Review of Literature
CHAPTER-II

REVIEW OF LITERATURE

The review of literature is always a standard chapter of a thesis, where its purpose is to provide the background to and justification for the research undertaken, it seeks to describe summaries, evaluate, clarify and/or integrate the contents of primary reports. The reasons for reviewing the earlier literature is to identify gaps in the literature, to carry on from where others have already reached, to identify other people working in the same fields (a researcher is a valuable resource), to increase the breadth of knowledge of the subject area, to study. This chapter provides a brief review of relevant literatures collected from previous research studies.

Joseph, McClure & Joseph (1999) reports the use of technology in the delivery of banking services is becoming increasingly prevalent as it is being employed to reduce costs and eliminate uncertainties. This research investigates the role that technology plays in Australian banking and its impact on the delivery of perceived service quality. A sample of 440 electronic banking customers was taken and 300 useable questionnaires were analysed. Using the Hemmasi et al. importance-performance grid, results indicated that consumers have perceptual problems with some aspects of electronic banking. Some strategic implications are discussed.

Jayawardhena & Foley (2000) reports that the Internet is gaining popularity as a delivery channel in the banking sector. At the same time, customer needs are changing. A total of 12 Internet banking operations in the UK are analyzed under customer empowerment functions and Internet banking Web attributes. Internet banking renders location and time irrelevant, and empowers customers with greater
control of their accounts. Banks achieve cost and efficiency gains in a large number of operational areas.

**Siaw & Yu (2004)** reports the emergence of the Internet has created both threats and opportunities for banking executives. Those who are able to leverage competitive benefits from the Internet are confronted with significant business potential. The Internet has fundamentally changed traditional relationships and services within the banking industry. It shifts the overall competitive landscape, the technical and standards infrastructure, and the requirements of individuals and business users. The impact of the Internet on the banking industry and Internet banking as a source of competitive advantage have become challenging issues for both business managers and academics. This article uses the theoretical framework of Michael Porter's Industry 5-Force Competitive Model as the theoretical framework to analyze the ways that the Internet is affecting the competitive dynamics of the banking industry.

**Sathye (2005)** investigates the impact of the introduction of transactional internet banking on performance and risk profile of major credit unions in Australia. Performance was measured using the linear programming technique of data envelopment analysis and regressed on relevant explanatory variables using censored normal regression. Accounting data were used to measure risk profile and regressed on relevant explanatory variables employing OLS regression. The results show that transactional internet banking did not have a significant impact on any of these. Thus, internet banking has not proved to be a performance-enhancing tool in the context of major credit unions in Australia. It neither reduces nor enhances risk profile.
Flores, Bonson-Ponte & Escobar-Rodríguez (2006) states that the purpose of this paper is to analyse the capacity of response of the banking sector’s information systems (IS), in the light of the new requirements of Basel II (Basel Bank for International Settlements) on the measurement and control of operational risk (OR). Design/methodology/approach – By means of a structured case, developed with a Spanish savings bank of medium size, an analysis is made of the practices and structures that may need to be modified to prevent a loss of competitive position. Lastly specific improvements are proposed to facilitate the implementation of an operational risk information system (OR-IS). Findings – The paper concludes that there still exists a considerable distance between the current IS in use and an OR-IS compatible with the model proposed under Basel II, for that kind of entities, and indicates the opportunities and incentives that would arise in the attempt to reduce this distance. Practical implications – The IS of a bank should evolve towards the achievement of an OR-IS that enables the bank’s competitive position to be strengthened. In addition, the bank should aspire to obtain the external validation of its supervisory authority, which certifies the OR-IS implemented and classifies it as an advanced measurement approach (AMA) under Basel II. An analysis is made of the principal organizational weaknesses and necessities that should be rectified; with a view to applying the methodologies designated the AMA to OR in the Basel II agreement. Originality/value – Basel II has given increased visibility to the “OR” variable and there has been little explicit research into the process by which managers and organisations at medium sized entities decide to develop IS capable to measure and mitigate this new risk.

