



Customer Satisfaction on the Internet Banking: The Case of Kemaman

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KEYWORDS	ABSTRACT
Online banking Information Consumer satisfaction Banking service	The growth in the number of online banking means any user with a personal computer and a browser can get connected to his bank's website to perform any of virtual banking functions in Kemaman began around 2019. Since then, the use of online banking has grown tremendously and the use of online banking by consumer satisfaction in Kemaman. The case of the online banking encourages institutions of higher learning to employ the online banking to support consumer' learning. The growth of the online banking and the increase in the variety of information disseminated via internet, online banks handle customer service by phone, e-mail or online chat. The objectives of to study the level of consumer satisfaction towards online banking in Kemaman, and to study the most influential factors that affect consumer satisfaction towards online banking in Kemaman and to identify the problems encountered while using online banking. Meanwhile, the scope of the study will be focused in Kemaman. For our research, we choose the people or consumer satisfaction from all faculties in Kemaman. The result shown most of people use the online banking for educational and communication purpose. The problem consumer satisfaction towards online banking report that there is no real need for mobile internet- based banking services as it relates to e-bank frauds where only the usernames and passwords stand between your money and the fraudsters. Other than that, overload of information in online banking became one of the main problem while using the internet.

1.0 Introduction

What is Internet Banking? Online banking allows its user to perform a number of banking activities, which are usually conducted through a local branch, at the comfort of one's choice by using the internet. Internet banking is a more commonly used phrase for online banking and

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throughout the remaining of this dissertation these two terms have the same meaning and are thus used interchangeably. Electronic Banking (E-banking) or Internet banking means any user with a personal computer and a browser can get connected to his bank's website to perform any of the virtual banking functions. In internet banking system, the bank has a centralized database that is web-enabled. All the services that the bank has permitted on the internet are displayed in menu.

Internet banking system allows individuals to perform banking activities at home via internet. Most of the internet banks are traditional banks which also offer online banking while others are online only and have no physical offices. Online banks handle customer service by phone, email or online chat. Online banking is frequently performed on mobile devices as Wi-Fi and 4G networks have become widely available. (Krishna Reddy and Dr. M. Sudhir Reddy, 2015). There are three functional types of internet banking. These are informational, transactional and communicative internet banking. Nowadays, internet banking plays an important strategic role in the marketing at industrial banking. (Dilara Aydin, 2014).

We conduct a review on 'Consumer Satisfaction towards Online Banking' in Kemaman specifically in the areas of Telok Kalong, Kerteh as well as Bandar Chukai as it will reveal a closer approach for us to come out with a comprehensive conclusion.

The problems faced by online banking users are the risks to the service. Although there has been a rapid diffusion of new mobile devices by commercial banks in Uganda, internet banking services have not been widely adopted by bank customers (Maurer, 2008). This may be due to lack of trust, poor customer's attitude and perceived risk towards the services. Customers have been complaining that reversing a transaction, stopping a payment after discovering a mistake, or a refund may not be possible (Bwonditi, 2010). Consumers report that there is no real need for mobile internet-based banking services as it relates to e-bank frauds where only the usernames and passwords stand between your money and the fraudsters. (Luarn and Lin, 2005).

Banks have been challenged by technological improvement which has led to the development of products and service that increased the fight for market share. There has been a move from paper-based to electronic payments and ATM use as opposed to visiting of branches by the customers. While all this is a good and advantageous aspect, it also has some critical issues for both parties i.e. the banks and the customers in terms of quality, security and efficiency among others. In the current era of intense competition, many banks are focused on maintaining a satisfied customer based on the argument that organizations that are customer centric gain more returns than those that are not service oriented; the increase of customer satisfaction and loyalty through improved service quality (Bolton, 2010).

The objectives of this research are:

- To study the level of consumer satisfaction towards online banking in Kemaman.
- To study the most influential factors that affect consumer satisfaction towards online banking in Kemaman.

1.1 Security

Security is one of the most important variables that are always being emphasized by online banking users. (B. Raghavendra & P. Sravan Kumar, 2016) Every web site must meet the standards of security. Besides, it also helps bank staff in giving confidence to customers in terms of to get an account balance, recent transaction list, electronic bill payment and fund transfer between customer or other person's account (Donna Pace, 2016) Most banks also allow customers to download copies of bank statements, which can be printed on customer premises. Some banks also allow customers to download direct transactions to customer accounting software. This facility also enables customers to order check books, returns, report loss of credit cards, stop payments on checks, advise address changes and other routine actions. Apart from that, confidential info also delivered safely to online banking users.

