Factors influencing adoption of online trade services among corporate customers: case study of a tier ii international bank in Kenya

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Factors Influencing Adoption of Online Trade Services among Corporate Customers: Case Study of a Tier II International Bank in Kenya

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Declaration

I declare that this work has not been previously submitted and approved for the award of a degree by this or any other University. To the best of my knowledge and belief, the dissertation contains no material previously published or written by another person except where due reference is made in the thesis itself.

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ABSTRACT

The study focused on factors that influence adoption of online trade services among corporate customers of a tier II international bank in Kenya. It sought to determine the association between predictor variables (perceived usefulness, perceived ease of use, self-efficacy, awareness, and volume of transactions) and user acceptance of online trade services among corporate customers of a tier II International bank in Kenya. The study used the Technology Acceptance Model theoretical framework modified to include customer perception on volume of transactions as a factor influencing adoption of online trade services. The study used a structured questionnaire to collect primary data, which was analyzed using the IBM SPSS tool. Normality tests were conducted on each of the factors on the modified Technology Acceptance Model to determine whether the data was obtained from a normal distribution. Correlation tests were done to find out the association between the predictor variables and dependent variable. It was found out that there was positive correlation between each of the independent variables (perceived usefulness, perceived ease of use, self-efficacy, awareness, and volume of transactions) and dependent variable (adoption of online trade services among corporate customers of a tier II international bank based in Kenya). There was very low multicollinearity between the independent variables meaning predictor variables were independent of each other. The study found out that younger users were more aware and self-efficient with online banking system, hence more likely to adopt online trade systems than their older counterparts. Perceived usefulness, perceived ease of use and volume of transactions were found to have a significant relationship with user acceptance of online trade services by corporate customers of the international bank based in Kenya. This study recommended that the tier II bank based in Kenya should focus on improving usefulness and ease of use of their online trade services while cross-selling the online trade services to customers with high number of transactions in order to drive utilization. Higher uptake of digital channels will enable a corporate customer in Kenya reduce the cost of operation, turnaround time, improve operational efficiency and create a proper audit trail of the transaction.

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List of Abbreviations and Acronyms

AWE – Awareness

ICC - International Chamber of Commerce

IT – Information Technology

LC – Letter of Credit

MNC – Multinational corporations

PEOU – Perceived Ease of Use

PU – Perceived Usefulness

SE – Self Efficacy

SWIFT - Society for Worldwide Interbank Financial Telecommunication

TAM – Technology Acceptance Model

UCP 600 - Uniform Customs and Practice for Documentary Credits version 600

VOL – Volume of transactions

Chapter 1: Introduction

1.1 Introduction

This study examines the factors that influence the adoption of online trade channels in the banking sector. This chapter provides a background review of the topic, including an overview of the main concepts, objectives, problem statement, the study questions, scope and significance of the study.

1.2 Background to the study

The rate of digitization of payment channels has been faster in the payments space than in trade services. According to The Society for Worldwide Interbank Financial Telecommunication (SWIFT), the conduct of Trade and provision of Trade services are underpinned by trusted processes and familiar propositions, rarely displaying a sense of urgency around the need to innovate or to propose new business models for market adoption (SWIFT & OPUS Advisory Services International Inc, 2016). Nevertheless, banking institutions can use digital technology to bolster traditional business models and transform the existing business ones.

1.2.1 Online banking and online trade services

Njuguna et al. (2012) defined online banking as the utilization of the internet as a channel for the delivery of banking services. The services include all traditional services such as balance enquiry, printing statements, bills payment, fund transfer to other bank accounts, as well as new banking services such as electronic bills payment (Frust et al., 2000) without visiting a bank (Mukherjee & Nath, 2003). Online banking, therefore, reduces traffic in the banking halls. It enables banks to serve more customers across regions and provides an opportunity to cross-sale and up-scale the products and services across multiple business segments and operating units (Hippel & Oliveira, 2009). Online banking enables financial institutions to cut costs, boost their customer experience and offer convenient services to their digital consumers.

In line with the above, Global banks are offering online trade services to customers to apply for letters of credit and bank guarantees - products that require a formal application to the bank. Trade services constitute of letters of credit (LCs), guarantees and documentary collections. According to International Chamber of Commerce (ICC), a letter of credit is any arrangement that is irrevocable and constitutes a definite undertaking of the issuing banking institution to honor a duly

complying presentation. A bank guarantee is an undertaking by a bank to pay the beneficiary of the guarantee should the applicant fail to perform his part of the contract. Online trade services have enabled banks to serve their customers more efficiently, reduce costs and create intimacy.

The international bank under this study is a Tier II corporate bank, which provides products and services for customers in East Africa Cluster. It offers cash management, electronic banking, trading, foreign exchange services, syndicated loans, corporate finance and structured trade finance solutions. The bank, founded in 1974, is based in Nairobi, Kenya and has a branch in Mombasa.

1.3 Problem Statement

Advancement in technology has made it possible for businesses to digitize various business channels, leading to an increase in customer engagement and operational efficiency. This has enabled banks to maintain relevance in the market and improve competitiveness. In the same dimension, an international bank based in Kenya has developed an online platform to enable its customers to apply for letters of credit and guarantees online.

Despite the development above, corporate customers are submitting paper-based applications for letters of credit and guarantees. As at 2016, only 35% of customers of an international bank in Kenya used the online trade services module, a digital channel for guarantees and letters of credit application. This is despite the fact that paper-based applications are prone to exceptions (such as signature discrepancy, unpopulated fields, illegibility) and are time-consuming as they take longer to deliver to the bank.

Previous research by Vainio (2006) conducted in Scandinavian countries, (Norway, Finland, Sweden, and Denmark) found out that perceived ease of use and bank support to use online banking services were the most important factors influencing the decision to start using online banking for trade services. Njuguna et al. (2012) found out that perceived ease of use, perceived usefulness, perceived compatibility, perceived self-efficacy, perceived relative advantage and perceived results demonstrability are the key factors that influence e-banking adoption and continued use in Kenya.

Need therefore arises to investigate why despite having an online platform, Corporate Customers of an international bank based in Kenya are using paper-based applications for letters of credit and guarantees. The findings form a basis for the bank to determine the most important factors to consider when selling online trade services to its corporate customers, which would boost competitiveness. At an industry level, understanding the most important factors to consider when selling digital channels for trade to corporate customers are likely to increase uptake leading to reduced cost of doing business.

1.4 Research Objectives

The overall objective of this study is; to determine the factors influencing adoption of online trade services among corporate customers in a Tier II International Bank in Kenya.

The specific objectives of this study are:

1. To determine whether perceived usefulness influences the adoption of online trade services among corporate customers of a tier II International bank in Kenya.
2. To determine whether perceived ease of use influence the adoption of online trade services among corporate customers of a tier II International bank in Kenya.
3. To determine whether self-efficacy influences the adoption of online trade services among corporate customers of a tier II International bank in Kenya.
4. To determine whether awareness influences the adoption of online trade services among corporate customers of a tier II International bank in Kenya.
5. To determine whether volume of transactions influences the adoption of online trade services among corporate customers of a tier II International bank in Kenya.
6. To investigate the relationship between the age of the clients and use of online trade services.
7. To give recommendations based on the user feedback on online banking and online trade services.

1.5 Research Questions

This study aims to answer the following questions:

1. Does perceived usefulness influence the adoption of online trade services among corporate customers of a tier II International bank in Kenya?

2. Does perceived ease of use influence the adoption of online trade services among corporate customers of a tier II International bank in Kenya?
3. Does self-efficacy influence the adoption of online trade services among corporate customers of a tier II International bank in Kenya?
4. Does awareness influence the adoption of online trade services among corporate customers of a tier II International bank in Kenya?
5. Does volume of transactions influence the adoption of online trade services among corporate customers of a tier II International bank in Kenya?
6. How does the age of the customers relate with the use of online trade services?
7. What recommendations can one give the international bank based in Kenya based on the user feedback on online banking and online trade services?

1.6 The scope of the Study

The study focuses on corporate customers of an International bank in Kenya currently applying for letters of credit and guarantees through the Bank using either paper-based (manual) or online application.