Mistry (2006) reports the purpose of this paper is to utilize a cost and revenue driver model for commercial banking to examine the differential effects of the drivers
within and between banking functions, and to examine the role of information technology (IT) in moderating the relationship between costs and cost drivers and revenue and revenue drivers. Design/methodology/approach – The model is estimated on a cross-sectional sample of 121 banks from the functional cost and profit analysis data set collected by the Federal Reserve Banks. Multivariate regression analysis with interaction terms is utilized to examine the differential impact of IT in two contrasting banking functions.

Findings – The results document the role of transactional IT on the cost driver relationships in the labor cost models in both the demand deposit and commercial loan functions. The role of strategic IT in the revenue driver models is documented for the demand deposit function but not for the commercial loan function. Research limitations/implications – Only two banking functions are selected. Expanding the model and testing it on other banking functions may be useful. Practical implications – By disaggregating the IT variable and incorporating IT in a cost and revenue driver model managers can utilize the model to examine the impact of IT in banking. Originality/value – A model that disaggregates the IT variable by allocating support costs to functions and delineates links between IT variables and cost and revenue drivers in banking.

Alam, Khatibi, Santhapparaj & Talha (2007) states the goal of this paper is to examine the development and prospects of internet banking in Bangladesh, which found that lack of infrastructure is the major issues for internet banking. Design/methodology/approach – An overview of newspaper reports, journal articles, workshops and presentations at the conference. Findings – Bangladesh banks are still reluctant to use full internet base banking activities. Compared to private and foreign banks, nationalized commercial banks are far behind implementing internet banking.
system in banking transactions. Nationalized commercial banks provide ATM services with very few branches and also the computerized branches are very small except the foreign commercial banking. Originality/value – This paper outlines the key internet banking trends and events in Bangladesh. Further, the research focuses on the issues that are related to internet banking and provides strategy and directions for the development of internet banking in Bangladesh.

Raman, Stephenaus, Alam & Kuppusamy (2008) reports Internet banking is one of the most popular services utilized by the Malaysian retail banking customers in recent years. Despite its attractiveness, studies have shown that the quality of e-services is core a issue that influences adoption of Internet banking services worldwide. The objective of this study is to evaluate consumer perceptions on quality of e-services and Internet banking adoption in Malaysia. Results show that Internet banking users and non-users have different expectation towards e-service quality preferences. The implications are discussed and recommendations are made in order to improve Internet banking service quality in Malaysia.

Johns & Perrott (2008) states the purpose of this paper is to show how technology has dramatically altered the way businesses operate in a business-to-business (B2B) context and has had profound influences on services, altering the way services are delivered. It is believed that the increased use of self-service technologies (SSTs) impacts on B2B relationships. The paper seeks to explore the impact of the use of internet banking on business relationships. Design/methodology/approach – The paper reviews the results and implications of recent exploratory research conducted with a small sample of Australian business bank customers. Findings – It was expected that perceptions of technology would impact on the relationship. However, it was the perception of the relationship which led respondents to develop a
perception of the technology. Further research is recommended. Practical implications – Banks are encouraging internet banking to reduce service delivery costs and improve service quality for customers. However, a greater understanding of the impact of this on relationships is essential. Originality/value – The importance of developing and fostering relationships with customers has long been regarded as important within services marketing and also within B2B relationships. However, there is little discussion of the impact of self-service technologies on business relationships.

Alhudaithy & Kitchen (2009) examines the Research on the adoption of information technology, drawing on models borrowed from social psychology, typically views adoption as a function of individual attitudes, the influence of others, perception of ability to perform a particular behaviour, and facilitating factors. A significant limitation of these models, in technology-adoption situations, is failure to consider the features of the technology itself. This essentially theoretical paper introduces the construct ‘website features’ as potentially influential in technology adoption, and specifically Internet banking. Research evidence on the salience of such features is reviewed, and it is argued that the effective features and their impacts differ along the stages of the customer purchase process. A theoretical framework is developed for evaluating website design in relation to these stages. Incorporating this construct into existing models, it is argued, will advance marketing theory in an online environment and assist website designers in enhancing website effectiveness to the benefit of the business – customer relationship.

