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E-BANKING AND CUSTOMER PREFERENCES IN JEDDAH, SAUDI ARABIA

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ABSTRACT

Nowadays, the banks kept their market share and attracted the consumers with providing more innovation services through internet banking. The study purpose was explored specific factors affected adoption of internet banking in Saudi Arabia context. The study had been used qualitative and quantitative collection and data methods which enable the study had rich touch of information. Total of 76 respondents were involved in this study and answered the questionnaires. The result suggested 6 identified factors were significant in respect of customer adoption of E-banking services. The main motivation for customer utilize E-banking service are feature availability and accessibility. The result showed security and privacy were important roles in influenced customer to use E-banking service. The practical training should be provided to the bank managers for better understanding toward customer perception of E-banking service quality and increase the customer adoption rates.

CCS CONCEPTS • Insert your first CCS term here • Insert your second CCS term here • Insert your third CCS term here

ACM Reference Format:

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INTRODUCTION

Commercial banking is experiencing fast change as global economy expands and advanced toward market completeness and institutional. Technology is changed geographical, regulatory and industrial and creating new services, products and market opportunities and developed information and systems-oriented business and management process. In 1980s, commercial banks was innovated through technology-enhanced product and services such as automatic teller machines (ATMs), telebanking, TV banking. electronic transfers, electronic cash cards and E-banking. E-banking acceptance is important in business nowadays.

E-banking had received higher acceptance from the customer who supportive of new technology. E-banking has offering several service types through information request and transaction banking such as bill payment, account balance inquiry and cheque book [2]. The banks has invested on information systems to gain advantages such as reduce cost and improve product and service quality [3]. However, any individuals are unaccepted and fully utilized information technology such as E-banking which not bring any benefits toward organization [4].

Venkatesh (1999) had mentioned it's important to find out the reason why individuals prefer to use information technology especially in the organizations [5]. Swanson (1998) stated that understanding individual users behaviour will help both system designers and developers to build systems that encourage individuals to accept and fully utilize them.

E-banking help the customers to offer efficient services and augment the intense competition in the industry [6]. Based on customer point of view, E-banking allow easier access to financial services and time saving in their financial management [7]. Besides, the E-banking service usage also improve the bank profitability and efficiency [8].

The study purpose was explored specific factors affected adoption of internet banking in Saudi Arabia context. The customer attitudes toward usefulness and willingness to use E-banking will identified and measured in this study. The data will be able to show expectations of accuracy, security, network speed and user-friendliness.

METHODOLOGY

The study was used qualitative approach to reach out industry professional to collect apprehended facts. The reasons for carried out quantitative approach together with quantitative was to collect data according to questionnaires after data analysis. The background information was provided by the information gather and discussion the literature review. This study was used to understand different age group for both male and female that preferred and used e-banking in Jeddah, Saudi Arabia. The study population was aged between 25 years old and 50 years old which included both gender, male and female. The study methods were both qualitative and quantitative. The sample size was 70 participants and 150 participants depended on the response rate. The study

method used in this study were both qualitative and quantitative. The qualitative method consisted of primary data that was collected from the data from the questionnaire. Meanwhile, secondary data collection consisted of literature review data that was collected from academic books, online journals and articles

Result And Discussion

Result

The study samples were 76 respondents consisted male and female aged between 25 years old and 50 years old. In Figure 1, there were 13 respondents aged less than 25 years and 28 respondents were aged between 25 years old and 35 years old. In additions, 14 respondents were aged more than 50 years old. In this study, Based on Figure 2, there were 39 males respondents and 37 female respondents.

