FACTORS INFLUENCING THE ADOPTION AND USAGE OF INTERNET BANKING BY CONSUMERS IN ZIMBABWE

MARGARET MUTENGEZANWA1
FUNGAI NGOMA MAUCHI1
THULANI DUBE2
FUNGAI GOMBARUME3

1Dept. of Banking and Finance, Bindura University of Science Education, Bindura, Zimbabwe
2Dept. of Marketing, Bindura University of Science Education, Bindura, Zimbabwe
3Dept. of Financial Intelligence, Bindura University of Science Education, Bindura, Zimbabwe

ABSTRACT

The research was carried out to determine the factors that influence the adoption and usage of internet banking by consumers in Zimbabwe. The main objective of the study was to provide an understanding of how specific factors affect the usage of internet banking by consumers. The research was triggered by the fact that despite the growth of information technology worldwide customers in Zimbabwe continue to conduct most of their banking transactions using traditional methods. Literature was reviewed to address the research objectives and questions. A survey was conducted using questionnaires which were administered to a randomly selected sample of 400 bank customers in Harare using. Research findings were presented using Microsoft Excel tables and graphs and analysed using Statistical package for Social Sciences (SPSS) version 12. It was found out that the main factors influencing adoption are security, awareness, accessibility and cost. The study recommended that banks should engage in security enhancement activities, increase customer awareness and provide computer education at the physical distribution facility. In addition the government has a role to play in making this a success through creating a legal and regulatory framework that is supportive of e-commerce. Finally policy makers should increase investments targeted at infrastructure development and should urgently resuscitate and improve power generation, transmission and distribution capacity.

KEYWORDS: Internet Banking, Zimbabwe, Adoption, Consumers, Factors

INTRODUCTION

Information technology has fundamentally changed the global complexion and face of the banking industry. The Zimbabwe Investment News and letters of 31 January 2011 reports that the advent of internet banking offers banking firms a new frontier of opportunities and challenges but because it is a new industry consumers’ acceptance and use of the internet banking is still limited. Whilst the rest of Southern Africa has been carried forward on the
wave of internet banking the development of the phenomenon in Zimbabwe has rather been slow, hampered mainly by the hemorrhaging effects of the past decade that made investments into the sectors difficult (Ndlovu, 2009)

Electronic Banking is a recent development in Zimbabwe and as a general policy the banking supervision encourages innovation in the banking system, particularly where such innovation is intended to improve customer service (RBZ, 2010). A number of banks have developed systems that allow their customers to conduct their transactions on line, but with all of these services available the question still remains, why has e-commerce failed to take off in Zimbabwe (Chisamba, 2010, Dube et al, 2009)? Whilst there is sufficient evidence to show the increase in the usage of the internet the question that comes to mind is why that technology has not been extended to the banking sector. Studies are abundant to prove that internet banking brings with it benefits for both customers and bankers and thus one would expect that banks will not only be quick to provide this service but also encourage customers to migrate to this form of delivery of banking services (Sathye, 1999). However this is not the case in Zimbabwe as the adoption of internet banking still lags behind that of other countries. It is against this background that the study seeks to establish why the usage of internet banking has been slow in Zimbabwe when the benefits to both customers and financial institutions are so numerous. The findings of this research give a clue that will help the banking industry formulate strategies to help them remain competitive not only locally but also on the global market place.

LITERATURE REVIEW

Internet Banking defined

Henry (2000) cited by Dube et al (2009) defined internet banking as the systems that enable bank customers to get access to their accounts and general information on bank products and services through the use of the bank’s website, without the intervention or inconvenience of sending letters, faxes, original signatures and telephone confirmations. With the exception of cash withdrawals, internet banking gives customers access to almost any type of banking transaction at the click of a mouse (De Young, 2001 cited by Padachi et al, 2008). Bradley and Stewart (2003) added on to this definition by saying that internet banking provides universal connection from any location worldwide and is universally accessible from any internet linked computer.
Chang (2003), Sullivan and Wang (2005) cited by Dube et al (2009) in agreement with the earlier authors view internet banking as a process innovation whereby customers handle their own banking transactions without visiting bank tellers. They further propound that it also allows non-customers to visit virtual banks via the public network while phone banking or PC banking provide only closed networks limited to the existing client.