Sutanonpaioon & Mastor (2010) states the purpose of this paper is to focus on the impact of cultural traits on the intention to use internet banking. Drawing from the technology acceptance model and trust literature, the paper examines the influence
of perceived ease of use, perceived usefulness, and trust on the intention to use internet banking among Malay and Chinese ethnic groups. Design/methodology/approach – The questionnaire was distributed to final year business students and Master of Business Administration students at four public universities in Malaysia. A separate multiple regression was employed to analyze the data for each ethnic group. Findings – For both ethnic groups, the results showed that perceived usefulness, perceived ease of use, and trust, all have significant effect on the intention to use internet banking. Further examination of the regression coefficients revealed the cultural traits that may explain the extent to which they influence factors that affect the intention to use. Research limitations/implications – Respondents of this study were students. This factor may decrease generalist ability of the study because students’ interest on the use of internet banking may be different from those of the general public. One research implication of this study is that there is a need to consider the role of culture in examining factors that affect behavioral intention. Practical implications – Banks need to highlight the benefits of internet banking, make internet banking easy to use, and enhance internet banking security to improve consumers’ trust. Given the fact that culture affects one’s behavior, each customer group needs to be evaluated differently and the “one-size-fit-all” approach to encourage internet banking usage should be avoided. Originality/value – This paper attempts to link cultural traits that may explain the extent to which it influences factors that affect the intention to use internet banking.

Sadi, Azad & Noorudin (2010) reports that the Mobile commerce known as M-commerce is an emerging discipline that involves mobile device, wireless networks and Internet technologies. M-Commerce refers to the different types of business transactions that are conducted on mobile devices using wireless networks.
Mobile banking or M-banking is also equally refereed as mobile E-banking. It is considered to be the latest gateway in electronic banking that provides a platform for doing banking transactions using mobile telecommunication devices. The aim of this paper is to investigate the level of adoption of Information and Communications Technology (ICT) in the banking sector and to assess the prospects of M-banking in Oman. The findings shows that most of the banks and the telecoms operators have the strengths to offer better qualities of electronic and mobile services to the residents of Oman. Currently, the banks are trying to offer one form of M-Banking or the other, but the weaknesses are the level of patronage and fewer services. The level of patronage is low and it requires concerted efforts of the telecoms operators and the financial institutions to fast-track the development of M-Banking services to the people. It is expected that recent development of 3G (Third Generation) network will boost MCommerce activities in the sultanate of Oman but may require further investment in the quality of cell phones and mobile network.

Shaukat & Zafarullah (2010) states that the Information Technology (IT) is the key stone of progress all over the world now a day’s. Pakistani companies are also utilizing this technology to its great extent by making heavy investments. This study examined the impact of IT on organizational performance with respect to increase/decrease in organizational income and in no of employees Vs IT expenses incurred by the organizations working in manufacturing and banking sectors of Pakistan over period of 1994-2005. The primary data was collected through in-depth interviews and field surveys of 48 companies, 24 in manufacturing sector (12 local and 12 foreign) and 24 in banking sector (12 local and 12 foreign). The data was tested by applying different statistical/financial techniques. The conclusion of research is that, IT has positive impact on organizational performance of all the
organizations. The banking sector performance outstrips the performance of manufacturing sector. In the banking sector local companies are taking the lead, while in manufacturing companies multinationals are at the top.