An international bank based in Kenya has been picked for this study based on various considerations. The international bank based in Kenya offers trade services to its services hence relevant data can be obtained. The international bank is also aggressive in digitizing the trade channels thus has availed data for purposes of this study. Banks have very restrictive information security policies and therefore very uptight with sharing customer information with third parties. Gaining access to customer portfolio of different banks is cumbersome. Nevertheless, the international bank in this study has granted approvals to conduct the survey. It is possible to reach out to corporate customers of the international bank through email to respond to the online questionnaire. Most of the corporate trade customers banking with the international bank in Kenya are multi-banked (SWIFT, 2014) and therefore are a sample representative of the trade customers in the banking industry.

1.7 The significance of the Study

This research is of importance as it seeks to identify the main factors that influence acceptance of online trade services among the corporate customers of an International bank in Kenya. The findings would potentially inform the international bank of the most important factors to put into consideration when marketing online trade services in order to increase user acceptance or influence the decision to start using online trade services. The findings would enable the international bank in Kenya to create efficiencies in their current processes translating to cost savings, transfer of value to customers, increased capacity to handle more transactions and create customer intimacy.

Corporate customers will realize benefits of digitization upon the adoption of online trade channels. These benefits include the elimination of courier costs to deliver instructions to the bank, reduced turnaround time to process guarantees and letters of credit and ability to track issuance status of letters of credit and guarantees online.

At the industry level, banks can learn the most important factors to consider in order to drive digitization of trade services. Digitization would drive efficiency within the industry by reducing touch points for transactions thus increasing the speed of execution, as well as lower the cost production and reduce levels of fraud.

Lastly, the current study contributes to the existing literature on the factors mediating the adoption of online trade systems among banks and could be used as a reference for research and/or academic purposes. The findings were useful to not only the international bank used for the study but also other global and local banks whose management is keen on optimizing the online banking services.

Chapter 2: Literature Review

2.1 Introduction

The subject of the adoption of online banking services has been studied in different dimensions by previous researchers. The aim of this chapter is to report the review of previous research relevant to the study topic. The literature review examines the relevant studies to formulate a relevant background of the research, contextualize the research problem, and define the study gap. Finally, this chapter also provides a review of the theories underpinning this study.

2.2 Theoretical Literature

This study is based on technology acceptance model (TAM). The theoretical literature therefore focuses on TAM.

2.2.1 TAM – Technology Acceptance Model

TAM is an information system (IS) theory that explains how users end up accepting and using a technology when it is introduced (Surendran, 2012). As per the theory, when a new technology is introduced, the perceived usefulness and ease of use of the system influences whether, how and when they accept and use it (Davis, 1985). Davis (1985) said that system use can be predicted by the user motivation, which is occasioned by an external stimulus.

Perceived ease of use (PEOU) determines a person's intention to use (BI) a system with the intention to use (BI) serving as a mediator of actual system use (U). The two main belief factors (PU and PEOU) are influenced by external factors. Perceived usefulness (PU) is also seen as being directly affected by perceived ease of use (PEOU). The underlying links between two key constructs and users' attitudes (AT), intentions (BI) and actual technology usage behavior (U), were specified using the theoretical underpinning of the Theory of Theory of Reasoned Action (TRA). Attitude (AT) and perceived usefulness (PU) jointly determine the behavioral intention (BI) and attitude (AT) is determined by perceived usefulness (PU) and perceived ease of use (PEOU). The diagrammatic representation of the model proposed by Davis in 1989 is given in Figure 2.2.1.

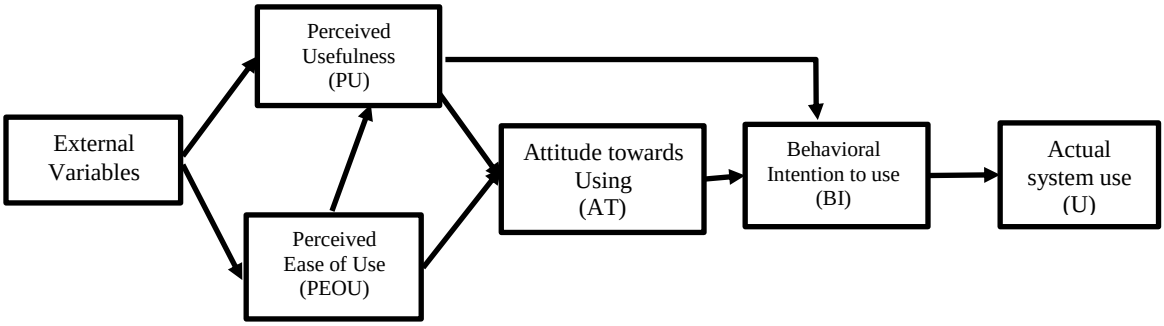

Figure 2.2:1 Technology acceptance model and internet banking

Though many information systems adoption models have been advanced previously to describe the relationship between systems adoption and the adopters' factors, it is the TAM theory which has been widely applied.

2.3 Empirical studies on the use of Technology Acceptance Model in different fields

Whang, Lee, Kang, and Lee (2004) conducted an empirical study of accepting mobile devices using TAM and observed that research on individual response to technology has continued to be active in the field of information technology (IT). It was perceived that with TAM, the user's ease of use of the technology, the perceived usefulness of the system, and levels of enjoyment, personalization of the system and service, and social influence influenced cellular phone selection. Uniquely, the study considered technology attributes that previous TAM researchers such as Park (2009) and Legris & Collerette, (2003) had neglected such as enjoyment and personalization. The attitude concept was excluded in the study. The study found that that there was a positive relationship between four factors (the user's ease of use, usefulness, enjoyment and social influence) and adoption intention. Personalization factor showed a negative relationship with adoption intention.

Moreover, Park (2009) used the TAM model to assess how Korean university students adopt e-learning. Park (2009) developed the model using the following constructs: system accessibility, e-learning self-efficacy, perceived ease of use, subjective norm, perceived usefulness, attitude, and behavioral intent to adopt and use e-learning. A survey of a sample of 200 students taking e-learning courses was done to obtain data, and the hypotheses were examined by confirming the presence of a statistically significant relationship in the predicted direction. The study found a strong magnitude in the relationship between online learning self-efficacy and the behavioral

intention. Both perceived ease of use and perceived usefulness were found to have the largest effect on user attitude, which is in agreement with what Wang et al. (2004) reported in their study.

Abu-Dalbouh (2013) used the TAM design to investigate user acceptance of mobile technology within the healthcare industry. The constructs for evaluation under the study were: perceived ease of use, perceived usefulness, user satisfaction levels and the attribute of usability. Abu-Dalbouh (2013) proposed a quantitative approach and designed a questionnaire to meet the objectives of the study. The questionnaire used a Likert scale intended to examine how strongly the respondents agreed or disagreed with the statements.

Holden and Karsh (2010) in their systematic literature review reviewed the application of the TAM model in the healthcare using 16 datasets analyzed in over 20 studies of clinicians using health IT for patient care. The studies differed greatly in samples and settings; health information technologies studied, research models, relationships tested, and construct operationalization. However, TAM fared much better in the later tests. From the reviews, it was evident that TAM has had widespread application in explaining health care providers' reactions to health IT.

2.4 Empirical studies on the use of Technology Acceptance Model (TAM) in internet banking

Liao and Wong (2008), conducted a study in which they explored the major determinants of customer interactions with e-banking services. The project involved the collection of empirical data regarding the use of Internet e-banking provided by commercial banks in Singapore. On the basis of the assumed causal relationships of different variables and their potential impacts on customer interactions with Internet-enabled e-banking services, Liao & Wong (2008) validated the measures using structural equation modeling. The results of the study suggested that perceived usefulness, ease of use, security, convenience and responsiveness to service requests significantly explain the variation in customer interactions. These findings corroborate Park (2009), Wang et al. (2004) and Rawashdeh (2015) but introduce convenience and responsiveness as additional determinants of adoption of internet banking services. It was also found out that as a conventional practice, financial institutions should continuously review their security policies and strengthen their security control with regard to internet e-banking. The findings provided practically useful information for improving extant Internet e-banking operations.

