



# **CONSUMERS' PERCEPTION OF ELECTRONIC BANKING SERVICE AT HULU PERAK**

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## **ABSTRACT**

This paper investigates the factors determining the Malaysian banking consumers' perception on Electronic Banking (EB) transactions. A research framework was developed to testify the statistical relationships among consumer perceptions on EB transactions. Factor analysis was performed to extract and decide on the number of factors underlying asset of measured variables of interest. This paper also presents the results of research on the consumers' perception of EB facilities among consumers of Maybank Hulu Perak. The research was carried out with the aim of measuring the perception of EB in using the bank facilities provided. With this purpose in mind, a questionnaire was developed and distributed to Maybank's consumers in Hulu Perak area. The data were gathered from the Maybank consumers' data base in Hulu Perak. The data were analyzed using Statistical Package for the Social Sciences (SPSS) and Microsoft Excel were presented using tables and figures. Suggestions on the necessary effort that need to be taken by Maybank Berhad in enhancing the perceptions and overall EB effectiveness are then proposed. It will helps the management of Maybank Berhad that how they can improve the EB services and what are the potential issues or services that should be introduced in society to facilitate the customers in a better way and to compete their rivals in banking industry.

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## CHAPTER 1

### INTRODUCTION

Electronic Banking (EB) facility is a new way for retail banking services in the modern technology world. There are several types of banking services which customers can request information and carry out their banking transactions with the assistant of EB such as balance inquiry, request check book, inter account transfers, utility bills payment, and so on via a telecommunication network and self service terminals without visit to the branch's counter physically. Due to this fact, more banking companies thinking about switching their businesses from the physical to virtual market (online technology). Today, the key success factor for the developing economies is "*Information*" (Kenny & Qiang, 2003, p. 14). As advancements in technology and information system are arising rapidly and different kinds of EB systems are introducing by banks, where each system has a unique and systematic way that facilitate the user to interact with the bank in easiest way.

The first online banking services *based on the Internet* were provided by Stanford Federal Credit Union (SFCU) in *October 1994* (Business Wire, 1995, p. 38). Accordance to the history of the precursor for the modern home online banking