1.2 Save Cost and Time

Online banking can save cost not only save the cost but also fast, easy and cost-effective way to manage the account from anywhere at any time. Next, the transactions are completed more quickly with just a few clicks of the mouse or through the touch screen you'll also save the time, didn't need transportation and frustration associated with driving through traffic to your local branch bank. (Pikkarainen, Karjaluoto, and Pahlila, 2004). Speed can be defined as the frequency of network connection breakdown, the time to navigate the Internet banking website, the amount of time that the customer spend for page response, and the rate that banks response to the complaint of customers. (Ahmad and Al-Zu'bi, 2011) Usually, the speed of Internet banking was affected by the wide-ranging and high-resolution graphics and inefficient host server. (Shariq, 2006) Speed was an important factor to achieve the successful for e-banking. (Haque et al., 2009) Speed had a positive significant impact on customer satisfaction (Ahmad and Al-Zu'bi, 2011).

1.3 Convenience

Online banking can access the information anywhere that has access to the Internet. It makes your financial life much easier to manage. Firstly, it can use the online banking to pay bills. Secondly, Online banking also allow transferring money between accounts much more quickly. It is more convenient than using the automated phone service. Lastly, they also have the option of transferring money between different banks online especially people often online shopping. (Miriam Caldwell, 2017). Convenience is the main attraction and focus of the customers who use Internet banking. (Shariq, 2006) Previous research showed that most of the customers focused on the convenience of using Internet banking. Lallmahamood, (2007) found that ease of use was positively related to customer satisfaction. Customers who used Internet banking were more focused on the easier ways to conduct banking transactions. (Ainin et al., 2005)

Convenience is considered to be an influential factor in affecting satisfaction towards online banking (Aliyu, Rosmain, & Takala, 2014). According to Singhal and Padhmanabhan (2008), nearly 81% of the respondents agree or strongly agree that online banking is convenient to be used. Many of respondents felt that it can provide convenience to the users. At the same time, there is also a number of respondents (19%) showed that they disagree and strongly disagree with the statement above. The remaining 19% respondents do not prefer to use online banking because there are existing of hindrances cause them less desired to use the online banking although it benefit users. Black, Lockett, Winklhofer, and Ennew (2001) indicated that those who do not prefer to use online banking believe that manual banking is more convenient compared to online banking.

2.0 Research Methodology

The researcher applying the quantitative approach which involve questionnaires to be distribute to approximately 80 respondents as we found out that is the good way to get information. It can be used to gather information. There are two types of questions to be focused on surveys. Structured question line relies on closed-ended categories pre-selected by the researchers. The questionnaire was divided into section A, B, C, D and E. the first section, we discuss demographic such as gender, age, marital status, education, occupation and income levels as well as in multiple choices. As for section B, C, D and E we proceed with some scaled questions related to both of our research objectives as mentioned in the previous pages.

In order to come up the most precise data, the researcher started out with calculating the frequency from each questionnaire distributed. It is then illustrated simply as a number, mean and a percentage as well as a histogram. We entered the overall data by using a computer via Microsoft Excel. Here is the example of the relative frequency we have gained.

3.0 Results and Discussions

3.1 Part A

a) Gender

Description	Frequency	Percentage (%)
Male	46	58
Female	34	42

The table above shows the percentage of the highest frequency in which 46 males contributes to 58% while the percentage of the lowest frequency of 34 females is 42%.

b) Age

Description	Frequency	Percentage (%)
18 – 30 years old	59	74
31 – 40 years old	15	18
41 – 50 years old	6	8
Above 51 years old	0	0

The table above shows the percentage of the highest frequency in which the range of 18 – 30 years old contributes to 74% while the percentage of the lowest frequency of the range between 41 – 50 years old is 8%.

c) Education

Description	Frequency	Percentage (%)
SPM	17	22
Diploma	47	58
Degree	6	8
Master	5	6
Others	5	6

The table above shows the percentage of the highest frequency in which 47 Diploma contributes 58% while the percentage of the lowest frequency of 5 Master as well as the 5 others is 6%.

d) Occupation

Description	Frequency	Percentage (%)
Student	46	57
Government Sector	8	10
Private Sector	12	15
Others	14	18

