



**FACTORS INFLUENCING THE ADOPTION OF MOBILE BANKING BY
THE CUSTOMER IN KUALA TERENGGANU**

**NORHIDAYATUL BINTI MAMAT @ ZAKARIA
2010167327**

**BACHELOR OF BUSINESS ADMINISTRATION
WITH HONOURS (ISLAMIC BANKING)
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA (TERENGGANU)**

DECEMBER 2012

TABLE OF CONTENTS

Letter of Submission.....	i
Declaration of Original Work.....	ii
Acknowledgements.....	iii
Table of Content.....	iv - vi
List of Figure.....	vii
List of Tables.....	viii
Abstract.....	ix
CHAPTER 1 – INTRODUCTION TO RESEARCH PROBLEM	
1.0 Introduction.....	1
1.1 Background of Study	2
1.1.1 Mobile banking in Malaysia.....	2
1.1.2 Revolution of Mobile Banking in Malaysia.....	3
1.1.3 Mobile Banking Technology Solution.....	4
1.2 Problem Statement.....	5
1.3 Research Objective.....	6
1.4 Scope of Study.....	7
1.5 Significance of Study.....	7
1.5.1 To the researcher.....	7
1.5.2 To the bank customer.....	7
1.5.3 To the financial institution.....	8
1.6 Limitation of Study.....	8
1.6.1 Research.....	8
1.6.2 Lack of accuracy data.....	8
1.7 Operational Definition.....	9

CHAPTER 2 : LITERATURE REVIEW

2.0	Introduction	10
2.1	Mobile banking adoption.....	10
2.2	Perceived Ease of Use.....	11
2.3	Perceived Usefulness	12
2.4	Perceived Trust.....	13

CHAPTER 3 : RESEARCH METHODOLOGY

3.0	Introduction.....	15
3.1	Theoretical Framework.....	15
3.2	Research Hypotheses.....	16
3.3	Research Design.....	17
3.4	Sampling Design.....	17
3.4.1	Sample Size.....	17
3.4.2	Population.....	18
3.5	Sampling Method.....	18
3.5.1	Convenience Sampling.....	19
3.6	Data Collection Method.....	19
3.6.1	Primary Data.....	19
3.6.1.1	Questionnaire.....	20
3.7	Data Analysis.....	20
3.7.1	Reliability Analysis	21
3.7.2	Frequency Distribution	22
3.7.3	Correlation Analysis.....	22
3.7.4	Regression Analysis.....	23

ACKNOWLEDGEMENT



Assalamualaikum w.b.t.

Praise to Allah S.W.T, the Almighty God for the strength, courage, wisdom and inspiration throughout the period of my studies.

First of all, I wish to express my sincere gratitude to my lecturer, Madam Noorazlina Bt Ahmad, as my advisor during the research study for giving of guidance, moral supports and her suggestions to complete the research successfully. I am also heartily thankful to my second advisor, Madam Rusnah Bt Ismail, thanks for all your support and encouragement. Then, I wish to express a word of gratitude to my supervisors Encik Nik Muhammad Nasir Bin Nik Omar for providing me the opportunity and support me in order to complete of this study.

This thesis would not have been possible unless with the continuous encouragement and moral support from beginning until the end of my study from my beloved family. I am indebted to my many of my colleagues and lecturers to support me with their ideas that they had given. May Allah S.W.T reward you all with the best in this world and hereafter.

Lastly, I offer my regards and blessings to all of those who supported me in any respect during the completion of the project.

ABSTRACT

The purpose of this study is to identify the underlying factors that influencing the adoption of mobile banking by the customer in Kuala Terengganu. The objective of this research is to identify the relationship between dependent variable (adoption of mobile banking) and independent variables (usefulness, ease of use and trust). The second objective of this research is to determine the most contributing factor that influence customer to adopt mobile banking. The respondent consists of 100 of people who are adopting of mobile banking at the area of Kuala Terengganu. Based on literature review, three independent variables have been identified as the main factor that might be influence the adoption of mobile banking which is perceived usefulness, perceived ease of use and perceived trust. In order to examine the objective of the study, data analysis that consists of reliability analysis, frequency distribution analysis, correlation analysis and regression analysis have been used. The research findings found that all the three factors; perceived usefulness, perceived ease of use and perceived trust was statistically significant in influencing mobile banking adoption by the customer in Kuala Terengganu and perceived ease of use seems to be the most influencing factor to the adoption of mobile banking.