

**UNIVERSITI TEKNOLOGI MARA
FACULTY OF ADMINISTRATIVE SCIENCE & POLICY
STUDIES**



**FACTORS THAT LEAD TO CUSTOMER SATISFACTION
TOWARDS ONLINE BANKING**

**NUR SHAFEEKA BINTI JAILANI
2016341197
WAN NUR DINI SABRINA BINTI WAN AZMI
2016734343**

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CHAPTER 1

INTRODUCTION

1.1 Introduction

Banks are separated into several forms in Malaysia such as central banks, Islamic banks and commercial banks. The banking industry is one of the most significant industries in this Malaysia and most banks have their own banking websites as move to increase their effectiveness. Online banking brings convenience to customers and encourages customers to conduct transaction more efficiently and easily through the banking website. Online banking also benefits the bank in reducing the operational cost. With the rapid growth of the Internet, banks have changed the way financial services are being design and delivered. Online banking has gradually replaced the traditional based counter-form of banking because it offers many advantages amongst which are improved efficiency of payment and other financial services.

According Chong *et al.* 2015, online banking has been recognized and well-known around the world. Thus, based on Guru *et al.* (2001), in order to compete and survive in the online banking institutions, this offers new opportunities and challenges to banking institutions around the world. Other than that, most of the banks are available with the internet facilities. Customers are able to accomplish their banking accounts or transactions with a single click via the internet connection through these internet facilities.

In order to access to online banking services, one must have Internet access and electronic devices such as personal computer, laptop, smartphone or tablet for the purpose. Then, the customer needs to register with the financial institution for the