



**DISCOVERING THE ADOPTION FACTORS OF
INTERNET BANKING USAGE AMONG BANKING
CUSTOMERS IN KOTA KINABALU**

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OCTOBER 2010

ACKNOWLEDGEMENT

Praise to the Almighty **Allah S.W.T.** for giving me the strength and opportunity to complete this research. This study has been a challenging, but interesting experience for me. Although it took a long time of planning, consulting, and conducting the field work, processing the results and computer work, it has been a real learning experience more than just an academic experience. However, the completion of this study would have been impossible without the assistance offered by various people.

Over these past months, many people involved in assisting me for the completion of this research. Therefore, I would like to take this opportunity to thank all individuals and parties who are involved in making this research work a reality. I am grateful for their cooperation.

First of all, I would like to express my gratitude to my first advisor, *Mr. Franklin Hazley Lai* and my second advisor, *Professor. Madya Matyasin bin Jamil* for the time they spent reviewing the works and their valued guidance, as well as their endless patience for helping reconstruct the research work. It was truly appreciated. I also like to thank all the staffs in Agrobank Sabah Business Centre for supporting my research work as well as giving opinions and critics especially to my supervisor *Madam Shafifah Anieta @ Noraniza Binti Mohamad*.

I also would like to give my gratitude to my family who had given their full support, encouragement and help to complete this research. To my friends, thank you for the cooperation and suggestions given throughout this research. Last but not least, thank you to all who's directly or indirectly helping me with this research work.

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ABSTRACT

Internet is a powerful tool used in various field. In banking sector, Internet is use as a medium of interaction between banks and their customers. The usage of Internet is not stop there. On 2000, the banking sector in Malaysia revolutionized with the introduction of a new channel which is online banking or also known as Internet banking. Internet banking is one of the technologies which are getting recognition around the globe. It has grown tremendously over the past several years and will continue to grow as financial institutions continue to strive to allow customers to complete fund transfers, pay bills, access account information or manage their account online. This innovation seems to be accepted by many banking customers around the world despite some disadvantage such as security, trust and fraud. For Malaysia market itself, the Internet bankers shown to be increased to 8.7 millions on second quarter of 2010. A total of 115 respondents are involved in this study. And the problems analyzed include factors influencing the adoption of Internet banking as suggested by previous researchers such as TAM, DOI and privacy and security. As well as demographic profile, users' attitude and behaviors towards Internet and Internet banking. The findings based on three main different independent variables; security and privacy, Technology Acceptance Model which consists of perceived usefulness and perceived ease of use and Diffusion of Innovation characteristics. It showed that all the variables are influenced consumers' Internet banking adoption except for complexity, trialability, security and privacy factors. The recommendations from researcher also presented based on the findings in this research.