Marakarkandy, Yajnik, and Dasgupta (2017) conducted a study that integrated several antecedents into TAM to better understand the decision factors acting as enablers for the adoption of internet banking. The antecedents of the study were the subjective norm, image, and banks initiative, internet banking self-efficacy, internet usage efficacy, trust, perceived risk, trialability and government support. The moderating effects of the demographic variables (gender, age, income, and education) was also factored in. Marakarkandy et al. (2017) reported that to a large extent the results of the study supported the proposed model and thereby contributed to understanding the influence of subjective norm, image, banks initiative, and internet banking self-efficacy, internet usage efficacy, trust, perceived risk and government support on internet banking adoption. On the same note, Mansour (2016) conducted a research to provide insights into the determinants of businesses' internet banking acceptance. The study aimed to address a research need for extending the TAM by adding contextual variables. Trust was incorporated into the TAM to get a better understanding of business e-banking adoption. Two main trust dimensions - integrity and credibility - positively influence perceived usefulness and exert both direct and indirect positive effect on attitude towards business' internet banking adoption and behavioral intention. The study findings from Mansour (2014) and Marakarkandy et al. (2017) converged at the fact that trust is an integral factor that influences the decision by the customers to either adopt or reject internet-based banking. The managerial implications of the study are that Tunisian banks should consider influencing internet banking behavior not only by developing ease of use and usefulness beliefs but also by promoting professional credibility and integrity. The study revealed that extended TAM could be used to provide a solid theoretical foundation for business' acceptance of internet banking.

Lule et al. (2012) studied TAM in mobile banking adoption in Kenya. In their research, the researchers observed that that trust-related constructs and resource-related constructs should be the important antecedents of the behavioral intention to use IS. Based on the IS acceptance literature, especially the extended TAM by Luarn and Lin (2004), the research model was adopted with the following constructs: Self-efficacy, perceived credibility, subjective norms and transaction cost. The constructs in the model were found to influence the adoption of M-banking services significantly. Some of the constructs exhibited stronger significance than others. Perceived credibility was deemed to be the most significant and perceived self-efficacy least significant. The

study concluded that one of the limitations of TAM is that it is designed to be used in an organizational context rather than in everyday life context making it not favorable to study mobile-based technology, which is commonly used by individuals.

Kariuki (2014) in his research on factors influencing the adoption of internet banking in Kenya, used constructs of TAM to understand customer's attitudes towards internet banking in Kenya. The author used multi-linear regression analysis to test models' prediction capabilities. All hypotheses were tested at 0.05 level of significance. The study indicates that several factors such the lack of awareness, security fears, and the user features of the website affect PU and PEOU, which in turn affect the user's attitude and perception towards online banking. In a sense, Kariuki's study expands the range of factors that could explain the adoption of internet banking in view of other studies such as Lule et al. (2012)

Njambi (2014) explored factors that influence the adoption of internet banking in Kenya focusing on the Imperial bank. She used a TAM model with three main constructs: Perceived Security, user attitude and internet payment (Cost). Njambi (2014) used descriptive research design. A standardized questionnaire was used to collect data from a random sample. The findings indicated that customers face a dilemma between desirable and undesirable outcomes of the adoption of online banking services, and hence face a risky decision on security. Njambi (2014) reported that insufficient trust on financial institutions is a critical perceived credibility issue that lower internet banking acceptance. These findings corroborate those of Lule et al. (2012), underscoring the fact that customer trust and confidence in the systems of an organization are essential determinants for the banking institutions to retain existing bank clients as well as encouraging the adoption of internet banking.

2.5 Research gap

Few researchers in Kenya have examined the benefits and challenges of e-Commerce for International trade, but there is a missing connection in the application of TAM (Kabuba, 2014). There is a necessity to understand human behavior, which plays a significant role in the rapid or sluggish growth of online trade services in Kenya. Supporting findings from existing studies such as Njuguna et al. (2012) and Kariuki (2014) were of substantial contribution on baseline data of

small-scale and commercial online traders' utilization of online trade services, challenges experienced and necessary recommendations to improve internet banking for Trade Finance.

Besides the constructs in the original TAM model, the volume of transactions has been considered an important factor that may influence acceptance of online banking for trade by corporate customers in Kenya. It is postulated that the higher the volume of transactions, the more likely a corporate customer will accept internet banking for trade. The conclusion has been made after discussion with trade service specialists of an international bank based in Kenya. This factor has not been tested in previous studies and therefore is an extension of the original TAM. The volume of transactions was subjected to hypotheses testing to establish whether it has a significant influence on acceptance of internet banking for international trade.

2.6 Conceptual Framework

The Technology Acceptance Model (TAM) was used as the basis for this research. From previous researchers, the first five have been identified as common determinants of predicting the adoption of Internet banking and other types of e-commerce or information systems. Vainio (2006) also used the first four factors (perceived usefulness, perceived ease of use, self efficacy, awareness) in his research. For purposes of this study, TAM has been extended to include the volume of transactions as an important factor influencing acceptance of internet banking for trade. The literature review forms a good basis to develop a model to measure factors that influence acceptance of online trade services among corporate customers of an international bank based in Kenya.

Definitions of the key constructs under Technology Acceptance Model (TAM), which are tested in this study are listed in Table 2.6.1.

	Key Construct	Definition
1	**Perceived Usefulness**	"The degree to which a person believes that using a particular system would enhance his or her job performance" (Davis, 1989)
2	**Perceived Ease of Use**	Describes the extent to which a person believes that using a specific system would be free from high levels of effort." (Davis, 1989)
3	**Self-Efficacy**	A person's estimate of his/her ability to cope with using a particular system (Park, 2009).
4	**Awareness**	The level of awareness about the particular system and using it (Kariuki, 2014).
5	**Volume of transactions**	Number of transactions processed by the corporate customer

Table 2.6.1 Technology Acceptance Model - (TAM): Definition of Key Constructs

The Figure 2.6.1 represents a diagrammatic representation of the five independent variable and the dependent variable.

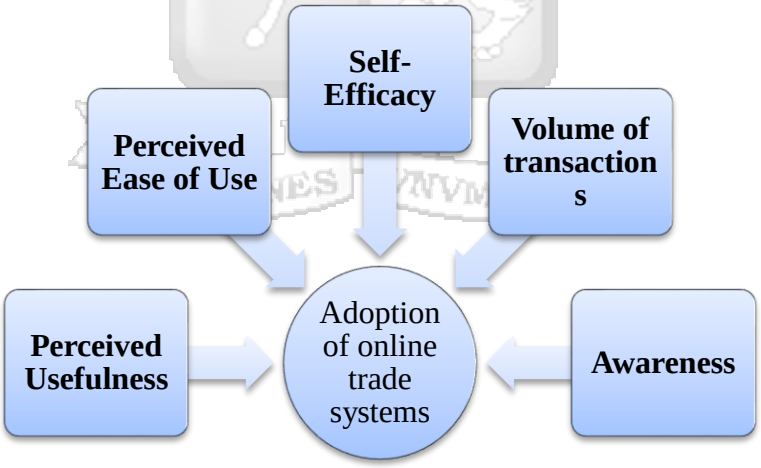

Figure 2.6.1 The conceptual framework depicting the independent variables and the dependent variable

The diagram shows that the five factors affect the adoption of the online trade systems. The present study investigates if there exists a relationship between the five factors and adoption of online trade services.

Chapter 3: Research Methodology

3.1 Introduction

This chapter covers research design, population and sampling, data collection methods, data analysis, reliability, validity and ethical considerations.

3.2 Research Design

This study uses a descriptive research design. Descriptive research is used to collect data and information about the current status of the phenomena to describe "what exists" with respect to variables or conditions in a situation (Key, 1997). The descriptive research design is appropriate in this study as it provides an opportunity to analyze the data obtained to explain the relationship between the dependent and independent variables.

The study entailed a survey of a random sample of corporate customers of an international bank based in Kenya. The survey uses a quantitative approach of the data analysis. Quantitative data were collected for this study. The rationale for using the quantitative research approach is to quantify the effect of the independent variables (perceived usefulness, perceived ease of use, self-efficacy, awareness, volume of transactions) on the dependent variable (adoption of online trade systems) for an international bank operating in Kenya).

