



اُونِيُوَرَسِيْتِي تِيكْنُولُوْجِي مَارَا

UNIVERSITI TEKNOLOGI MARA
CAWANGAN KELANTAN

FACULTY BUSINESS MANAGEMENT

BACHELOR BUSINESS ADMINISTRATION

(HONS) FINANCE

STUDY ON:

**ADOPTION OF INTERNET BANKING AMONG BANK CUSTOMERS IN KOTA
BHARU**

ADVISOR:

PN. NORHALIDA HAZIATON MOHD NOOR

2ND EXAMINER:

PM. DR. HJ NIK MUHAMMAD NAZIMAN ABD RAHMAN

PREPARED BY:

NUR ADILAH BT. ROSLAN

2009617318

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DECLARATION OF ORIGINAL WORK



BACHELOR IN BUSINESS ADMINISTRATION (HONS) FINANCE
FACULTY OF BUSINESS MANAGEMENT

I, NUR ADILAH BINTI ROSLAN, I/C NUMBER: 880401-14-5082

Hereby declare that:

- ✚ This work has not 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.

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ACKNOWLEDGEMENT



“In the name of Allah, The most Gracious and Selawat and Salam to His
Messenger our Prophet Muhammad SAW.”

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ABSTRACT

According to Bank Negara Malaysia (BNM) websites, Internet banking provides a fast and convenient way of performing common banking transactions, such as transferring funds from savings account to current account, or even to a third party's account. Through Internet banking, payments to relevant parties also can be made, such as utility bills and assessment tax. Under the Bank Negara Malaysia guidelines, all licensed banking institutions in Malaysia are allowed to establish the informational Web sites. Only banking institutions under the banking and Financial Institutions Act 1989 and the Islamic Banking Act 1983 are allowed to offer Internet banking services in Malaysia (Bank info, 2005). The main primary of this study is to determine the adoption of internet banking among bank customers in Kota Bharu. In this research, the researcher had used convenience sampling from non-probability sampling to distribute 180 questionnaires among bank customers in Kota Bharu. The data were analyzed by using SPSS through the descriptive analysis, regression analysis and reliability analysis. An analysis of the data also were made by using The Structural Equation Modeling (SEM) using AMOS: This statistical technique is employed to model the inter-relationship among the variables in the study (adoption of internet banking, perceived usefulness, ease of use trust, compatibility and costs saved) simultaneously. This study indirectly helped to promote internet banking service to the residents in Kota Bharu and also to get the reason why customers not using this services. This research also will help financial institutions especially the bank to improve internet banking services thus to fit with the customer's needs and wants. From the analysis, the researcher found that perceived usefulness, ease of use and compatibility has a significant relationship with the adoption of internet banking. However, trust and costs saved has a significant negative relationship between adoption of internet banking.