**BENEFITS OF INTERNET BANKING**

Literature suggests that internet banking offers certain advantages over the traditional banking methods.

- **Time saving** – A customer can bank without physically visiting a branch.
- **Convenience** – Accounts can be paid and funds transferred without queueing or writing out cheques.
- **Accessibility** – Services are available seven days a week, twenty-four hours a day.
- **Confirmation** – Transactions are executed and confirmed almost immediately.
- **Range** – Customers can do anything from checking on an account balance to applying for a mortgage.
- **Security** – Customers can choose their own PIN, preventing unauthorised access to their accounts.
- **Safety** – Reduces the need to carry large amounts of cash.

The benefits of a cashless society to the transacting public goes beyond convenience and safety associated with the payment system (Chishamba, 2010). The present tight liquidity, coin shortages and the need for financial transparency can be solved through the adoption of plastic money as financial transactions can be completed without the involvement of tangible cash. This also has the potential to contribute to GDP growth as the majority of the populace is brought into the banking system in addition to gaining reduced transaction costs (Chishamba, 2010).

**DISADVANTAGES OF INTERNET BANKING**

Despite the aforementioned benefits, there has been a multitude of challenges to get into the full mode of paperless banking in Zimbabwe, for example the high growth of the informal sector. The lost trust and confidence in making online transactions after the Zimbabwean dollar’s demise remains a permanent stain to be cleansed (Chishamba 2010).
Singh (2004), and AL-Sukkar and Hasan (2005) as cited by Dube et al (2009), identify only three potential disadvantages of deploying internet banking. These are summarized as follows:-

• **Cost** – Internet banking has certain systems requirements such as accessibility to computers, computer type, memory, screen resolution and browsers, which prove to be an additional cost to the customer when compared to traditional banking methods or other online banking services such as ATMs. Adopting Internet banking can be costly in terms of the time spent on learning to use a new technology. Internet banking is based on computer technology and the Internet, so individuals need to learn the basic tools before they use the service. Therefore, individuals should invest time and money to learn to adopt Internet banking.

• **Cash availability** - customers cannot make deposits or withdrawals of hard cash when using the internet banking.

• **Security concerns** - banks and customers alike are concerned about unauthorized access to their systems. Safeena et al (2011) identifies a risk associated with internet banking and states that bankers consider chances of fraud and lack of information security to be vital risks associated with internet banking. Islamia and Gupta (2008) point out that the most dangerous fraud in day to day banking is phishing, a criminal activity using social engineering techniques.

**FACTORS INFLUENCING THE ADOPTION OF INTERNET BANKING**

According to Sathyte (1999) adoption is the acceptance and continued use of a product, service or idea and the need to understand the factors that are influencing the adoption of internet banking is important to managers and researchers. In the technologically developed world IT adoption is faced by barriers such as the lack of top management support, poor quality IS design and inadequately motivated and capable users (Kwon and Zmud, 1987 cited by Baraghani, 2007). In the developing world, the same barriers appear to be often impenetrable and in addition problems found in developing countries are attributed to government policies set in place to prevent technological transformation (Goodman and Press, 1992), a lack of national infrastructure (Odedra et al, 1993), capital resources (Goodman and Press, 1995). Although there are isolated reports of countries where sufficient resources and government support exists, the technology has failed to be effectively transferred (Attiyyah, 1989, Goodman and Green, 1992). While the uses of IT are varied, the
common tie of computer use in the developing countries is one of limited diffusion (Goodman, 1992).