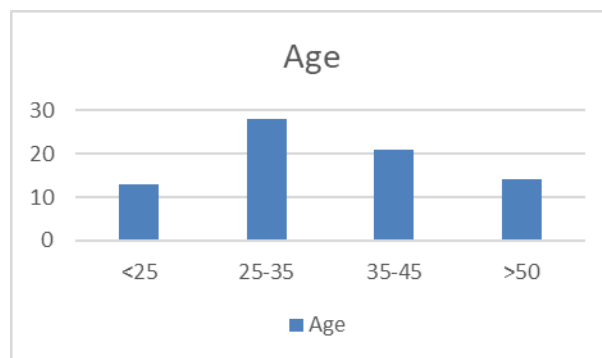


Figure 1: Respondent's age

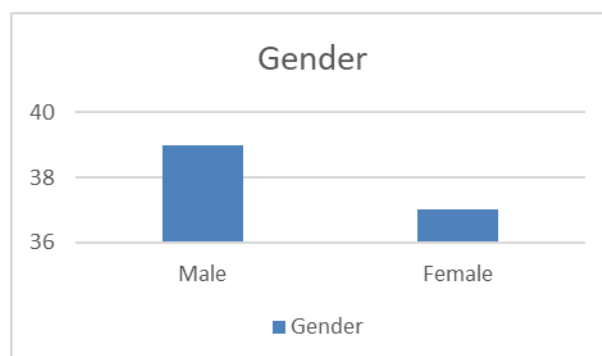


Figure 2: Respondent's gender

In additions, based on Figure 3, there were 29 respondents which single and 47 respondents were married which showed married respondents were more interested in took loans from banks and selected the criteria.

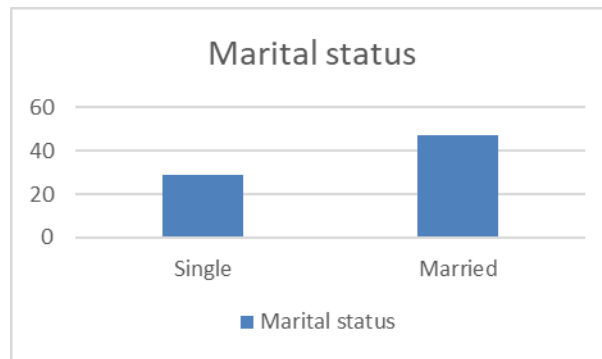


Figure 3: Respondent's marital status

In additions, based on Figure 4, 38 respondents had bachelor's degree and 24 respondents had completed postgraduate level.

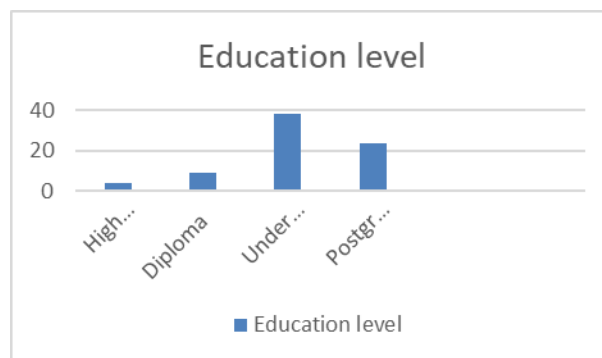


Figure 4: Respondent's education level

Based on Figure 5, there were 14 respondents were worked as administrative support and 19 respondents were worked management. Meanwhile, 8 respondents were worked as professional and 10 respondents were worked as senior management.

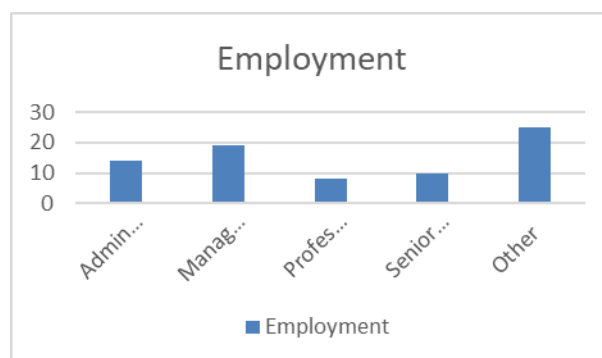


Figure 5: Respondent's employment

In additions, based on Figure 6, there were 16 respondents had earned salary in range of 3000-5000 SAR and 22 respondents had earned salary in range of 5000-10,000 SAR. Furthermore, 19 respondents had salary in range between 20000-50000 SAR and only 2 respondents had salary in range of 100000

SAR. This result showed home financing needed due to low monthly income since not everyone did not afford it.

Besides, based on Figure 7, there were 6 respondents disagreed and only 2 respondents were disagreed on the transactions speed. Meanwhile, 11 respondents were neutral and 19 respondents had agreed with transactions speed was important criteria for e-banking. There were 38 respondents strongly agreed on transaction speed which result indicated transaction speed was important criteria and focused on fast e-banking and quick response.

