

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

The aim of this research study is to analyze the factors that determine acceptance/adoption of Internet banking among Indian customers. The main activity in the adoption of Internet banking is the “decision-making process” that happens in the minds of the customers and the subsequent issues related to the technological aspect of Internet banking. During the review of literature in this area, it was found that researchers relied on theories from social psychology for their theoretical background. Researchers used two theories namely – Theory of Reason Action and Theory of Planned Behavior to frame their research designs in studies related to consumer behavior, consumer attitudes, consumer beliefs etc. In the case of studies on consumer behavior related to adoption of technology, researchers used a modified version of the above theories called Technology Acceptance Model to base their study. Technology Acceptance Model or TAM is extensively used for

studies involving customer acceptance of technology. Applicability of TAM is tested in a wide variety of technology adoption context and in a number of cultural environments. In this chapter we discuss about the theoretical base that is used in this study and also highlight the significant studies conducted in the area of customer adoption of electronic commerce and internet banking. The research design for this study utilizes the important findings from the literature review.

2.2 Review of literature on Social Psychology

Since the introduction of computers, nobody has questioned the capability of information technology as a medium for simplifying complex tasks that has to be performed for carrying out commercial or non-commercial activities. It is noted that usability and facility of software has improved tremendously over the years, so is the speed of computing hardware. But, it is also to be noted that not all software or technology are accepted by customers. The main challenge of software developers is to come up with applications which have least user resistance. There are many examples of users rejecting extremely power packed applications while accepting less functional applications. Therefore,

practitioners and researchers have spend considerable time analyzing why people resist using information technology and what makes them accept or reject a technology and how users will respond to a change in the information technology and its environment. Researchers in Management of Information Systems (MIS) area has come up with three main pillars in a IS environment viz. People, Process and Technology. Robert Kling (Kling & Lamb, 1999) calls for a “social-technical” approach for managing IT in digital economy. With couple of cases he illustrates why IT is a social-technical system and identifies key socio-technical perspectives which makes it different from the mainstream conceptualizations of IT in organizations. Markus (Markus, 1983) analyzed failure of IT implementation in an organization and concluded that main cause of failure is not a technical problem with the new software but the real culprit is the “politics” that existed in the organization. Even though the above mentioned studies analyzed acceptance of technology in an organizational perspective, it highlights the point that when it comes to understanding of usage of IT by people theories from multiple disciplines should be considered. Complex nature of the study of information systems which involves people, process and technology

necessitated adoption of theories from areas like management, psychology and economics. In the context of studies on consumer behavior of adoption of a product/service theories in social psychology is widely used for theoretical background.

Fishbein and Ajzen's (1975) Theory of Reasoned Action (TRA) is a widely validated model that has proven successful in predicting and explaining the determinants of intended behavior of individuals across a wide variety of areas. However, due to its limitation on volitional control, Ajzen (1985) extended the Theory of Reasoned Action by including another construct called perceived behavioral control and named it Theory of Planned Behaviour (TPB). Both these theories are discussed in detail below.

2.2.1 Theory of Reasoned Action (TRA)

The Theory of Reasoned Action is a widely studied model from social psychology, which is concerned with the determinants of consciously intended behaviors. The Theory of Reasoned Action suggests that a person's behavior is determined by his/her *intention to perform the behavior* and that this intention is, in turn, a function of his/her *attitude toward the behavior* and his/her *subjective norm* (Ajzen and Fishbein, 1980). According to this

model, a person's behavior is determined by his/her behavioral intention to perform it. This intention itself is determined by the person's attitudes and his subjective norms towards the behavior. Fishbein and Ajzen define the subjective norms as "the person's perception that most people who are important to him think he should or should not perform the behavior in question" (Fishbein and Ajzen 1975, p.302). Figure 2.1 is a schematic representation of the relationships among constructs in TRA. TRA hypothesis that the individual's Behavioral Intention (BI) to perform an actual behavior is jointly determined by the individual's Attitude toward performing the Behavior (ATB) and Subjective Norm (SN), which is the overall perception of what relevant others think the individual should or should not do.

