Chapter 6
Factors Associated with the Use of Personal Internet Banking in Thailand

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ABSTRACT
Based on a review of previous studies, important variables associated with the use of personal Internet Banking services are identified in this paper. Using data collected through a questionnaire, statistically significant associations among these variables are determined. The findings of the study confirm significant associations reported in previous studies and identify significant associations among an individual’s work position; personal characteristics of users; the influence of peers on users; the importance of trust; and the emphasis placed by users on personal relationships with banks. Conclusions are drawn which are of practical use for those responsible for the development of personal Internet Banking services.

INTRODUCTION
According to Prompattanapakdee (2009) Internet Banking services were introduced in Thailand in 1999 by the Siam Commercial Bank Plc. in accordance with the Commercial Banking Act B.E. 2505 and under the regulatory control of the first commercial Bank of Thailand (BOT). Commercial banks operate in wholesale banking, which provides services for financial institutions, and retail banking, which includes the provision of personal Internet Banking (PIB) and corporate Internet Banking (CIB). These banks aim to move low-value transactions away from the branch coun-
Factors Associated with the Use of Personal Internet Banking in Thailand

ter to ATM networks, the Internet, and telephone banking. Most banks have launched web sites and are in the early stages of using the Internet as a new distribution channel. These developments are in accordance with the objectives set in Thailand’s national ICT policies for the expansion of Internet based services (Winley et al., 2007).

Detailed current information on the development of Internet Banking services in Thailand is generally not available. However, based on available information from the BOT, which does not differentiate between PIB and CIB, it is seen that over the period 2000-2003 the volume of transactions increased from 3.3 million per year to 10.33 million per year with an annual average growth rate of about 53 percent. In 2007 the BOT estimated that there were 1.7 million individuals using PIB services provided by banks in Thailand and according to Internet World Statistics (2008) the number of Internet users in Thailand is approximately 13.4 million with a penetration rate of 21 percent and a growth rate across the period 2000-2008 of 483 percent. It appears as though about 15 percent of Internet users also use PIB services and consequently there is a significant opportunity for increasing the adoption of PIB in Thailand (Prompattanapakdee, 2009).

In 2008, from the websites of the 34 banks operating in Thailand it was found that a standard set of four PIB services (account balances; fund transfer; bill payment; and summary reports) were offered by eight of the 17 Thai banks and two of the 17 foreign banks and these 10 banks and the four standard services are the focus of this study. Additional services such as stopping checks and international fund transfer were offered by only a few of these banks while among the other 24 banks three Thai banks offered only account balances and summary reports and the remaining 21 banks offered no PIB services at all (Prompattanapakdee, 2009).

Only three previous studies of the adoption of PIB in Thailand have been published. The first exploratory study by Ongkasuwan and Tantichattanon (2002) investigated the relationship between the overall quality of PIB services and their performance, reliability, serviceability, features, and perceived quality. The study was conducted in the very early stages of PIB in Thailand and used a sample of only 30 users aged between 20 and 40 years. The second explanatory study by Jaruwachirathanakul and Fink (2005) used the Decomposed Theory of Planned Behavior (DTPB) to examine a theoretical causal model of the effects of attitudes and behavioral controls on intention and adoption of PIB. This study used data collected from a sample of 506 PIB users more than six years ago at a time when the number of bank branches was decreasing and the study only examined the causal relationships defined by the DTPB model. The third explanatory study by Prompattanapakdee (2009) develops and tests a causal model of determinants of PIB adoption which is related to the present study through the use of: information acknowledged in this introduction; a modified version of the same questionnaire; and the same research design and literature review which was used to determine the variables of interest. The close similarities between these aspects of the two studies are acknowledged throughout the subsequent sections of this article.

The study is motivated by the need to re-examine PIB in Thailand given the increased availability of these services, the growth in the availability and use of the Internet, and changes in the strategies of banks that may affect the use of PIB where, for example, over the years 2006 to 2008 there has been an annual increase of 23 percent in the number of bank branches providing services at extended times in convenient places (Prompattanapakdee, 2009). The study examines the relationships among factors associated with the adoption of PIB using factors which are identified from a review of previous studies of PIB. The study does not aim to test a theoretical causal model as in Prompattanapakdee (2009) but instead identifies and interprets statistically significant correlations among factors and compares the findings with previous studies in order to arrive at conclusions of practical and theoretical importance.
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