

## ABSTRACT

Rapid developments in electronic banking have created various ways in handling daily business, especially via online banking channel. Ever since the introduction of internet banking in United States of America (USA) in the early 1990s, it has influenced the rest of the banking world. Internet banking was introduced in Malaysia in June 2000 with a strong approval from Bank Negara Malaysia (BNM) but confine to the local banks only. Subsequently in 2002 the facility was extended to foreign owned banks. As of January, 2008 there were 23 banks offering online banking facilities in addition to their traditional services. There are currently more than thousands of e-banking web sites all over the world. However, online banking is only effective for a bank if its customers adopt and use it. The aim of this research is to analyses the factors that influence Malaysians in adopting online banking.

Therefore, an empirical study was undertaken in the light of the technology acceptance model (TAM), Diffusion of Innovation theory (DOI) model and consumer personal characteristics. The models was tested with a 212 survey sample (n=212) which comprises those who are using online banking as well as non users.

The findings of the study indicate that the Perceived usefulness, Perceived ease of use, quality of internet connection , Security and privacy, Triability, Trust, and Demographic characteristics such as Age, Income and Education Level influencing the attitude and behavior of using online banking.

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