Ganguli & Roy (2011) states that the purpose of this paper is to identify the generic service quality dimensions of technology-based banking and to examine the effect of these dimensions on customer satisfaction and customer loyalty. Design/methodology/approach – The generic service quality dimensions are identified using an exploratory factor analysis (EFA). Next the reliability and validity of the factors and customer satisfaction and customer loyalty are established through confirmatory factor analysis (CFA) using AMOS 16.0. The related hypotheses were tested using structural equation modeling using AMOS16.0. Findings – The paper identifies four generic service quality dimensions in the technology-based banking services – customer service, technology security and information quality, technology convenience, and technology usage easiness and reliability. It was found that customer service and technology usage easiness and reliability have positive and significant impact on customer satisfaction and customer loyalty. It was also found that technology convenience and customer satisfaction have significant and positive impact on customer loyalty. Practical implications – These dimensions of service quality should be viewed as the levers of improving perceived service quality with respect to technology-based banking in the minds of its current customers. Examining the service quality dimensions’ impact on customer satisfaction and customer loyalty for technology-based banking can offer banks valuable insights regarding which aspects of the service to focus on in order to improve customer satisfaction and loyalty towards the firms. Originality/value – This paper introduces the concept of
generic service quality and its significance for customer satisfaction and loyalty in case of technology-based banking wherein technology is used to deliver services.

Balaji & Babbu (2011) reports that the service sector in India has been growing rapidly and its contribution to Gross Domestic Product (GDP) is increasing year by year. Among the service sector financial service is the life blood of economic activity. Among the financial service Banking plays an increasingly important role in the economy of the nation. At present, the focus of banks is on the user. The numbers of players being large, customers have a good range of choice. The customer usually picks up a bank which provides maximum satisfaction and quality service to them. This has led banks to adopt a more customer-oriented policies and schemes aimed not only to increase the number of customers but also to retain the old customers. So an attempt has been made by the researcher to study the demographic variables that influence the service quality in banking. The study is undertaken only in public sector banks in Chennai. The sample size for the study is three hundred. Both primary and secondary data are used for the study. The primary data collected for the study are analyzed with the help of the SPSS package by using ANOVAs. The finding of the study helps to know which demographic variable influences the more service quality of banks. This information helps the banks to understand their customers better and to improve their service quality for better improvement of customer satisfaction.

Rullis & Sloka (2011) states the purpose of the research is to identify customers’ satisfaction with internet banking quality and customers’ loyalty. Internet banking is bank’s innovative product that has positive influence on environment, i.e., it provides possibility to save paper, energy and other resources and as result to decrease carbon footprint and to provide other business with possibility for sustainable development. Internet banking quality is important factor that influence
adoption of internet banking and customers’ loyalty. Research results identified that internet banking users are satisfied with internet banking reliability, internet banking usability, internet banking quality. They have also positive attitude regarding internet banking and they are willing to recommend it. Internet banking quality cannot be considered as factor that hinders adoption of internet banking and use of internet banking as environment for marketing. Research methods used: literature review, survey methods, descriptive statistics, factor analysis.

David (2011) reports that the bank executives make strategic information technology (IT) infrastructure decisions regarding the future of their financial institutions knowing that IT infrastructure costs continue to escalate. This infrastructure consists of hardware, software, and communications networks. The research problem addressed in this study was a lack of understanding of the IT infrastructure challenges that were perceived by banking executives to contribute to the cost factors that impact Canadian Banks. The purpose of this study was to explore the perceptions of Canadian bank executives regarding the underlying IT infrastructure costs in their banking environment to identify the contributing factors to unplanned costs and make usable recommendations to address the issues. A qualitative, phenomenological study was most appropriate for the purpose of obtaining information regarding the IT costs phenomenon because there were thematic elements to be extracted by using the modified Van Kama method as prescribed by Moustakas. Twenty executive participants were interviewed in person for this study. The results suggested that there were 6 themes that emerged for the data in relation to IT infrastructure cost reductions: (a) software currency, (b) strategic roadmaps, (c) challenges to IT infrastructure changes, (d) emerging technologies, (e) operational procedures, and (f) social responsibility. The recommendations from this
study will help decision makers across many industries and in other countries implement solutions that impact social change through the cost structures that can lead to a decrease in costs throughout the value chain that includes employees and the end customer.