**Awareness**

Awareness takes various dimensions such as awareness of the availability of the service, awareness of the benefits derived from its use and awareness of the service providers among others. A study carried out by Cooper (1997) cited by Sathye (1999) revealed that an important characteristic of any adoption of innovative service or product is creating awareness among the consumers about the service or product. Sathye (1999) supported this view by stating that for the adoption of internet banking it is necessary that the banks offering this service makes the consumers aware about the availability of such a product and explain how it adds value relative to other products of its own or those of competitors. Furthermore, Sathye (1999) revealed that many consumers were not adopting internet banking in Australia because they were simply not aware of its benefits. Vainio (2006) postulates that, “presumably we all know how it is to start doing things that we are not familiar with, or we do not know too much about. In my mind, the more information and knowledge we have about what we are doing or about to do with a specific piece of technology, the more likely it is that we are willing to use it. This is also among the repeated findings of previous researchers.” Similarly in the Zimbabwean context it can be assumed that if consumers are not adopting internet banking it may be because of lack of awareness of the existence of the service and the providers and lack of awareness of its benefits.

**Ease of use**

Perceived Ease of Use is derived from the Davis’s Technology Acceptance Model (1989), and it refers to the degree to which the prospective user expects the target system to be free of effort. The more difficult the system is to use or learn to use, the less likely it is the system is used as extensively as would be desirable, or that it will be started to use in general. If an online service is found to be very difficult and cumbersome to use, the customer is very likely to do the transactions in more traditional way. Supporting some of the findings in Singapore, ease of use, Internet accessibility, awareness, trust and security concerns, convenience and attitude towards change were identified as main factors that affect the adoption of Internet bank services. (Amin, 2007).
Security and safety concerns


Cost / Price

Transaction cost economics theory suggests that people will choose the cheaper method to transact when choosing between electronic and traditional services (Huang 2002 cited by Lichtenstein and Williamson 2006). Various aspects of costs need to be taken into consideration when trying to launch internet banking such as cost of equipment, cost of service and switching costs. Saythe (1999) cites two types of cost involved which are the normal costs associated with internet activities and the bank cost and charges. Ndlovu (2009) points out that one of the rollout and challenges of effective computer technologies is cost of computers and equipment. Further he states that the limiting factors are basically cost and unavailability. Most urban dwellers either can’t afford it or ISPs serving them are out of capacity. Thus if internet banking is not being used in Zimbabwe it could be because it is costly.

Access to computers and internet facilities

A prerequisite for the adoption of internet banking is the availability of access to computers hence O’Connel (1996) cited by Sathye (1999) identifies lack of access to computers / internet as one of the possible reasons for slow adoption of internet banking. Daniel (1999) found lack of customer access to suitable PCs as the reason for low usage of electronic banking in the UK and Ireland. The Wallis Report of 1997 cited by Sathye (1999) states that “as the internet becomes more widely accessible households will conduct their financial

www.jiarm.com
transactions over the internet”. Ndlovu (2009) states that in Zimbabwe there are people who own farms who could easily afford internet but cannot do so from where they are because there is no coverage in their area. This might also be the case within the Zimbabwean context as many households do not have access to personal PCs.

**Previous experience with banking technology**

Previous use with other banking technology such as ATM, POS, SMS banking, cheques and RTGS could have an influence on the adoption of Internet Banking. Bayus (1987) and Norton and Bass (1987) noted that a consumer’s willingness to adopt a new technology is affected by his or her prior pattern of adopting related technologies, and the influence of one technology on the next generation of that innovation is expected to be positive especially when the relationship between two technologies is complementary. One may well expect that there exist interconnections between technologies such that the diffusion of any technology is not independent of the diffusion of another technology (Stoneman and Kwon, 1993). Internet banking is one of the technologies, that is quite dependent on computer networks. Karjaluoto et al (2002) cited by Kim et al (2004) indicated that prior computer experience such as Internet, e-mail, and e-payment had the most significant impact on online banking usage, and also technology experience, such as ATM, e-ID, teletext, and automats, was a significant factor for attitude toward online banking among Finland bank consumers. Prior experience of technologies, especially prior experience of computers, had impact on consumer beliefs and attitudes towards related systems and technology (Arndt et al., 1985; DeLone, 1988; Igbaria et al., 1995; Karjaluoto et al., 2002; Levin & Gordon, 1989 cited by Kim et al, 2004).

