

**UNIVERSITI TEKNOLOGI MARA**

**APPLYING THE EXTENSION OF  
TECHNOLOGY ACCEPTANCE  
MODEL (E-TAM) IN ANALYSING  
THE CUSTOMER'S INTENTION IN  
USING ONLINE ISLAMIC BANKING  
SERVICES IN MALAYSIA**

**NORA FADILAH BINTI ISMAIL**

Academic Writing submitted in partial fulfillment  
of the requirements for the  
**Bachelor of Muallamat (Hons.)**

**Academy of Contemporary Islamic Studies**

**JANUARY 2019**

## AUTHOR'S DECLARATION

I declare that the work I carried out in this research is by my own effort except for those, which have been duly acknowledged and identified. This research also was accordance to the regulations of Universiti Teknologi MARA. This research has not been submitted to any other academic or non-academic institution for any qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulation for Post Graduate, Universiti Teknologi MARA, regulating the conduct of my research study.

Name of Student : Nora Fadilah Binti Ismail  
Student I.D. No. : 2015209594  
Programme : Bachelor in Muamalat-IC 210  
Faculty : Academy of Contemporary Islamic studies  
Academic Writing : Applying the Extension of Technology  
Title : Acceptance Model in Analysing the  
Customer's Intention in Using Online Islamic  
Banking Services in Malaysia  
Signature of Student : .....  
Date : January 2019

## ABSTRACT

Customer's intention in using online Islamic banking services has been one of the crucial concerns for each and every institution either by banking institutions or e-commerce companies that are rapidly developing nowadays. Therefore, analysing the customer's intention in using online Islamic banking services assists these institutions in finding alternatives for the purpos of attracting new customers either directly or indirectly. This study attempts to investigate the determinants that affect the customer's intention in using online Islamic banking services. This study was carried out by conducting a survey through questionnaire distribution to 149 of respondents. The factors that were investigated in this study are perceived usefulness, perceived ease of use, perceived enjoyment, perceived credibility and social norms. The relevant variables were adopted by this study as they were frequently used in previous studies. The study has identified that the customers' level of intention is high at the level of 4.8322 based on the four likert scale. This study also showed that the perceived credibility is the most significant determinants that influences customers' intention in using online Islamic banking services.

## ACKNOWLEDGEMENT

*“In the name of Allah, the Most Gracious and the Most Merciful”*

All praises to The Almighty Allah with His blessings for giving me the opportunity to conduct this research and able to finish this research within the time duration given. It would not be an easy path and achievement if not for His love and mercy on me and it is He, who has granted me the ability and will to start and complete this research.

I would also like to express my sincere gratitude to my supervisor, Ustaz Mohd Sirajuddin Siswadi Putera Mohamed Shith for the continuous support, patience and ideas throughout my final year project. His guidance has helped me extensively in completing this research within the right track. I also would like to express my gratitude to Dr. Memiyanty Binti Abdul Rahim, FCIS for continuously providing me with knowledge and guidance.

Ultimately, I would like to extend my special appreciation to both my parents, Ismail Bin Musa and Halijah Binti Jusoh for their unconditional love, support and motivation to encourage me in completing my final year project. Also not to forget, special thanks to my family members for giving me continuous support and insightful moments. Lastly, I would like to express my gratitude to my dear friends for their support and assistance at all times.

## TABLE OF CONTENTS

	<b>Page</b>
<b>CONFIRMATION BY PANEL OF EXAMINERS</b>	I
<b>AUTHOR'S DECLARATION</b>	II
<b>ABSTARCT</b>	III
<b>ACKNOWLEDGEMENT</b>	IV
<b>TABLE OF CONTENTS</b>	V
<b>LIST OF TABLES</b>	VIII
<b>LIST OF FIGURE</b>	IX

### **CHAPTER ONE: INTRODUCTION**

1.1 Background of Study	1
1.2 Problem Statement	3
1.3 Research Objective	5
1.4 Research Question	5
1.5 Scope of Study	5
1.6 Significance of Study	6
1.7 Operational Definition of Term	8
1.8 Organization of Study	-10

### **CHAPTER TWO: LITERATURE REVIEW**

2.1 Introduction	11
2.2 Development of Online Banking in Malaysia	12
2.3 Advantages of Online Banking	14
2.4 Limitations of Online Banking	17
2.5 Adoption and Diffusion Theories	19
2.6 Perceived Usefulness	26
2.7 Perceived Ease of Use	27
2.8 Perceived Credibility	28
2.9 Perceived Enjoyment	29