

Students' Perceptions of Internet Banking: A Survey Study in Qatar

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Abstract

Information and Communication Technologies have brought about many changes in almost all facets of modern life. In the banking industry, one such change is online banking, which is now replacing the traditional practice of visiting the bank in person. Internet Banking (IB) has gained increasing popularity in recent years, mainly because it has many benefits, which add value to customer satisfaction in terms of a better quality of service offerings. At the same time, it enables the banks to gain a more competitive advantage over other rivals. This paper focuses on students' perceptions of Internet Banking in Qatar. The main objectives of the current study are to analyse students' views towards Internet Banking and to identify the reasons why a significant number of consumers do not adopt this service.

A self-administered questionnaire was developed and distributed to a random sample consisting of 600 students from Qatar University. Data from 423 respondents was used to address the study objectives. The analysis revealed that most users of Internet Banking services are generally satisfied with it. However, there were other important research findings: First, a significant number of respondents were not even aware of IB services. Second, a major concern among those who were aware of IB services was 'privacy and security', which form a real obstacle to using it. In terms of practical application, these findings should alert bank managers as to just how important information security is in the eyes of their customers. It is also hoped that this study will make a meaningful contribution to the body of professional research literature on internet banking services in Qatar.

Keywords: Internet, IB services, IB in Qatar, privacy and security, Qatar.



أدراك وتصورات الطلبة عن الخدمات المصرفية عبر الإنترنت: دراسة استقصائية في قطر

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ملخص

أحدثت تكنولوجيا المعلومات والاتصالات تغييرات كثيرة في جميع جوانب الحياة الحديثة. والقطاع المصرفي يمثل أحد هذه التغييرات، وذلك من خلال توفير الخدمات المصرفية عبر الإنترنت، التي تحل الآن محل الممارسة التقليدية المتمثلة في زيارة البنك شخصياً. وقد اكتسبت الخدمات المصرفية عبر الإنترنت رواجاً متزايداً في السنوات الأخيرة، وذلك لتقديمه الكثير من المزايا لرضا العملاء من حيث نوعية الخدمات المقدمة. وفي الوقت نفسه، فإنه يمكن للبنوك من الحصول على ميزة تنافسية أفضل من البنوك التي لا تقدم هذه الخدمات. تركز هذه الورقة على تصورات الطلبة حول الخدمات المصرفية عبر الإنترنت في قطر. وتتمثل الأهداف الرئيسية للدراسة الحالية في تحليل وجهات نظر الطلاب نحو تقديم هذه الخدمات وتحديد الأسباب التي تجعل عدداً من العملاء لا يعتمدون هذه التقنية الحديثة.

وقد تم إعداد استبيان تم توزيعه على عينة عشوائية تتكون من ٦٠٠ طالب وطالبة من جامعة قطر. واستخدمت البيانات المستمدة من ٤٢٣ من المجيبين لمعالجة أهداف الدراسة. وبينت نتائج التحليل بأن معظم مستخدمي الخدمات المصرفية عبر الإنترنت راضون عموماً عن الخدمات المقدمة لهم من قبل البنوك. ومع ذلك، كانت هناك نتائج بحثية مهمة أخرى: أولاً، لم يكن عدد كبير من المستجيبين على دراية بهذا النوع من الخدمات. وثانياً، كان أحد أهم الأسباب الرئيسية لدى أولئك الذين كانوا على بينة من الخدمات المصرفية عبر الإنترنت هي "الخصوصية والأمن"، مما يشكل عقبة حقيقية أمام استخدام هذه التقنية. ومن حيث التطبيق العملي، أن لهذه النتائج أن تفيد إدارات البنوك إلى مدى أهمية أمن المعلومات في نظر عملائهم. ويؤمل أيضاً أن تسهم هذه الدراسة إسهاماً ذا مغزى في مجموعة البحوث المهنية في مجال الخدمات المصرفية عبر الإنترنت في قطر. كلمات مفتاحية: الإنترنت، الخدمات المصرفية عبر الإنترنت في قطر، الخصوصية والأمن، قطر.

1. Introduction

Banking is a highly intensive activity that relies heavily on information technology (IT) to acquire, process and delivers relevant information to all customers. Internet Banking is an example of such technology. It increases the efficiency of the banking operation and provides more convenience to customers.