3.3 Population and sampling

This study used primary data collected from corporate customers of an international bank based in Kenya, who used trade services products (guarantees, letters of credit and documentary collections) in 2016. The sample was randomly selected.

Eighty-two customers of the international bank based in Kenya met the criteria above. A random sampling approach was used to obtain a random sample of eighty two respondents (Smith, 2013). Eighty two questionnaires were therefore sent out.

3.4 Data collection methods

The study used primary data from corporate customers in the banking industry. The primary data was collected using a structured questionnaire (Appendix A) prepared in google forms and shared with eighty two respondents. Phone calls were made to respondents to achieve the desired response rate of at least 50%.

3.5 Data Analysis

The questionnaire had three parts.

Part one focused on the respondent's profile and collected data relating to demographics and experience with internet banking. Key data elements included in this section are gender, age bracket and use of online trade services. Summary tables were used to report data collected in this part. SPSS data analysis software was used to analyze the quantitative data collected in the study.

Part two measured the factors from the extended TAM theoretical framework using the Likert 5-scale closed-ended questions. The likert scale was used in this section as it is ideal for hypotheses testing. The following scale was applied in the survey:

1 = Totally disagree
2 = Disagree
3 = Undecided
4 = Agree
5 = Totally agree

Results from this section were analyzed using the SPSS statistics software. Normality tests were conducted by calculating p-value, which were evaluated to determine significance when $\alpha = 0.05$. If p-value was less than or equal to α values ($P \leq \alpha = 0.05$), then Ho was rejected. If p-value is greater than α ($P \geq \alpha = 0.05$), then Ho failed to be rejected. (Ghasemi & Zahediasl, 2012)

The study was based on the investigation of how the five factors shown in the conceptual framework figure 2.6.1 affect the likelihood of corporate customers adopting online trade services. Relationship between the independent variables (PU, PEOU, SE, AWE and VOL) and adoption of online trade services (USER) was tested by measuring the correlation between each of the independent variables and dependent variable.

VIF statistic was calculated to measure multicollinearity between the independent variables to establish whether a variation in one independent variable would lead to a variation in another independent variable.

Part three of the study looked at the user experience and possible system changes that would improve the user experience. It had open-ended questions. Responses were provided in free format. No statistical analysis was done in this section. Instead, a content analysis was performed on the data to derive the messages which the respondents could be passing across.

3.6 Research Quality

To achieve both reliability and validity data of the study, structured questionnaires were subjected to a pilot survey, where 10 questionnaires were sent. The questionnaires were sent out via email and feedback solicited directly from the pilot respondents. This enabled refinement of the questionnaire to ensure the instrument was reliable and valid.

3.6.1 Validity

External validity is achievable in this research as most customers (both multinational corporations – MNCs, and local corporates) are multi-banked. Most companies, particularly those operating internationally, work with more than one bank for cash, trade, and treasury solutions (SWIFT, 2014). If the research was done in another international bank in Kenya, a significant part of the target population would be the same as that of this study. The results of this study were generalizable to similar situations involving corporate customers of an international bank based in Kenya.

3.6.2 Reliability

Reliability or internal consistency of the responses were assessed by calculating Cronbach's alpha (α) coefficient. Cronbach's alpha coefficient is most commonly used to measure internal consistency or reliability of responses where multiple Likert-scale questions are used in a survey/questionnaire that form a scale. The alpha coefficient has a value between 0 and 1. Values of +0.7 or above suggest that the questions in the scale measure the same thing. (Saunders, Lewis, & Thornhill, 2009). The coefficient is used by the researcher to understand whether the questions in the questionnaire reliably measure the same variable (acceptance of online trade services for this research). The coefficient was calculated using SPSS data analysis software (Elliot, 2007).

The reliability statistics obtained in the study were as shown in Table 3.2 below.

Cronbach's Alpha	Number of the predictors (PU, PEOU, SE, AWA, and VOL)
0.811	**5**

Table 3.2: Reliability statistic

The Cronbach's alpha is 0.811. This was higher than the 0.7 threshold, which is regarded as good and acceptable. This implied that the consistency level of the questions was acceptable as they measured related ideas.

3.7 Ethical issues

3.7.1 Confidentiality.

Confidentiality of the respondents and the bank are essential factors of the credibility of the study. The international bank remains anonymous in the entire study. The respondents' identity was also kept anonymous all along to protect their privacy and confidentiality. The research participants were notified that responses will be handled and reported anonymously before filling in the online questionnaire.

3.7.2 Informed consent

Permission to use the case bank to conduct research within the international bank was obtained from the senior management of the international bank based in Kenya. The management was informed that the study data would be used for research and scholarly purposes only, and would not be divulged to a third party. Besides, the research participants were notified on the online questionnaire that participation is voluntary.

Chapter 4: Results and Analysis

4.1 Introduction

The data obtained in the study was analyzed using the IBM SPSS Statistics tool. The responses analyzed in the study were obtained from 54 out of 82 respondents. The analysis of the data included descriptive statistics and cross-tabulations of the data. The purpose of this chapter is to present the findings obtained following the data analysis.

4.2 Descriptive Statistics

Descriptive statistics provide information about the respondents, which is essential for contextualizing the findings. The descriptive aspects considered in this study included gender, the age brackets of the respondents, products each of the respondents handled and whether the respondents were users of online trade services.

Table 4.2.1 below shows the gender proportions of the respondents.

		Frequency	Percent
Valid	Male	35	64.8
	Female	19	35.2
	Total	54	100.0

Table 4.2.1 Gender Distribution

35.2 % of the respondents were female, while the remaining 64.8% comprised men. As such, there were more men than women completing the survey, but the results are fairly representative of the gender distribution in the banking sector in Kenya (Ngigi G., 2016) and the population under investigation. As such, the gender proportions do not negatively affect the results reported in this study.

Table 4.2.2 below shows the age brackets of the respondents.

		Frequency		Percent
Valid	25 - 30 Years	26		48%
	31 - 40 years	20		37%
	41 - 50 years	6		11%
	51 - 60 years	2		4%
	Total	54		100.0

Table 4.2.2 Classification of respondents by Age

Table 4.2.2 shows that 48% of the respondents fell in the 25-30 years age bracket, while 37% were in the 31-40 years bracket. When data was clustered into two being 30 years and below and above 30 years, the distribution was as shown in Table 4.2.3. This was reflective of the demographics of the Kenyan working population (Buzanakova, 2014).

		Frequency	Percent
Valid	30 years and below	26	48%
	Above 30 years	28	52%

Table 4.2.3 Age categorization two groups

The trade finance products handled by the respondents were shown in Table 4.2.4 below.

		Frequency	Percent	Cumulative Percent
Valid	Documentary collections	2	4%	4%
	Guarantees	26	48%	52%
	Guarantees; Documentary collections; Letters of Credit	6	11%	63%
	Guarantees; Letters of Credit	5	9%	72%
	Letters of Credit	1	2%	**74%**
	None of the above	14	26%	100%
	Total	54	100.0	

Table 4.2.4 Trade Finance products handled by respondents in general

From table 4.2.4 above, 48% of the respondents said that they handled guarantees only, while 9% of the respondents handled letters of credit and guarantees. 26% indicated that they did not handle any of the three trade finance products given in the questions, while 4% said that they process documentary collections only. Overall, 74% of the respondents handled at least one of the trade services products (documentary credits, guarantees and documentary collections) while 26% of the respondents did not handle any trade services product.

Table 4.2.5 below shows users and non-users of online trade services.

	Frequency	Percent	Cumulative Percent
No but will be	25	46%	46
Yes	12	22%	68
No, will not be	17	31%	100
Total	54	100%	

Table 4.2.5 Users and non-users of online trade services

22% of the respondents said that they were using online trade services. Majority of the respondents, 46% indicated that they were not using online banking services, but they would be adopting it. 31% indicated that they were neither using nor planned on starting to use online trade channels.

31% is a noteworthy proportion, which stresses the need for the tier II international bank to adopt strategic actions to popularize the online trade channels among the corporate customers.

