

THE SATISFACTION LEVEL ON INTERNET BANKING FACILITIES AMONG USAS STUDENTS

Zurina, K.

Faculty of Management and Information Technology,

Universiti Sultan Azlan Shah (USAS) 33000

Kuala Kangsar Perak, Malaysia

Tel: +60125628435 Email: zurina@usas.edu.my

Abstract

Internet banking is has become a significant platform for taking care of financial matters. Researchers have introduced the recognition of internet banking, which allows users to fulfil their duties without visiting a counter. The financial institutions are highly important part of people's daily lives since they offer means for them to run into all their financial needs. Since banks provide a variety of functions, we can conclude that the Islamic banking industry only works for profit and does not charge interest. Islamic finance and banking are developing gradually. They have recognised the internet banking system as the next phase of their development. This study focused on the satisfaction level on internet banking facilities among USAS students. This research was quantitative research with data collection used the purposive sampling technique. Further, this study gives ideas for future research and addresses consequences.

Keywords: *Internet Banking, Islamic Banking, Satisfaction*

Introduction

Over the years technology has made significant strides in changing how people interact with banks and other financial institutions. One remarkable advancement that has transformed the banking industry is Internet banking. Also known as banking or e-banking this convenient service allows customers to handle banking tasks from the comfort of their homes or while on the go using digital platforms.

The advancement of technology in the financial services sector has been rapidly increasing in recent times and is quickly becoming the standard rather than the anomaly (Khara et al., 2022). The popularity of Internet banking has soared due, to its simplicity, accessibility and time saving benefits. With just a few clicks on their computers or mobile devices, customers can easily carry out a variety of banking tasks like checking account balances, transferring money, paying bills, and even applying for loans. As the winds of change began to blow, the majority of banks, if not all, switched to using electronic banking for transactions. (Chauhan et al. 2022; Singh, 2023). By generating value for both banks and clients, this

technology advancement has also levelled the playing field in the banking sector and allowed customers to conduct banking transactions without physically visiting a bank (Khan, 2017).

As web-based banking services continue to flourish, it has become increasingly important for financial institutions to gauge customer satisfaction levels. Understanding how satisfied users provides insights into service effectiveness and highlights areas that may need improvement. Customer satisfaction not indicates service quality. Also plays a crucial role, in ensuring customer retention and loyalty.

Regardless of whether they are Muslims or not, everyone has similar banking and financial needs. Islam, on the other hand, lays out precise guiding principles and regulations for every aspect of human existence, including the area of economy and finance. It was extremely difficult to restructure the system that complies with Shariah law because the traditional banking and financial environment is founded on interest, which is categorically forbidden by Islamic law (Shariah) (Usmani, 2000).

The principles of Islamic business law are drawn from primary sources of Shariah law like the Quran and Sunnah as well as secondary sources like consensus among Islamic scholars (Ijma), individual justification (Ijtehad), analogy (Qiyas), folk custom (Urf), public interest (Maslaha), and others. The complete Shariah-compliant Islamic banking system has been designed while closely adhering to the demands of the market. The fundamental principle of establishing banking is profit and loss sharing (PLS), with other Shariah complementary tools including partnerships, leases, and sale-based arrangements being used to provide additional financial services and products (Hamwi and Aylyward. 1999; El-Gamal 2000).

Research Problem

This research attempts to identify the satisfaction level on internet banking facilities among USAS students in Kuala Kangsar, Perak, Malaysia.

Objective of the Study

The main objective of preparing this paper is to find out the satisfaction level on internet banking facilities among USAS students in Kuala Kangsar, Perak, Malaysia. Following objectives are also support the principal report:

1. To examine the concept of customer satisfaction in the light of online banking services.
2. To identify the usage of Internet banking facilities based on the awareness of customers and their knowledge level.
3. To determine the purpose of using Internet banking facilities.
4. To identify the level of customer satisfaction in regarding of online banking services.