**McDonald & Lai (2011)** reports the purpose is that the Scant research has investigated retail banking customers’ reactions to different corporate social responsibility (CSR) initiatives. This study seeks to investigate whether Taiwanese retail banking customers prefer corporate social responsibility (CSR) initiatives that favor themselves or other stakeholder groups (community, environment), and whether these initiatives impact customer attitude and behavioral intentions.

**Design/methodology/approach** – Using an experimental survey design and a snowball sampling technique, 130 Taiwanese banking customers answered questionnaires examining attitude and behavior in response to three different CSR initiatives.

**Findings** – Customer-centric initiatives more powerfully impacted banking customers’ attitude to the bank and behavioral intentions than environmental or philanthropic initiatives. However, the results were significant only for the difference between customer-centric and environmental initiatives.

**Originality/value** – This is the first research examining banking customers’ attitude and behavior in response to different CSR initiatives in a Taiwanese setting. It has implications for banks developing CSR strategies.

**Wada (2011)** reports the Information Communication Technology (ICT) revolution has had impacts in almost every area of human endeavor. From business, industry, government to not-for-profit organizations, ICT has simplified business processes such as sorting, summarizing, coding, editing, customized and generic report generation in a real-time processing mode. However, ICT has also brought
unintended consequences such as criminal activities, spamming, credit card frauds, ATM frauds, phishing, identity theft, and other related cyber crimes. This study sought to assess cyber crime and its impact on the banking institutions in Nigeria. It also examined the existing policy framework and assessed the success of the institutional countermeasures in combating cyber crime in the banking industry. Based on the conceptual model of three main constructs of organizational internal security, state regulatory policy, and electronic banking services, a structured questionnaire was designed to capture each of the factors in the model. The questionnaire was administered to bank officials, and their responses were analyzed using Structural Equation Modeling (SEM) as the statistical tool. Data analysis results showed a significant relationship between the existences of fraud unit as a measure of internal banking security to electronic banking services. Other factors of internal banking security such as access control, IT support, and IT training were found not to have a relationship to electronic banking services and cyber crime. Also, national IT policy and internal banking policy as a measure of effectiveness of state regulatory policies showed no significant relationship to cyber crime. On the whole, electronic banking services showed a statistically significant relationship to cyber crime. In light of these findings, the study suggests: (a) that the Central Bank of Nigeria mandate banking institutions to route all proceeds of wire transfers through the beneficiary’s account in the bank, (b) that there is a need for acquisition of cyber forensic knowledge for the law enforcement agencies to combat cyber crime, (c) that there is a need for the establishment of a centralized Computer Crime Response and Resource unit, and (d) that there is a need for banks in Nigeria to establish the right security protections and build the right security infrastructure for known and unknown threats.
Adewoy, Ajagbe & Ajetomobi (2011) studied and (i) examined the perceived impacts of IT on waiting time of customers in selected banks in Oyo state, Nigeria (ii) examined the respondents perceived impacts of IT on the cost of banking operations (iii) highlight the influence of IT on the respondents satisfaction and (iv) compare the impacts of IT on customers satisfaction among the selected banks. The objectives are addressed using conventional descriptive statistics and z-two tailed test. The results showed that IT increased the pace with which banks process customer’s transactions. The study also established that IT has been a source of increased productivity for the selected banks. This is a direct result of fast processing speed of computers and other IT infrastructures, which reduce the time spent in attending to each customer. Furthermore, the study revealed that the gains of IT have not fully translated into reductions in cost of banking operations to the customers.