4.3 Inferential Statistics

4.3.1 Test for normality

Given that the sample size was less than 2,000, Shapiro-Wilk test of normality test was performed. The P-values (Shapiro Wilk Statistic) obtained from the test were less than α (0.05) as shown in Table 4.3.1. This demonstrated that data was not from a normally distributed population.

Tests of Normality

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
PU	.270	54	.000	.782	54	.000
PEOU	.280	54	.000	.818	54	.000
SE	.279	54	.000	.770	54	.000
AWE	.275	54	.000	.780	54	.000
VOL	.276	54	.000	.798	54	.000

a. Lilliefors Significance Correction

Table 4.3.1 Test for normality

P-values were found to be less than 0.05 ($P<\alpha=0.05$) for all predictor variables hypothesized to influence the decision of the corporate clients to adopt online banking services. Accordingly, the null hypotheses was rejected, while the alternative hypotheses failed to be rejected for all independent variables, as shown in Table 4.3.4 above.

The spearman's Rho non parametric test was used to measure the strength of association between the variables given that the data was not from a normally distributed population.

4.3.2 Correlation and multicollinearity

The correlation matrix in table 4.3.2 below shows that all the predictive variables are positively correlated with user acceptance of online trade services. An increase in all the independent variables would be associated with an increase in user acceptance of online trade services.

Correlations

			PU	PEOU	SE	AWE	VOL	User
Spearman's rho	PU	Correlation Coefficient	1.000	.677**	.564**	.685**	.677**	.283*
	PEOU	Correlation Coefficient	.677**	1.000	.620**	.640**	.678**	.322*
	SE	Correlation Coefficient	.564**	.620**	1.000	.759**	.689**	.224
	AWE	Correlation Coefficient	.685**	.640**	.759**	1.000	.700**	.195
	VOL	Correlation Coefficient	.677**	.678**	.689**	.700**	1.000	.309*
	User	Correlation Coefficient	.283*	.322*	.224	.195	.309*	1.000

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Table 4.3.2 Correlation coefficients

Variable Inflation Factor (VIF) was calculated to measure multicollinearity among the predictor variables (PU, PEOU, SE, AWE and VOL). In statistics, VIF exceeding 10 are often regarded as indicating multicollinearity, but in weaker models values above 2.5 may be a cause for concern. Table 4.3.3 the VIF statistic for each independent variable against the others.

VIF Matrix						
		Dependent Variable				
		PU	PEOU	SE	AWE	VOL
Independent Variables	PU	N/A	1.211	1.263	1.253	1.272
	PEOU	1.313	N/A	1.383	1.360	1.247
	SE	1.876	1.895	N/A	1.309	1.842
	AWE	2.002	2.004	1.408	N/A	1.980
	VOL	1.491	1.348	1.454	1.452	N/A

Table 4.3.3 VIF Statistic

VIF score was close to 1 for all predictor variables. It was therefore concluded that there was little multicollinearity between the predictor variables.

4.4 A discussion of individual predictor variables

The discussion in this section is based on results in tables 4.3.1, 4.3.2 and 4.3.3 above:

4.4.1 Perceived Usefulness

The normality test results in table 4.3.1 suggested that, at 95% confidence level (α=0.05), Perceived Usefulness (PU) data was not collected from a normally distributed population. The null hypothesis was rejected given that p (0.000) < α (0.05). A further analysis of the data as per table 4.3.2 showed that there was a significant correlation between perceived usefulness and adoption of online trade services. The correlation is positive meaning that an increase in perceived usefulness was associated with an increase user acceptance of online trade services. A test of multicollinearity between Perceived usefulness and the other independent variables was performed. The VIF score for all the predictor variables was below 2.5 indicating that multicollinearity was very low and hence there was no point of concern.

4.4.2 Perceived Ease of Use

The normality test results in table 4.3.1 showed that, at 95% confidence level (α=0.05), the population from which Perceived Ease of Use (PEOU) data was collected was not normally distributed. The null hypothesis was rejected given that p (0.000) < α (0.05). A further analysis of

the data as per table 4.3.2 showed that there was a significant correlation between perceived ease of use (PEOU) and adoption of online trade services. The correlation was positive meaning that an increase in perceived usefulness was associated with an increase in user acceptance of online trade services. A test of multicollinearity between perceived ease of use (PEOU) and the other independent variables was performed. The VIF score for all the independent variables was below 2.5 indicating that multicollinearity was very low and therefore there was no point of concern.

4.4.3 Self-Efficacy

The normality test results in table 4.3.1 show that, at 95% confidence level (α=0.05), the population from which Self-Efficacy (SE) data was collected was not normally distributed. The null hypothesis was rejected given that p (0.000) < α (0.05). A further analysis of the data as per table 4.3.2 showed that at there was a correlation between Self-Efficacy (SE) and adoption of online trade services. The correlation was positive meaning that an increase in Self-Efficacy (SE) was associated with increase in user acceptance of online trade services. A test of multicollinearity between Self-Efficacy (SE) and the other independent variables was performed. The VIF score for all the independent variables was below 2.5 indicating that multicollinearity was very low and therefore was not a point of concern.

4.4.4 Awareness

The normality test results in table 4.3.1 show that, at 95% confidence level (α=0.05), the population from which Awareness (AWE) data was collected was not normally distributed. The null hypothesis was rejected given that p (0.000) < α (0.05). A further analysis of the data as per table 4.3.2 showed that at α =0.05 there was correlation between Awareness (AWE) and adoption of online trade services. The correlation was positive meaning that an increase in Awareness (AWE) was associated with an increase in user acceptance of online trade services. A test of multicollinearity between Awareness (AWE) and the other independent variables was performed. The VIF score for all the independent variables was below 2.5 indicating that multicollinearity was very low and therefore was not a point of concern.

4.4.5 Volume of Transactions

The normality test results in table 4.3.1 show that, at 95% confidence level (α=0.05), the population from which Volume of transactions (VOL) data was collected was not normally distributed. The

null hypothesis was rejected given that p (0.000) < α (0.05). A further analysis of the data as per table 4.3.2 showed that at α =0.05 there was a significant correlation between Volume of transaction (VOL) and adoption of online trade services. The correlation was positive meaning that an increase in Volume of transaction (VOL) was associated with an increase in user acceptance of online trade services. A test of multicollinearity between Volume of transaction (VOL) and the other independent variables was performed. The VIF score for all the independent variables was below 2.5 indicating that multicollinearity was very low and therefore was not a point of concern.

4.5 The relationship between Age and Acceptance of Online Trade Services

4.5.1 Relationship between Age and perceived usefulness

	Reponses				
Age Bracket	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree	Grand Total
25 - 30 Years	4%	12%	31%	54%	100%
31 - 40 years	0%	5%	50%	45%	100%
41 - 50 years	33%	17%	17%	33%	100%
51 - 60 years	50%	50%	0%	0%	100%
Grand Total	**8%**	**11%**	**35%**	**46%**	**100%**

Table 4.5.1 Relationship between Age and Perceived Usefulness

The summary Table 4.5.1 shows the responses regarding perceived usefulness of online trade services by age group. Out of 54 respondents, 46% strongly agree that online trade system is useful. 54% of the respondents aged between 25-30 years strongly agreed that they find or think online trade services are useful. 50% of respondents in the 50-60 years age bracket disagreed that online trade services is useful. This implied that younger generation perceive online trade services more useful.

4.5.2 Relationship between age and perceived ease of use

	Reponses					
Age Bracket	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree	Grand Total
25 - 30 Years	0%	5%	15%	38%	42%	100%
31 - 40 years	0%	0%	10%	60%	30%	100%
41 - 50 years	17%	16%	0%	50%	17%	100%
51 - 60 years	0%	50%	50%	0%	0%	100%
Grand Total	2%	6%	13%	46%	33%	100%

Table 4.5.2 Relationship between Age and Perceived Ease of Use

79% percent of the respondents chose 4 and 5 on the Likert scale in view of, to mean that they would welcome the use of online banking into their personal lives and businesses. The majority of those who agreed were between the age groups of 31-40 years old. 33% of the total number of respondents strongly agreed that they find or think that online trade service system is easy to use. 42% of the respondents in the 25-30 age bracket represents the highest proportion in the strongly

agree category. 60% of the respondents in the age bracket 31-40 years agreed that online trade services system is easy to use. These findings suggested that younger persons believed that perceived ease of use influenced user acceptance of online trade services while the older generation believe perceived ease of use did not influence adoption of online trade services.

