

An Analysis on Factors that Influence Customers' Intention to Use Internet Banking in Jayapura City

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Abstract: The low acceptance rate for internet banking in Indonesia is an interesting phenomenon that had inspired this research. This study aims to analyze factors that influence customers' intention to use internet banking in Jayapura City, Papua Province, Indonesia. The unit of analysis here comprises internet banking users from eleven banks in Jayapura City, using the proportional random sampling technique. This is a survey study using questionnaires for data collection. Data were collected from 205 research samples and analyzed using the SPSS for Windows 22 software and the Structural Equation Model (SEM) using the Amos 22 software. Results showed that customers' perceptions, consisting of usefulness, ease of use, privacy, and security partially and significantly had positive influences on users' trust, but did not influence customers' intention to use internet banking. Trust can mediate the influences over customers' perceptions on their intentions to use internet banking in Jayapura City.

Keywords: Perceived Usefulness, Perceived Ease of Use, Perceived Privacy, Perceived Security, Trust, Intention to Use, Internet Banking.

I. INTRODUCTION

Advances in information and communication technologies have contributed significantly to electronic services procurement in banking. Electronic banking is a generic term that refers to banking services procurement through a variety of access tools and communication channels (Gkoutzinis, 2006). These services are beneficial in facilitating users to access banking services in a modern and independent way, from retrieving financial information to doing financial transactions. A number of studies has shown that electronic banking can serve as an instrument for banks in pursuing competitive advantage by making them more efficient (Mann and Sahni, 2012). However, efficiency alone does not guarantee a corporation can effectively compete in the long run, because the success of a service relies on customers' perception and willingness to use the service (Chong et al., 2010).

Internet banking is one of internet banking's delivery channels offered by banks to their customers individually. Customers may access this service using an instrument that connects to an internet network as a link between users' gadgets and the bank's system (Financial Services Authority, 2015). In Indonesia, internet banking was offered since 1991, started by Bank Niaga (Susanto et al, 2012), yet the number of users until late 2014 is only 8,507,458 people or 7.04% of the number of electronic banking users, with a usage frequency of 5,686,467,993 times or 7.70% of the total electronic banking usage frequency (Financial Services Authority, 2015). As a consequence, when internet banking acceptance is low, banks will have difficulty returning their technological investments (Yousafzai and de Soriano, 2012).

In order to understand information technology acceptance, researchers have developed many studies in the behavioral perspective. The main model often referred to is the Technology Acceptance Model (TAM). In TAM, users' actual behaviors are affected by behavioral intention; while behavioral intention is affected by information technology users' perception and attitude

(Davis, 1989 and Davis, et al., 1989). Venkatesh and Davis (1996) altered TAM's early model by removing the attitude construct in their analysis and adding direct relation between perceived ease of use and behavioral intention. Attitude construct was no longer used because a raft of research had established that perceived usefulness and perceived ease of use would be more successful in assessing intention to use information technology (Gefen et al., 2003 and Roca et al., 2009). So far, TAM is recognized as being most often adopted as a model to predict information technology acceptance; yet the model has many limitations especially in assessing areas outside of the utilitarian area, thus an addition of new perspectives outside the utilitarian area is suggested (Park, 2007).

It is imperative to understand that online services have many benefits, yet this service has significantly higher level of uncertainty elements and risks compared to traditional services, especially for making transactions (Roca, et al, 2009). This condition is due to the openness of the internet's architecture, which may pose security threats for users (Udo, 2001). These threats comprise forms of cybercrime such as phishing, man/malware, fake sites, and keylogging (Financial Services Authority, 2015). Evidence of cybercrime in Indonesia was reported in 2015: hacking of accounts in three major Indonesian banks, in which the hackers posed as internet banking users (<http://bisniskeuangan.kompas.com>). A number of studies proposed extending the scope of analysis concerning online service users' perceived privacy and security aspects (Roca, et al, 2009). However, other relevant studies found gaps between users' perceived usefulness, ease of use, privacy, and security on intention. Trust is the solution to this problem. Trust is believed to be able to mediate between individual perceptions and behavioral intentions (Roca, et al., 2009 and Susanto, et al., 2012). One's trust in a service derives from her evaluation or experience of using that service or similar services in the past.

