Executive Summary

The global growth of electronic commerce has pushed people to become dependent on the Internet for communications and services. Like all other businesses, competition in the banking industry has forced banks to move from their traditional methods to the electronic means of doing business. Electronic banking thereby has been gaining popularity as a new delivery channel in the banking sector. Nonetheless, user acceptance is still not high nor is it equal in all parts of the world. Hence, the focus of electronic banking research is now shifting to user side instead of technological development previously, since knowing the basic beliefs that consumers hold about electronic banking may help banks to more effectively target their prospects.

The aim of this research is to find out the determinants of the acceptance or usage of electronic banking by individual customers in the Pearl River Delta of China. In order to form a basis for the current research, prior studies relating to user acceptance of technology and user acceptance of electronic banking services together with a short description about the latest development of electronic banking in China are reviewed in the first part. Based on this review, the research model using the technology acceptance model (TAM) as the theoretical framework is developed to measure the effects of the variables affecting customers' usage intention of electronic banking. There are mainly four variables to be measured, namely Perceived Usefulness, Perceived Ease of Use,

Perceived Credibility, and Perceived Resources. In addition, the Computer self-efficacy construct is incorporated to measure the effect of it on the first three main variables mentioned above. While this paper focuses on the perceptual antecedent of usage intention towards electronic banking in particular, the survey attempts also to investigate the effect of cultural factors that might have on the diffusion rate of electronic banking, through its effect on user perception toward the services.

A questionnaire was developed based on the model and the survey was undertaken in three places located in the Pearl River Delta of China, namely Guangzhou, Hong Kong SAR and Macau SAR. The questionnaires were randomly distributed to over 300 individuals identified as the potential users, which are individuals, regardless of bank account holders or non-holders, aged between 20 to 45 and with college-education or above. The data collected was analyzed using SPSS and the results were evaluated. The findings suggest that perceived usefulness, perceived credibility and group influence are more important predicators of usage intention while perceived ease of use and perceived resources have weaker effects. A discussion of these results is presented in the later sections. Finally, the paper concludes with limitations and implications.