4.5.3 Relationship between age and Self Efficacy

	Reponses					
Age Bracket	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree	Grand Total
25 - 30 Years	0%	8%	4%	42%	46%	100.00%
31 - 40 years	5%	0%	5%	55%	35%	100.00%
41 - 50 years	0%	33%	0%	33%	33%	100.00%
51 - 60 years	0%	50%	0%	50%	0%	100.00%
Grand Total	**2%**	**9%**	**4%**	**46%**	**39%**	**100.00%**

Table 4.5.3 Relationship between Age and Self-Efficacy

85% (those who agreed and strongly agreed) of the respondents find or think that their ability to use online trade services would influence acceptance of online trade services. 46% of the respondents in the 25-30 years age bracket strongly agreed that self-efficacy would influence use of online trade services. 50% of the respondents in the 51-60 years age bracket disagreed with the perception that self-efficacy would influence adoption and use of online trade services. These findings suggested that younger persons believed that self-efficacy influenced adoption of online trade services while the older generation believed that self-efficacy did not influence adoption on online trade services.

4.5.4 Relationship between Age and Awareness

	Reponses				
Age Bracket	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree	Grand Total
25 - 30 Years	4%	4%	46%	46%	100%
31 - 40 years	0%	15%	50%	35%	100%
41 - 50 years	33%	0%	33%	33%	100%
51 - 60 years	50%	0%	50%	0%	100%
Grand Total	**7%**	**7%**	**46%**	**39%**	**100%**

Table 4.5.4 Relationship between Age and Awareness

85% (those who agreed and strongly agreed) of the respondents find or think that awareness of online trade services would influence acceptance of online trade services. 46% of the respondents in the 25-30 years age bracket strongly agreed that self-efficacy would influence use of online trade services. 50% of the respondents in the 51-60 years age bracket disagreed with the perception that awareness would influence adoption and use of online trade services. These findings are suggested that younger persons believed that awareness influenced adoption of online trade services while the older generation believed self-efficacy did not influence adoption on online trade services.

4.5.5 Relationship between Age and Volume of transactions

	Reponses				
Age Bracket	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree	Grand Total
25 - 30 Years	4%	12%	31%	54%	100%
31 - 40 years	5%	15%	30%	50%	100%
41 - 50 years	33%	33%	0%	33%	100%
51 - 60 years	50%	0%	50%	0%	100%
Grand Total	**9%**	**15%**	**28%**	**48%**	**100%**

Table 4.5.5 Relationship between Age and Volume of transactions

From table 4.5.5 above, 76% (those who agreed and strongly agreed) of the respondents found or thought that volume of transactions would influence acceptance of online trade services. 54% of the respondents in the 25-30 years age bracket strongly agreed that volume of transactions would influence use of online trade services. 50% of the respondents in the 51-60 years age bracket disagreed with the perception that volume of transactions would influence adoption and use of online trade services. These findings suggested that younger persons believed that volume of transactions influenced adoption of online trade services while the older generation believed that volume of transactions did not influence adoption on online trade services.

4.6 Features of Online Trade Channels Based on User Experiences

Part three of the questionnaire gave interesting results regarding the user experience of the respondents, and the things they thought should be changed. The significance of the factors and features reported by the respondents is measured by the number of participants who mentioned or

stated it in their responses. When asked about the positive experiences and what they liked about online trade systems, the outcomes obtained are summarized in Figure below.

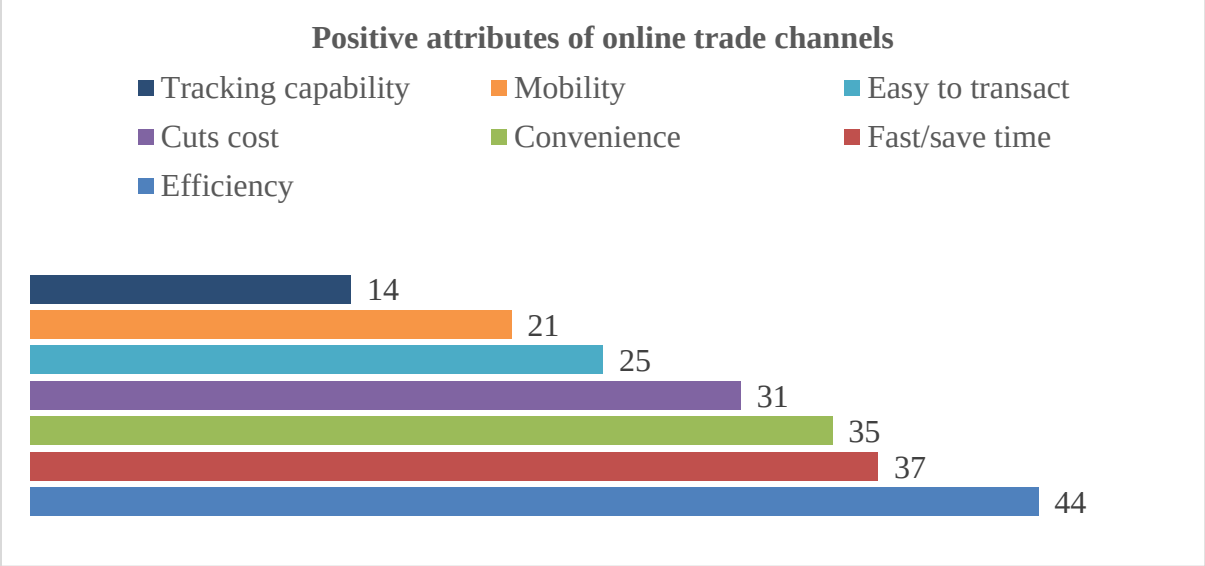

Figure 4.6:1 The Positive attributes of online trade channels

The results above show that efficiency is the most quoted positive aspect which the corporate customers liked about online trade systems. 44 out of 54 respondents mentioned efficiency, underscoring its significance. 37 out of the 54 respondents said that the online trade systems were fast as saved time, while another 35 indicated that the online systems were convenient. The results also show that about 57% of the respondents (31 out of 54) said that online trade systems helped in cutting costs. These results underscore the value and importance of online trade channels for the corporate customers.

With regard to the negative attributes, which refer to the things that the corporate clients do not like, figure 4.6.2 shows the main issues.

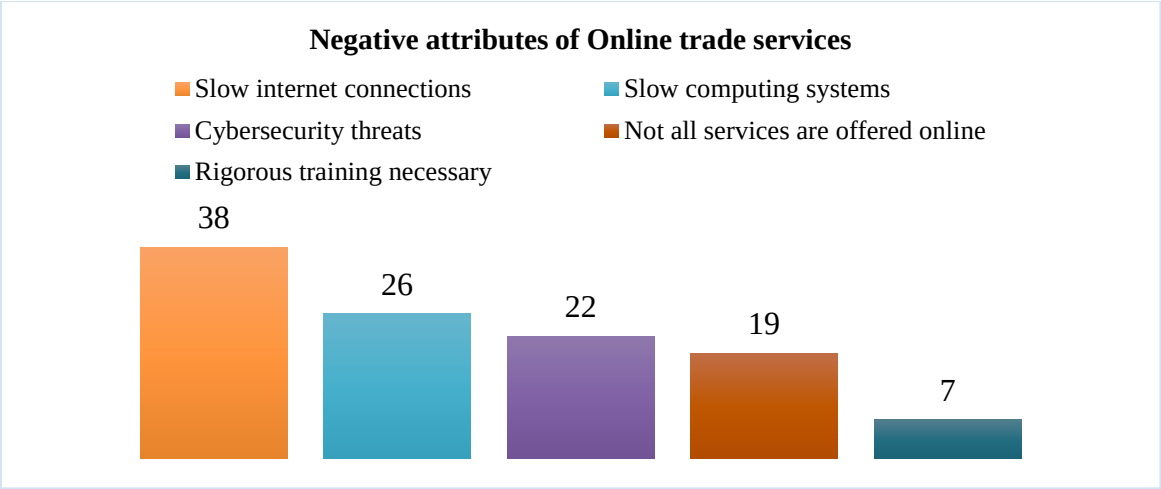

Figure 4.6.2 Negative attributes of online trade services

The information in Figure 4.6.2 above shows that a vast majority of the respondents (38 out of 54) indicated that slow connections was a problem, with another 26 out of 54 identifying slow computing systems. Cyber security is the third-most important issue highlighted by the results, with 22 out of the 54 respondents mentioning it. The results suggest that there are certain things which the users dislike, which need to be addressed in order to enhance value of the online trade systems to the user, and enhance adoption rates.