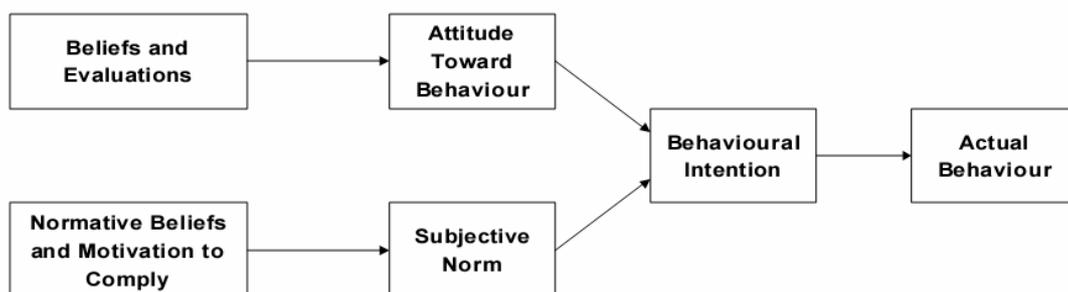


Figure 2.1: Theory of Reasoned Action from Davis, Bagozzi and Warshaw (1989)

This theory can be summarized by the following equation:

$$\textit{Behavioral Intention} = \textit{Attitude} + \textit{Subjective norms}$$

According to TRA, the attitude of a person towards a behavior is determined by his beliefs on the consequences of this behavior, multiplied by his evaluation of these consequences. Beliefs are defined by the person's subjective probability that performing a particular behavior will produce specific results. This model therefore suggests that external stimuli influence attitudes by modifying the structure of the person's beliefs. Moreover, behavioral intention is also determined by the subjective norms that are themselves determined by the normative beliefs of an individual and by his motivation to comply to the norms.

TRA also claims that all other factors which influence the behavior only do so in an indirect way by influencing the attitude or subjective norms. Fishbein & Ajzen (1975) refer to these factors as being external variables. These variables can be for example, the characteristics of the tasks, of the interface or of the user, the type of development implementation, the political influences, the organizational structure, etc.(Davis, Bagozzi, & Warshaw, 1989).

TRA has been tested in numerous studies across many areas including advertising (James & Hensel, 1991), coupon usage (Bagozzi, Baumgartner, & Yi, 1992), AIDS Messages (Greene, Hale, & Rubin, 1997), childbirth (Lowe & Frey, 1983), and voting behaviour (Fishbein & Ajzen, 1981). A meta-analysis on the application of the theory of reasoned action showed that the model can produce good predictions of choices made by an individual when facing several alternatives (Sheppard, Hartwick, & Warshaw, 1988).

2.2.2 Theory of Planned Behavior (TPB)

Even though results of studies based on TRA showed high predictability of behavior intention, the applicability of TRA diminishes considerably in situations where the subjects under study had limited self-control over facilities. If behaviors are not fully under *volitional control*, even though a person may be highly motivated by his/her own attitudes and subjective norm, he/she may not actually perform the behavior due to intervening environmental conditions. To accommodate for the factor of volitional control, Ajzen (1985) extended the TRA by adding a new construct named *perceived behavioral control* to predict behaviors

in which individuals have incomplete volitional control. The extended model is called the Theory of Planned Behavior (TPB). The major difference between TRA and TPB is the addition of a third determinant of behavioral intention, perceived behavioral control. Perceived Behavioral control is determined by two factors; Control Beliefs and Perceived Power. Perceived behavioral control indicates that a person's motivation is influenced by how difficult the behaviors are perceived to be, as well as the perception of how successfully the individual can, or can not, perform the activity. If a person holds strong control beliefs about the existence of factors that will facilitate a behavior, then the individual will have high perceived control over a behavior. Conversely, the person will have a low perception of control if he/she holds strong control beliefs that impede the behavior. Figure 2.2 gives a diagrammatic representation of TPB model.

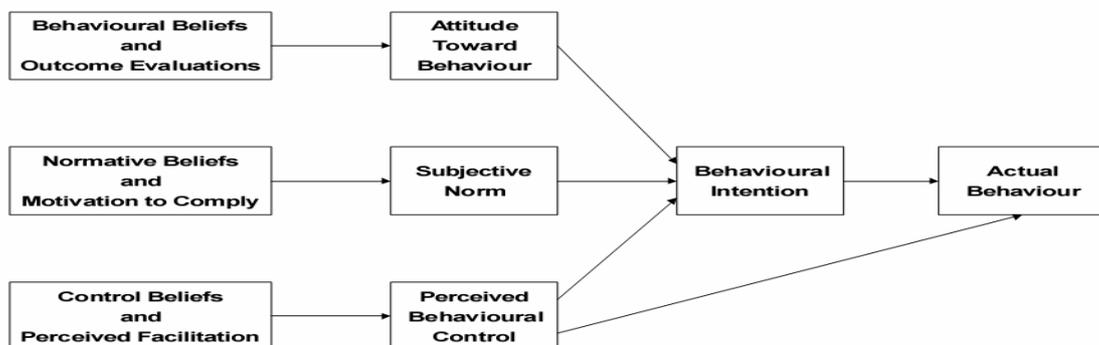


Figure 2.2: The Theory of Planned Behaviour (Ajzen, 1991)

