

## Explaining the adoption of Internet stock trading in Malaysia: comparing models

T. Ramayah<sup>a</sup>, Pedro Soto-Acosta<sup>b\*</sup>, Ricardo Colomo-Palacios<sup>c</sup>, M. Gopi<sup>a</sup> and Simona Popa<sup>b</sup>

<sup>a</sup>*School of Management, Universiti Sains Malaysia, 11800 Minden, Penang, Malaysia*

<sup>b</sup>*Department of Management & Finance, Universidad de Murcia, Campus de Espinardo, 30100 Espinardo, Murcia, Spain*

<sup>c</sup>*Computer Science Department, Universidad Carlos III de Madrid, Av. Universidad, 30, 28911 Leganés, Madrid, Spain*

Internet stock trading is a technological service innovation that is rapidly revolutionizing the financial services sector. This study investigated the factors influencing the behavioural intention to adopt Internet stock trading in Malaysia using the Integrated Decomposed Theory of Planned Behaviour (IDTPB) model. The study also compared the explanatory power of other intention-based models, specifically the technology acceptance model (TAM), the Theory of Planned Behaviour (TPB), the Decomposed Theory of Planned Behaviour and the Integrated Theory of Planned Behaviour with the IDTPB model. Data analysis on a sample consisting of 144 respondents indicated that the IDTPB model has better explanatory power than the other considered models. In addition, results suggest that, despite the importance of facilitating conditions and social norms, as indicated by the Diffusion of Innovations Theory, qualities of a technological innovation remain a constant determinant of successful innovation adoption.

**Keywords:** Internet stock trading, Malaysia, behavioural intention model, model comparison, diffusion of innovation

### 1. Introduction

Innovations resulting from the development of Internet technology are rapidly revolutionizing the way business is done. Such innovations have demonstrated tremendous value in not only businesses but in people's daily lives as well (Dong 2009; Soto-Acosta, Martinez-Conesa, and Colomo-Palacios 2010). According to Rogers (1983), innovations can take the form of a product, service or process that is perceived as new by an individual of other unit of adoption. In the services sector, (tangible) product innovation is something very hard to come by. Service or process innovations are more likely to occur in the services sector. For instance, technology-mediated service delivery has become an innovative way for financial companies to reach out to their technology-savvy clients.

The advent of the Internet has radically transformed the offering of online financial services by banks and financial firms. A natural extension of e-commerce in the securities market is the services of Internet-based stock and securities trading and this has made a great impact on the securities trading business. Issuers of securities, intermediaries, service providers and investors

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\*Corresponding author. Email: [psoto@um.es](mailto:psoto@um.es)