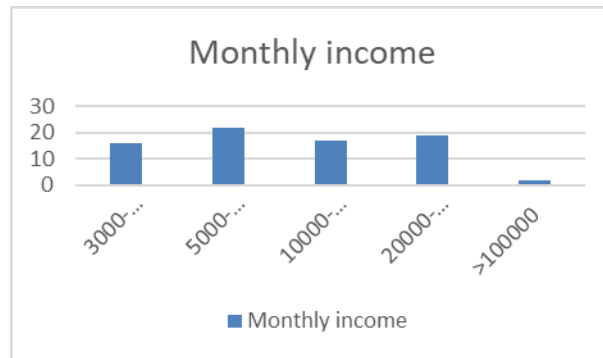


Figure 6: Respondent’s income

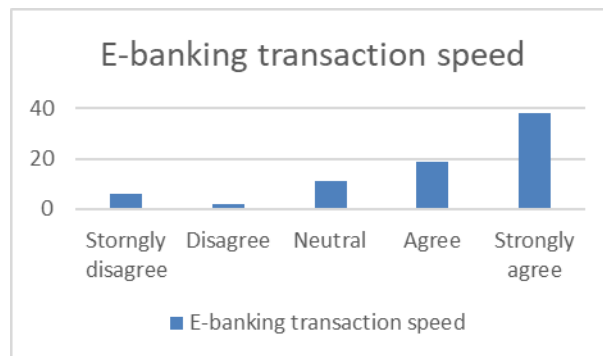


Figure 7: Transaction speed

Meanwhile, based on Figure 8, e-banking accuracy found only one person had strongly disagreed and 23 respondents were felt neutral on e-banking accuracy.

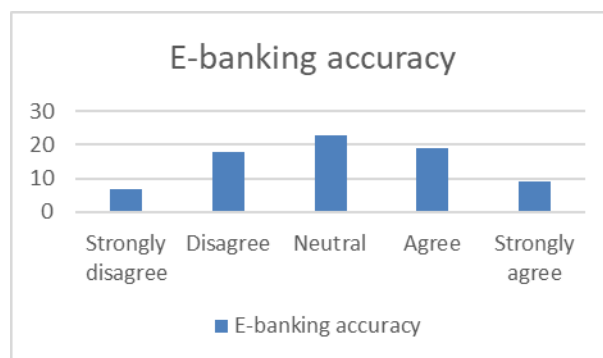
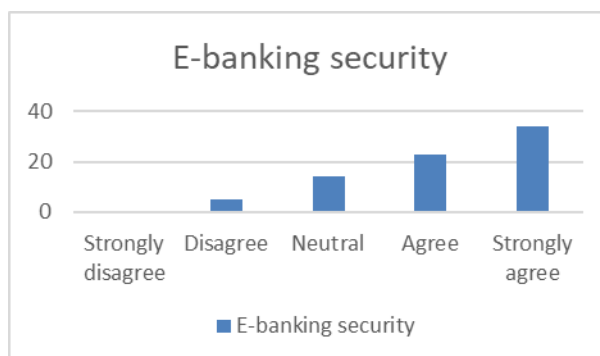
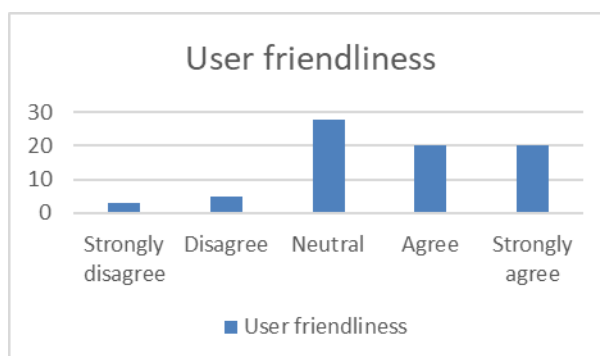


Figure 8: E-banking accuracy

Based on Figure 9, there were 14 respondents had voted neutral toward e-banking service while 23 respondents agreed on e-banking security. Furthermore, 34 respondents were strongly agreed on E-banking security. The result indicated most respondents believed the security was important with reliability which fundamental toward product or service quality.

