

This is a preprint copy that has been accepted for publication in The  
Journal of High Technology Management Research

Please cite this article as:

Aboobucker, I., & Bao, Y. (2018). What obstruct customer acceptance of internet banking? Security and privacy, risk, trust and website usability and the role of moderators. *The Journal of High Technology Management Research*. doi.org/10.1016/j.hitech.2018.04.010

Note: This preprint copy is only for personal use.

# What Obstruct Customer Acceptance of Internet Banking? Security and Privacy, Risk, Trust and Website Usability and the Role of Moderators

## Abstract

Comparatively a little attention has been paid to the factors that obstruct the acceptance of Internet banking in Sri Lanka. This research assimilates constructs such as security and privacy, perceived trust, perceived risk, and website usability. To test the conceptual model, we collected 186 valid responses from customers who use Internet banking in Sri Lanka. The structural equation modelling technique is applied and hypotheses are validated. The findings show perceived trust and website usability are the possible obstructing factors that highly concerned by Internet banking customers. While security and privacy, and perceived risk are not significant and these are not highly concerned by customers in Internet banking acceptance. The age and gender reveal the moderating effect in each exogenous latent constructs relationship. The practical and managerial implications of the findings are also discussed. This country specific study contributes to the advancement of Internet banking acceptance, and offers some useful insights to researchers, practitioners and policy makers on how to enhance Internet banking acceptance for country similar in context.

**Keywords:** Internet banking; Customer acceptance; Moderators

## 1. Introduction

The banking sector is one of the fastest growing industries that has adopted Internet banking as a delivery channel for their services ([Schierholz and Laukkanen 2007](#)). The advent of the Internet and sophisticated technologies not only stimulated the new industries but it also changed the business model including the banking sector, as a result

Internet banking. It is commonly known as Internet banking or online banking has emerged as a phenomenal growth in recent years ([Martins et al. 2014](#); [Riffai et al. 2012](#); [Yang et al. 2015](#); [Yousafzai et al. 2009](#)). It is felt that the growth of banking much depends on the use of Internet banking services rather than traditional banking ([Sinha and Mukherjee 2016](#)). Internet banking is the delivery of information or services by a bank to its customers by way of different delivery platforms such as PC banking, Internet banking, managed network and TV-based banking ([Daniel 1999](#)). It has many benefits over conventional banking such as 24 hours of service availability, ease of access, elimination of queues, reducing branch operating hours, etc. Hence, Internet banking helps to retain existing customers, advance customer's satisfaction, increase banks' market share, decreasing administrative and operational cost and improve banks' competitive positions ([Almogbil 2005](#); [Khalfan et al. 2006](#)). Despite the potential benefits that Internet banking offers to customers, the acceptance of its services have been limited and in many cases, fallen short of expectations ([Bielski 2003](#)).

In many developed and developing countries the innovative technologies have accelerated the way banking services are offered, thus consumers being swept along with this trend ([Riffai et al. 2012](#)). Prior studies try to explore the Internet banking acceptance in various contexts. For example, trust, usability and perceived quality are believed as the key drivers in Oman for Internet banking acceptance ([Riffai et al. 2012](#)). Security/privacy risk is a possible loss due to fraud or a hacker intrude the security of an online bank user ([Lee 2009](#)). Service quality, web design and content, security and privacy, convenience and speed where web design and content, convenience and speed are the major factors that influence customer satisfaction in Internet banking ([Ling et al. 2016](#)). Trust and distrust are separate constructs and the traditional e-retailing trust had a nomological