**RESEARCH METHODOLOGY**

In this study a descriptive approach was deemed appropriate. The study sought to establish the factors that influence the adoption and usage of internet banking by consumers in Zimbabwe and as such, the research population constituted commercial bank customers. The study was limited to the capital city of Harare where use of internet was likely to be concentrated. Data was collected through the administration of a questionnaire to a sample of 400 bank customers. After data was collected, it was edited and organized in the form of diagrams, tables, charts as well as graphs using SPSS version 12 and Ms Excel.
DATA PRESENTATION

Respondents Demographics
A total of 335 questionnaires were returned achieving a response rate of 84%. Results showed that most of the respondents reside in the high density suburbs, are aged between 18 - 45 and hold a diploma as the highest qualification attained. A majority of the respondents were employed (85%) and earn an income of between 200–600 (26%). Those who were not employed and did not have an income cited that it was not important to hold a bank account in the first instance as conditions to account opening were stringent and rather prohibitive.

Adoption of internet banking
The research established that 69% of the respondents were using internet banking, whilst 25.1% of the respondents were not. Of the respondents 6% did not indicate on the questionnaire whether they were using or not. It was found out that they had previously indicated having no bank accounts at all.

Frequency of using Internet Banking
Table 1 below shows that from those who were using internet banking, 19.2% accessed it daily, 6.8% accessed weekly whilst 42.7% accesses fortnightly. Further the research showed that 29.9% used the internet monthly whilst 1.3% used it when need arose. This shows that although a number of people were using the internet, frequency of access was generally low.

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Daily</td>
<td>45</td>
<td>13.4</td>
</tr>
<tr>
<td></td>
<td>Weekly</td>
<td>16</td>
<td>4.8</td>
</tr>
<tr>
<td></td>
<td>Fortnightly</td>
<td>100</td>
<td>29.9</td>
</tr>
<tr>
<td></td>
<td>Monthly</td>
<td>70</td>
<td>20.9</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>3</td>
<td>.9</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>234</td>
<td>69.9</td>
</tr>
<tr>
<td>Missing</td>
<td>System</td>
<td>101</td>
<td>30.1</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>335</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Period of Use
Results from the research (table 2 below) indicated that of those who had been using internet banking, 47.2% had been using it for less than 2 years, 36.9% had been using it for 2-5 years whilst 15.9% had used it for more than 5 years.
Table 2: Period of using internet banking

<table>
<thead>
<tr>
<th>Valid Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>below 2 years</td>
<td>110</td>
<td>32.8</td>
<td>47.2</td>
</tr>
<tr>
<td>2-5 years</td>
<td>86</td>
<td>25.7</td>
<td>36.9</td>
</tr>
<tr>
<td>above 5 years</td>
<td>37</td>
<td>11.0</td>
<td>15.9</td>
</tr>
<tr>
<td>Total</td>
<td>233</td>
<td>69.6</td>
<td>100.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Missing System</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>102</td>
<td>335</td>
</tr>
</tbody>
</table>

Internet Banking Services

The survey revealed that most clients were using internet banking for balance inquiry (95%) and accessing bank statements (80%). This was formerly done using the ATM cards and now due to the introduction of the new technology these transactions were now being conducted online. Online purchases, Funds transfer and Payment of bills ranked the least (20%, 25%, 30%) respectively. Responses indicated that this was so mainly because they had security concerns and thus they were more comfortable in using the internet to conduct transactions that did not involve any cash movement.

Previous use of the internet

It was found out that 96.1% of the respondents had used the internet before whilst only 2.7% had never used the internet before. This showed that there was tremendous growth in the use of the internet. This can be explained by the increase in network coverage by the service providers. There is also an increase in the number of internet cafes across the country thus enhancing access and literacy of the internet. Further the research established that self efficacy with internet banking application was motivational for many users. Non users of internet banking cited lack of familiarity with the application as the sole rationale for non adoption. The main reasons cited for low internet self efficacy were fear of new technology, lack of access and lack of experience as well as low income levels.