**Figure 9:** E-banking security

Based on Figure 10, there were 20 respondents and 20 respondents strongly agreed in E-banking user-friendliness. This result showed most respondents believed user-friendliness was important in E-banking. The respondents felt that user-friendliness needed to clear easy-to-follow instructions, simple operational procedures, light hardware and software requirement, comprehensive help menu and efficiently designed websites.

**Figure 10:** E-banking user friendliness.

Based on Figure 11, most people believed high service quality was important. Based on Figure 11, only 1 respondents strongly disagreed and 5 respondents disagreed with service quality. There also 26 respondents agreed and 31 respondents on E-banking service quality was important. The result indicated high E-banking service quality helped the user in reduced low stress for E-banking usage.

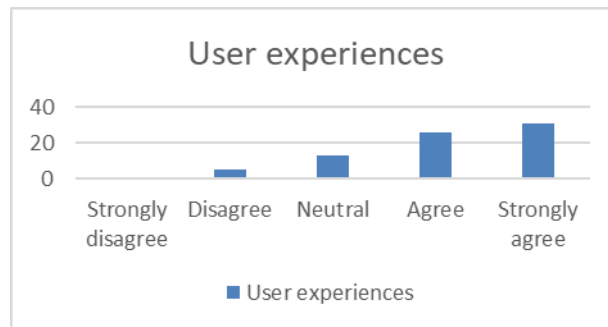


Figure 11: E-banking user experiences

Meanwhile, based on Figure 12, most respondents felt less approval time also important in E-banking. Figure 12 showed 4 respondents had strongly disagreed and 23 respondents were neutral on the E-banking approval time. There were 29 respondents strongly agreed on this question. This result indicated most respondents believed user-involvement was important for them. The user-involvement also allowed users to terminate transactions on any times before confirmation and perform operations at preferred speeds.

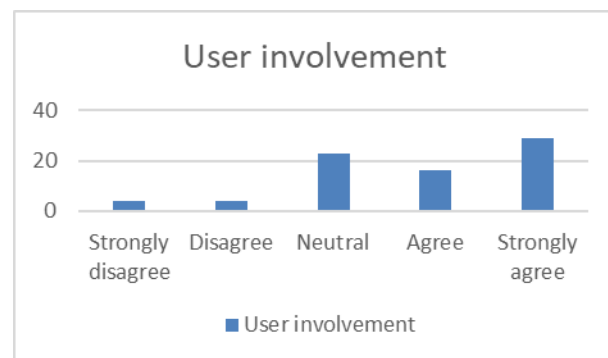


Figure 12: E-banking user involvement

Based on Figure 13, 31 respondents strongly agreed and 30 respondents agreed on E-banking convenience. There was none respondents strongly disagreed on E-banking convenience. The result indicated most respondents believed that E-banking convenience was important criteria which allowed the users to access at any times, everywhere and wide variety of services readily accessible.

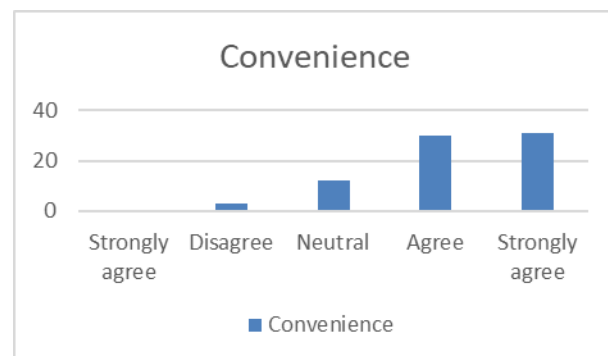
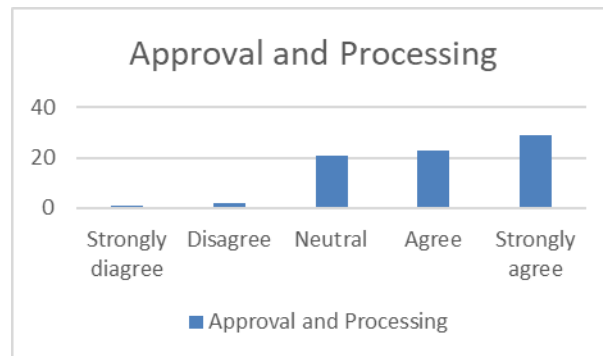
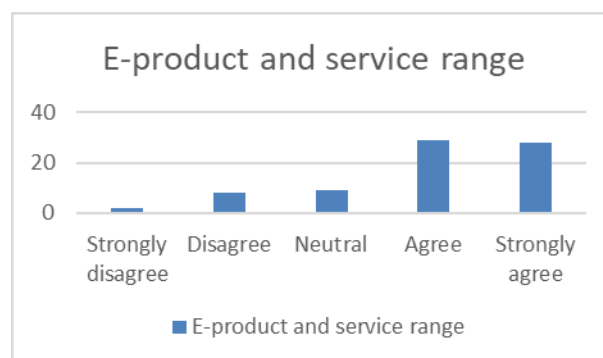


