

**FACTORS INFLUENCING INTENTION OF YEMENIS TO
ADOPT INTERNET BANKING**

ABDO ALI ABDULLAH HOMAID

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FACTORS INFLUENCING INTENTION OF YEMENIS TO ADOPT INTERNET BANKING

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By

ABDO ALI ABDULLAH HOMAID

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ABSTRACT

The aim of this study is to identify factors that influence intention to adopt internet banking in Yemen. The theoretical framework of the study is based on modified version of Technology Acceptance Model (TAM). This study develops a technology acceptance model for internet banking in the form of a conceptual framework to explain the factors influencing Yemenis intention to adopt internet banking. The model employs perceived usefulness (PU), perceived ease of use (PEOU), computer self-efficacy (CSE), facilitating conditions (FC) and perceived credibility (PC). The results suggest that CSE and FC had a significant relationship with behavioral intention, FC had a significant relationship with both PEOU and behavioral intention and PU had the most significant relationship with behavioral intention. However, PC does not have relationship with PEOU. In addition, PEOU had a significant negative relationship with behavioral intention.

Keywords: *Internet Banking, Information System, Technology Acceptance Model (TAM), Electronic Banking, Facilitating Conditions, Yemen.*

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CHAPTER ONE

BACKGROUND OF THE STUDY

1.1 Introduction

Nowadays, information technology (IT) plays an important role in the banking sector success. Banking is mainly a highly information intensive activity which depends heavily on IT so it can acquire, process, and deliver information to all relevant users (Tan and Teo 2000). It is not only crucial in the processing of information but it also provides important means for the banks to introduce different products and services. Banks realize that they need to innovate and update in order to reach the customers' satisfaction continuously by providing convenient, reliable, and expedient services (Barghani, 2008). Therefore, in the recent years, banks have introduced internet banking to bring multiple benefits to customers as well as to themselves.

To this date, internet banking usage is still underused and unnoticed by Yemeni customers although this service is growing rapidly in the country (USCS, 2009). Zolait et al (2008b) revealed that, although internet banking is currently available, many banks are not providing full banking services through the internet. The study suggests the banks which have introduced different internet banking within the context of its features. It seems that the internet banking is not standardized and still behind to other neighboring countries.

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