

**A STUDY ON FACTORS THAT INFLUENCE THE
ACCEPTANCE OF ONLINE BANKING TRANSACTION
AMONG THE GOVERNMENT SERVANT IN SHAH
ALAM, SELANGOR**

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ABSTRACT

The explosion of Internet usage and the huge funding initiatives in electronic banking have drawn the attention of researchers towards online banking. In the past, the conventional focus of online banking research has been on technological development, but this is now shifting to user-focused research. The purpose of this research is to identify the factors that influence the acceptance of online banking by the users and to identify the most common transaction by using online banking services. According to the technology acceptance model (TAM), perceived ease of use and perceived usefulness constructs are believed to be fundamental in determining the acceptance and use of various information technologies (IT). Sixty questionnaires were distributed by hand to five selected government departments in Shah Alam. Out of the sixty questionnaires distributed, only fifty questionnaires were valid. During the second visit, we gave another ten questionnaires by hand as to get sixty valid questionnaires. The research findings show that the most factors influenced the acceptance of online banking transaction among the respondents was Online Banking Website Information. The respondents were strongly agree that clear and comprehensible instructions in the website were important and influenced their acceptances of using the online banking services. Besides, the findings show that the most common transactions used by the respondents were to check balance their account balance. Pay bills and fund transfer were the next two popular transactions used by the respondents. As in the conclusion, it reveals the results of the findings that include the analysis of the demographic background, factors and the most common transactions used while the recommendation of this study made based on several logical factors and impact of current situation to the acceptance of the respondents towards the online banking services. The research constructs were developed based on the

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CHAPTER 1

INTRODUCTION

Background of the Study

Rapid diffusion of the Internet has radically changed the delivery channels used by the financial services industry, plus many banks have established presence on the Internet using web technologies providing customers with the opportunity of performing interactive retail banking transactions (Aladwani, 2001). Technological developments particularly in the area of Telecommunications and Information Technology are revolutionizing the way business is done (Leow, 1999). Leow (1999) mentioned, electronic commerce is thought to hold the promise of a new commercial revolution by offering an inexpensive and direct way to exchange information and to sell or buy products and services, this revolution in the market place has set in motion a revolution in the banking sector for the provision of a payment system that is compatible with the demands of the electronic marketplace.

Online banking services have been operational in Malaysia since 2001, and are the one of the most popular services utilized by Malaysian surfers (Pang, 1995). Pang (1995) illustrates that the online banking users getting increase from time to time based on ICT knowledge among Malaysian. Online banking services are crucial for long-term