TPB supersedes TRA and both theories state that Behavioral Intentions as being the immediate antecedents to behavior. It is believed that the stronger a person's intention to perform a particular behavior, the more successful they are expected to be. Intentions are a function of salient beliefs and/or information about the likelihood that performing a particular behavior will lead to a specific outcome. Intentions can also change over time. The longer the time period between intention and behavior, the greater the likelihood that unforeseen events will produce changes in intentions. Both theories assume that human beings are rational and make systematic use of information available to them. Another assumption of this theory is people consider the implications of their actions before they decide to engage or not engage in certain behaviors.

The addition of Perceived behavioral control construct gave TPB better prediction behavior of an individual and could be used as an alternative of TRA (Cheung, Chan, & Wong, 1999; Madden, Ellen, & Ajzen, 1992). Perceived behavioral control refers to readily available resources, skills, and opportunities as well as the person's own perception towards the importance of achieving the results. The concept of Perceived Behavioral Control is close to the concept of

self-efficacy of Bandura (1982). The latter explains that beliefs of an individual concerning his self-efficacy can have an influence on his choice of activities, his preparation for the activity and finally on the effort that he will exert during the activity in question. Therefore, if for example two individuals have the strong intention to learn a new language, the one who thinks that he will succeed in mastering it, is the one who will tend to persevere more than the other who doubts in his capacities (Ajzen, 1991).

TPB has been successfully applied to various situations in predicting the performance of behavior and intentions such as choice of travel mode (Bamberg, Ajzen, & Schmidt, 2003), health care (Walker, Grimshaw, & Armstrong, 2001), wild game hunting (Daigle, Hrubes, & Ajzen, 2002), and to perform breast self-examination (Young, Lierman, Powell-Cope, Kasprzyk, & Benoliel, 1991). TPB or model based on TPB is also widely used in the study of technology acceptance in general or specific instances like electronic commerce or internet banking adoption.

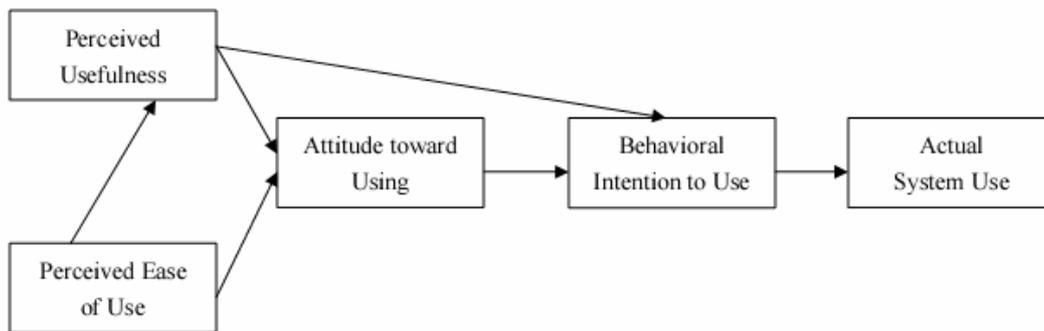
2.2.3 Technology Acceptance Model

The technology acceptance model (TAM) developed by Davis (1989) was adapted from TRA (Fishbein & Ajzen 1975). The objective of

TAM is to provide an explanation of user's acceptance and usage behaviour across a variety of end-user computing technologies (Davis 1989; Davis et al., 1989). Among other technology acceptance and diffusion models TAM is arguably the approach most widely accepted and used by information system researchers. The main reason for the TAM's popularity is perhaps due to its parsimony, information system-specific nature and empirical support from several studies (Mathieson, 1991; Gefen, & Straub,1997).