Access to Internet facilities

Findings from the research established that 91.3% of the respondents had access to internet facilities whilst 7.5% had no access. Only 1.2% of the respondents did not indicate their position. This phenomenon can be explained by the fact that the number of ISPs has grown due to the growing internet subscription by businesses, the community and the general public.
at large. There has also been an improvement in telecommunications infrastructure creating an enabling environment for internet access.

**Place of access**

Findings from the research revealed that most people were accessing the internet from their work place or their mobile phones (75% and 60%). This was mainly because of the improvement in technology in the work place as well as the intense marketing services of mobile phone companies. Only 24% or the respondents had this facility at home. Whilst a majority of respondents accessed internet at work or from mobile phones an emerging issue was restrictive workplace internet practices and policy. Respondents who were accessing the internet from home and from mobile phones indicated cost based restrictions. They indicated that accessing the internet from home or mobile phone was expensive hence access time was used for other purposes such as research work for homework and school assignments. Those who were using internet banking attributed their usage to the high level of internet accessibility at their workplace where their dedicated personal computer was connected to the internet all day and thus was readily available.

**Frequency of Accessing the Internet**

Table 3 below reveals that 60.5% of the respondents had access to internet facilities daily, 22.8% weekly, 9.4% fortnightly, 5.8% monthly and 1.5% when need arises. This explains the reason why adoption had improved due to increased access. These results are similar to those of Litchtenstein and Williamson (2006) in which they cited accessibility, particularly dedicated and unchallenged access as major factors.

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Daily</td>
<td>199</td>
<td>59.4</td>
</tr>
<tr>
<td>Weekly</td>
<td>75</td>
<td>22.4</td>
</tr>
<tr>
<td>Fortnightly</td>
<td>31</td>
<td>9.3</td>
</tr>
<tr>
<td>Monthly</td>
<td>19</td>
<td>5.7</td>
</tr>
<tr>
<td>Other – specify</td>
<td>5</td>
<td>1.5</td>
</tr>
<tr>
<td>Total</td>
<td>329</td>
<td>98.2</td>
</tr>
<tr>
<td>Missing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>System</td>
<td>6</td>
<td>1.8</td>
</tr>
<tr>
<td>Total</td>
<td>335</td>
<td>100.0</td>
</tr>
</tbody>
</table>
Experience with other banking technology.

Table 4 shows the experience that respondents had with other banking technologies and the correlations with adoption of internet.

<table>
<thead>
<tr>
<th>Technology</th>
<th>% with experience</th>
<th>Correlation  (Sig.2 tailed tests)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATM</td>
<td>82.4</td>
<td>0.930</td>
</tr>
<tr>
<td>POS</td>
<td>51.6</td>
<td>0.741</td>
</tr>
<tr>
<td>Cheques</td>
<td>35.8</td>
<td>0.172</td>
</tr>
<tr>
<td>RTGS</td>
<td>31.3</td>
<td></td>
</tr>
<tr>
<td>SMS Banking</td>
<td>48.7</td>
<td>0.647</td>
</tr>
</tbody>
</table>

Results from questionnaires shown in table 4 above established that 82.4% of the respondents had previous experience with ATM, 51.6% with point of sale, 35.8% with cheques and 31.3 and 48.7% with Real time gross settlement and SMS banking respectively. The same table above also shows correlations between previous use with other banking technologies and adoption of internet banking. Positive correlations were found with the ATM having the strongest (0.93), followed by POS (0.741) and SMS banking (0.647).

Awareness

Results of the survey revealed that 81.5% of the respondents were aware that their banks offer internet banking services. Only 4.2% indicated that their banks were not offering the service whilst 9.6% were not sure. The remaining 4.8% did not indicate as they did not have bank accounts in the first instance.