Literature Review

Internet banking is a component of the broader e-banking module, offering customers the ability to conduct transactions through an online platform. This service has gained popularity across various demographics, including corporate, public, private, self-employed, and student sectors. Internet banking provides the convenience of accessing financial services anytime and anywhere. In recent times, technological advancements have led to frequent updates in this field. Previous research by A. Sundara and A. Perera (2018) highlighted the effectiveness of

delivery channels like ATMs, credit cards, and debit cards, while acknowledging that internet banking has the potential to enhance global business outcomes for banks.

Customers are increasingly embracing internet banking due to its convenience and time-saving benefits. The urgency of modern life drives them to opt for online banking over traditional in-person transactions. Internet banking serves various purposes, including bill payments, loan settlements, and interbank fund transfers (A. Sundara and A. Perera, 2018). Banks recognize the necessity of offering internet banking to enhance customer convenience, reduce transaction costs, and save time (A. Sundara and A. Perera, 2018). In both developed and developing nations, technological advancements have revolutionized banking services, with factors like perceived quality, trust, and user-friendliness being pivotal for internet banking adoption (Aboobucker and Bao, 2018). To effectively address customer needs and stay relevant in a changing world, banks should determine elements influencing customer behavior and their actual usage of internet banking services (Kimiagari and Baei, 2022)

Internet banking encompasses transactions conducted through various electronic devices such as cell phones, telephones, and computers connected to the internet (Hammoud, Bizri, and El Baba, 2018). This technology enhances the understanding of online transactions and meets the demands of today's meticulous and fast-paced customers in the banking sector. Integrated within the e-banking module, internet banking provides a platform for customers to conduct transactions conveniently. This trend is prevalent across diverse categories including corporate, public, private, self-employed, and student sectors. Customers' adoption of internet banking increases with rising performance expectations (Wong, Lain-Tze, and Si-Roci, 2022), while ensuring sustainability in the banking industry.

Methodology

The research has been done as a quantitative research and the data collection method was an online survey method. This research utilizes google form to collect primary data. Google form is an application in the form of a template or worksheet that can be used independently or together for the purpose of obtaining user information. The rationale for opting for the quantitative research methodology was to fulfill the objective of analyzing the quantitative impact of an independent variable on a dependent variable. The research sample comprised students of a Faculty of Islamic Studies and Faculty of Management and Information Technology from Universiti Sultan Azlan Shah (USAS) who were utilizing any of the e-Banking services, thus categorizing them as participants. The sample size is about 68 students.

Finding And Discussion

While conducting any economic or finance based research analysis clarification of data is the most important step. The primary objective of this study was to identify the Satisfaction level of Internet banking facilities among USAS students regarding the services offered by Islamic banks. The participants were chosen employing disproportionate stratified random sampling method among students of a Faculty of Islamic Studies and Faculty of Management and Information Technology in USAS. All of the respondents of this research are the users of Internet banking facility.

Use of Internet banking facilities based on the gender groups of customers

Table 4.1: Respondents Usage Based On Gender

Gender	Frequency	Percentage
Male	50	73.5%
Female	18	26.5%

Table 4.1 consists of the demographic profile of the sample respondents. It is observed that 73.5% of participants were male, while 26.5% were female.

Use of Internet banking facilities based on the age groups of customers

Table 4.2: Respondents Usage Based On Age Groups

Age	Frequency	Percentage
<20 years	16	23.5%
20 - 25 years	51	75%
25 - 30 years	0	0
>30 years	1	1.5%

Table 4.2 shows that the 23.5% of respondents from the age group less than 20 years, 75% of respondents from the age group between 20-25, 0% of respondents from the age group between 25-30 and only 1.5% of respondents from the age group more than 30 years. There is no respondent from the age group between 25-30 years.

Use of Internet banking facilities based on the level of education of customers

Table 4.3: Respondents Usage Based On Their Level Of Education

Level of Education	Frequency	Percentage
Diploma	13	19.1%
Degree	53	77.9%
Master	2	2.9%

According to the above Table 4.3, 19.1% of the respondents who are Diploma graduates are using Internet banking facility. 77.9% of the respondents who used Internet banking facility are those who have Degree qualification. The least total of respondents is the ones who are master's students.