Kumar, Malathy, and Ganesh (2011) conducted a research to understand technology diffusion in the banking sector in India by analyzing ATM (automatic teller machine) technology and its replacement of the teller (labor). ATMs are fast emerging as an important IT investment for a bank in India. Hence, in this paper the authors use the ATM as a proxy for capital and the teller as a proxy for labor. The debate on the “IT paradox” is the motivation for this paper. The constant elasticity of substitution (CES) model is used, as the degree of substitution can be estimated. The degree of substitutability of one form of input for another namely, ATM (capital) for teller (labor), is discussed by developing an appropriate model to understand the same. Findings – The rapid diffusion of the ATM was clearly large from 1998, nine years after it was first adopted. This was also a time when the number of tellers was falling and the wage bill for tellers increasing. The CES production function model used in this paper is clearly a good predictor of the data compared with the other
cases. The estimate shows that the degree of substitutability of the teller by the ATM is high. However, the ATM is not a perfect substitute. By running counterfactual experiments, it can be concluded that both a fall in the price of ATMs and an increase in the wage bill for tellers contributed to the diffusion of the ATM. The excess labor in public sector banks needs to be redeployed rapidly, or staff needs to be trained in other functions as do private banks, so that they do not become redundant as technology.

Ahmad (2011) reports that the impact of information technology on work life has been one of the most talked about issues over the recent years. Chief executive officers spending millions of dollars on information technology face the critical issue of assessing the impact of this technology on work. In this study, the data collected from the financial statement of the State Bank of India have been analyzed with the help of different accounting and statistical tools. The techniques used are Trend analysis and ratios analysis to record the performance of SBI particularly during pre and post Introduction of IT.

Kesharwani & Bisht (2012) states the purpose of this paper is to extend the technology acceptance model (TAM) in the context of internet banking adoption in India under security and privacy threat. Design/methodology/approach – Keeping the TAM proposed by Davis as a theoretical basis, an extended TAM incorporating security- and privacy-related issues for internet banking adoption is conceptualized. The authors have incorporated various inhibitors of internet banking which restrict the use of internet banking adoption under “perceived risk”, and also consider the role of the bank website as a key determinant of perceived risk and of perceived ease of use in the context of internet banking services. Findings – The paper reveals that perceived risk has a negative impact on behavioral intention of internet banking
adoption and trust has a negative impact on perceived risk. A well-designed web site was also found to be helpful in facilitating easier use and also minimizing perceived risk concerns regarding internet banking usage. Practical implications – Financial bank institutions should give attention to the inhibitors or perceived risk factors of internet banking adoption in order to retain existing customers as well as attract new consumers. The study also suggests that banks should build a web site with features to facilitate users’ assessment of internet banking services and thus minimize the perceived risk and maximize the perceived ease of internet banking services. Web-based retailers depending on online payments would also be benefit by incorporating the elements of perceived risk and trust in their own web design and online services. Originality/value – In addition to the traditional construct of Technological Adoption Model(TAM), a new construct of perceived risk has been added. The impact of web site design and trust on internet banking adoption has also been examined and shown to be significant in India in the context of internet banking adoption.

Weber (2012) examines that the microfinance industry provides financial services to the world’s poor in hopes of moving individuals and families out of poverty. This dissertation document suggests that information and communication technologies (ICTs) are changing the microfinance industry, especially given recent advancements in mobile banking, Internet usage and connectivity, and a decreasing digital divide. These impacts are discussed in three essays. First, ICTs impact intermediation among various players in the microfinance industry. Second, ICTs impact the extent to which microfinance institutions (MFIs) extend their outreach to poorer or more geographically remote borrowers. Finally, ICTs impact the location of decision rights given newly forming peer-to-peer (P2P) social micro lending organizations. As the microfinance industry increases its adoption and reliance on
ICTs, new and interesting opportunities abound for researchers in the information systems discipline.