Lastly, the respondents were asked about the things that they would like to see changed or improved. The results are shown in Figure 4.6.3 below.

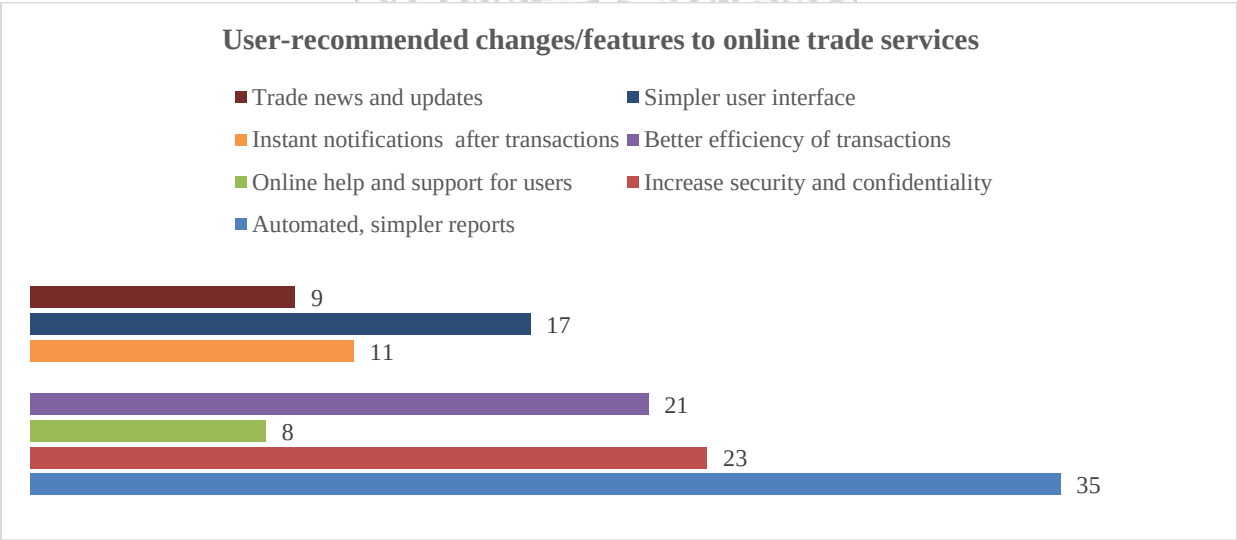

Figure 4.6:3 The User-recommended changes/features to online trade services

As show above, approximately 65% of the respondents (35 out of 54) said that they would like to see more process automation and simplified reports, which relates to ease of use and perceived usefulness. The second most important change recommendation was the enhancement of the data security and integrity, with better confidentiality features to protect the user. 23 out of the respondents mentioned the cyber security and confidentiality issue, with another 21 respondents saying that they would like to see better efficiencies in executing transactions on the online systems.

4.7 Summary of Results

The results reported in this study show that there is a relationship between the five independent factors and user acceptance of online trade services. The data was not collected from a normally distributed population. All the null hypothesis were rejected while the alternative hypotheses failed to be rejected given that the normality tests p-values were less than α (0.05). The independent factors were positively correlated to user acceptance of online trade services given that the correlation coefficients were all positive. There was little multicollinearity between the predictor variables hence no point of concern.

In conclusion, there was a relationship between independent variables (perceived usefulness, perceived ease of use, self-efficacy, awareness, and volume of transactions) and dependent variable (adoption of online trade services among corporate customers of tier II International bank in Kenya). The younger people (those aged between 25 and 40 years) are more likely to make favorable decisions involving the adoption of the online trade services.

Chapter 5: Discussion, Implication and Recommendations

5.1 Overview

The analysis of the data from the survey has shown that the choice of either using the online trade channels or failing to use the technology is informed by several factors, including age. In this section, the main findings of the study are summarized, and the relevant recommendations drawn. Only one research related to online trade services and corporate user acceptance was found. The research was done in Scandinavian countries by Vainio (2006).

5.2 The Impact of Perceived Usefulness, Perceived Ease of Use, Self-Efficacy, Awareness, and Volume of Transactions

The perceived usefulness domain considered in the study involves the perceptions that the adoption of online trading systems would be faster and enable the user to extract information from the banking systems more efficiently. The findings suggest that there is a positive correlation between perceived usefulness and adoption of online trade services. The positive attribution may be cited as the rationale for the current study outcomes that show a close association between perceived usefulness and probability of adoption of online trade services. Similar findings have been reported by Nasri (2011), who showed that when the customers think that the online banking system would be useful to them, they were more likely to adopt than reject it.

Also, with regard to the perceived ease of use, the focus was on the perceptions of the online trade not involving a high mental effort to execute functions, user's ability to easily do what they want to do using the online systems, ease of system navigation and ease of getting the online systems. As in the case on the perceived usefulness, this high levels of agreement with the idea of online trade systems may explain that a higher rate of perceived ease of use would result in the increase in the likelihood that the client will adopt online trade systems. This is similar to findings from research conducted in Scandinavian countries by Vainio (2006).

Similarly, the awareness has a positive correlation with adoption of online trade services. Higher levels of awareness would lead to a higher likelihood of adoption of the online trade services. These findings corroborate those reported by Vainio (2006), showing that if users are aware of the operations, uses and benefits of a technology, they are more likely to accept it than those that are unaware.

Similarly, Self-efficacy has a positive correlation with adoption of online trade services. This suggests that higher self-efficacy by the prospective adopters would increase the possibility that users would adopt online trading systems. This suggests that the corporate customers are highly likely to adopt the online trade systems if they are confident using online trade services. This is in line with research findings by Vainio (2006). Vainio found out that self-efficacy was related to a higher likelihood that user will adopt online trade services. Similar, Dinev et al. (2009) complements Vainio (2006) adding that new users who learn how to use an online trade service from competent users tend to have more confidence in using the technology.

Additionally, with regard to the assertion that high volumes of trade transactions would justify the use of online banking for trade services, the positive correlation showed that large volumes of transactions would be associated with an increase the likelihood of the customers adopting online trade system. This complements the belief that large volumes of transactions are associated with certain bottlenecks when being handled manually, including being time-consuming, high rates of error in processing and inefficiency. Users would be motivated to adopt online systems to overcome many of the aforementioned challenges.

This study has focused on five independent variables (perceived usefulness, perceived ease of use, self-efficacy, awareness and volume of transactions) and their relationship with adoption of online trade services. Notably, inclusion of other factors such as training of potential users, technology support by customers and the bank technology teams, system alerts during system downtime, customer and bank policy on use of online systems among others may increase the likelihood that users will accept online trade services.

5.3 The Relationship between Age of Customers and Acceptance of Online Trade Channels

The findings show that age is a notable factor that may influence the decision of the customers to adopt online trade systems. There were more young people aged between 25 and 40 years. From the analysis done in section 4.5, the younger people find or tend to think the five independent variables (PU, PEOU, SE, AWE, VOL) would influence adoption of online trade services. This situation may be related to the fact that young people are highly likely more aware of and receptive

towards the emerging digital technologies. The awareness of online banking may be associated with higher confidence in the use of the digital technologies, and understanding of the benefits of the digitized channels. These findings agree with others reported by Kariuki (2014), which had shown that middle-aged persons had adopted online banking systems that their older counterparts. The findings can be relevant for decision makers in the banking institutions as they design and implement marketing approaches for more efficient customer targeting.

