



**CUSTOMER SATISFACTION ON ONLINE BANKING SERVICES:
A SURVEY IN KUCHING SARAWAK**

DAVID ANAK TEDONG

2001320571

**BACHELOR OF BUSINESS ADMINISTRATION
WITH HONOURS (MARKETING)
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
KOTA SAMARAHAN**

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ABSTRACT

“Customer satisfaction is the profound measure of quality”.

Online banking has become the new self-service delivery channel that allows banks to provide information and offer services to their customers with more convenience via the web services technology or Internet. In Malaysia, with the emergence of the so-called “borderless world”, as a result of development and advancement in electronic technology, has made the process of “globalization” greatly influenced the way society does their banking transaction. Relatively new in the local banking industry, Online banking is gaining popularity and wider acceptance, especially among the educated younger generation, made possible by increasing literacy in information technology and knowledge.

Unfortunately, although banks that offered Online banking services have focused their attention on improving their banking service quality, many of them still seem to be lagging behind their customers’ ever increasing demands and expectations. Rose (2000) stated that most of the sampled Online banks in US showed an unsatisfactory level of service quality and argued that:

“... Online banking today is often a maddening, frustrating affair that can cause as many problems as it solves (Rose, 2000, p. 115)”.

Therefore, the purpose of this project paper is to study on customer satisfaction towards Online Banking Services. My study is aim at finding out key dimensions of Online banking

1.0 INTRODUCTION

In recent years it has become increasingly apparent that the Internet will become a critical service delivery channel. Many observers have discussed information benefits that web technology provides to business (e.g. Greaves et al., 1999; Lederer et al., 1997; Ng et al., 1998; Teo and Teo, 2000). Web technology can also offer the ability to automate business transactions, which may allow more responsive provision of service to customers.

Many companies in the financial services sector have been quick to implement Internet capabilities, and electronic service is becoming a viable option for interaction between financial service providers and their customers. Many banks have implemented Internet or Online banking to offer their customers a variety of online services with more convenience for accessing information and making transactions.

In order to sustain their competitiveness in the marketplace, many conventional banks have also been moving to the Internet. Gerlach (2000) reported that more than 500 conventional banks in the US currently offered customers online access to their accounts. In fact, a few major banks in the US, such as Bank of America and Wells-Fargo, have offered a variety of services such as CDs, credit cards, funds transfer and loans through their Web sites.

From the banks' viewpoint, implementation of Online banking will lead to cost reductions, improve customer service and create long-term profit especially if their customers are satisfied with their customer service, online systems and banking service product quality. Evans and Wurster (1997) argued businesses investment in web technology is driven by