The table above shows the percentage of the highest frequency in which 46 student contributes to 57% while the percentage of the lowest frequency of 8 government sector is 10%.

e) Monthly Income

Description	Frequency	Percentage (%)
Below RM 1,000	39	49
RM 1,000 – RM 5,000	29	36
Above RM 5,000	12	15

The table above includes the highest frequency of 39 earning below RM 1,000, adding up to the total percentage of 49% while the lowest frequency of above RM 5,000 is 12, adding up to the total percentage of 15%.

f) Preferred Online Banking Service

Description	Frequency	Percentage (%)
Maybank2u	29	36
CIMB Click	48	60
Bank Islam	13	16
RHB Bank	3	4
Others	3	4

The table above shows the percentage of the highest frequency in which 48 CIMB Click contributes to 60% while the percentage of the lowest frequency of 3 RHB Bank as well as the 3 others is 4%.

g) Status

Description	Frequency	Percentage (%)
Single	50	62
Married	23	29
Others	7	9

The table above shows the percentage of the highest frequency in which 50 single contributes to 62% while the percentage of the lowest frequency of 7 others is 9%.

h) I am satisfied with overall online banking service.

Description	Frequency	Percentage (%)
Strongly Disagree	0	0
Disagree	5	6
Undecided	9	11
Agree	36	45
Strongly Agree	30	38

The table above shows the percentage of the lowest frequency in which disagree contributes to 5% while the percentage of the highest frequency of 36 respondents who is agree about they satisfied with overall online banking service is 45%.

3.2 Part B

I feel safe when using online banking service.

Description	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Mean	Overall Mean
Q8	0	5	8	24	43	4.3125	4.13
Q9	0	7	7	39	27	4.075	
Q10	0	7	13	35	25	3.975	
Q11	2	3	9	43	23	4.025	
Q12	0	5	11	22	42	4.2625	

The table above shows that the mean for question 8, 9, 10, 11, and 12 in Part B is 4.13.

3.3 Part C

I feel that I can save my time and cost when using online banking service.

Description	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Mean	Overall Mean
Q13	0	0	8	21	51	4.5375	4.34166
Q14	5	7	15	22	31	3.8375	
Q15	0	0	5	18	57	4.65	

The table above shows that the mean for question 13, 14, and 15 in Part C is 4.34.

3.4 Part D

I feel convenience when using online banking service.

Description	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Mean	Overall Mean
Q16	0	0	23	26	31	4.1	4.20833
Q17	0	4	14	28	34	4.15	
Q18	0	4	10	18	48	4.375	

The table above shows that the mean for question 16, 17, and 18 in Part D is 4.21.

4.0 Discussions and Interpretations

As the table shows in Part A, the survey found that the average population of communities in Kemaman has also use their internet for making any transactions. For the gender, the percentage of male using the online banking service is higher than female which is 58%. It is because most of the male that use online banking service use this service are too lazy to go to the bank for making the transaction. It is related with our objective which is to study the most influential factors that affect consumer satisfaction towards online banking.

After that, this survey found that average of our age of respondent was in range of 18 – 30 years old or youngsters we might say. The data shows the percentage of the highest frequency in which the range of 18 – 30 years old contributes to 74% while the percentage of the lowest frequency of the range between 41 – 50 years old is 5%. Young people are usually use this service because they feel more safety and its convenience in using online banking service. When they do not get enough time to go to the bank, they just use the online banking service. Apart from that, this survey found majority of our respondent was Diploma students which is 58% because in Kemaman, because there are a few institutions that contain Diploma students. Most of them are using online banking service. The data shows the percentage of the highest frequency in which 47

Diploma contributes 58% while the percentage of the lowest frequency of 5 Master as well as the 5 others is 6%.

Moreover, from the data that we have obtained, it shows the percentage of the highest frequency in which 46 student contributes to 57% while the percentage of the lowest frequency of 8 government sector is 10%. This also can show that majority of our respondent are student. It includes the percentage of the highest frequency in which 50 single contributes to 62% while the percentage of the lowest frequency of 7 others is 9%. This is because mostly of them are student and still in learning in their institute.

Next, this survey also found that the monthly income of our respondent are the highest frequency of 39 earning below RM 1,000, adding up to the total percentage of 49% while the lowest frequency of above RM 5,000 is 12, adding up to the total percentage of 15%.

