

UNIVERSITI TEKNOLOGI MARA, KEDAH
FALCULTY OF ADMINISTARTIVE SCIENCE & POLCILY STUDIES
BACHELOR ADMINISTRATIVE SCIENCE



**THE FACTORS THAT LEAD TO CUSTOMER SATISFACTION TOWARDS
ONLINE BANKING SERVICES AMONG THE STUDENTS IN UNIVERSITY OF
SCIENCE MALAYSIA (USM), PENANG**

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CLEARANCE FOR SUBMISSION OF THE RESEARCH PROJECT BY THE SUPERVISOR

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I have review the final report and complete research proposal and approve the submission of this report for evaluation.

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CHAPTER 1

INTRODUCTION

1.1 Introduction

This chapter focuses on the study of the customer satisfaction towards online banking. It begins with the background of the study for the online banking system and followed with the problem statement, research questions, research objectives, scope of study and the definition of terms, terminology and concepts of the dependent and independent variables used in this research study.

1.2 Background of Study

Online banking is defined as a remote delivery channel which allows customers to access their financial information directly and conduct financial transactions without going to bank but uses the internet as a banking system service over the World Wide Web (www). According to Chong, Islam, Manaf and Mustafa (2015), online banking has been recognized and well known around the world. This can be seen where 80% of U.S. banks had offered e-banking in which enable the customers use grew slowly in the year of 2000 (Keivani, 2012). Other than that, ASEAN digital-banking penetration also has grown dramatically in which Singapore is known as a clear leader in customers accessing bank accounts through the internet as the number of the online banking users in this state is more than 90% compared to the other Asian countries (Rogers, 2018).

Malaysian banking industry picked up its momentum in the online banking due to the increasing in the volume of banking transaction in Malaysian Commercial Bank (Pang, 1995). The banking industry is one of the most significant industries in this Malaysia and most banks have their own banking websites as it is known as an effort to increase their effectiveness. Online banking was introduced in Malaysia on 1 June 2000 due to progressive expansion of information and communication technology (Ling, Fern, Boon & Huat, 2015). Malayan Banking Berhad (Maybank) was first to offer online banking services in Malaysia in which had provided