>
<td>CBZ</td>
<td>32</td>
<td>29</td>
<td>22</td>
<td>16.1%</td>
</tr>
<tr>
<td>Steward Bank</td>
<td>23</td>
<td>20</td>
<td>13</td>
<td>9.5%</td>
</tr>
<tr>
<td>CABS</td>
<td>86</td>
<td>78</td>
<td>61</td>
<td>44.5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>194</strong></td>
<td><strong>175</strong></td>
<td><strong>137</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: Primary data (2017)

From table 4.1 above, a total of 194 questionnaires were distributed among respondents (bank customers) from four Zimbabwean banks in Msasa. Among the questionnaires distributed, 175 were received from the pilot survey but only 137 questionnaires were usable for analysis as they were fully completed, thereby yielding a response rate of 70.6% for the study. According to Malik
and Gulati (2013), a questionnaire response rate is adequate enough for analysis and reporting of the total population if it ranges from 50% to 69% and above 70% shows excellence in inferring to the total population of the study. Therefore, the researcher found the data obtained from the respondents to be ideal as its response rate was in the excellent range of total population.

4.2 Demographic characteristics of the respondents.

The study looked at the demographic characteristics of the respondents in trying to determine the factors that are contributing to the adoption of internet banking services and the researcher focused on gender, age, education and income level. The results are shown by the following tables;

4.2.1 Gender distribution of the respondents

Table 4.2: Respondents gender distribution percentage

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>58</td>
<td>42.3%</td>
</tr>
<tr>
<td>Male</td>
<td>79</td>
<td>57.7%</td>
</tr>
<tr>
<td>Total</td>
<td>137</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Primary data, (2017)

The findings in the table 4.2 above, showed that, out of a sample of 137 who completed the questionnaires, majority were males who accounted for only 57.7% response rate than females with 42.3%. This meant that, men embrace internet banking services than females in the Zimbabwean banking industry. These results concur with those obtained by Park, Snell and Chung, (2011) where men were considered to adopt technology than females due to the fact that men embrace technology as a symbol of status in Singapore.

4.2.2 Age distribution of respondents

Table 4.3: Respondents age distribution percentage

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-23</td>
<td>28</td>
<td>20.4%</td>
</tr>
<tr>
<td>24-28</td>
<td>43</td>
<td>31.4%</td>
</tr>
<tr>
<td>29-34</td>
<td>51</td>
<td>37.2%</td>
</tr>
<tr>
<td>35-Onwards</td>
<td>15</td>
<td>10.9%</td>
</tr>
<tr>
<td>Total</td>
<td>137</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Primary data, (2017)

The results in table 4.3 above, indicated that majority of responses came from an age group between 29 and 34 with a response rate of 37.2%. While, the least responses came from the age
group between 35 and going onwards with 10.9% response rate. This meant that, bank customers of young age are interested in internet banking services than the older age (35 years and going onwards) in the Zimbabwean banking industry. The results were in line with those results obtained by Sohail and Sahin (2012), who on their similar study concluded that younger generations are most likely to embrace new technology a lot easier as compared to the older generations in Taiwan.

4.2.3 Education Level of the respondents

Table 4.4: Respondents education level percentage

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>10</td>
<td>7.3%</td>
</tr>
<tr>
<td>Secondary (O’ and A’ Level)</td>
<td>14</td>
<td>10.2%</td>
</tr>
<tr>
<td>Diploma</td>
<td>25</td>
<td>18.2%</td>
</tr>
<tr>
<td>Degree</td>
<td>42</td>
<td>30.7%</td>
</tr>
<tr>
<td>Masters</td>
<td>27</td>
<td>19.7%</td>
</tr>
<tr>
<td>PHD</td>
<td>19</td>
<td>13.9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>137</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: Primary data, (2017).

The results in table 4.4 above, indicated that majority of the bank customers had a Degree (30.7%). This was contributed by the fact that, those with better education level in Zimbabwe appreciate innovation more often than those with lower levels of education. This means that, the issue of education in general is important in determining the adoption of internet banking in Zimbabwe. Burke (2010) agrees with the results and also argues that, there is a positive correlation between one’s level of literacy and their decision to use electronic banking facilities.