This study was conducted in Jayapura City. It is the capital of Papua Province, with an economic growth of 9.29% (Jayapura City in Numbers, 2016). Supporting the city's economic activities, 22 commercial banks operate there as per 2016, consisting of 18 commercial bank and 4 community credit banks (Representative Office of the Financial Services Authority for Papua Province, 2016). Of the 18 commercial banks, 15 have offered internet banking services; but the number of users and frequency of use is still low. Based on observations and discussions with a number of bank managers, most customers prefer other electronic banking services, such as ATM and SMS-banking. This phenomenon is certainly interesting to research on, considering it is difficult to find studies that explain the acceptance of internet banking with a focus on Jayapura City. The result of this study is expected to offer information that elaborates influential factors on internet banking acceptance, particularly in Jayapura City.

II. THEORETICAL REVIEW

Internet Banking

Internet banking is a banking activity that makes use of internet technology as a media for making transactions and accessing other information via the bank's websites (Financial Services Authority, 2015). This service uses the internet network as a broker between the customer and the bank, exempting the customer from having to visit the bank. The customer may use desktop PCs, laptops, tablets, or smartphones connected to the internet in order to access the services. This is essentially an interesting offer, because the service facilitates the customer to make non-cash transactions, whilst gaining a number of benefits, such as comfort, availability, accessibility, cost efficiency, and time (Madhavaiah, 2015); and it can be accessed at will, free from time constraints (Al Somali, et al, 2009). This service offers a number of features, such as paying bills, account information, transfers between accounts, latest updates on interest rates and currency, administration services such as changing PIN, address, card, personal data, etc., except for cash withdrawal or savings (Purbo dan Wahyudi, 2001). History records the first internet banking service in United Kingdom in 1983, offered by The Bank of Scotland to one of its customers, the Nottingham Building Society (NBS). The service was called "Homelink". It then was made into a software called "Microsoft Money", used for individual financial services and managed to access 100,000 households in 1994 (The History of the Nottingham, <http://www.thenottingham.com/main.asp?p=1710>). In Indonesia, the first internet banking service was offered in 1991 by Bank Niaga (Susanto et al, 2012).

Intention

Understanding customers' intentions is imperative because it is an essential element in predicting consumer behavior (Senthilnathan and Tharmi, 2012). According to the Theory of Reasoned Action (TRA) intention is interpreted by the term behavior intention (Fishbein and Ajzen, 1975), whereas in TAM perspective, intention is defined with the term "behavior intention to use" (Davis, et al., 1989). According to Hasan (2013) intention is one of the consumer behavior components in the consumption attitude: respondents have the tendency to act before making the decision to purchase. In this study, intention is defined as one's tendency toward opting to use internet banking in the future.

Trust

In principle, trust is believed to be the most crucial and highly influential factor on building long-term mutual relations (Tjiptono, 2104). Trust functions as an instrument to observe all actions under the conviction that business partners will not behave opportunistically (Morgan and Hunt, 1994). In internet banking, trust can be defined as a the psychological condition that directs the customer's individual intention to make transactions using internet banking, with the expectation that the bank will conform to its obligations, regardless of whether or not the customer possesses the capacity to supervise or control the bank's actions (Yousafzai, et al., 2003). Trust is an important aspect in online services, because the openness of the internet's structure may pose security threats to users (Udo, 2001). In this context, users must voluntarily place themselves in a vulnerable position pertaining to something they believe in (Castelfranchi and Falcone, 2010), thus trust is an individual's willingness to render

themselves dependant to other parties while taking certain risks (Lau and Lee, 1999). A number of studies show that trust has positive and significant influence on users' intentions (Barreda *et al.*, 2015; Bashir and Mardhaviah, 2015; Cho and Sagynov, 2015; Limbu *et al.*, 2012; Chong *et al.*, 2010, Roca *et al.*, 2009 and Al Somali *et al.*, 2009, Mukherjee and Nath, 2007; Liu *et al.*, 2005, and Suh and Han, 2002).

