



DETERMINANTS OF CUSTOMER'S  
ACCEPTANCE TOWARDS ONLINE DISPUTE RESOLUTION  
IN THE ISLAMIC BANKING INDUSTRY

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## **ABSTRACT**

This study will focus on the determinant of customer's acceptance towards dispute resolution in Islamic banking through online. Online dispute resolution (ODR) is a platform to resolve dispute among customer outside the court. 'ODR' also can be defined as a process whereby disputes are significantly handled through the negotiation, mediation, conciliation, arbitration or any combination of such via electronic networks such as the Internet. In 2017, Financial Mediation Bureau (FMB) has been reported handling a total number of 1327 cases. 35% of it related to banking disputes including Islamic banking. These include card-based (credit card/debit card) disputes (50%), internet banking (7%), operational issues (9%), loan and advances (6%), Islamic financing (2%), Atm and cash deposit machine (23%), and also E-money (3%) (Ombudsman for financial services-Annual Report, 2017). 150 questionnaires have been distributed to the users of the Islamic banking industry in Wisma Persekutuan, Melaka but there is only 108 responds reply. Theory of acceptance and use of technology (UTAUT) was used in this study that focus on three keys to explain user's intention and behaviour to use IT platform which are: performance expectancy, effort expectancy, social influence. While another three variables are trust in bank, trust in technology, and also behavioural intention. Descriptive analysis, normality and reliability test, factor analysis, correlation, and also regression were conducted by using SPSS 22 package. From the data collected there three variables that are significant in this study which are performance expectancy, social influence, and also behavioural intention. However effort expectancy, trust in technology and trust in bank did not produce significant effects on customer's acceptance.

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## **TABLE OF CONTENTS**

|                                      | <b>Page</b> |
|--------------------------------------|-------------|
| <b>AUTHOR'S DECLARATION</b>          | <b>3</b>    |
| <b>ABSTRACT</b>                      | <b>4</b>    |
| <b>ACKNOWLEDGEMENT</b>               | <b>5</b>    |
| <b>TABLE OF CONTENT</b>              | <b>6</b>    |
| <b>LIST OF TABLES</b>                | <b>8</b>    |
| <b>LIST OF ABBREVIATIONS</b>         | <b>9</b>    |
| <br>                                 |             |
| <b>CHAPTER ONE INTRODUCTION</b>      | <b>10</b>   |
| 1.1 Introduction                     | 10          |
| 1.2 Background of Study              | 11          |
| 1.3 Problem Statement                | 13          |
| 1.4 Research Questions               | 14          |
| 1.5 Research Objectives              | 15          |
| 1.6 Significance of the Study        | 15          |
| 1.7 Scope of the Study               | 16          |
| 1.8 Limitation of the Study          | 17          |
| 1.9 Definition of Key Terms          | 17          |
| 1.10 Summary                         | 18          |
| <br>                                 |             |
| <b>CHAPTER TWO LITERATURE REVIEW</b> | <b>19</b>   |
| 2.1 Introduction                     | 19          |
| 2.2 Literature review on topic       | 19          |
| 2.3 Variable 1                       | 20          |
| 2.4 Variable 2                       | 20          |
| 2.5 Variable 3                       | 20          |
| 2.6 Variable 4                       | 21          |
| 2.7 Variable 5                       | 21          |
| 2.8 Variable 6                       | 21          |
| 2.9 Research framework               | 22          |
| 2.10 Summary                         | 22          |

|                                                   |           |
|---------------------------------------------------|-----------|
| <b>CHAPTER THREE RESEARCH METHODOLOGY</b>         | <b>23</b> |
| 3.1 Introduction                                  | 23        |
| 3.2 Data Collection                               | 23        |
| 3.3 Variables                                     | 27        |
| 3.4 Research Design                               | 29        |
| 3.5 Hypothesis                                    | 31        |
| 3.6 Research methodology                          | 32        |
| 3.7 Summary                                       | 33        |
| <br>                                              |           |
| <b>CHAPTER FOUR RESULTS AND DISCUSSION</b>        | <b>34</b> |
| 4.1 Introduction                                  | 34        |
| 4.2 Respondent Demographic Profile                | 34        |
| 4.3 Descriptive Analysis                          | 36        |
| 4.4 Test of The Goodness                          | 43        |
| 4.5 Factor Analysis                               | 45        |
| 4.6 Correlation Analysis                          | 46        |
| 4.7 Regression                                    | 49        |
| 4.8 Hypothesis Testing                            | 50        |
| <br>                                              |           |
| <b>CHAPTER FIVE CONCLUSION AND RECOMMENDATION</b> | <b>52</b> |
| 5.1 Introduction                                  | 52        |
| 5.2 Conclusion                                    | 52        |
| 5.3 Recommendation                                | 52        |
| <br>                                              |           |
| <b>REFERENCES</b>                                 | <b>54</b> |
| <br>                                              |           |
| <b>APPENDICES</b>                                 | <b>56</b> |