TAM postulated that user acceptance of a new technology is determined by their behavioral intention to use the systems which can be explained jointly by user's perception about the technology's usefulness and attitude towards the technology use (figure 2.3). Attitude is jointly influenced by two behavioral beliefs, perceived usefulness and perceived ease of use. Perceived usefulness is defined as the degree to which a person believes that using a particular system will enhance his or her performances while the perceived ease of use is defined as the extent to which a person believes that using a particular system is free of effort. External variables, such as tasks, user characteristics, political influences, organizational factors are expected to influence technology

acceptance behavior indirectly by affecting perceived usefulness and perceived ease of use (Szajna,1996). Further, perceived usefulness is influenced by perceived ease of use. Venkatesh and Davis (2000) proposed a second version of the TAM, which incorporates additional constructs regarding subjective norm and cognitive instrument process.



Source: Davis et al. (1989)

Figure 2.3: Technology Acceptance Model

2.3 Review of previous studies in Internet banking area

1. Sathye (1999) in his study tried to identify the factors affecting the adoption of Internet banking by Australian customers. The findings of the study revealed that lack of awareness and security concerns were the main obstacles for the adoption of Internet banking among the customers.

2. Tan & Teo (2000) studied the factors that influenced adoption of internet banking among customers in Singapore. They used a framework based on the theory of planned behaviour Ajzen (1985) and the diffusion of theory (Rogers 1983). An online survey was conducted for collecting the responses. Their main findings revealed that attitudinal and perceived behavioral control factors played significant role in influencing the intention to adopt internet banking.
3. Hoppe, Newman, & Mugeru (2001) tried to replicate the Tan & Teo (2000) study in South Africa. They obtained results which were largely in agreement to the Singapore study, indicating the cross-cultural validity of the Tan & Teo (2000) framework.
4. Suganthi, Balachandher, & Balachandran (2001) conducted an empirical study on internet banking patronage in Malaysia. They identified the following factors which influenced internet banking adoption: *Accessibility, Reluctance, Costs, Trust in One's Bank, Security Concerns, Convenience* and *Ease of Use*. They studied the internet

banking adoption among internet banking users and non-internet banking users. They observed that more promotional activities should be carried out by banks in creating greater awareness among customers regarding the benefits of internet banking to ensure better adoption.

5. Polatoglu & Ekin (2001) conducted an exploratory study to analyze the customer acceptance of Internet banking services in a Turkish bank. Their findings suggest that customer confidence in Internet banking services tends to increase when they use the service for a long time.
6. Mattila, Karjaluoto, & Pento (2002) examined responses of 3000 survey respondents and 30 in-depth interview participants to study the customer channel preference in Finland. They tried to analyze the implication of new channel delivery channels in banking and its effect on customers and banks.
7. Karjaluoto, Mattila, & Pento (2002) tried to explore the factors affecting attitude formation towards internet banking in Finland. Factor analysis was performed on the

data of large sample size (n=1167) to identify the factors of internet banking adoption.

8. Karjaluoto, Mattila, & Pento (2002) tried to analyze the consumer beliefs and reactions to electronic banking channels in Finland. The paper discusses the state of internet banking in Finland and tries to investigate the customer perceptions towards it. They observe bank employees (in particular bank managers) could improve the chances of customer adoption internet banking by more effective customer communication.
9. Sciglimpaglia & Ely (2002) tried to study the impact of internet banking from “customer centric” perspective. They conclude that customers who don’t mind doing business through Internet might leave their current bank if they find a rival offering the service. They observe that electronic channels of delivery cannot be sidelined by banks and they should strive to offer all the latest technology to their customers.
10. Singh, Chhatwal, & Heng (2002) in their paper tried to develop a framework for technology evolution in e-banking.

Their framework is based on the Revised Technology Adoption Life Cycle model. Life cycle for new channels of banking like ATM and Internet banking is discussed.

11. Kamal & Hassan (2003) tried to access the effects of introduction of electronic banking in Egypt. They try to analyze the acceptance of new channels using a model which is based Technology Acceptance Model. They added an additional construct in the form of *Trust*. They studied customer acceptance of these new channels: ATM, Credit Cards, Phone banking and Internet banking. They concluded that TAM could be considered as a useful tool in studies related to acceptance of new channels in banking.
12. Karjaluoto, Koivumäki, & Salo (2003) tried to study the banking habits of customers in Finland. They found that customer acceptance of new delivery channels is high and for digital customer relationship management is critical for banks. They also observed that non-internet banking user would be more loyal to the bank in comparison to internet banking user.