Perceived usefulness

A perception is a form of cognitive belief, a knowledge possessed by the consumer and all conclusions drawn by the consumer on an object, its attributes and benefits (Mowen and Minor, 2002). A perceived usefulness is one's belief that using certain systems will improve their performance (Davis, 1989; Davis *et al.*, 1989, and Venkatesh and Davis, 1996). There are many studies on perceived usefulness on trust and intention in online services. Studies by Cho and Sagynov (2015), Sharma and Govinduri (2014), Kesharwani and Bisht (2011), Chong, *et al.* (2010), Dimitriadis and Kyreziz (2010), Roca, *et al.* (2009), Al Somali, *et al.* (2009), Song, *et al.* (2008), Pavlou (2003), and Suh and Hun (2002) have established that perceived usefulness have positive and significant influence on users' intentions. In addition, perceived usefulness also have positive and significant influence on trust (Chinamona, 2013; Susanto, *et al.*, 2012; Roca, *et al.* 2009; Chen and Barnes, 2007; and Suh and Han, 2002).

Perceived Ease of Use

In utilizing online services, internet banking in particular, perceived ease of use is essential because this is an independently-executed service. Individuals' perceived ease of use in internet banking is reflected from the ease in which users understand the procedures of the service and its network access. Perceived ease of use can be defined as one's level of confidence that using a system will relieve them from effort (Davis, 1989). Referring to several relevant studies, perceived ease of use is proven to positively influence trust (Chinamona, 2013; Roca *et al.*, 2009; Manzano, *et al.*, 2009; and Dimitriadis and Kyreziz, 2010). In addition, perceived ease of use also positively influences intention (Cho and Sagynov, 2015; Mohammadi, 2014, and Mann and Shanni, 2012).

Perceived Privacy

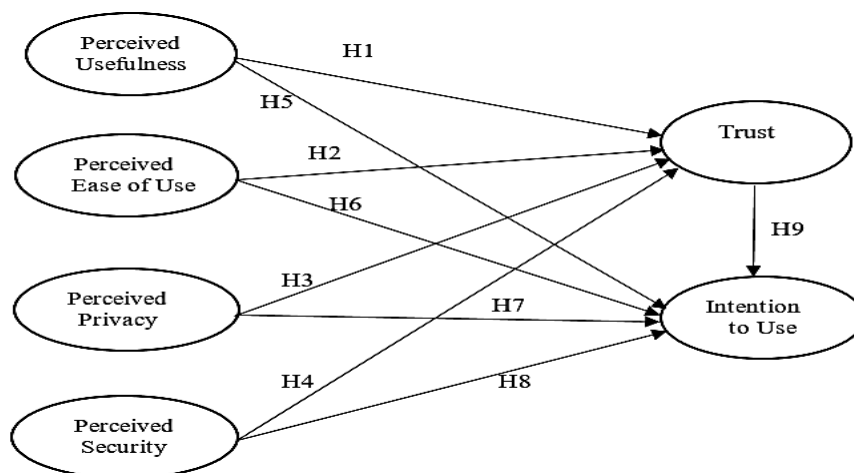
Privacy is a mixed element often linked with personalization (Hasan, 2013). Privacy is the capacity to control and manage information about self (Belanger, *et al.*, 2002). There are differences in independent service users' capacity in understanding the service' administrative procedures when filling out forms, which may lead to form-filling errors. These errors may cause anxiety, which may lead to reduced confidence in using the service. On the other hand, the open nature of the Internet raises concerns that personal information security may leak and be misused by other parties. This condition in turn shapes individual perceptions, thus influencing one's intention to use the service. Perceived privacy is the customer's perception on their capacity to supervise and control information given to the bank during online transactions (Yousafzai, *et al.*, 2009). Several studies show perceived privacy positively influences trust (Yousafzai, *et al.*, 2009; Mukherjee and Nath, 2007; Shergil and Li, 2005; and Liu, *et al.*, 2005) and intention (Ranganathana and Ganapathy, 2001; Miyazaki and Fernandez, 2001).

Perceived Security

Perceived security indicates the level of protection for customers against the various kinds of threats that may arise. The higher the service provider's capacity in guaranteeing security for users, the higher the internet banking users' trust (Yousafzay, *et al.*, 2009). The better internet banking's security is perceived, the higher the users' trust. Several studies show perceived security positively influences trust (Susanto, *et al.*, 2012; Roca, *et al.*, 2009; Yousafzai, *et al.*, 2009; Mukherjee and Nath, 2007; Chen and Barnes, 2007; and Shergil and Li, 2005). Perceived security also positively influences users' intentions (Daniel and Jonathan, 2013; Susanto *et al.*, 2012; and Ranganathana and Ganapathy, 2001).