Internet Banking -- also called 'online banking' -- is an outgrowth of Personal Computer (PC) banking. It uses the internet as the delivery channel by which to conduct banking activity. For example, a customer can use it to transfer funds, pay bills, view checking and savings account balances, pay mortgages and purchase financial instruments and certificates of deposits (Haque, et al, 2009). Another distinct advantage is that a person can search for information online more easily and efficiently, as opposed to waiting in line and asking a teller. Indeed, due to its speed and convenience, IB increases customer satisfaction. In addition, IB removes traditional geographical barriers, as it can reach out to customers in different countries around the world.

However, the advent of Internet Banking has also brought with it a heightened sense of risk. This risk is related to issues regarding the security of banking transactions, the validity of electronic contracts, and customer privacy. Although traditional banking has always faced risk management issues, the risks associated with IB have assumed greater dimensions, given that the Internet is a public domain, and not subject to control by any single authority or group of users. Therefore, while banks wish to attract new customers and increase the happiness and satisfaction of current customers by offering new technological services such as IB, it is very important to clearly identify and understand the factors that may influence a customer to either adopt or reject such technology.

Qatari banks use Internet technology as a strategic instrument to revolutionize the way they operate, deliver, and compete against each other. The Qatar Central Bank (QCB) is no exception. QCB was established in 1993 and operates in coordination with the Ministry of Economy and Finance. QCB is managed by a board of directors and chaired by a governor. In its supervisory capacity, QCB oversees the activities of all of Qatar's commercial banks and non-banking financial institutions (with the



exception of insurance companies), with a view to minimising banking and financial risk in Qatar's financial sector.

QCB reviews reports, and other mandatory data, submitted by commercial banks, including monthly Capital Adequacy Compliance reports. In addition, QCB formulates Qatar's monetary policy by regulating interest rates, maintaining the stability of the Qatar Riyal and controlling inflation. It is also important to note that, while QCB operates in coordination with the Ministry of Economy and Finance, it is not subject to political interference in its management of monetary policy.

Qatari banks also offer their respective customers many online banking services. However, QNB internet banking offers the most comprehensive online banking experience in the region, helping customers to stay in control of their finances, wherever they may be located geographically.

While the general purpose of this study is to describe the current status of Internet Banking in Qatar, it is particularly interested in the main reasons why customers do not use internet banking technology. The study is important because there has been a paucity of research on this topic. Moreover, the findings of this study may enable Qatari banks to market their internet banking services more skillfully, so as to increase the number of users. Consequently, this will lead to a significant reduction in operational costs.

As we have already noted in the introduction, the objectives of the study are to analyse customer perceptions of IB, and to identify the reasons why consumers do not use it. Hopefully, the research findings will enable bank managers to not only improve the quality of their IB services, but also to increase the number of their online banking customers. The findings may also encourage Qatari banks to carry out more research as to how they can best bring other new products and innovative ideas to the marketplace.

2. Literature Review

The professional literature shows that, while older consumers are aware of Internet Banking, they do not feel the need for it. Some consumers feel that Internet Banking does not have as many practical benefits as traditional banking. However, the younger generation is more attracted to this service, as they are less resistant to change than

the older generation.

Furthermore, this review of international literature identifies many common factors as to why customers may, or may not, use Internet Banking services. Consequently, the current study will check to see if these factors are relevant to customer attitudes toward Internet Banking in Qatar. The following studies are most pertinent:

Asif and Numan (2010) examined customer perceptions, preferences, problems and suggestions about online banking in Pakistan. The study revealed that customers prefer internet banking (IB) services over branch banking due to its reliability, convenience, speed, safety and security, cost effectiveness, user-friendliness, and error-free systems. Contrastingly, the study also showed that some customers were concerned about security problems related to online banking, and this engendered a lack of trust in the bank.

Malhotra and Singh (2010) conducted an exploratory study of Internet banking in India. Specifically, it sought to examine the factors affecting the growth and development of Internet banking services. The findings revealed that private and foreign Internet banks have performed well in offering a more advanced and wider range of Internet banking.

Chong, et al. (2010) examined the factors that affect the adoption of online banking in Vietnam. They examined such factors as perceived usefulness, ease of use, trust and government support, to determine if these affected online banking adoption. The results showed that three of these factors (perceived usefulness, trust and government support) were all positively associated with the intention to use online banking in Vietnam.

Azouzi (2009) conducted a study in Tunisia against the backdrop of the technological revolution that has irrevocably altered the business practices of the country's banking sector. The main objective of the study was to identify why customers adopted electronic banking. This empirical research project revealed several factors that affected customer attitudes toward e-banking. For instance, age, gender and educational qualifications were significant influences on customers deciding whether or not to adopt internet banking.