4.2.4 Income Level of the respondents

Table 4.5: Respondents income level percentage

<table>
<thead>
<tr>
<th>Income Level</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below-$200</td>
<td>16</td>
<td>11.7%</td>
</tr>
<tr>
<td>$201-$400</td>
<td>19</td>
<td>13.9%</td>
</tr>
<tr>
<td>$401-$600</td>
<td>25</td>
<td>18.2%</td>
</tr>
<tr>
<td>$601-$800</td>
<td>45</td>
<td>32.8%</td>
</tr>
<tr>
<td>$801-Above</td>
<td>32</td>
<td>23.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>137</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: Primary data, (2017)
The findings in table 4.5 above, indicated that majority of the respondents who answered the questionnaires were within the income level between $601 and $800 yielding a response rate of 32.8% and the least came from those who indicated income level between $200 and below (11.7%). Basing on these results, the researcher discovered that majority of Zimbabwean bank customers who have the potential to use internet banking services earn higher income than those who indicated that they earned low income. In support, Park et’ al, (2011) confirmed that, income has a strong influence in the adoption of internet banking as their results indicated that those consumers who earned higher salary used internet banking services than those who earned low salary.

4.2.5 Registration distribution of the respondents to internet banking

Table 4.6: Respondents registration distribution to internet banking

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>31</td>
<td>22.6%</td>
</tr>
<tr>
<td>No</td>
<td>106</td>
<td>77.4%</td>
</tr>
<tr>
<td>Total</td>
<td>137</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Primary data, (2017).

The results in table 4.6 above, indicated that majority number of bank customers were not registered to internet banking platform (77.4%) as compared to those who were registered (22.6%). This meant that, there is a huge number of bank customers who have not yet registered to internet banking than those registered in the Zimbabwean banking industry. These results were in line with the results obtained by Mutau (2014), who indicated that about 76% of the Kenyan bank customers were not registered to internet banking services due to various factors. Therefore, the researcher found it viable to determine the factors that are contributing to the adoption of internet banking in Zimbabwe.
4.2.6 Uses of internet banking services distribution of the respondents.

The findings from figure 4.7 above, showed that majority of the bank customers were using internet banking services for checking their accounts balances (40%) rather than focusing on more complicated functions of internet banking in the Zimbabwean banking industry. In line with these results, Sohail and Sahin (2012) outlines that majority of consumers’ uses internet devices to check bank accounts rather than to perform major financial activities such as bill payment.

4.3 Findings obtained from the Interviews.

The study asked questions to e-banking officers from CBZ, ZB bank, Steward bank and CABS in Msasa through interviews. The responses were as follows:

4.3.1 Qualifications required for the use of internet banking services.

The e-banking officers from all four Zimbabwean banks under this study (100%) revealed that, for a person to be qualified for internet banking services, one should be an account-holder in one of the banks and also should have a internet device.
4.3.2 Overview of the current adoption rate of internet banking services.

All of the interviewees (100%) indicated that the adoption rate of internet banking services was lower and poor due to the fact that customers were unwilling to take the services which were being offered by the Zimbabwean banks. These results were also in line with those obtained by Mutau (2014), who indicated that the adoption rate of internet banking in Kenya was below targeted bank’s customer population.

4.3.3 Challenges being faced by the bank due to low adoption of internet banking services.

All of the e-banking officers (100%) revealed that, slow adoption rate of internet services by their customers led the banks to have low profits and loss of revenue due to capital expenditure incurred on the acquisition of internet banking equipments. In with these results, Lin (2011) outlines that, failure to adopt the failure of customers to adopt internet banking services results in the wastage of bank’s investment in internet banking and recommended that it is important to determine the factors that are causing the low adoption of internet banking services.

4.3.4 Factors that contributed to the low adoption rate of internet banking services by bank customers in Zimbabwe.

The majority of the e-banking officers (96%) suggested that, low adoption rate of internet banking services by bank customers in Zimbabwe was contributed by income level, education level, fear of security breach and fear of confidentiality or limited privacy and cost. While other officers (4%) indicated that few bank customers were not aware of internet banking services. These results were in line with the factors under this study.