III. CONCEPTUAL FRAMEWORK AND RESEARCH HYPOTHESIS

This study analyzes the correlation among several psychological factors in internet banking users to assess their acceptance process of the service. The psychological factors analyzed in this study consist of users' individual perception, trust, and intention. In analyzing the causality and positions between these variables, users' behaviors are assumed as rational so that the cognitive aspect becomes their starting point of consideration when deciding on an object. Users' perceptions being analyzed here consist of perceived usefulness, perceived ease of use, perceived privacy, and perceived security. These perceptions are categorized as the cognitive aspect, while trust and intention fall within the affective aspect. Referring to the Theory of Reasoned Action, Technology Acceptance Model, Trust Commitment Theory and the Standard Learning Hierarchy Theory, the conceptual model of this study is illustrated in Picture 1 below:



Picture 1 : Research Conceptual Model

Nine hypotheses are offered in this research:

- H.1. Perceived usefulness has a positive and significant influence on internet banking users’ trust.
- H.2. Perceived ease of use has a positive and significant influence on internet banking users’ trust.
- H.3. Perceived privacy has positive and significant influence on internet banking users’ trust.
- H.4. Perceived security has a positive and significant influence on internet banking users’ trust.
- H.5. Perceived usefulness has a positive and significant influence on customers’ intention to use internet banking.
- H.6. Perceived ease of use has a positive and significant influence on customers’ intention to use internet banking.
- H.7. Perceived privacy has a positive and significant influence on customers’ intention to use internet banking.
- H.8. Perceived security has a positive and significant influence on customers’ intention to use internet banking.
- H.9. Trust has a positive and significant influence on customers’ intention to use internet banking.

IV. RESEARCH METHOD

The population of this research is the internet banking users in Jayapura City, with a sample of 205 people. The sampling technique used here is the proportional random sampling, extracting a sample from internet banking users of eleven commercial banks based in Jayapura City. The main instrument of this research is the structured questionnaires distributed to respondents. The instrument contains questions measured on a Likert scale, with five alternative answers ranging from “completely disagree” (scored 1 point) to “completely agree” (scored 5 points). Six variables were analyzed in this study, categorized into independent, mediate, and dependent variables. The independent variables are perceived usefulness, measured with 5 indicators; perceived ease of use measured with 5 indicators; perceived privacy, measured with 5 indicators; and perceived security, measured with 4 indicators. The mediate variable is trust, measured with 5 indicators. The dependent variable is intention to use, measured with 4 indicators. Based on the questionnaires from 30 samples, whose data were processed using SPSS version 22, valid and reliable scores were obtained: ≥ 0.60 for validity test and ≥ 0.70 for reliability test. Subsequently, in order to fulfill research objectives the data were then analyzed using the SEM tool, assisted by the AMOS 22 software.

V. RESULTS AND DISCUSSION

Respondent Profile

Descriptively, out of 205 respondent, 53.66% were women and 46.34% were men. Most respondents were aged ≤ 30 years old (60.00%), 28.29% were 31-40 years old, 10.73% were 41-50 years old and 0.98% were above 50 years of age. This indicates the majority of respondents fell into the digital native group. Based on level of education, 53.17% respondents had graduated from high school, and the remaining 46.83% were university graduates. Based on profession, 53.17% were employees in the private sector, 23.41% were government workers, 9.76% were entrepreneurs, and 13.66% had other professions. Based on income, 35.61% of respondents earned under IDR 3 million a month, 54.63% earned IDR 3 – 5 million, and 9.76% earned over IDR 5 million a month. Monthly use of internet banking among respondents was considered low; 46.83% used it fewer than 3 times, 31.71% used it 3 – 5 times, and 21.46% over 5 times. Based on the banks that provide internet banking services, results indicate that 32.68% respondents were customers of Bank BRI, 18.54% were of Bank Mandiri, 14.63% were of BCA, 8.29% BNI, 4.88%

Bank Cimb Niaga, 4.39% Bank Sinarmas, 3.90% Bank Muamalat, 3.90% Bank Syariah Mandiri, 3.90% Bank Panin, 2.93% Bank Danamon, and 1.95% Maybank.

