



**THE CUSTOMER'S ACCEPTANCE LEVEL ON MOBILE
BANKING:**

**A CASE STUDY ON MOBILE BANKING AMONG CIVIL SERVANT
IN KUCHING, SARAWAK**

**Francis Jason Richard Laut
(2008732545)**

**BACHELOR OF BUSINESS ADMINISTRATION
(HONOURS) (FINANCE)
FACULTY OF BUSINESS MANAGEMENT
MARA UNIVERSITY OF TECHNOLOGY**

DECEMBER 2013

ACKNOWLEDGEMENTS

First and foremost we would like to thank God for the spiritual courage and guidance to me to accomplish this project. I also would like to convey my deepest gratitude to my Advisor, Puan Fareiny Morni on her continuous support, guidance, assistance and encouragement during the course. Her support has been invaluable and much appreciated. I also would like to dedicate my deepest appreciation to Mr Ambi Kun for being my second examiner for this project.

Secondly, I would also like to express a deep sense of gratitude to all Suruhanjaya Koperasi Malaysia Kuching Sarawak staffs and Suruhanjaya Perkhidmatan Awam Kuching Sarawak staffs who willingly spending their precious time to complete the questionnaire of this research. Thank you also to my course mates and best friends for their support and knowledge sharing.

On my personal note, we would like to thank our family for their endless support and assistance.

Thank you all.

TABLE OF CONTENTS	PAGE
Declaration of original work	ii
Letter of submission	iii
Acknowledgement	iv
Table of Contents	v
List of Tables	viii
List of Abbreviation	x
Definitions of Terms	xi
Abstract	xiii
Chapter 1: INTRODUCTION	1
1.1. Overview of Mobile Banking	1
1.2. Background of study	2
1.3. Scope of study	2
1.4. Problem statement	3
1.5. Research objectives	4
1.6. Research questions	4
1.7. Significance of study	5
1.8. Limitations	6
Chapter 2: LITERATURE REVIEW	7
2.1. Mobile banking	7
2.2. Information Technology Development	9
2.3. Service security	9
2.4. Network services	10

ABSTRACT

Mobile Banking has been introduced in Malaysia for quite sometimes. Maybank is the first bank that introduces the service to its customers. Regardless the gender, job position, career and title, anyone can use Mobile Banking to conduct daily banking transactions with sufficient knowledge on the service and most important, you trust the service. Together with the fast development of information technology, communication gadgets such as Smartphone, Tablet, I-Pad and many more have also become sophisticated which can cater various type of applications. It can be noticed that almost everyone own at least a basic Smartphone. Mobile Banking acceptance in Malaysia might be still at a lower level compared to the developed countries like in Europe, United States of America or Japan. Thus, this study was conducted to identify the level of acceptance towards Mobile Banking in Malaysia, particularly in Kuching Sarawak. Exploratory study using questionnaire was applied. Sixty three (63) respondents from Suruhanjaya Koperasi Malaysia Kuching (SKM) and Suruhanjaya Perkhidmatan Awam Kuching (SPA) were selected for study after initial screening. So far not many researchers have been done on this area and no study to date has comprehended the acceptance of Mobile Banking among the staff of SKM and SPA Kuching Sarawak. Findings have shown that respondents' level of knowledge on Mobile Banking is high which also means they are also aware of the availability of Mobile Banking facility. Study also found that cost does gives negative influence on the acceptance of Mobile Banking. Respondents' trust to the service also influences their level of acceptance. It was recommended that banks and Telecommunication Company should collaborate and come with special packages that can attract many people to use Mobile Banking to conduct their daily banking transactions.

CHAPTER 1

INTRODUCTION

1.1 Overview of Mobile Banking services

Vast and massive development of information technology has leads to mobile phones evolution which has made it as one of the most reliable and convenient communication device and at one day to be one of the most used payment device. The development of information technology especially on mobile phone has not only in the developed countries such as United States, Japan, Korea and countries in Europe but also already widespread to Malaysia and other growing countries.

With billions of mobile phone users throughout the world and with the internet connections are available almost anywhere, Mobile Banking will provide better accessibility to customer's banking facilities and will supersede traditional face to face banking services. Besides that, mobile devices have also offered internet access using WAP, GPRS or 3G features (Poon, 2008).

Both financial institutions and consumers are taking advantage of the efficiencies it brings. On the one hand, the cost of a financial transaction becomes lower when electronic devices are used and the new technology has provided to consumers the conveniences to obtain the financial services wherever they may find themselves provided mobile communication exists (Riquelme & Rios, 2010).

Mobile Banking may provide influence to the business and society in the future and offers very promising possibilities for a broad range of business sectors. Mobile Banking offers cheapest and fastest way of conducting daily banking transactions without even present at the bank's premises. In 2008, Malaysia