

## ABSTRACT

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The worldwide trend is currently moving towards electronic banking to complement or even substitute the traditional branch banking. The growing importance of electronic banking is due to lowering operating expenses, providing new services, changing customer demands and increasing consumer acceptance. It is therefore vital to understand the needs of various cluster groups and to educate them accordingly so that the consumers would adopt electronic banking at a faster rate.

The study has found four distinct cluster groups namely, the IT evaders, the Internet surfers, the pro-IT users and the work-oriented users. The analysis reveals that those who are more inclined toward the use of information technology tend to be the early adopters of electronic banking. These consumers who are friendlier toward IT tend to have higher level of positive attitude and lower inhibition on electronic banking. The early adopters are generally Chinese males in their late twenties or early thirties, having higher income while working in the Sales and Marketing, Engineering or Computer Science, and in their Executive or Managerial positions.

Among the three electronic delivery channels, the study also finds that the ATM is the most popular choice but the PC banking is seen as an important device in the future. The study confirms the consumers perceive electronic banking as a provider of convenience of time and location, and an easy to use device. On the other hand, the deterrent to the growth of electronic banking is because of the perceived risk of system breakdown, a lack of trust in unseen electronic transaction, a lack of security and a lack of privacy.