5.4 Positive and Negative Features of Online Banking Channels Based On Customer Experiences and Perceptions

Findings from this study show that the online trade channels are associated with better efficiency, speed, convenience, and improved mobility, ability to track transactions, ease of use and the opportunity to save costs. These beneficial aspects are motivating factors for the adoption of online trade systems. At the same time, however, challenges such as cyber security threats and concerns, slow connections and logging times, and the fact that some services are not online appear to reduce the value of online trade systems For example, one respondents said that despite making online applications for guarantees, they had to go to the bank to collect the guarantees. These challenges provide opportunities for improvement. The findings show that the customers would like the connections to be faster to facilitate efficient transactions, with timely notifications when transactions were completed. Other areas of improvement as per the study findings include cyber security, creation of simpler, easy to use user interfaces, and provision of online customer support and help features, as well as online trade news and live updates for the customers.

5.5 Implications and Recommendations

The findings indicate that an increase in perceived usefulness, perceived ease of use, self-efficacy, awareness and volume of transactions are associated with user acceptance of online trade services. The association is positive implying that a change in any of the five factors in a particular direction would be associated with a change in user acceptance of online trade services in the same direction. These findings have implications for the tier II international bank operating in Kenya, as well as other banking institutions whether they are the providers or users of the online trade services.

The providers of online trade systems in the banking systems should focus on creating awareness about online trade systems, with an emphasis on what the e-banking solutions offer to the corporate

clients, and that benefits associated with its adoption. Such a strategy can be executed in marketing and offer proposals, where a clear analysis of the possible benefits, and an indication of the some of the problems the online trade services would help the adopter to solve, are explained. Also, as the online trade service vendors design and build the online system they should integrate user-friendly features, including visualization tools, and combination of steps for specific tasks such that the user can perform tasks by completing only a few short steps, and an interactive platform that does not require advanced training for a user to utilize.

Another important consideration is the provision of reliable and readily available user support, such that when the adopters face unprecedented challenges, they can get prompt assistance from a trained support team, to ensure that the use of the online trade systems is smooth and productive to the clients. Similarly, banks should invest in ensuring that the online trade systems are readily accessible and simplified, including easy-to-use interfaces and services. The rationale for this is that it could boost the perceived ease of use, and motivate the corporate customers to adopt it. In this regard, if the online trade services are associated with enhanced efficiency and convenience, this could go a long way in boosting the perceived usefulness of the online system, and increases levels of acceptance of the new model.

On the same note, the banks should improve cybersecurity protocols, protect confidentiality of users, and undertake continuous improvements of their user interfaces to enhance access and ease of use, in the process streamlining the online trade system. Lastly, it is recommended that the support resources such as simplified user manuals, user training, and support be provided to the adopters so that their overall self-efficacy is enhanced.

5.6 Limitations of this research

The study treats individual responses as corporate responses. Individual responses may be subjective and not represent the true position of a corporate entity.

5.7 Areas for Further Research

A possible area of further study is the investigation of whether and how management support or attitude towards technology and availability of financial capabilities are determinants of the choice of adopting or rejecting online trade services. Incorporating more predictor variables would help identify other relevant factors that would influence adoption of online trade services.

5.8 Conclusion

The current study sought to examine how perceived usefulness (PU), perceived ease of use (PEOU), self-efficacy (SE), awareness (AWE) and volumes of transaction (VOL) are related to user acceptance of online trade systems. Correlation tests showed that there was positive relationship between each of the predictor variables and user acceptance of online trade services by corporate customers of a tier II International bank based in Kenya. An increase in the predictor variables would be positively associated with an increase in user acceptance of online trade services by corporate customers of a tier II International Bank based in Kenya. Normality tests showed that data was not from a normally distributed population. This was explained by the fact that the study focused on trade clients of one bank hence the skewedness.

The findings further suggested that people aged between 25 and 40 years were more likely to adopt the online trade channels for banking than their older counterparts. Based on these findings, it was noteworthy that for banks to enhance the adoption of online trade channels, they ought to design the services in such a manner than they are easy to use, navigate and valuable to the customers in their banking operations. The banks should also enhance awareness of the online system through customer feedback and informative advertising. As the digitization of banking continues to gain popularity, it is essential for banking institutions to package their online trade channels to benefit the corporate customers, so as to boost overall efficiency and productivity by showing the ability of the system to handle high volumes efficiently.

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Appendices

Appendix A: Research Instrument

Questionnaire about Online Trade Services

The questionnaire has three (3) parts. Before each part you will find instructions for answering the questions of that part. Please answer all questions carefully. *Note that all responses are handled anonymously.*

Part 1:

Please answer the following questions by either choosing a predefined answer or writing your own answer.

- Gender ☐Male ☐Female

- Age:

  ☐Below 25 Years ☐ 25 – 30 Years☐ 31- 35 years ☐ 36- 40 years ☐ Above 40 years

- I handle the following Trade Finance products in general

  ☐ Documentary collections

  ☐ Letters of Credit.

  ☐ Guarantees

  ☐ None of the above

- I am a

  ☐ Corporate client

  ☐ Retail client

Internet banking Usage

i. Do you use online Trade services to apply for guarantees or letters of credit?

   ☐ Yes (If yes, go to "users of internet banking for trade" section)

☐ No but will be

☐ No, will not be (If no, will not be, go "non-users of internet banking for Trade" section)

Users of internet banking

i. If yes, how long have you used online banking for payments?

☐ Under 1 year ☐ 1-3 years ☐4 -5 years ☐ Over 5 years

ii. If you are a user with access to online Trade services but also apply for guarantees and letters of credit via manual forms, kindly specify in which situation this happens.

☐ I do not like to use the system

☐ It is easier to use instructions on paper for trade transactions

☐ The Bank is unable to support me with technical issues on my profile.

☐ I am unable to access the system

☐

Other:_____

_____

iii. Have you ever used the available help and information sharing pages when in need of assistance?

☐ Yes ☐ No

iv. If not to iii above, kindly advise why?

_____

_____

_____

<u>No Users of internet banking for Trade</u>

i. If "no and will not be" to (i) above, please specify why.

_____

_____

_____

_____

PART 2

Please answer choosing a number that most describes what you think. The smaller the number you choose the more you disagree, and the bigger the number is the more you agree with the statement. (1=Totally disagree, 5=Totally agree, 0= I don't know) Please see the example below:

Example	*Totally Disagree*				*Totally Agree*
Please Circle the number closest to your answer……..	*1*	*2*	*3*	*4*	*5*

	Totally Disagree				*Totally Agree*
Perceived Usefulness					
a) I find / I think I would find online trade services useful in conducting Trade Services transactions	1	2	3	4	5
b) I find / I think I would extract the required information more quickly and more easily when using online trade systems	1	2	3	4	5

c) I find/ I think trade transactions would be executed faster if transactions are initiated using online trade systems.	1	2	3	4	5
Perceived Ease of Use					
a) I find / I think that I would find it easy to do what I want to when using online trade systems (e.g. navigate through the module)	1	2	3	4	5
b) I find / I think interaction with trade systems does not require a lot of mental effort	1	2	3	4	5
c) I find/ I think I would find online trade systems easy to use	1	2	3	4	5
d) I find/ I think I would find it easy to get the online trade system(s) to do what I want them to do.	1	2	3	4	5
Self-Efficacy					
a) I feel confident about using / starting to use online trade services	1	2	3	4	5
b) I would adopt an online trade system if I understand how it operates and can use it effectively.	1	2	3	4	5
c) I would not adopt an online trade system if I feel that I unable to self-effectively use it	1	2	3	4	5

Awareness					
a) If I understand the online trade system and how it operates, I would readily adopt it.	1	2	3	4	5
b) If I am aware of the online trade system, I am highly likely to adopt and use it.	1	2	3	4	5
Volume of transactions					
a) I find/ I think the volume of trade transactions would justify the use of online trade services.	1	2	3	4	5
b) It is / would be important for me to have someone to help out in case of technical** *problems with online trade services*	1	2	3	4	5

Part 3

Please explain in your own words

What I like about online Trade services

_____

_____

What I do not like about Internet banking for Trade services i.e. the most useless functions

_____

_____

What additional functionalities or features would be valuable for you in online trade services?

_____