Frequency of Internet Banking Usage For Financial Transactions

Table 4.4: Frequency of Internet Banking Usage For Financial Transactions

Scale	Frequency	Percentage
Multiple times a week	48	70.6%
Once a month	7	10.3%
A few times a month	10	14.7%
Rarely or never	3	4.4%

Respondents' usage based on their internet access received 70.6% responses for multiple times a week and 10.3% responses once a month, 14.7% responses a few times a month and 4.4% responses rarely or never use internet banking.

Frequency Usage of Banking Services

Table 4.5: Frequency usage of banking services

Scale	Frequency	Percentage
Checking account balance	9	13.2%
Transferring funds between accounts	24	35.3%
Paying bills (utilities, credit cards, loans, etc.)	7	10.3%
Mobile banking app usage	12	17.6%
Online shopping payments	16	23.5%

Data indicates that the highest frequency usage of internet banking services are transferring funds between accounts which is 35.3% followed by online shopping payments 23.5%, mobile banking app usage 17.6%, checking account balance 13.2% and paying bills 10.3%.

Methods of utilizing online banking services

Table 4.6: Methods of Utilizing Online Banking Services

Device usage	Rate	Percentage
Smartphone	66	97.1%
Others	2	2.9%

When referring the above table 4.6, we can see that 97.1% of them use internet banking facilities using smartphone while balance 2.9% of them using others device for accessing internet banking services.

Satisfaction of The Overall User Interface and Navigation of Internet Banking Platform

Table 4.7: Respondents Level of satisfaction with using Internet Banking services

Satisfaction level	Frequency	Percentage
Very satisfied	13	19.1%
Satisfied	28	41.2%
Neutral	25	36.8%
Dissatisfied	2	2.9%
Very dissatisfied	0	0

According to Table 4.7, Respondents Level of satisfaction with using Internet Banking services are shown, 19.1% respondents revealed very satisfied and 41.2% revealed satisfied, 36.8% revealed neutral and 2.94% revealed dissatisfied. At last we found that 0% responses within the scale of very dissatisfied.

Perception of Risk In The Usage of Internet Banking Facilities

Table 4.8: Risk perception of security usage of internet banking services

Risk perception	Frequency	Percentage
Very secure	17	25%
Secure	28	41.2%
Neutral	19	27.9%
Insecure	4	5.9%

When referring the above table 4.8, we can see that 25% of their opinion is that Internet banking process is very secure, 41.2% of their opinion is secure and 27.9% is neutral and only 5.9% of their opinion is that Internet banking process is insecure.

Frequency Problems Faced With Internet Banking Services

Table 4.9: Frequency Problems Faced With Internet Banking Services

Frequency Problem faced	Frequency	Percentage
Frequently	8	11.8%
Occasionally	11	16.2%
Rarely	28	41.2%
Neutral	16	23.5%
Never	5	7.4%

Table 4.9 shows the frequency problems faced by customers while using internet banking services. It is found that 11.8% of them are frequently faced problem using internet banking followed by 16.2% are occasionally faced the problem, 41.2% are rarely faced problem, 23.5% are neutral and 7.4% of them are never faced any internet issues.

Rating of The Customer Support Provided For Internet Banking-Related Inquiries or Issues

Table 4.10: Rating of The Customer Support Provided for Internet Banking-Related Inquiries or Issues

Rating	Frequency	Percentage
Excellent	8	11.8%
Good	41	60.3%
Neutral	18	26.5%
Fair	1	1.5%

Data shows the rating of the customer support provided for internet banking-related inquiries or issues. It is found that 11.8% respondents rating excellent, 60.3% of respondents rating good, 26.5% of respondents rating neutral and 1.5% of respondents rating fair.

Frequently Update Internet Banking Passwords and Security Settings

Table 4.11: Frequently Update Internet Banking Passwords and Security Settings

Frequency	Frequency	Percentage
Regularly (every few months)	6	8.8%
Occasionally (every 6-12 months)	8	11.8%
Neutral	14	20.6%
Rarely (once a year or less)	22	32.4%
Never	18	26.5%

According to Table 4.11, respondents frequently update internet banking passwords and security settings are shown. They received 8.8% responses regularly update, 11.8% responded occasionally update, 20.6% responded neutral, 32.4% responded rarely update and 26.5% responded never update internet banking passwords and security settings.