Consumer Perceptions

Using a 5 point Likert scale consumers were to indicate the extent to which they agree or disagree with the factors that were deemed to influence their adoption of internet banking. The results are shown in fig 1 below.
Ease of use

Most respondents (52%) agreed to the fact that internet banking was easy to use, whilst 25% strongly agreed that it was easy to use (see fig 1 above). Only 3% and 5% respectively were of the opinion that it was not easy to use. Respondents found the internet to be easy to use following the fact that they have previous exposure to the technology. This has been the case because of the increasing number of ISPs and improvement in telecommunications. There is a significant improvement in the tele-density despite the fact that landlines are no longer functional and are not being maintained especially in residential areas. Attempts have been made by companies such as Econet, Telecel and Netone to provide this service through mobile phones.

Security

It was established from the research that 55% of the respondents disagreed with the fact that internet banking was secure. Of the total respondents 25% strongly disagreed with the fact that internet banking was secure whilst the remaining 30% were either not sure or agreed with the statement (see fig 1). The issue of information security was a great concern for the majority of respondents as they indicated that to make any transaction over the internet, one would need to include personal information and details such as bank account and ID number, information that in the wrong hands could cause grave damages.

Cost

Findings from the research (fig 1) on the cost aspect showed that respondents were concerned about the cost of the service. Those who strongly felt that it was expensive were 25% whilst 45% disagreed with the fact that it was cheap. Only 5% and 7% agreed that transacting using the internet was cheap.

Other issues of concern raised by the respondents were the issues to do with electricity. Power outages were cited as a serious stumbling block to the adoption of the technology. Inadequate power generation and unreliable transmission and distribution capacity have a direct impact on the development of internet banking. Respondents highlighted that erratic power supplies had pushed up operating costs of the ISPs as they have to use alternative sources such as solar power and generators. These costs are then passed on to the consumer making the service costly.
Results also pointed out to the fact that the cost of buying a PC and that of having an internet connection were prohibitive. This was consistent with Ndlovu (2009) sentiments in which he stated that computer and internet penetration is very low in Zimbabwe due to the cost of owning a PC and the cost of having an internet connection. This explains the reason why most people were found to be accessing the internet at the work place where all costs are met by the employer.

**Willingness to use**

Findings indicate that 40% agree and 38% strongly agree that they are willing to use the service should conditions such as security and cost improve. Only 4% and 12% disagree and strongly disagree respectively. A majority of the respondents indicated willingness to use given that conditions improve and probably some of the factors highlighted are addressed. These results are shown in fig 1 above.

Findings from the research also revealed that another reason why consumers were not adopting internet banking was the fact that their incomes were very low. As such the use of one’s income at the end of the month is so defined: just to meet basic needs. This meant that they did not need to do so many transactions besides just one withdrawal of all available funds per month. Thus there was no need for internet banking.

Those who did not have bank accounts cited stringent conditions in account opening with their inability to meet the minimum requirements to open a bank account in the first place. These findings are supported by Chishamba (2010), who stated that, “The banking model in Zimbabwe poses stringent conditions in account opening, for example a high initial deposit, a payslip and proof of residence which are stumbling blocks to the development of e-payment systems given that about 70% of the economy is informal. This has resulted in a low level of user adoption and people continuing to be more comfortable with cash transactions.”

**Improvements expected from Banks**

This research also established improvements that customers expect from banks for the continued use of the technology.

Of the respondents 71% indicated that they expected the banks to make internet banking more secure. The respondents clearly expressed concern for security of their funds in the banks and cited that passwords were not secure enough. Some clients indicated that access to
viewing their bank statements was through the use of a password which was their account numbers. As such they felt that this did not ensure adequate security. They clearly indicated lack of privacy and thus did not want to make use of the internet for their bank transactions. The need to reduce the price of the internet was also indicated by 65% of the respondents. It was generally felt that it was too costly to access the internet and as indicated previously this explains why most respondents were accessing the internet from their work place where in most cases the cost is borne by the employer.

Awareness was highlighted as an issue that needed to be addressed as it was felt that some clients were not using internet banking because they were not aware of its availability and benefits of such a service. Those who were not using internet banking cited that they were not aware of any of the advantages of using it. Of the respondents 60% indicated the need by the banking institutions to increase awareness of the availability of this service and its benefits. Only 18% requested the provision of computers whilst 29% felt that there was need to make the service easy to use. Only 20% of the respondents indicated that they felt that need for the provision of computers was important to facilitate adoption of internet banking.