Rani (2012) measured customer perceptions of E-Banking in Pakistan. The results showed that about 60% of people had a positive perception of E-Banking. However,



in spite of this positive perception, only 52.9% respondents were using it frequently. Varaprasad et al. (2013) identified the prominent factors that influenced public sector bank consumers in India to adopt internet banking services. Factors such as perceived usefulness, perceived ease of use, perceived risk, and relative advantages were deemed to be the main determinants in deciding whether to adopt internet banking.

Al-Ajam, A. S. et al. (2015) investigated the factors that influenced customers' intentions to adopt Internet banking in the Republic of Yemen. The study found that a lack of empirical studies has been conducted in this field within Arab countries in general, and in Yemen in particular. The results of the study could serve as a guideline for bank managers in understanding the factors and strategic market planning that they need to initiate, in order to increase Internet banking adoption among current and potential customers.

Poon (2008) examined the factors affecting the adoption of e-banking services in Malaysia, in light of ten determinants: convenience, accessibility, feature availability, bank management and image, security, privacy, design, content, speed, and fees and charges. The findings revealed that security, privacy, and convenience were the most important factors which contributed to customer acceptance of e-banking.

Asgharian (2015) examined the driving factors that influenced the use of internet banking at Saderat Bank, in Iran. He measured these factors across six primary dimensions: technology, security, human and cultural factors, customer support, internet access quality, and telecommunication substructures. The findings showed that, while all six dimensions affected customer choice, 'internet access quality' was the most important factor.

Muzividzi, D.K. et al. (2013) identified factors that affected the adoption of internet banking in Zimbabwe. The research identified various factors that imposed barriers and enhanced adoption of internet banking. It also measured the impact of demographics on internet banking adoption. The study found that customers with a higher level of education were more likely to adopt Internet banking.

Ernovianti, et al. (2012) examined factors that determined individual attitudes toward the use of online banking among higher-education students in Malaysia. The research findings showed that there was a significant relationship between self-efficiency and the intention to use Internet Banking. The researchers also stressed that an understanding

of the factors that influence users to accept Internet Banking can be beneficial to banks, system developers, and marketing practitioners – especially in developing and marketing internet banking services that would be acceptable to the target market.

Polatoglu & Ekin (2001) examined the status of online banking in Turkey. The findings suggest that individuals who adopt electronic technology are more likely to be young, educated and from a medium-high to high income bracket. Furthermore, the results showed that this particular demographic group may tend to embrace technological change in general, and thus are more willing to adopt Internet Banking in particular. The researchers suggest that Internet Banking is of strategic importance to business, especially in an emerging country like Turkey. They also state that added benefits of Internet Banking include lower operational costs and a higher level of customer satisfaction and, hence, to greater customer retention.

Sayar & Wolfe (2007) carried out a study in Turkey and observed that developments in technology are dramatically changing the way retail banks carry out their business. Furthermore, the pace of that technological change has accelerated due to the introduction of the internet, and the subsequent evolution of Internet Banking. The provision of financial services over the internet, in particular, has helped banks because customers who use traditional methods of banking can perceive their products as being somewhat intangible and not easily accessed. Furthermore, Ndubisi (2006) points out that Internet Banking services allow customers to conveniently access their banking accounts from anywhere in the world, and at any time of the day.

Gerrard & Cunningham (2006), found a few characteristics which may influence the adoption of Internet Banking for consumers in Singapore. Those customers who adopted Internet Banking found it to be convenient, less complex and more compatible with their needs. The reasons why customers did not adopt the new technology included issues of confidentiality, accessibility and a lack of perceived economic benefits. Grabner-Kräuter & Faullant (2008), also confirmed that trust and risk perception regarding Internet Banking was a concern amongst consumers in Austria.

Raed Awamleh & Cedwyn Fernandes (2005) evaluated the websites of both local and foreign banks in the United Arab Emirates, and discovered three major factors that influence customer satisfaction with regard to internet banking services: convenience, independence, and security of transactions. The researchers state that Banks should



focus on these points when advertising their internet services to their customers. They also insist that banks should also highlight the fact that internet banking gives the customer a lot more independence.

Khalfan, et al. (2006) and Al-Sabbagh & Molla (2004) conducted research in the Omani banking industry, and found that security concerns were one of the major issues in e-banking adoption. Furthermore, from the viewpoint of the consumers, the decision to use internet banking is frequently motivated by convenience and efficiency. For example, account holders do not have to make a trip to the local branch, queue-up, or be constrained by the bank's opening hours (Lassar et al., 2005).