Problems Encountered While Using Internet Banking Facilities

Table 4.12: Problems Encountered While Utilizing Online Banking Services Facilities

Problem	Frequency	Percentage
Lack of information on how Internet Banking works	13	19.1%
Shortage of knowledge on accessing the Internet	16	23.5%
Lack of amenities (Internet connection, computer, smart phone etc.)	34	50%
Prefer old-style banking over Internet banking	5	7.4%

Table 4.12 shows the types of problems faced by customers while using internet banking facilities. It is found that 19.1% of them faced lack of information on how Internet Banking works, 23.5% of them faced shortage of knowledge on accessing the Internet, 50% of them faced lack of amenities (Internet connection, computer, smart phone etc.) and balance 7.4% of them faced prefer traditional banking over Internet banking.

Conclusion

In conclusion, the satisfaction level with internet banking facilities is influenced by a combination of factors, including convenience, accessibility, security, user experience, and personal preferences. Many users appreciate the convenience and efficiency that internet banking offers, especially for routine transactions and account monitoring. However, concerns related to security, technical issues, and the absence of personal interactions can impact overall satisfaction. Banks and financial institutions should strive to address these concerns, provide robust security measures, improve user experiences, and offer support to enhance overall satisfaction with internet banking facilities. According to this study those customers are using Internet banking facilities to fulfil the various purposes like basic needs in their daily life. Most of the respondents are frequently using of internet banking for financial transactions. Most of them are using internet banking for transferring funds between accounts by using smartphone. This report shows the bank should identify their strength and need to recover its weak side. The study concludes that the use of online banking transaction services and their satisfaction must be improved. The success of online banking transaction services not only depends on the technology but also on commitment etc.

References

- A. Sundara and A. Perera (2018), "The factors influencing on the customer adoption of internet banking system special reference to the Sampath Bank in Colombo district," vol. 8, no. 2.
- Chauhan, V., Yadav, R., & Choudhary, V. (2022). Adoption of electronic banking services in India: An extension of UTAUT2 model. *Journal of Financial Services Marketing*
- H. A. Mohamed Shaffril, S. F. Samsuddin, and A. Abu Samah (2021), "The ABC of systematic literature review: the basic methodological guidance for beginners," *Qual. Quant.*, vol. 55, no. 4, pp. 1319–1346, doi: 10.1007/s11135-020-01059-6
- H.-J. Wong, T. Lain-Tze, and K. Si-Roci (2022), "Internet Banking Adoption Among Malaysian Undergraduates," *J. Internet Bank. Commer.*, vol. 7, no. 45, pp. 349–356, doi: 10.55573/IJAFB.074524
- I. Aboobucker and Y. Bao (2018), "What obstruct customer acceptance of internet banking? Security and privacy, risk, trust and website usability and the role of moderators," *J. High Technol. Manag. Res.*, vol. 29, no. 1, pp. 109–123, 2018, doi: 10.1016/j.hitech.2018.04.010.

- J. Hammoud, R. M. Bizri, and I. El Baba (2018), "The impact of e-banking service quality on customer satisfaction : Evidence from the lebanese banking sector," SAGE Open, vol. 8, no. 3, 2018, doi: 10.1177/2158244018790633
- Khan, H. F. (2017). E-banking: Benefits and issues. *American Research Journal of Business and Management*, 3(1), 1–7
- Khera, P., Ng, S., Ogawa, S., & Sahay, R. (2022). Measuring digital financial inclusion in emerging market and developing economies: A new index. *Asian Economic Policy Review*, 17(2), 213–230
- Singh, N. (2023). Impact of e-banking: Prior and after effects on banking activities. *Journal of Pharmaceutical Negative Results*
- S. Kimiagari and F. Baei (2022), "Promoting e-banking actual usage: mix of technology acceptance model and technology-organisation-environment framework," *Enterp. Inf. Syst.*, vol. 16, no. 8–9, pp. 1–57, 2022, doi: 10.1080/17517575.2021.1894356.
- Usmani, M. T. (2000). *Beyond Fintech: Technology Applications for the Islamic Economy*. World Scientific Publishing Co.