



**UNIVERSITI TEKNOLOGI MARA**

**FACTORS INFLUENCE CUSTOMER'S  
ACCETANCE OF MOBILE BANKING**

**FARIDZAMIR BIN RIFIN**

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## **ABSTRACT**

The mobile banking act as one methods of payment introduced by banks in Malaysia. The acceptance of the mobile banking seems to be more favourable by citizen day by day. This paper aims to identify more factors that are significant or related towards the acceptance of mobile banking. In this paper, perceived usefulness, trust, perceived ease of use and risk are expected by the research to study the correlation between those selected variables towards acceptance of mobile banking. The total of 100 questionnaires were distributed towards the customers of mobile banking for conducting the survey and get the data. The findings show the perceived usefulness and risk significantly affects the customer's acceptance of mobile banking. The analysis had been made and discussed by the researcher at the end of this paper to answer the objectives and observe expected result. The limitation also discussed along with the recommendation with regards to findings and future research.

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# CHAPTER ONE

## INTRODUCTION

### 1.1 INTRODUCTION

This paper focused on the factors that influence customer's acceptance towards electronic retail payment channels under mobile banking. The payment system is being crucial part of the financial infrastructure and economy. Malaysia adopted the payment system in which have big influence on financial transaction that conducted by Malaysian Electronic Clearing Operation Sdn. Bhd. (MyClear) under RENTAS. The key priority of the Central Bank of Malaysia in 2017 is to facilitate open and fair access for the banks and non-bank in Malaysia by implementing and support service providers to create competitive payment landscape to smoothen the flow of retail payment services. In addition, with the significant potential of 40 million of mobile subscription in Malaysia, the Banks took this opportunity to further enhance mobile banking services to advance financial inclusion and to displace cash. (Financial Sector Master Plan, 2016).

To ensure the successfulness of mobile banking, bank must provide a robust mobile banking system to communicate effectively the benefit of mobile banking to convince customers to use the mobile banking system as an alternative for internet banking and traditional banking (Davis, 2004). Furthermore, failure to address customer's concerns with regards to mobile banking resulting customers not convinced with the system and wasted the bank investment for the system (Salwani, 2014).

The Banks are considered highly dynamic business entities as they joined in a global network, offer better conditions to clients who decide to use online banking services (Muñoz-Leivaa, 2017). This sector, as in many others, converts the Internet and mobile applications into the most effective channel for offering banking products and services to clients. As result, we are witnessing an increasingly competitive banking sector with an increasing demand by clients (Karjaluo, 2015). Since electronic banking first appeared, Web applications have gained more popularity due to the advantages they are offering