Summary of findings

The purpose of the research was to determine the factors that influence the adoption of internet banking by consumers. The research hypothesized the fact that consumers were not using internet banking because they were not aware of its existence, it was costly, they did not find it easy to use, they did not have access to computers, they had safety and security concerns and that they were resistant to change.

Whilst the research hypothesized that consumers were not using internet banking, the research established that in actual fact consumers were using internet banking. However adoption was recent with the majority of the respondents having used it for less than 2 years. Most consumers accessed the internet from their workplace due to unlimited availability of resources, at the cost of the employer. Results showed that internet banking was used less frequently (monthly and fortnightly) mainly for balance inquiry and requesting bank statements. Complicated transactions such as funds transfer and online purchases were conducted using the traditional methods for fear of safety and security of funds. Most customers had experience with the use of banking technology such as the ATM, POS, RTGS, cheques and SMS banking. Thus the most significant factors that influence internet banking adoption were access to the internet, place of access, security, awareness and cost.
The research established that although consumers have adopted the use of the internet, they are still concerned about security of funds since passwords are not secure enough. They also felt that it was important to reduce the cost of the service by the service providers to enable the use of the service anywhere. As a long term measure there was need to reduce the price of computers so that the majority of the population can afford.

Conclusions

The major objective of the study was to identify those factors that influence adoption of internet banking by consumers in Zimbabwe. Literature revealed that these factors are wide and varied and rather cannot be applied uniformly across the continent. Within the Zimbabwean context it can be concluded that whilst consumers have adopted internet banking the major factors affecting adoption are security, awareness, access to internet facilities, place of access, and cost. Security is the major issue of concern as customers are not ready to take any risks associated with the use of a new system.

Recommendations

In light of the research findings the following recommendations are made:

Banks

The practical implications of the research findings is that banks in their promotional and advertising activities need to highlight the benefits of internet banking, make it easy to use and enhance security to improve consumer confidence.

As suggested by Safeena et al (2011) banks should engage in security enhancement activities such as firewall, and user protection and authenticity. While most of electronic banking has built in security features such as prescription of maximum monetary limits and authorizations, the system operators have to be extremely vigilant and provide clear cut guidelines for operations. There is need to control risks of internet banking to build a risk free online transaction environment and thus encourage customer adoption. Additionally, banks should develop trust building mechanisms to attract customers.

There is also need to educate customers on the benefits of internet banking and to address issues of lack of awareness and difficult to use to encourage usage by those affected. Banks can assist consumers in developing secure internet banking practices and risk management procedures. Banks can consider passing on some of their gain in reduced operating costs to
customers and thus offer a low cost service thereby ensuring customer loyalty. There is need to increase marketing efforts by initiating awareness programs to raise customer awareness and interest in internet banking.

Providing computer education at the physical distribution facility can be an effective way for banks to boost Internet banking use. If banks provide computer education in their branches, their own customers will be educated and they might be willing to use Internet banking later. Computer education will be more effective in recruiting Internet banking customers than random advertising and promotion.

Policy makers and regulatory authorities
An improvement in the current status of Zimbabwe’s ICT and the national payment structure is essential for the development of a cashless economy. In addition the government has a role to play in making this a success through creating a legal and regulatory framework that is supportive of e-commerce, (RBZ, 2009).

This study further recommends that policy makers in Government and the RBZ increase investments targeted at infrastructure development so as to encourage banks and individuals alike to adopt the innovation, (Dube et al, 2010). In order to curb the necessary risks associated with internet banking, the supervisory authorities should ensure that banks put in place the necessary risk management systems to enable them to adequately manage risks associated with e-banking.

This research recommends further study to be conducted to take into account the relationship between adoption and demographic variables such as financial assets, age, gender and educational levels.

ACKNOWLEDGEMENTS
The authors would like to acknowledge the valuable contributions of Mr Taonaziso Chowa from National University of Science and Technology, Bulawayo.

REFERENCES


