



**CUSTOMERS' SATISFACTION ON INTERNET
BANKING SERVICES: STUDY ON
CONVENTIONAL BANKS IN KOTA KINABALU**

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ABSTRACT

This study aims to examine the e-service quality dimensions on the level of customers' satisfaction internet banking services by Conventional Bank. Other than that, this study also to determine the greatest factors affects the customers' satisfaction. Four independent variables had been identified that affect the level of customer satisfactions. There are reliability, responsiveness, assurance, and efficiency. The dependent variable for this study is customers' satisfaction. Literature review has been used to support dependent and independent variables. One of the most popular methods for measuring the online service quality is Zeithaml *et al.* (2002). There are about 100 internet banking service user have been selected in the sampling tools to provide information for the study. Data were analyzing using Statistical Package for the Social Science and described by the Data Analysis Statistics and Applied Statistics (SPSS). Result showed that the customers are satisfied on internet banking service offered by conventional bank. As for reliability and efficiency become the greatest e-service quality dimensions that are affect the level of customers' satisfaction.

CHAPTER 1

INTRODUCTION

1.1. Introduction

In the first chapter, the researcher has discuss the background of this study, problem statement, research questions, research objectives, significances of the study, scope of the study, definition of terms, and limitations of the study.

1.2. Background Of Study

The web based service (online services or e-service) has witnessed explosive growth in the past several years. Particularly, in the banking industry, the internet has been exploited as a means to provide e-services. Internet banking services are becoming an attractive alternative to visiting service outlets or phoning call centers for increasing number of customers (Kenova and Johnson, 2006). Internet banking helps the banks to build and maintain close relationships with their customers, reduces operating and fixed costs, and enhances the financial performance (De Young *et al.*, 2007) as cited in Rod *et al.* (2008). From customers' perspective, online services offer panoply of benefits to enhance control, ease of use, and reduce the transaction charges as cited in Yang and Fang (2004).

Online quality service is a key issue to maintain customers' satisfaction. In recent years, many banks try to provide a quality online service to satisfy their customers. Delivering high quality service is a prerequisite for achieving customers' satisfaction (Gonroos, 2000). The unique characteristic of internet based service, like extensive human-computer interaction and high-level of self-service makes SERVQUAL a not