



UNIVERSITI TEKNOLOGI MARA

**CONSUMER ADOPTION OF INTERNET BANKING  
IN THE CASE OF MALAYAN BANKING BERHAD**

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## **TABLE OF CONTENTS**

### **CHAPTER 1**

#### **INTRODUCTION**

1.1	Introduction .....	4
1.2	Background of Study .....	4
1.3	Problem Statement .....	5
1.4	Research Questions .....	6
1.5	Research Objectives .....	7
1.6	Significance of Study .....	7
1.7	Scope and Limitation of Study .....	8
1.8	Definition of Terms .....	8
1.9	Chapter Summary .....	9

### **CHAPTER 2**

#### **LITERATURE REVIEW**

2.1	Introduction .....	10
2.2	Literature Review .....	10
2.2.1	Internet Banking .....	10
2.2.2	Benefit of Internet Banking .....	11
2.2.3	Previous Studies on Adoption of Internet Banking) .....	12
2.2.4	Perceived Usefulness .....	13
2.2.5	Trust .....	13
2.2.6	Information Security .....	13-14
2.3	Theoretical Framework .....	15
2.4	Research Hypothesis .....	16
2.5	Chapter Summary .....	16

### **CHAPTER 3**

#### **RESEARCH METHODOLOGY**

3.1	Introduction .....	17
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## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1 Introduction**

This research will study about the consumer adoption of Maybank internet banking that focus on the consumers in Kuching. In this chapter it consists the background of study, scope of study, definitions terms and limitation of study.

#### **1.2 Background of Study**

In the era of internet, the use of technology in doing the businesses is considered as extraordinary way anymore. It resulted in highly competitive and innovative business models and service systems that caused wider implications to the market, laws and regulation, and national borders (Jayashankar and Singh 2001).

With the introduction of electronic government in Malaysia, it shows Malaysian government committed in utilizing the advancement of technology as the one of their strategy to gain competitive advantage and diversifying their type of services. As a result, most of government agencies and private agencies have adopted the services such as e-commerce, e-filling, e-citizen, e-supply, e-banking, and others related to product and services offered by the service provider.

Furthermore, the emergence of internet banking has encouraged many banks to revise their marketing strategies in order to stay competitive. Customers in this era of technology were more demanding on the high usage of the technology in doing things, in which they preferred more to use technology rather than going to the place directly. This shows how the trend of businesses is taken off and changed alongside the advancement of technology in the country. Customers prefer new level of convenience and flexibility on top of powerful and easy to use (Birch and Young, 1997; Lagoutte, 1996).

Through the utilization of electronic services, it allows the consumers to check the balances in their accounts, transfers fund between accounts, paying bills electronically as

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter is structured for several themes. First, this chapter will explain the basic terminology of internet banking and its benefits. Second, this chapter outlines the definition of adoption. Third, chapter will explain further on the model used in this study. Finally, the chapters conclude by research model and hypothesis.

#### **2.2 Literature Review**

The literature review will discuss about past study on internet banking; the benefits of internet banking; previous studies on International adoption of internet banking; perceived usefulness; trust; information security; and confidentiality.

##### **2.2.1 Internet Banking**

Before the term of internet banking was used widely, the term of electronic banking also known as e-banking has initially used. It literally means the provision of information or services by a bank and customer deliver via computer, television, telephone, or mobile phone (Daniel, 1999). The definition of e-banking varies amongst researcher partially because electronic banking refers to several types of services through in which bank customers can request information and carry out most retail banking services via computer, television or mobile phone (Daniel,1999; Sathye, 1999).

Internet banking is defined as the provision of information or services by a bank to its customers, through a computer (Lymperopoulos and Chaniotakis,2004). It is refer to a system in which customers could have access to their accounts and general information concerning products and services offered by bank without any intervention and hassle of sending letters, original signatures, faxes and telephone confirmations (Thulani et al,2009;Henry 2000). In other words according to Lymperopoulos and Chaniotakis 2004,

## **CHAPTER 3**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

According to Leedy and Omrod (2001), research methodology is defined as the general approach the researcher takes in carrying out the research project. In research methodology, it consists of research process flow, research design, sample design and size, instrument and measurement, sampling, operational definition, data collection, pilot testing and data analysis technique.

#### **3.2 Research Design**

Research design will be blueprint or framework for conducting marketing research. It specifies the detailed procedures necessary for obtaining the information needed to structure and solve the marketing problems (Malhotra, 2010).

##### **3.2.1 Quantitative Design**

Quantitative design will be applied based on the nature of the study to gather a representative data from the targeted respondents. To have better understanding on the factors influence the adoption of internet banking, I choose to use this quantitative design to gather the necessary information to the study. The advantage of using quantitative research is that it produces reliable data that are usually qualified to some large population (Sekaran, 2003).

#### **3.3 Survey Questionnaire**

For this research study, survey questionnaire is one of the research instruments being used. Questionnaire is an organized technique for obtaining the data that includes a series of questions. Questionnaire survey will involve research procedures in order to selecting, approaching and questioning respondents (Voon & Lee, 2012).

Simple, clear and fair wording design of questionnaire will be used in this research whereby the respondents can easily understand the questions and provide the accurate answer based on their own perception (Zikmund, Babin, Carr & Griffin, 2010).