13. Mattila, Karjaluoto, & Pento (2003) tried to study adoption of internet banking among “mature” customers in Finland. They found that *perceived difficulty* and *lack of personal service* were the main barriers for mature customers to accept internet banking. Mature customers had more *concerns on security* of internet banking than other general customers.
14. Wang, Wang, & Lin (2003) in their study tried to identify the determinants of user acceptance of Internet banking among Taiwanese customers. The model developed by them for the study extended the TAM model with the inclusion of the construct *perceived credibility*. Significant effects of *perceived usefulness*, *perceived ease of use* and *perceived credibility* on behavioral intention for using Internet banking were observed among the participants.
15. Hui & Wan (2004) in their paper tried to examine “why current users of the Internet might want to shop on the Web”. They investigate the relationship between consumer innovativeness and determination of internet banking. They conclude that “individuals with higher levels of

Internet usage and those who score high on open-processing innovativeness and domain-specific innovativeness are more likely to adopt the Internet for shopping”.

16. Pikkarainen, Pikkarainen, Karjaluoto, & Pahnla (2004) in their study investigated online banking acceptance among finish customers. In the study they used an extended model of TAM. They studied influence of the following variables on the usage of internet banking: *Perceived Usefulness, Perceived Ease of Use, Perceived Enjoyment, Information on online banking, Security and privacy* and *Quality of Internet connection*. After performing multiple regression analysis on the collected data (n=268) they found that variables *Perceived Usefulness* and *Information on online banking* were the main factors influencing internet banking acceptance.
17. Kim & Prabhakar (2004) analyzed the reason for delayed acceptance of Internet as a channel for conducting commercial transactions. They develop a model which “posits that initial trust in the electronic channel as

banking medium and trust in bank are the major determinants of adoption behavior”. They found existence of significant relationship between the initial trust in the electronic channel and the adoption of internet banking.

18. Sivanand & Geeta (2004) tried to examine the barriers in the adoption of mobile internet banking services in Malayasia.
19. Awamleh & Fernandes (2005) in their study analyzed the factors influencing customers satisfaction of the internet banking services offered by banks in United Arab Emirates (UAE). They factors they considered were *convenience*, *independence*, and *security* of internet banking transactions. Their findings revealed that *convenience* and *security* of internet banking transactions have a significant impact on satisfaction.
20. Guerrero, Egea, & González (2005) tried to carry out an empirical investigation on the adoption of internet banking among citizens in European countries. They try to explain the use of e-banking services on the basis of socio-demographic and internet specific behavioral indicators.

Data is analyzed using latent class regression. The influence of country, age, profession, and several Internet behaviors on the use of e-banking was found after data analysis.

21. Kim, Widdows, & Yilmazer (2005) tried to investigate the determinants of consumers' adoption of Internet banking using data from 2001 Survey of Consumer Finances. The secondary data is analyzed using Multinomial Logit Regression technique. They found that "consumers' ability, attitude and opportunity cost of time play a significant role on the decision of adopting Internet banking".
22. Alsajjan & Dennis (2006) introduced a new conceptual framework studying internet banking acceptance. In their model they try to integrate construct *Trust* into the Technology Acceptance Model (TAM) (Davis, 1989). In the conclusion they observed that "Integrating Trust as a set of beliefs into TAM should result in a model that offers better prediction of Online Banking acceptance".
23. Awamleh & Fernades (2006) analyses the internet banking channels and service preferences on customers in UAE.

They examines the factors influencing the intention to adopt or continued usage of internet banking among user and non-users of internet banking using model based on Technology Acceptance Model. Their findings revealed that factors *relative usefulness, perceived risk, computer efficacy* and *image* had a significant impact on continued usage of internet banking for internet banking users.

24. Mansumitrchai, Sanchez, Arreola, & Minor M.S. (2006) conducted a study on internet banking adoption among adopters and non-adopters in Mexica. Factor analysis conducted by them suggested these factors: *difficulty, trust, compatibility, third party concerned, human contact, social influence, security* and *computer proficiency* determined adoption of internet banking. Analysis of variance (ANOVA) showed that adopters and non-adopters differed on their attitudes towards these four attributes of the adoption: *difficulty, trust, compatibility and human contact*.
25. Ravi, Carr, & Sagar (2006) tried to identify profiles of Internet banking users in India. They used multiple

techniques like Classification and Regression Trees (CART), Support Vector Machines (SVM), Neural Network and Logistic Regression to analyzed data in their study. They derived 17 rules to profile Internet banking users and non-users.