4.3.5 Strategies that can be used to mitigate the low adoption of internet banking services.

All interviewees (100%) suggested that, the low adoption rate of internet banking facilities can be mitigated by reducing the fees for the services, providing insurance and assurance to customers that the facility allows efficient and effective transaction process as compared to other channels on performing transactions through advertisements using various media such as television, street
placards, radio and newspapers. These suggestions also concur with those postulated by Lee et’al, 
(2014) recommended that, the banks should undertake an aggressive marketing campaign and 
 improve their internet banking systems inorder to attract their consumers towards their services.

4.4 Presentation and interpretation of the findings on ETAM Variables

The study also looked at the variables that are attached to the Extended Technology Model in 
 trying to determine the adoption of internet banking services. The analysis of data was done 
 through Multiple Regression analysis and Parenthesis test so as to establish the relationship 
 between the independent variables and dependent variables. The researcher used SPSS version 16 
 to process data for analysis on multiple regression.

4.4.1 Multiple regressions analysis

Multiple regression analysis was conducted so as to determine the relationship between 
 convenience (perceived ease of use and perceived usefulness), awareness, perceived cost and 
 perceived risk in against the dependent variable which was the adoption of internet banking 
 services. The data was then processed through SPSS v 16.0 and a regression model was generated. 

This was: \[ Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 \]

Where: \( Y = \) Internet Banking Service Adoption 
\( Y = \) Dependent variable 
\( X = \) Independent variables 
\( X_1 = \) Convenience (Perceived ease of use and perceived usefulness) 
\( X_2 = \) Awareness 
\( X_3 = \) Perceived Risk 
\( X_4 = \) Perceived Cost. 
\( a = \) constant 
\( \beta = \) is the coefficient on the first, second, third and fourth predictor variable.
The findings in table 4.8 above, established a multiple linear model for this study which became:

\[
\text{Internet Banking Services Adoption} = 1.165 + 0.281X_1 - 0.067X_2 + 0.553X_3 + 0.390X_4.
\]

This model indicated that a unit increase in the adoption of internet banking service leads to 0.281 units increase in convenience with a probability of 0.16, 0.390 units increase in perceived cost with a probability of 0.113 and 0.553 units increase in perceived risk with a probability of 0.524. However, awareness had little contribution on the adoption of internet banking services in the Zimbabwean banking industry as a unit decrease in the adoption of the internet banking service increases awareness by 0.067 and this showed that awareness was the least factor among other four ETAM variables.

These findings concur with those results obtained by Dineshaw and Munien (2013) in German, who concluded that security risk, social norm and financial cost were the strongest determinants on the adoption of new technology since they had a positive correlation coefficients to new technology adoption. While, awareness had a minor impact towards new technology adoption and it had a negative correlation coefficient to the adoption of new technology.
4.5 Parenthesis Test on Extended Technology Acceptance Model’s (ETAM) variables

The study ranked ETAM variables in accordance with the responses provided by the bank customers. The table 4.9 below shows responses came for each variable;

Table 4.9: Ranking Extended Technology Acceptance Model variables based on responses.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SA</td>
</tr>
<tr>
<td>1. Convenience</td>
<td>65</td>
</tr>
<tr>
<td>2. Awareness</td>
<td>35</td>
</tr>
<tr>
<td>3. Perceived Risk</td>
<td>71</td>
</tr>
<tr>
<td>4. Perceived Cost</td>
<td>67</td>
</tr>
<tr>
<td>Total Average Weighted Score (WAS*)</td>
<td></td>
</tr>
</tbody>
</table>

Source: Primary data, (2017).

Key

SA- Strongly agree

A-Agree

N-Neutral

DA-Disagree

SDA-Strongly disagree

WAS*-Weighted Average Score

Note: Weights equal to 5, 4, 3, 2, 1 have been assigned to opinions from SA, A, N, D, SDA respectively to calculate weighted average scores (WAS*). The total WAS* is equal to the total number of respondents (137). Also, WAS* has been assigned ranks in the descending order.

