Chapter 5

Investigation of Internet Banking Users’ Perceptions and Factors Affecting Internet Banking Benchmarks: Expanded With Unified Theory of Acceptance and Use of Technology 2 (UTAUT2) Risk

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ABSTRACT

Increasing consumer needs in parallel with technological developments brought different demands with it. One of the activities to meet these developing and changing needs in the banking sector is the development and utilization of web-based applications. The main aim of the chapter is to approach the perceptions of internet banking customers and the factors that affect the adoption of internet banking. To explain the acceptance of internet banking in the study, the extended technology acceptance model, “UTAUT2,” which is called the most comprehensive of the technology acceptance models and the latest developed, has been applied and expanded by adding the perceived risk factor. A structural equation model (SEM) was used to analyze the collected data from the applied questionnaires. The results show that behavioral intention is significantly influenced by performance expectation and price value. However, perceived risk, social impact, effort anticipation, hedonic motivation has not been seen to have a significant effect on behavioral intentions.

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INTRODUCTION

The technological developments increasing the last day and trying to meet the endless desires of individuals brought sectoral competitions with it. It is even better to provide personal service to ensure better service. In the financial markets sector, the situation has progressed in the same way and web-based banking applications have begun to be developed according to increasing demands and needs of the customers as well as increasing technological developments. For banks in the face of growing competition among institutions, to protect the existing customers, to increase their loyalty, and develop new strategies to ensure that they benefit from the services of new individuals, are the best ways to raise awareness.

The banking sector provides internet banking services under the name of internet banking without regard to the time and space limitations with the tools that can be used for technological developments, such as computer, mobile phone and internet infrastructure (Cakmak, Güneşer, & Terzi, 2011). Basically internet banking can be expressed as providing information about the bank’s products and services through the establishment of a web page (Sathye, 1999).

Internet banking has several functions that provide convenience such as having the access to account statements, credit card balances and debt information, money transfers like remittance and eft, currency exchange, gold accounts, limit increase request, bill payments, direct debit, basic banking transactions like credit applications without the need to go to bank branches. The most important advantages of this service to its users are; to be able to make the banking transactions more easily, to be able to recognize the fraud activities provided by being able to view the bank account when requested, to be able to perform banking transactions at any time and place independently of working hours, being more efficient in the aspect of time and money when compared to traditional banking in terms of banking transactions and the positive effects of not staying out of technology creates on customers (Pala & Kartal, 2010).

The widespread use of internet banking is parallel to the expected benefits from internet banking. In other words, e-banking has to be used extensively in order to get maximum benefit from internet banking. It is important to know the factors affecting the use of e-banking in order to achieve this. When the literature review has been made, there were many researches to determine the factors influencing the use of internet banking both in the world and Turkey. While some of these studies aimed to determine the factors that affect the use of e-banking or not, some studies tried to reveal the factors affecting the adoption of internet banking by the structural equality model (Oktay & Orçanlı, 2014).

In this study, it is aimed to measure the perceptions of internet banking users about internet banking and to determine the factors that affect the adoption of internet banking. According to this study, the questions mentioned below are seeked an answer for:

1. What is the current state of internet banking customers and the acceptance of internet banking?
2. What are the key factors that customers may or may not be able to contribute to the intention and adoption of internet banking?
3. What can banks do to increase their level of customers’ adoption of internet banking?

To explain the acceptance of internet banking in our work, the extended technology adoption model (UTAUT2) was applied and expanded with the risk factor. A structural equation model (SEM) was used to analyze the collected data from the questionnaires.