Validity and Reliability Tests

The construct validity test on data from 205 research samples was intended to test the accuracy of each indicator in measuring certain constructs. An instrument can be said to have a high validity when its measuring function is consistent with its measuring objectives (Parawansa, 2015). Results show that all indicators used to measure the six constructs, i.e. perceived usefulness (PU), perceived ease of use (PE), perceived privacy (PP), perceived security (PS), trust (TR), and Intention to Use (IU) have loading factor scores ranging from 0.404 to 0.963, with a critical ratio of > 1,98 (on $\alpha = 0.05$) and a probability value of 0.000. These loading factor scores fulfill the minimum criterion of 0.40 (Ferdinand, 2014). In addition, an instrument also has to be reliable. An instrument is said to be reliable when it can be safely used and works well in different times and situations. It is evident that the reliability of a measure can have relatively similar results when it was first measured against the same subject on different occasions, assuming no psychological changes occur in respondents (Parawansa, 2015). Statistically, this reliability is reflected on the reliability construct value of > 0.60. All reliability construct values in this research are above 0.60 (perceived usefulness = 0.6614; perceived ease of use = 0.6380; perceived privacy = 0.6446; perceived security= 0.6549; trust = 0.7509; and intention to use = 0.7815).

SEM Test

Two types of tests were run in the SEM test: a goodness of fit measurement test and a causality significance test using a regression coefficient test.

1. Goodness of Fit Measurement Test

A model is said to be valid when it fulfills the following criteria: Sign.Probability score ≥ 0.05 , CMIN/DF ≤ 2.00 , GFI ≥ 0.90 , AGFI ≥ 0.90 , TLI ≥ 0.90 , CFI ≥ 0.90 , RMSEA ≤ 0.08 (Hair *et al.*, 2010). Results of the Goodness of Fit Measurement Test are illustrated in the following table:

Table 1 : Goodness of Fit Measurement Test

Goodness of fit index	Cut-off Value	Hasil	Evaluasi
Sign. Probability	≥ 0.05	0,000	Marginal
CMIN/DF	≤ 2.00	1,327	Fit
GFI	≥ 0.90	0,857	Marginal
AGFI	≥ 0.90	0,817	Marginal
TLI	≥ 0.90	0,949	Fit
CFI	≥ 0.90	0,957	Fit
RMSEA	≤ 0.08	0,040	Fit

Based on an evaluation of the model’s holistic suitability (final modification of model) using seven criteria, four of them were found suitable and three were approaching the suitability criteria. Thus the model is suitable for further testing.

2. Research Hypotheses Test

The hypothetical test is reflected on the channel coefficient test on the structural equation model. The acceptance or rejection of the hypotheses were based on the estimation coefficient value (regression direction estimation), with a critical ratio of > 1.96 and a probability on a significance level of 5%.

Table 2 : Summary of Hypothetical Test Results

Independent Variable	Dependent Variable	Unstandardized Regression Weight	S.E	Critical Ratio	Sign. Probility	Evaluation
PU	TR	0.213	0.107	1.986	0.047	Significant
PE	TR	0.531	0.268	1.978	0.048	Significant
PP	TR	0.106	0.053	1.996	0.046	Significant
PS	TR	0.128	0.065	1.974	0.048	Significant
PU	IU	0.124	0.107	1.163	0.245	Not Significant
PE	IU	0.258	0.234	1.101	0.271	Not Significant
PP	IU	0.022	0.051	0.426	0.670	Not Significant
PS	IU	0.053	0.064	0.835	0.404	Not Significant
TR	IU	0.622	0.105	5.939	0.000	Significant

The hypothetical test result above indicates that out of the nine proposed hypotheses five were accepted (H1, H2, H3, H4 and H9) and four were rejected (H5, H6, H6 and H8).

The acceptance of hypothesis 1 was based on a positive estimate coefficient value of 0.213 with a critical ratio score of 1.986 and sign probability of 0.047. This finding means the more benefits are perceived in internet banking the higher the user's trust is to use the service. The result of this research supports the findings of Chinamona (2013), Susanto, et al (2012), Roca, et al (2009), and Chen and Barnes (2007). User trust can be increased by improving the ease of access in various banking services, flexibility in transactions, and efficiency in transactions; as well as by further facilitating users' banking activities and thus helping them improving their work performance. Flexibility in transactions is the highest-scoring indicator in explaining perceived usefulness, with a critical ratio score 0.738.