The results in table 4.9 above, also showed that perceived risk is a the core factor that contributed to the adoption of internet banking services in the Zimbabwean banking industry as it held the highest weighted average score of 37.3.
4.5.1 Convenience contribution towards the adoption of internet banking services.

The bank customers were asked to express the extent to which they agree or disagree with statements related to convenience. The results were presented in table 4.10 below: **Table 4.10:**

**Convenience contribution towards the adoption of internet banking services**

<table>
<thead>
<tr>
<th>Statements</th>
<th>SA</th>
<th>A</th>
<th>N</th>
<th>D</th>
<th>SDA</th>
<th>Rate</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free of mental effort (easiness in understanding and use) influences the use of internet services.</td>
<td>65</td>
<td>31</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>99</td>
<td>72.3%</td>
</tr>
<tr>
<td>Enhancement on the performance of internet banking platform influences the use of internet services.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>21</td>
<td>17</td>
<td>38</td>
<td>27.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>137</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Primary data, (2017).

The results in the table 4.10 above, indicated that majority of the respondents considered the adoption of internet banking services if it was easy to use and understand (72.3%) and other bank customers considered enhancement on the performance of internet banking platform (27.7%) inorder for them to use the internet services. This meant that, convenience has direct contribution towards the adoption of internet banking services in the Zimbabwean banking industry. These results concur with the results obtained by Cheah et' al, (2011) who found that most consumers consider adoption of new technology if it is easy to learn and use.

4.5.2 Awareness contribution towards the adoption of internet banking services

The respondents were asked to express the extent to which they agree or disagree with statements related to awareness. The results were indicated in table 4.11 below;

**Table 4.11: Awareness contribution towards the adoption of internet banking services.**

<table>
<thead>
<tr>
<th>Statements</th>
<th>SA</th>
<th>A</th>
<th>N</th>
<th>D</th>
<th>SDA</th>
<th>Rate</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>
Knowledge about the benefits of internet banking services. | 35 | 63 | - | - | - | 98 | 71.5%

Unawareness of internet banking services. | - | - | - | 31 | 8 | 39 | 28.5%

**Total** | 137 | 100%

Source: Primary data (2017).

The findings from table 4.11 above, showed that majority of the bank customers were aware of the internet banking services and its benefits (71.5%) than those who were unaware. However, due to the fact that, the adoption rate of internet banking services in the Zimbabwean banking industry appeared to be low, awareness was not considered as a major factor that contributed to the adoption of internet banking services in the study. These results were also similar to those results obtained by Dineshaw and Munien (2013) who in their study indicated that, most consumers had knowledge about the internet banking and its benefits but yet there was low adoption rate in internet banking services offered by banks in German.

### 4.5.3 Perceived risk contribution towards the adoption of internet banking services

The respondents were asked to express the extent to which they would agree or disagree with the statements related to perceived risk. The results were presented in table 4.12 below.

<table>
<thead>
<tr>
<th>Statements</th>
<th>SA</th>
<th>A</th>
<th>N</th>
<th>D</th>
<th>SDA</th>
<th>Rate</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fear of losing funds through losing an electronic device.</td>
<td>42</td>
<td>34</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>76</td>
<td>55.5%</td>
</tr>
<tr>
<td>Fear of limited privacy when using an electronic device.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>14</td>
<td>15</td>
<td>10.9%</td>
</tr>
</tbody>
</table>
Fear of losing funds due to mistakes when conducting a transaction via an electronic device.

<table>
<thead>
<tr>
<th>Fear of losing funds due to mistakes when conducting a transaction via an electronic device.</th>
<th>29</th>
<th>17</th>
<th>-</th>
<th>-</th>
<th>-</th>
<th>46</th>
<th>33.6%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>137</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: Primary data (2017).

NB- an electronic device could be a mobile phone or a computer.

