



**USER'S ADOPTION OF ELECTRONIC BANKING SERVICES:
A CASE STUDY FROM THE MALAYSIAN PERSPECTIVE AT
BANK RAKYAT**

ALRASYIDEIN BIN RAMLAN

2010517815

BACHELOR OF BUSINESS ADMINISTRATION

(HONS) ISLAMIC BANKING

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

SEGAMAT, JOHOR

10th DECEMBER 2013

ACKNOWLEDGEMENT

All praises to almighty Allah, the most merciful and the most benevolent for giving me the opportunities in completing this research paper. It would be impossible for me to spent time to complete this research without the grace and help of Allah S.W.T

I am greatly indebted to Prof. Madya Dr Ahmad Che Yaacob whose excellence in supervision and plays a big role in inspired my work. Without him untiring encouragement, suggestion, ideas and comments throughout this research could not be completed.

I dedicate this research to my beloved parents for endless support and understanding and also to the rest of my families for their help and encouragement. Beyond a simple thank you, I want them to know that I really appreciate what they had done to me.

I wish to express my deepest gratitude to all my friends, who shared their valuable experience, time and commitment. Without their patient, this study cannot be complete.

Last but not least, I would like to thank to everyone that involve directly or indirectly for their contribution, invaluable support and encouragement they have place on me. Without everyone continued support, this study would not been the same as presented here.

Thank you.

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ABSTRACT

The application of electronic banking becomes compulsory for every bank to ensure that they are able to compete in the global market. This study investigate the factor effecting the user adoption of electronic banking services provided by the only Malaysian cooperative bank known to be Bank Rakyat. The independent variable for this study are security and privacy; the quality of electronic service operation, and customer's preference or satisfaction toward electronic banking examines how these factors influence the dependent variables the user's adoption of electronic banking services provided by Bank Rakyat. This study used the simple random sampling technique. There is one groups of respondent consists of all customer from Kluang branch of Bank Rakyat who used all types of e-banking services e.g. ATM, Telephone- bank, Internet bank, mobile bank, etc. Descriptive analysis was used to enhance the overall view of factor that effecting the user's adoption of electronic banking services. Using the sample 150 respondents, expected result show that security and privacy, the quality of the electronic service operation and the customer preference and satisfaction toward electronic banking are the factor contributed toward user's adoption of electronic banking services provided by Bank Rakyat. In order to analyze this study, we look forward the relationship between variables by using Statistical Package for the Social Sciences (SPSS). Based on the finding, we get quality services factor give most significant impact to user's adoption of electronic banking services provided by Bank Rakyat. The study contributes to the literature on the electronic banking in domestic area.

CHAPTER 1

INTRODUCTION

1.1 OVERVIEW OF ELECTRONIC BANKING

The word of electronic banking in the field of economy is most important generation of technology revolution at banking sector. Electronic banking also rapidly growth and has transformed traditional practices in banking sector. According to (Nath, R., Schrick, P. and Parzinger,M., 2001), Electronic means of delivering banking services have been widely used by banks as an alternative service or sales channel to traditional banking. Another definition of “Electronic banking “ refer to the new way that banks have made available to their customers to access their accounts, pay their bills, manage their money and use other services (Zask, E, 2001).

Electronic banking developments lead to the emergence of new types of transaction and give significant impact to banking sector in Malaysia. The traditional banking business has been impacted by the rapid technological development. If Bank Rakyat wants to enhance their competitive advantage in banking sector, they should continuously upgrading and make huge significant change their technology system, particularly their network and device.

Electronic banking was used for the first time in the United State in 1995, then in developed countries including Malaysia (Wendy W.N. Wan, Chung-Leung Luk, Cheris W.C. Chow, 2005). Malaysia Government decides to implement electronic service since year 2000 and the first banker started to implement was Maybank Berhad.