Last but not least, the preferred online banking service among respondent are CIMB click which is 60%. The second preferred bank are Maybank2u which is 36% and followed by Bank Islam, 16%. The rest which is RHB Bank and others are 4% users.

Moving on to Part B, which is security. Most of the respondents are strongly agree that confidential information are delivered safely to consumer. This is because the websites that has meet the standards of security. This also can help the bank staff in giving confidence to customers in using online banking service.

As the data obtained, most of the respondents are agree about their personal data are protected during the process of online banking and the bank's website has sufficient security features. This is because of the efficiency of the website convinced that the website are safe to use.

Other than that, the survey found that the respondent that agree about online banking is safer than branch banking which is 49%. This is good in prevent a bad things happen. Most of them think that they can use the online banking service for their sake.

Last but not least, from the data, we can conclude that our respondent are strongly agree about online banking as convenient because it can reduce the risk of carrying cash. This is because it can reduce the crime rate in this country. Our respondent are worry to bring a lot of money. With the availability of this service, they may use online banking to make their work easier.

Moving on to Part C, from the data that have obtained, we have find out that online banking can save cost and time. This is because, most of them are strongly agree with the factors, which is save cost and time. Online banking service can save their time from go to the bank and have to queue at the counter to make any transaction. Other than that, online banking service also can save the transportation cost to go to the bank which is can save the fuel. Otherwise, online banking is a cheaper way to conduct banking transaction.

Moving on to the last part which is Part D, convenience are the one of the factors that affect consumer satisfaction toward online banking. The survey found that the highest frequency of 31 who is strongly agree, adding up to the total percentage of 39%. This is because the online banking service transaction procedures are simple and straight forward. Our respondent consider that the procedures are not too complicated when using it.

Apart from that, the highest frequency of 34 people who is strongly agree, adding up to the total percentage of 42%. This is because use the online banking service is an easy service. The respondent said the service are easy to understand with the instruction that have provided on the website. Last but not least, as the data obtained, the percentage of the highest frequency of 48 respondents who is strongly agree about online banking is convenient because it remove the risk of carrying cash is 60%. It is convenient because it remove the risk of carrying cash. This is good in prevent a bad things happen. Most of them think that they can use the online banking service for their sake. It is also it can reduce the risk of carrying cash. This is because it can reduce the crime rate in this country.

Moving on to Part E, the data shows that level of consumer satisfaction towards online banking in Kemaman. Most of them are agree with the online banking service. Last but not least, according to the data, the mean for question 8, 9, 10, 11, and 12 in Part B is 4.13. Next, the data shows that

the mean for question 13, 14, and 15 in Part C is 4.34. Last but not least, the data shows that the mean for question 16, 17, and 18 in Part D is 4.21. From this research, we can conclude that the most influential factors that affect consumer satisfaction towards online banking in Kemaman are save cost and time.

5.0 Conclusion and Recommendations

Through all of our research, all of the people we interviews of all of the faculty, we are pleased to state that we manage to achieve our objective set from the very start. This study has examined the three factors of influence consumer satisfaction towards online banking. The finding of the study indicated factors of save cost and time, security and convenience. Based on our research, we can conclude that, most of people in Kemaman who use online banking are most satisfaction towards online banking because it can save cost and time. According to customer, internet banking is more effective than branch banking about time saving to make transactions are paying bills and checking account. The other result is about relationship between educational level and people who using the online banking.

Consumer education levels are also impact on the use of online banking. In parallel, Pikkarainen and Karjaluoto and Pahlila (2004) concluded that people with higher education and higher income are more active at online banking services. According to users, the most important reasons for using the online banking are respectively save time, 24 hours availability, ease of use and be cheap. Most of customers have started to priority to prefer electronic banking instead of traditional or branch banking in Kemaman.

In closing, a proactive and creative approach by banks, for example, providing consumer education Internet banking and friendly customer service, will help improve the consumer confidence, and eventually overall customer satisfaction level.

Based on result that we get during we make a research there are lots of things that we got and we learn about the consumer satisfaction towards online banking in Kemaman. Due to our experience of all aspects in working out our research, the following recommendation are made concerning furthering a research provision from TATIUC as well as the supervisor in charge.

From this research we honestly have a lot of things that we need to make improvement based on what we research. As for our research, we need to distribute questionnaire to public people according to who used online banking or not. We need some times to contribute to people at least 1 month to finish the result of the questionnaire. We believe from our topic we can explore and getting to know the consumer satisfaction towards online banking in Kemaman.

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