The acceptance of hypothesis 2 was based on a positive estimate coefficient value of 0.53 with a critical ratio score of 1.978 and sign probability of 0.048. This finding means the easier internet banking is perceived the higher the user's trust is to use the service. This result supports the findings of Chinomona (2013), Roca *et al* (2009), Manzano, *et al* (2009), and Dimitriadis and Kyrezis (2010). User trust can be increased by improving the user-friendliness of internet banking procedures, the ease of which the procedures can be memorized, their operationalizations, as well as by relieving user's mental burden when using internet banking and easing its access. This result also finds user-friendliness of procedures to be the highest-scoring indicator in explaining perceived ease of use, with a loading factor score of 0.737.

The acceptance of hypothesis 3 was based on a positive estimate coefficient value of 0.128 with a critical ratio score of 1.996 and sign probability of 0.046. This result supports the findings of Susanto, *et al.* (2012), Yousafzai, *et al.* (2009), Mukherjee and Nath (2007), Shergil and Li (2005), and Liu, *et al.* (2005). Perceived privacy can be increased by improving the following: users' understanding of the types of data they submit when filling out administrative requirements for internet banking, security of data being transferred through internet banking, users' confidence in internet banking administrators concerning personal data leaks, confidence in the bank concerning its commitment in the confidentiality of user data, and confidence in users' personal data protection. The key finding of this research is that user's confidence on security of data being transferred through internet banking was scored highest by users in explaining perceived privacy; with a loading factor score of 0.743.

The acceptance of hypothesis 4 was based on a positive estimate coefficient of 0.124, with a critical ratio of 1.974 and sign probability of 0.046. This finding means the better security guarantee is perceived by users the higher their trust is to use the service. The finding also supports previous studies by Susanto, *et al* (2012), Roca, *et al* (2009), Yousafzai, *et al* (2009), Mukherjee and Nath (2007), Chen and Barnes (2007), and Shelgil and Li (2005). Perceived security can be increased by improving users' confidence in internet banking's safety, the bank's capacity to guarantee financial transactions, the bank's capacity in designing the internet banking website that can verify users' identities for security purposes, and additional facilities to provide solutions for users when problems occur during accessing the service. The key finding of this research is that user's confidence on bank's capacity in guaranteeing financial transactions was scored highest by users when explaining perceived security; with a loading factor score of 0.778.

The rejection of hypothesis 5 was based on a critical ratio value of $1.163 < 1.96$, with a probability rate of 0.245, on a significance level of 0.05. This finding is against the previous findings by Cho and Sagynov (2015), Sharma and Govinduri (2014), Kesharwani and Bisht (2011), Chong, *et al.* (2010), Dimitriadis and Kyreziz (2010), Roca, *et al.* (2009), Al Somali, *et al.* (2009), Pavlou (2003), and Suh and Hun (2002); and confirms the findings of Mohammadi (2014) and Bashir and Mardhavaiah (2015) that found perceived usefulness as not significantly influential to intention. In previous studies perceived usefulness was found to be influential to trust. This means without trust perceived usefulness will not influence intention to use the service. Trust is able to fully mediate the influence of perceived usefulness on intention.

The rejection of hypothesis 6 was based on a critical ratio score of $1.113 < 1.96$, with a probability rate of 0.271 on a significance level of 0.05. This finding confirms Shaw (2014), Kesharwani and Bisht (2011), Chong, *et al.* (2010), Roca, *et al.* (2009), Manzano (2009), and; that perceived ease of use did not significantly influence intention. This finding also rejects Cho and Sagynov (2015), Mohammadi (2014), and Mann and Shanni (2012). The rejection of this hypothesis was closely related to internet network, where in 2016 the internet network in Jayapura experienced frequent disruptions due to natural disasters causing damage in PT. Telkomsel's fiber optic cables. According to Telkomsel's ICT Operations General Manager for Papua-Maluku region, natural disruptions in the ocean near Jayapura had impaired the company's capacity, leading to losses in the throughput data payload being accessed by customers (<http://kabarpapua.co/cara-ini-agar-jaringan-internet-di-kota-jayapura>). Previous studies also found that perceived ease of use influenced trust, particularly related to reliability of technology in meeting user's demands. This means without user's trust perceived use will not influence intention to use the service. Trust is able to fully mediate the influence of ease of use on intention.