Figure 13: E-banking convenience

Based on Figure 14, there were 21 respondents neutral and 29 respondents strongly agreed on approval and processing of the application in E-banking. The result indicated most respondents believed that fast application and process was important for E-banking.

**Figure 14:** E-banking application approval and process

In Figure 15, most respondents believed good product range was important. There were 2 respondents had strongly disagreed and 8 respondents had disagreed with good product range. Meanwhile, 29 agreed and 28 had strongly agreed on this question.

**Figure 15.** E-banking product and service ranges

Based on Figure 16, Furthermore, 3 respondents strongly disagree and 5 respondents had disagreed on E-banking recommendation. Besides, 21 respondents had agreed and 23 respondents were strongly agreed on the family and friends recommendation. The result indicated most respondents believed that the recommendation was good while selected E-banking services.

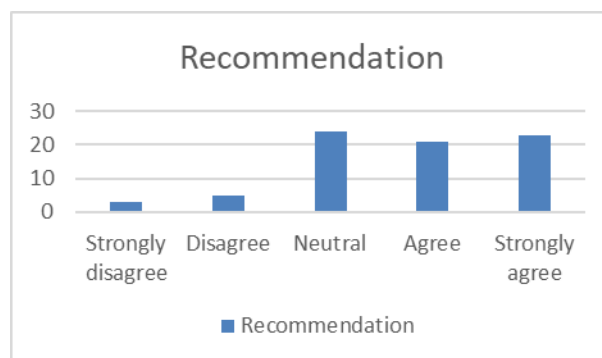


Figure 16. Family and friend recommendation in E-banking

Discussion

In Saudi Arabia, banks had used several measurement to increase customers confidence such as advanced encryption technology, firewall, anti-virus programmed, required the users to provide unique identifiers, logged user account off and secured electronic billing and payment system. Although, security and privacy issues are concern since personal financial details hacking, the result showed the customer believed E-banking security and privacy concern was important than E-banking convenience. In Saudi Arabia, E-banking had implemented personal risk management strategies such as printing electronic documents for security, privacy and trust issues. Transaction speed also important for E-banking in operational resources efficiency. The customers had high sensitivity in service delivery speed. Thus, time saving feature in transaction speed increased positive influence toward customer satisfaction in E-banking. The result indicated convenience, accessibility and feature availability were important factor of E-banking. Customer care toward E-banking privacy and security was correlated with their viewpoint toward good technologies for E-banking transaction. In additions, the speed, fee and charges were influenced customer satisfaction. The E-banking service success mostly depend on features available improvement and increased security, privacy and speed to help customer in decision making.

CONCLUSION

The study had been conducted to understand more on Saudi Arabia customer behaviour toward E-banking usage and to determine factors that influence bank customer intention of use E-banking among dormant users of that channel. The study employed survey data and measured customer attitudes toward E-retail banking in Saudi Arabia and explored its viability and prospects on the demand side. The study result showed accuracy, user-friendliness, transactions speed, security, user involvement and convenience were most important quality contributed in the E- banking services. Besides, the study also found convenience, accessibility and feature availability had significant influenced toward customer satisfaction. The security and privacy were still two major influence factors for customers in evaluated E-banking services. The security included protected customer from fraud risk and financial loss during financial transactions. Trust also had striking influence

on customer willingness to engage in online exchanges of money and personal confidential information. Besides, privacy protection was important dimension that affected customers intention to adapt E-based transaction systems.

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