26. Arunachalam & Sivasubramanian (2007) discussed the future of internet banking in India. They discuss the latest trends in Indian banking industry and new initiatives planned by Reserve Bank of India.

27. Khalil & Pearson (2007) tried to analyze influence of trust together with some attributes of Innovation Diffusion Theory on internet banking acceptance. They study was conducted among business students in Malaysia. The findings showed that variables such as *trust*, *relative advantage*, and *trialability* had significant effect on attitude towards using Internet banking.

2.4 Review of previous studies in E-Commerce area using TAM

1. Compeau & Higgins (1995) tried to examine the computer self-efficacy beliefs of users. The researchers tried to develop and validate a measure of computer self-efficacy

among IT users. They found that computer self-efficacy (i.e. abilities to use computers competently) exerts significant influence on individual's expectations and outcomes of using computers.

2. Gefen & Straub (1997) tried to examine the gender difference in perception and use of technology. They develop a model which extended from TAM and the model is tested in the context of e-mail usage. The study finding indicates the presence of difference in perception among men and women but not in use of e-mail.
3. Malhotra & Galletta (1999) tried to extend TAM taking into account the factor social influence. They developed a theoretical model and conducted a survey to test it. They found that social influence played an important role in technology adoption.
4. Jarvenpaa, Tractinsky, & Saarinen (1999) tried to examine the role played by consumer trust in adoption of Internet store in a cross-cultural setting. They studied the online shopping perception among Israeli and Australian customers using a model named Internet Customer Trust

Model. They found that results of the cross-cultural study gave similar results indicating the generalizability of the model.

5. Tan & Teo (1999) tried to investigate the factors affecting the diffusion of the Internet in Singapore. They developed a push-pull framework that incorporated political, technological, economic, and social factors for the study. Results revealed that both push-pull factors prevailed in the early stages of Internet diffusion. But pull forces predominated over push forces over passage of time.
6. Bhatnagar, Misra, & Rao (2000) in their study investigated online shopping behaviour of customers in US. They found that two factors *convenience* and *risk* played major role in forming customer behavioral intention to conduct shopping through Internet. They found that only two product categories “Other Web Services” and “Music and CDs” had positive customer preference for the Internet as a channel. This finding shows that customers perceive purchase of items or service which they cannot “feel, touch or know exactly” as a risky proposition over Internet.

7. Jarvenpaa, Tractinsky, & Vitale (2000) tried to examine the influence of consumer trust in an Internet store. They try to analyze if Internet provide a “level playing field” for large and small retailers. Their finding revealed that for the consumer the size and reputation of the e-retailer does play a major role in establishing a feeling of trust in them.
8. Venkatesh & Davis (2000) tried to extend the Technology Acceptance Model by adding constructs relating to social influence and cognitive instrumental processes. The constructs added to existing TAM model are *subjective norm, image, job relevance, output quality, result demonstrability, experience* and *voluntariness*. The new model developed was named TAM2. They also conducted four longitudinal studies to test the TAM2 model.
9. Bobbitt & Dabholkar (2001) investigated the different attitudinal theories in predicting use of technology based self-service. They considered use of Internet as the technology based self-service. They analyzed the problem using Theory of Reasoned Action, Theory of Planned Behavior, Theory of Trying and other constructs.

10. Lowengart & Tractinsky (2001) in their study analyzed the consumer buying behavior at e-commerce sites. They examined the purchase decision of consumer for two product categories – books and computers. They found that consumers' attitudes differed while taking online purchase decisions. Consumers are more vary of risks involved in purchasing high value products like computer than low value items like books.
11. Mathieson, Peacock, & Chin (2001) tried to extend the TAM model by adding variable *perceived user resources*.
12. Gefen (2002) examined the customer loyalty in e-commerce environment. The study was based on five dimensions of service quality (SERVQUAL). The results showed that customer loyalty in e-commerce vendor increased with perceived better service quality and increased trust in the vendor.
13. Koufaris (2002) presented a model for examining online consumer using theories from three domains viz. information systems (Technology Acceptance Model),

marketing (Consumer Behavior), and psychology (Flow and Environmental Psychology).