The results in the table 4.12 above, indicated that majority of the bank customers are more concerned with fear of losing funds through losing an electronic device for connecting to the internet (55.5%) than fear of limited privacy when using the device in conducting bank transactions. These reasons also supported the highest average weighted score (WAS*) rate of 37.3 obtained in table 4.9 and the highest positive regression coefficient of 0.553 obtained in table 4.8. Therefore, perceived risk in this study was considered as the major factor that contributed to the adoption of internet banking services in the Zimbabwean banking industry. In line with these results, Kazi and Mannan (2013) conducted a similar study and found that perceived risk was a significant factor that caused many bank customers to be reluctant towards the adoption of internet banking in Pakistan.

However, there are other studies that do not support the outcome of this study such as the study by Lu, Yang, Chau and Cao (2011), which indicated that perceived risk had little contribution towards the acceptance of internet payment adoption as it had a negative coefficient of correlation the adoption of internet payment services. This was due to the fact that most Chinese consumers preferred traditional banking services rather than electronic banking services. Another similar study that was conducted by Luo et’ al, (2010) also indicated that, perceived risk had a significant negative relation to the adoption of internet banking services which meant that it had no effect on behavioural intention of potential users’ towards the use of internet services in Singapore.

**4.5.4 Perceived cost contribution towards the adoption of internet banking services.**

The respondents were asked to express the extent to which they agree or disagree with statements related to perceived cost. The results were presented in table 4.13 below:
Table 4.13: Perceived Cost contribution towards the adoption of internet banking services.

<table>
<thead>
<tr>
<th>Question</th>
<th>SA</th>
<th>A</th>
<th>N</th>
<th>D</th>
<th>SDA</th>
<th>Rate</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of internet device influences the use of internet banking services.</td>
<td></td>
<td></td>
<td></td>
<td>21</td>
<td>3</td>
<td>24</td>
<td>17.5%</td>
</tr>
<tr>
<td>Cheap internet transaction fee influences the use of the internet banking services.</td>
<td>67</td>
<td>46</td>
<td></td>
<td></td>
<td></td>
<td>113</td>
<td>82.5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>74</td>
<td>52</td>
<td></td>
<td></td>
<td></td>
<td>137</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Primary data (2017).

The results in table 4.13, showed that majority of the bank customers are concerned with cheap internet transactional fee (82.5%) than the cost of the internet device inorder to use the internet services. This reason supported the high average weighted score (WAS*) rate of 35.6 obtained in table 4.9 and a significant positive regression coefficient of 0.390 obtained in table 4.8. Therefore, with regards to customers concern on cheap internet banking services fee, perceived cost was considered as the major factor that contributed towards the adoption of internet banking services in the Zimbabwean banking industry. These results concur with the results obtained by Mohini and Phadtare (2012) who conducted a similar study in Malaysia and found that most consumers in developing countries consider cheap transactional fee of internet services inorder for them to adopt the system.

4.7 Chapter Summary

The chapter focused on data presentation, analysis and discussion of the findings based on the information obtained from the bank customers as well as the e-banking officers in the Zimbabwean banking industry. The results indicated that perceived risk was the core factor that contributed to the adoption of internet banking services in the Zimbabwean banking industry among other major factors such as age, income, education level, gender, convenience and perceived cost. However, due to low internet banking services adoption rate in Zimbabwe, awareness was not considered as a major factor in this study.
CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

The present chapter summarizes the findings of the study, conclusions, and recommendations. Finally, it suggests areas for further study in the near future.

5.1 Summary of Findings

The study was carried out with the aim to assess the factors that are contributing to the adoption of internet banking services in the Zimbabwean banking industry. In order to summarize the findings of this study, the researcher revisited the research objectives in chapter one.

Based on the findings and with regards to the first main objective, the researcher found that the major factors that contributed to the adoption of internet banking services in the Zimbabwean banking industry were perceived risk, perceived cost, convenience (PEOU and PU), age, gender, income and education level.

Moreover, with regards to the second objective, the researcher found that Extended Technology Model’s variables such as perceived risk contributed towards the adoption of internet banking services as majority of the bank customers indicated that they feared losing their funds through losing their internet device. Perceived cost also contributed towards the adoption of internet banking services as majority of the bank customers indicated that they considered cheaper internet
banking services transaction fee inorder for them to use the internet services. Finally, convenience (PEOU and PU) contributed to the adoption of internet banking services as majority of the customers indicated that they would consider the use of internet banking services if they are easy to understand and use. However, the study established that awareness had no influence towards the adoption of internet banking services in the Zimbabwean banking industry as majority of the bank customers indicated that they were aware of the internet services yet there was evidence which indicated that there was low adoption of internet banking services in the Zimbabwean banking industry.

