

ELECTRONIC BANKING THE CUSTOMERS' PERCEPTION TOWARDS IT AND ITS IMPACT ON THE MALAYSIAN BANKS' PROFITABILITY BEFORE AND AFTER ITS IMPLEMENTATION

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ABSTRACT

In this paper, the researcher attempts to address the issue on customers' perception towards e-banking in Malaysia and the profitability of banks before and after its implementation. The main focus of this study is on e-banking users and non-e-banking users for customers' perception. Also, focus is placed on four local banks offering e-banking services in order to discover the impacts on their performances.

To meet the objectives of this study, both primary data and secondary data were collected. Responses of 92 samples on customers' perception were analyzed with further explanations using Microsoft Excel and SPSS 10.0 software package - Frequencies Tables, Linear Regression Analysis and One Sample t-Test. Furthermore, profitability ratios formulas were utilized to measure the profitability of banks over four years. These has enables the researcher to determine the relevancy and reliability of past findings universally, especially those that have reported on the Malaysian banking industry.

This study is distinguished from previous studies in a number of dimensions. First, the scope is a little bit broader. It covers an extra ground by expanding to include the profitability of banks before and after implementing e-banking besides studying on customers' perception. Secondly, the study looks at e-banking from both the customers' and banks' perspective respectively.

The conclusions of this study are generally reassuring. Outcomes for customer's perception were able to hold consistent and true to the past findings of previous researcher. However, profitability of banks is non-comparable as there were no past findings found. Lastly, some recommendations to both the banker and customer were discussed in order for e-banking to outshine in this rapidly changing world.