The rejection of hypothesis 7 was based on a critical ratio score of $0.426 < 1.96$, with a probability rate of 0.670 on a significance level of 0.05. This finding rejects Ranganathana and Ganapathy (2001), Miyazaki and Fernandez (2001), and confirms Susanto *et al* (2012) who posited that perceived privacy did not significantly influence intention. In previous studies perceived privacy was found to be influential on trust. This means without trust perceived privacy will not influence intention to use the service. This finding reveals that perceived privacy is considered low, which could be due to users' concerns and lack of confidence in personal data protection. This condition confirms Suh dan Han (2002), who found that parties involved in financial transactions were concerned on data and information being sent and transferred over the internet. As a consequence, when the privacy aspect of a system is lacking, users will have little intention to make financial transactions using the system despite the ease it offers (Farizi and Syaefullah, 2013). Trust is able to fully mediate perceived privacy's influence on intention.

The rejection of hypothesis 8 was based on a critical ratio score of $0.835 < 1.96$, with a probability rate of 0.404, on a significance level of 0.05. This finding rejects Daniel and Jonathan (2013), Susanto et al. (2012), and Ranganathana and Ganapathy (2001). Based on literature review, no studies have supported the absence of influence of perceived security on intention; however a study by Pikkarainen et al. (2004) indicated security had a relatively weak relation to the acceptance of online banking. The argument for rejecting the hypothesis on perceived security being influential to intention is related to

respondents' ages, which was considered the trigger factor. This study recorded that close to 90% of users came from the below 40 years of age group, while this age group is more easily influenced by information circulating in its environment. This was posited by Hurlock (1994), that individuals in the > 40 years or the post adult age group were capable to independently adapt to life and social expectations. The 18-40 years age group, or the younger adult group, was said by Santrock (1999) to be a transitional phase, either for physical, cognitive, or social role transitions. Previous studies found perceived security to be influential on trust. This means without trust perceived security will not influence intention to use the service. Trust is able to fully mediate the influence of perceived security on intention.

The acceptance of hypothesis 9 was based on a positive estimate coefficient value of 0.622 and a critical ratio score of 5.939, which was higher than the requirement of 1.96; with a probability rate of 0.049 on a significance level of 5%. Therefore, this finding confirms Barreda *et al* (2015), Bashir and Mardhaviah (2015), Cho and Sagynov (2015), Limbu *et al*, (2012), Chong *et al* (2010), Roca *et al* (2009), and Al Somali *et al* (2009), Mukherjee and Nath (2007), Liu *et al*, (2005), and Suh and Han (2002). This means the higher the user's trust the higher their intention is to use internet banking. Trust can be increased by improving the visual presentation of the internet banking website, having reliable internet banking administrators, improving confidence that internet banking can solve users' problems concerning overall banking services and that the bank is reliable in fulfilling its duties regardless of users' capacity in supervising or controlling the bank's actions. This Finding also reveals that confidence in internet banking administrator's reliability was scored highest by users in explaining the trust variable, with a loading factor score of 0.908.

VI. CLOSING

In reference to the objectives of this research, the contribution it now offers are as follows: 1) finding positive and significant influences of perceived usefulness, perceived ease of use, perceived privacy, and perceived security on internet banking users' trust (analyses on four variables indicate that perceived ease had the largest influence in predicting trust); 2) finding that trust had positive and significant influence on intention to use internet banking; 3) perceived benefits, perceived ease of use, perceived privacy, and perceived security were not found to have direct influence on intention; 4) finding that trust can mediate perceived usefulness, perceived ease of use, perceived privacy, and perceived security on intention. These results are therefore expected to provide practical contributions for practitioners of marketing services in banking, particularly in explaining the factors that influences customers' intention to use internet banking.

The findings of this research had a number of limitations: 1) the study was focused on internet banking users from eleven commercial banks located in Jayapura City, thus the generalization of conclusions drawn here is limited; 2) the questionnaires used in the study were prone for perception bias, because the assessment was based on constructs analyzed on the basis of users' personal judgments; 3) questionnaires were distributed from September 2016 to December 2016, a period during which a major underwater landslide occurred in the region, causing damage on Telkomsel's fiber optic network and thus disrupting internet service in the region; which in turn affected users' judgments; 4) data collection was limited on certain certain timeframes, thus situational changes in different time periods were impossible to assess.

Future studies may involve more specific assessments concerning qualities of network and information. The author also suggests future researchers to adopt other theories or a combination of several latest research models.

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