Furthermore, with regards to the third primary objective the researcher found that demographic variables such as gender contributed to the adoption of internet banking as findings indicated that majority of men embraced the use of internet banking services than females. The researcher also found that bank customers of younger age embraced the use of internet banking services than the older age in the Zimbabwean banking industry. The study also established that those with better education level in Zimbabwe appreciates innovation more often than those with lower levels of education. Hence, education level was found to be of paramount importance in the adoption of internet banking services in Zimbabwe. Income was also found to be contributing to the adoption of internet banking services as majority of responses came from high income earners than lower income earners which indicated that higher income earners have the potential of using internet banking services more than lower income earners.

5.2 Conclusion
From the major findings of the study, it was concluded that;

- Perceived risk is a core factor that contributes more towards the adoption of internet banking services in the Zimbabwean banking industry as most bank customers fear losing their funds through losing their internet devices.

- Perceived cost is also a major factor that contributes towards the adoption of internet banking services in the Zimbabwean banking industry as most bank customers considers cheap internet transaction fee inorder to use internet services.
• Convenience (PEOU and PU) is a major factor that contributes to the adoption of internet banking services since bank customers prefer a system that is easy to use and understand.

Demographic variables which are income level, gender, age and education level contributes towards the adoption of internet banking services in the Zimbabwean banking industry.

However, awareness is the least factor that contributes to the adoption of internet banking services since majority of the bank-customers acknowledges that they know the internet banking facility existence and its benefits yet there is evidence that internet banking services adoption rate is low in the Zimbabwean banking industry.

5.3 Recommendations

The following recommendations were based on the research findings:

In light of the conclusions above, banks in Zimbabwe are recommended to continuously invest massively in the upgrade of internet banking platform so as to secure it since bank customers consider security of their funds as very important.

• Furthermore, Zimbabwean banks should diversify and introduce more electronic services that are cheaper in their accessibility for their valued customers. This might increase the adoption of internet banking services by their customers since they consider cheap internet transaction fee.

• In addition, banks in the Zimbabwean banking industry should extensively educate their customers on the use of electronic services such as internet banking services together with other electronic services to their valued customers. This enhances the level of understanding of the internet services, thereby increase the adoption of the services.
• This study also recommends that both banks and internet network providers in Zimbabwe should work and support each other in implementing electronic services.

5.4 Areas of further study
The study recommends that, further studies on factors that contribute to the adoption of internet services should be undertaken in other Zimbabwean industries rather than in banking industry.
REFERENCE


APPENDIX 1: INTRODUCTION STATEMENT

Bindura University of Science Education
Faculty of Commerce
Department of Banking and Finance

To whom it may concern

RE: REQUEST FOR RESEARCH ASSISTANCE

I am a student at Bindura University and currently I am studying Banking and Finance Bachelors of Business Studies (Honours) Degree.

I am conducting a research on assessing the factors that are contributing to the adoption of internet banking services, a case study of Zimbabwean banking industry and you have been selected to take part in this study.

I would be grateful if you would assist me by responding to all items in the attached questionnaire in less than 20 minutes of your time. Your name will not appear anywhere in this guide and the information you give will be kept confidential. The information given will be used for academic research purpose only. Your corporation will be greatly appreciated.