Karasneh & Al-Dahir (2012) investigate the value of (BSC) as a performance measurement system with Information Technology (IT) integration in Jordanian banking sector. The (IT-BSC) model consists of five perspectives (financial, internal business process, strategic competitiveness, customer satisfaction, and learning and growth) with IT indicator reflected in each perspective. The population of this study is the Jordanian banking sector (23) national and international banks, resulting in 122 individual surveys for analysis. The results show that there is a significant relationship between IT application and the internal business process, financial, and strategic competitiveness perspectives. Results also show that there is no significant relationship with customers and employees perspectives. Results indicate that (IT-BSC) model is a promising tool for organizations, to assess and evaluate their performance. A number of recommendations have emerged upon Research results and conclusions.

Singh & Kaur (2012) examines the advancement in technology has played an important role in the distribution strategy of commercial banks. Banks distribute their products and services not only through a sole channel but instead through a variety of channels such as internet banking, automated teller machines, mobile banking, phone banking, TV baking etc. Internet banking has attracted the considerable amount of interest of researchers in the recent times. Previously research studies had concentrated on the perception about online service quality, adoption of internet banking, impact of information technology in banking, etc. based on customers’ opinion. However, on the other side, in depth analysis of bank’s online portal without approaching the customers may also provide meaningful insight about the online
portals especially when compared with other banks’ online portals. The present study aims to compare the pre-login and after login features of selected banks’ online portals. For study purpose, two leading banks, one each from public and private sector were selected. A content analysis technique was used to study the listed features of selected websites. Study found that selected banks’ online portals differ on various features such as accounts information, fund transfer, online requests and general information. In the end, study suggested to include the good feature of other online portal which would help them to make their sites more secure, informative and user friendly.

Gautam (2012) reports that in recent times, Indian retail banking industry has swiftly introduced innovative banking technologies and electronic-banking services. Almost all banks have invested in expanding and improving the information technology systems and a number of new electronic-banking services have been developed. The current study attempts to measure and compare the effect of the introduction of new technologies through electronic-banking on the service quality, operational efficiency, and profitability of banks, and to assess the impact of changing from the traditional means to the electronic banking on the customers and on the banks as well. Moreover, the study examines the major intention of the banks to provide these services to the customers, and discusses the effect of customers’ literacy on the provision of their services. With the help of internet, the retail banks are offering banking services to their customers through electronic medium; e-banking. The study is qualitative in nature investigating different objectives which determine the performance of banks mainly in terms of profitability. The study is based on the personal in-depth interviews of the bank managers of fourteen banks. The results of the study revealed that electronic-banking has increased the profitability of banks,
enabled the banks to meet their costs and earn profits even in the short run. Customers’ illiteracy has not been found as a major hindrance in provision of their goods and services. The main motive of the banks to espouse electronic-banking is to increase their clientele and to retain them. The profitability of banks has improved in transformation from traditional way of banking to electronic-banking medium.

**Fonchamnyo (2013)** has witnessed dramatic transformation in the financial sector as advances in information technology have created new ways of handling financial transactions through e-banking. In Cameroon, e-banking is still at its infancy and is still to be used as an operating saving tool in reducing cost and promoting customer–banker’s relationship. The main aim of this study was to identify the drivers to the customer’s perception of e-banking adoption in Cameroon by considering an extension in the Technological Adoption Model (TAM). The extended TAM was assessed using a sample survey of 210 customers. The psychometric properties of the data were investigated using the estimation of internal consistency reliability and the convergent and discriminate validity of the instrument items. The results estimated using a path regression analysis showed that perceived security, trust, cost of service, usefulness, and accessibility have significant influenced on customer’s attitudes and hence adoption of e-banking. The results further showed that characteristics such as age, education and marital status have significant influence on customer’s attitude. It was also revealed that perceived reliability, trust, security, and accessibility have significant impact on the perceived usefulness of e-banking adoption. Practically, the results show the need to increase e-banking security, accessibility, trustworthiness and to reduce the cost of e-banking services so to encourage customer’s attitudes towards the adoption of e-banking services.