14. Lee, Lee, & D. Schumann (2002) examined the influence of communication source and mode on consumer adoption of technological innovations. The researchers discuss different types of communication and its modalities in their paper. The results demonstrated that communication source influenced the adoption of technology among customers.
15. Van Slyke, Comunale, & Belanger (2002) tried examining the factors influencing the adoption of online shopping with special emphasis to the impact of trust. The results revealed that there is a positive impact of trust on the consumer's intention to conduct an online shopping activity.
16. Gefen, Karahanna, & Straub (2003) tried to develop a model for online shopping adoption among e-shoppers by integrating the Technology Acceptance Model antecedents *Perceived Usefulness* and *Perceived Ease of Use* with *Consumer Trust* on the e-commerce site. Their findings

showed that *Trust* plays a significant factor in customer adoption of online shopping.

17. Lee, Kozar, & Larsen (2003) in their paper traced TAM's history, investigated its findings and also tried to predict its future trajectory. They also conduct a qualitative survey among IS researchers to critically TAM and its utility.
18. Legris, Ingham, & Colletette (2003) conducted a critical review of Technology Acceptance Model. The paper discusses the origin of TAM and studies conducted based on it. They conducted a meta-analysis of previous studies to evaluate the effectiveness of the TAM model.
19. Chen, Gillenson, & Sherrell (2004) studied the influence of *perceived privacy* and *perceived security* in determining the online shopping behavior of customers. The researchers tried to develop a construct to measure the factors under study and validate it using a customer survey. The results revealed that *perceived privacy* and *perceived security* are indeed major determinant for online shopping adoption and "the effect of perceived privacy on trust in EC transactions is strongly mediated by perceive security".

20. Chen, Gillenson, & Sherrell (2004) tried to examine the factors responsible for the customer acceptance of virtual (online) stores. They develop a theoretical model based on TAM and tried to identify critical success factors for online stores.
21. Klopping & McKinney (2004) conducted a study by extending Technology Acceptance Model (TAM) with Task-Technology Fit (TTF) model to predict online shopping activity. When compared TAM/TTF model fared better than TAM.
22. McCoy & Fowler (2004) discussed about the information security awareness program undertaken at university of Missouri. The authors documented their efforts in creating and implementing a security awareness program along with the stumbling blocks they encountered during the process.
23. Burton-Jones & Hubona (2005) analyzed usage of technology had any impact on “individual differences” of the user. For the purpose of the study the researchers considered the following individual parameters: *staff*

seniority, level of education and age. The research model had these variables added to the Technology Acceptance Model. They found that differences had significant effect on frequency and volume of usage.

24. Cao & Mokhtarian (2005) provided an excellent review of literature on the area of online purchasing intention and adoption. They discussed theoretical frameworks that were used currently by various studies and systematically summarize previous studies in e-shopping research. Methodological approaches followed by previous research and data analysis used are also discussed in detail.
25. Kracher, Corritore, & Susan Wiedenbeck (2005) discussed about aspect of trust in success of e-commerce. They perform a detailed review of literature on trust in various fields including philosophy, psychology, sociology, management, and marketing. They explain the concept of online trust and discuss issues that could be taken up in future studies.
26. Bandyopadhyay & Fraccastoro (2007) examined the influence of culture on information technology adoption.

They tries to analyze cross cultural difference in IT adoption using UTAUT (Unified Theory of Acceptance and Use of Technology) model which includes social influence as factor that explains some of the variance in users' acceptance of technology. Their results show that social influences does play significant role in user's IT adoption practices.

27. Zhou, Dai, & Zhang (2007) proposed a new model for study of online shopping. They named proposed model as Online Shopping Acceptance Model (OSAM) OSAM which is an extension of TAM model, is specifically developed to explain consumer acceptance of online shopping. They also provided research questions and hypotheses for conducting studies based on the proposed model.

2.5 Summary

In this chapter theoretical models which predict behavioral intentions of an individual is presented. Two popular models for predicting consumer behaviour or attitude are Theory of Reason Action (TRA) and Theory of Planned Behavior (TPB). Researchers in information systems discipline use a theoretical model named

Technology Acceptance Model (TAM) for analyzing adoption/acceptance of technology among users. Review of literature came out with a substantial number of studies using models based on TAM, TRA or TPB for analyzing Internet banking acceptance among customers. In most of the Internet banking studies, researchers tried to develop models which are an extension of the TAM. In most of the studies constructs were added to the TAM model to make it suitable for studying Internet banking. Trust is the most important construct that was added to the TAM model to conduct studies predicting customer acceptance of Internet Banking. The information obtained from the review of literature was used to develop the research model for this study.