If you have any concerns, please contact me in the following contact details;

Mobile Number: +263785096681/+263737691921
Email Address: ftmacheka@gmail.com
Home Address: 4309, New Tafara, Harare
APPENDIX 2: QUESTIONNAIRE QUESTIONS

SECTION A

This section intends to identify the Demographic Information (DI) of the bank customer and that is related to mobile banking services adoption. *(Please tick the relevant box according to your choice)*

1. Specify your Gender:  
   - Female  
   - Male

2. Please indicate your age group
   - 18 to 23 years  
   - 24 to 28 years  
   - 29 to 34 years  
   - 35 going onwards

3. Please indicate your education level
   - Primary  
   - Secondary (O’ and A’ Level)  
   - Diploma  
   - Degree  
   - Masters  
   - PHD

4. Please indicate your income level
   - Below- $200  
   - $201 to $400  
   - $401 to $600  
   - $601 to $800  
   - $801 and Above

5. Are you registered to mobile banking platform? Please give reasons (if any)
   - Yes  
   - No

6. If registered please indicate how you use the mobile banking services for;
Transfer of funds          Check account balance          Pay bills          Cash withdrawal

SECTION B

This section intends to identify customer’s opinion regarding the Extended Technology Acceptance Model’s variables towards the adoption of mobile banking services. In a scale of 1 to 5, kindly indicate how each variable impact you towards the use of mobile banking services, where, 1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree and 5= Strongly Agree. *(Please tick the relevant box according to your choice).*

7. How convenience (perceived ease of use and perceived usefulness) contribute towards the adoption of mobile banking services?

<table>
<thead>
<tr>
<th>No</th>
<th>QUESTION</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Easiness in understanding and use (free of mental effort) is essential for the use of mobile banking services.</td>
<td></td>
<td></td>
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<tr>
<td>2.</td>
<td>Enhancement on the performance of mobile banking platform is essential for the use of the mobile services.</td>
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</tbody>
</table>

8. How awareness contribute towards the adoption of mobile banking services?

<table>
<thead>
<tr>
<th>No</th>
<th>QUESTION</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.</td>
<td>Customer have the knowledge about the benefits of mobile banking services.</td>
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<td></td>
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<tr>
<td>4.</td>
<td>Customer is unaware of mobile banking services.</td>
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</tbody>
</table>

9. How perceived risk contribute towards the adoption of mobile banking services?

<table>
<thead>
<tr>
<th>No</th>
<th>QUESTION</th>
<th>1</th>
<th>2</th>
<th>3</th>
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</thead>
<tbody>
<tr>
<td>5.</td>
<td>Customer fear losing funds through losing a mobile device.</td>
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<tr>
<td>6.</td>
<td>Customer fear limited privacy when using a mobile device.</td>
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</tr>
</tbody>
</table>
7. Customer fear losing funds due to mistakes when conducting mobile transactions via a mobile device.

10. How perceived cost contribute towards the adoption of mobile banking services?

<table>
<thead>
<tr>
<th>No</th>
<th>QUESTION</th>
<th>1</th>
<th>2</th>
<th>3</th>
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<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.</td>
<td>The cost of mobile device influences the use of mobile banking services.</td>
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<tr>
<td>9.</td>
<td>The cheapness of mobile banking services fee influences the use of the services.</td>
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</tbody>
</table>

SECTION C

This section intends to find possible suggestions or opinions from the bank customers towards mobile banking services. *(Please state if you have any suggestions).*

11. What do you think must be done by your bank to improve the mobile banking services adoption?

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Thank you for your cooperation.
APPENDIX 3: INTERVIEW GUIDE

BINDURA UNIVERSITY OF SCIENCE EDUCATION

Dear Sir/Madam

I am a student at Bindura University of Science Education and I am studying towards a Bachelors of Banking and Finance Honours Degree. As required by the statutes of the institution, I am carrying out a research in partial fulfilment of my studies.

My research aims on the **Assessment of factors influencing the adoption of internet banking services. A case study of Zimbabwean banking industry.**

I kindly ask to interview you at your most convenient time. The information that you will provide will be treated with utmost confidentiality and will be used for academic purposes only.

Your time and co-operation will be greatly appreciated.

Yours Faithful
APPENDIX 4: INTERVIEW QUESTIONS

1. What qualifies a customer to use internet banking services?

2. What is your view about the current adoption rate of internet banking services of customers?

3. What are the current challenges being faced by the bank on the low adoption rate of internet banking services?

4. What are the factors that contributed to the low adoption rate of internet banking services by bank customers in Zimbabwe?

What can be done by banks to mitigate the low adoption rate of internet banking services by their customers in Zimbabwe?