

# Perceived Usefulness, Ease of Use, Organizational and Bank Support As Determinants of Adoption of Internet Banking in East Africa

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## Abstract

The purpose of this paper to identify the factors that influence corporate customers adoption of Internet banking services in Kenya, Uganda, Tanzania and Rwanda. The hypotheses are empirically evaluated by using Trade Finance customers of an East African bank as the target sample. Technology Acceptance Model (TAM) is the primary basis for the study. The information gathered from former studies that are mainly concentrating on private customer acts as a foundation for building an extension of TAM suitable for corporate customers. The study involved 137 respondents from Kenya, Uganda, Tanzania and Rwanda.

Due to the quantitative nature of the study, the results are analysed with statistical measures. This included the use of SPSS to carry out regression analysis. The analysis reveals that corporate users are not motivated by the same factors as private users. In order to become Internet banking customers, it is extremely important for corporate users to have a system that is easy to use and operate with full support from the bank.

**Keywords:** Internet Banking, East Africa, Cooperate customers, Quantitative methodology

## Introduction

According to Internet World Stats (2000), 5.3 % of the total world population (6,767,805,208) was using the Internet. This means that approximately 360,985,492 people all over the world were connected to each other. Today the situation is very different from that of a couple of years ago. In nine years the amount of Internet users has been increasing by 362.3% ([www.internetworldstats.com](http://www.internetworldstats.com)). These massive figures very well reflect the scope and size of this the network. There is no other channel in the whole world bringing people so close to people, people so close to business or business so close to business than the Internet.

Originally information technology was utilized in back offices for batch data processing, which was something not that obvious to the customers. Consumer oriented innovations became more important during 1980-1995. This time period is called the "diffusion period of the information revolution in commercial banking" (Bátiz-Lazo and Wood, 2002). Mainly this was