



FACTORS THAT AFFECT THE USAGE OF
INTERNET BANKING IN SELANGOR

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JULY 2015

DECLARATION OF ORIGINAL WORK



**BACHELOR OF BUSINESS ADMINISTRATION
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UNIVERSITI TEKNOLOGI MARA
MELAKA**

“DECLARATION OF ORIGINAL WORK”

I, Katijah Binti Mohamad Zubir, (I/C Number : 881011-56-6388)

Hereby, declare that:

- This work has not previously been accepted in substance for any degree, locally or overseas, and is not being concurrently submitted for this degree or any other degrees.
- This project-paper is the result of my independent work and investigation, except where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature: _____

Date: _____

LETTER OF TRANSMITTAL

Katijah Binti Mohamad Zubir
Faculty of Business Management
Universiti Teknologi MARA
75300 Bandar Melaka
Melaka

26 June 2015

Associate Madam Khaizie Sazimah Binti Ahmad
Faculty of Business Management
Universiti Teknologi MARA
75300 Bandar Melaka
Melaka

Dear Madam,

SUBMISSION OF PROJECT PAPER

Enclosed herewith is my project paper entitled “**Factors that Affect the Usage of Internet Banking in Selangor**” for your kind perusal.

It is very much believed that this thesis will fulfill the requirement necessary for the completion of the course Bachelor of Business Administration (Hons) Finance.

Your kind acceptance and recognition will be much valued and highly appreciated.

Thank you.

Your sincerely,

KATIJAHA BINTI MOHAMAD ZUBIR

2012903275

Bachelor of Business Administration (Hons) Finance

LETTER OF SUBMISSION

26 June 2015

The Head of Program
Bachelor of Business Administration (Hons) Finance
Faculty of Business Management
Universiti Teknologi MARA
Kampus Bandaraya Melaka
Off Jalan Hang Tuah
75300 Melaka

Dear Madam,

SUBMISSION OF PROJECT PAPER

Enclosed herewith is the project paper titled “**Factors that Affect the Usage of Internet Banking in Selangor**” to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank You

Yours sincerely,

KATIJAH BINTI MOHAMAD ZUBIR
2012903275
Bachelor of Business Administration (Hons) Finance

ABSTRACT

Technological developments, specifically in the area of telecommunications and information technology, transform the banking industry. One part of this which is growing rapidly is Internet banking. In Malaysia, the usage of Internet banking, which started about 14 years ago, has been well accepted by consumers. For banking industry, Internet banking acts as a vital strategy for banks and financial institutions to keep customer loyalty and remain competitive. However, several risks arise by using internet can also affect customer's adoption of Internet banking.

This research was concentrated on the factors that affect the usage of Internet banking and was carried out at Selangor arrears, specifically in Shah Alam, Klang, Petaling Jaya and Subang Jaya, which focused on the users of Internet banking. This research also looked at several factors that can affect the usage of Internet banking which include convenience, Internet access, perceived risks, and demographic characteristic.

This is an exploratory research and 200 questionnaire surveys were distributed to the Internet banking users. The Findings reveal that convenience, perceived risks, and demographic characteristic have an impact on the usage of Internet banking in Selangor. The results also reveal that consumers in the young age and female are more likely to use the Internet banking.

The results of this research will give benefits to the banks and financial institutions to implement efficient service to increase the rate of Internet banking user, increase their competitive advantage, and boost revenues. Furthermore, this research will provides useful information for future researchers who observe the links between customers' decision making and Internet banking.