

**ACCEPTANCE OF INTERNET BANKING AMONG FELDA
SETTLERS IN BUKIT TANGGA**

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ABSTRACT

Using an already developed model for measuring the quality of online services and its acceptance, the author of this thesis has developed and later on modified a theoretical model (instrument) for measuring the quality and acceptance by people of online banking services particularly in FELDA Bukit Tinggi. Using quantitative research method including the design and distribution of a set of questionnaire, empirical data was collected on which statistical analysis has been performed. As a result of the conducted analysis, the initial theoretical model has been modified, so that the final version of the model (instrument) for measuring quality and acceptance of online banking services includes four quality dimensions (Service Performance, Website Characteristics, Communication and Efficiency) with total of 29 items (questions). Furthermore, based on the modified theoretical model, people's acceptance with different aspects of the online banking services has been evaluated. Based on the results of the Analysis of the Empirical data, managerial recommendations are given. Suggestions for further research on internet banking acceptance were also offered.

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**ACCEPTANCE OF INTERNET BANKING AMONG FELDA
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ABSTRACT

Even though internet banking had been introduced in Malaysia since year 2000, the spread of its usage among Malaysian is relatively low. Most of the studies had forgotten the gap between urban and FELDA settlers in Malaysia to justify the spread of internet banking services. This research is carried out to measure the perception of FELDA settlers on internet banking usage. The causes will be identified and analyzed through exploratory research in order to increase the number of internet banking users among FELDA settlers. Through this research, it will help FELDA settlers to utilize the infrastructure provided by the Government under Government Transformational Plan (GTP) and improving banking operations by expanding the usage of internet banking which is more cost effective for banks.

This research will focus on FELDA settlers perception towards internet banking utilization in their daily life and what will be the main factors which encourage FELDA settlers to use it. The focus of this research are the level of internet banking utilization and formula to increase the frequency of it among FELDA settlers.

Qualitative exploratory research using questionnaire will be applied and 100 respondents will be selected in order to gather the related data or informations among FELDA settlers community.

Based on reviews from articles, journals and past research, the causes of this research identified through these resources are the ease of use and perceived usefulness of internet banking, wealth protection and ICT literacy had contributed to this scenario.

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CHAPTER ONE

INTRODUCTION

1.0 INTRODUCTION

In this chapter, we defined the meaning of FELDA settlers and internet banking concept based on the characteristics and their definitions. Followed by background of the study and the important part of this study in this chapter is problem statement. In this chapter, we also will highlight the research questions and objectives followed by the problems and limitations that the researcher will face to complete this study. Then, the scope of this study and the significance of this research will be explored. Lastly, the importance terms needs will be defined.

1.1 Background

Globalization and deregulations have increased competition in the marketplace, as nowadays it has become much easier for companies to cross borders and compete internationally. With increased competition, organizations have to constantly try to increase their productivity and decrease their costs. One way for them to achieve that is by investing in information technology (Fredriksson, 2003)

The recent development of information technology has led to major changes in the way services are delivered to the customers. Nowadays, customers are using more and more self-service options, which are more convenient and fast. In addition, the advent and use of the Internet has changed considerably the daily activities of most people, such as shopping and banking. The popularity of banking services delivered over the Internet (online banking services) is increasing in recent years (Fredriksson, 2003). Malaysia, home to the largest total number of online banking users in the study, climbed 16 percent to 2.7 million visitors in January 2011.

Online services, including online banking services, are becoming an attractive alternative to visiting service outlets or phoning call centres for increasing number of customers. Some of the reasons for customers to prefer online services (as online banking services) are :

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