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FACULTY OF ADMINISTRATIVE SCIENCE & POLICY  
STUDIES**



**FACTORS THAT LEAD TO CUSTOMER SATISFACTION  
TOWARDS ONLINE BANKING**

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## TABLE OF CONTENTS

CONTENTS	PAGES NO
Clearance for submission	i
Declaration	ii
Acknowledgement	iii
Table of content	iv
List of figure	vi
List of table	vii
<b>Chapter 1: Introduction</b>	
1.1 Introduction	1
1.2 Problem statement	2
1.3 Research objectives	4
1.4 Research question	4
1.5 Scope of the study	5
1.6 Significance of the study	5
1.7 Definition of terms/concepts	6
1.8 Conclusion	8
<b>Chapter 2: Literature Review &amp; Conceptual Framework</b>	
2.1 Introduction	9
2.2 Customer Satisfaction	9
2.3 Factor that lead to dependent variable	11
2.4 Variable related to this study	13
2.5 Conceptual framework	18
2.6 Relationship between independent variable and dependent variables	20
2.7 Conclusion	22
<b>Chapter 3: Research Method</b>	
3.1 Introduction	23
3.2 Research design	23
3.3 Unit/Level of analysis	24
3.4 Sample size	24
3.5 Sampling technique	26
3.6 Measurement/Instrument	28
3.7 Data collection	38
3.8 Data analysis	39
3.9 Conclusion	43
<b>Chapter 4: Research Finding</b>	
4.1 Introduction	44
4.2 Demographic analysis	44
4.3 Descriptive analysis	54
4.4 Findings	55

4.5	Regression analysis	60
4.6	Conclusion	61

**Chapter 5: Discussion and Conclusion**

5.1	Introduction	62
5.2	Discussion and finding	62
5.3	Research Implication	68
5.4	Research Limitation	68
5.5	Recommendation	69
5.6	Conclusion	70

References

Appendices

### **List of Figure**

Figure 2.1: Conceptual framework on customer satisfaction towards online banking

Figure 3.1: Payment Mode for Financial Transaction

Figure 4.1: Pie chart for demographic profile of gender

Figure 4.2: Pie chart for demographic profile of age

Figure 4.3: Pie chart for demographic profile of faculty

Figure 4.4: Pie chart for demographic profile of level of education

Figure 4.5: Pie chart for demographic profile of number of years using online banking

Figure 4.6: Pie chart for demographic profile of name of banks using online banking

Figure 4.7: Pie chart for demographic profile of other name of banks using online banking

## CHAPTER 1

### INTRODUCTION

#### 1.1 Introduction

Banks are separated into several forms in Malaysia such as central banks, Islamic banks and commercial banks. The banking industry is one of the most significant industries in this Malaysia and most banks have their own banking websites as move to increase their effectiveness. Online banking brings convenience to customers and encourages customers to conduct transaction more efficiently and easily through the banking website. Online banking also benefits the bank in reducing the operational cost. With the rapid growth of the Internet, banks have changed the way financial services are being design and delivered. Online banking has gradually replaced the traditional based counter-form of banking because it offers many advantages amongst which are improved efficiency of payment and other financial services.

According Chong *et al.* 2015, online banking has been recognized and well-known around the world. Thus, based on Guru *et al.* (2001), in order to compete and survive in the online banking institutions, this offers new opportunities and challenges to banking institutions around the world. Other than that, most of the banks are available with the internet facilities. Customers are able to accomplish their banking accounts or transactions with a single click via the internet connection through these internet facilities.

In order to access to online banking services, one must have Internet access and electronic devices such as personal computer, laptop, smartphone or tablet for the purpose. Then, the customer needs to register with the financial institution for the