Despite all the aforementioned merits of internet banking, there are still considerable barriers to its adoption (Black et al., 2002; Karjaluo et al., 2002; Lee et al., 2005). Among the variety of factors impeding the use of this innovation, the most prominent ones were a lack of computer or no internet access. Compared with Western countries, individuals may also be averse to the idea of banking online due to their low educational attainment or unavailability of adequate information about this distribution channel (Nielsen, 2002; Im et al., 2003; Pikkarainen et al., 2004; Lassar et al., 2005; Lee et al., 2005; Gerrard et al., 2006). Finally, security concerns related to transacting on the internet can hamper the enthusiasm of many potential users (Sathye, 1999; White and Nteli, 2004; Gerrard et al., 2006). Salehi and Zhila (2008) describe e-banking as an electronic connection between bank and customer in order to prepare, manage and control financial transactions. In this context, the researchers concluded that banks need to bear in mind that the barriers identified above can undermine the relational aspect of this vital connection.

Jasimuddin (2004) examined the role of e-banking in Saudi Arabia. He discovered that, while the majority of Saudi banks have taken advantage of Internet Technology to establish websites, few have offered e-banking services. He suggested that if the Saudi Arabian banking industry wished to be successful in the global economy, it would need to integrate Internet Technology into its banking strategy.

Eriksson et al. (2008) investigated the technology of Internet Banking in Estonia, an emerging eastern European economy. A quantitative study was selected to obtain data regarding the usage of, and attitudes towards, the internet as a banking channel. The results suggested that internet banking use increases as customers perceive its

usefulness. Hence, a well-designed and easy-to-use internet banking service may not be adopted by customers if it is not perceived as being useful.

Rotchanakitumanui and Speece (2003) used in-depth, qualitative interviews to investigate why corporate customers in Thailand do not accept Internet banking, even though it is designed to improve the quality of customer self-service. Many Thai banks are currently implementing Internet banking, claiming that it reduces costs and makes them more competitive. However, many corporate customers are not highly enthusiastic about Internet banking. The research data suggests that, whereas current online users view internet banking as being reliable, non-users feel that their concerns about internet security are a major factor that inhibits wider adoption. Indeed, some customers do not trust the processing protocol of financial transactions made via Internet channels.

Abubakar, A. A. et al (2012) investigated the factors that influence the consumer adoption of electronic banking in Nigeria. Empirical data were collected via a questionnaire survey of 125 participants from Bayero University Kano (BUK), in northern Nigeria. The study also examined the relationship between electronic banking adoption and the determining factors for the critical success of electronic banking in Nigeria. The study identified two significant factors regarding the adoption of Internet banking in Nigeria: First, perceived ease of use and, second, reluctance to change.

Gbadeyan, R. A, et. al. (2011) conducted a survey that examined customers' preferences regarding e-banking in Sierra Leone. In particular, the researchers investigated whether the customers' choice of banks was influenced by the quality of the e-banking services provided. The researchers recommended that various measures should be put in place to ensure more security. These included the installation of encrypted software, a verification system of customer's identification cards, frequent change of passwords, examining test questions and using mixed passwords, such as the alphanumeric, amongst others. The study concluded that e-banking had become an important phenomenon in the banking industry, and this trend would continue as more innovative progress is made in information technology.

Nasri (2011) conducted a study to determine which factors influenced the adoption of internet banking services in Tunisia. The data clearly showed that the use of Internet



Banking in the country is influenced most strongly by convenience, risk, security and prior internet knowledge. The results also reveal that demographic factors, such as occupation and education, had a significant impact on Internet Banking behavior.

Chong, H, et al (2015) conducted a study to identify the factors which determine users' satisfaction levels using online banking services. The data identified six factors which influenced online banking satisfaction: self-efficacy, performance expectancy, effort expectancy, social influence, service quality and information quality. The findings also indicate that performance expectancy, social influence, and service quality were significantly positive factors on users' satisfaction regarding online banking. Conversely, factors such as self-efficacy, effort expectancy, and information quality were seen to be non-significant.

3. The Study Objectives

The objectives of this study are as follows:

To investigate the current situation regarding Internet Banking in Qatar, particularly why many consumers do not use it.

To analyse customer views towards Internet Banking, especially their level of satisfaction regarding it.

To give recommendations and suggestions to banks on how to encourage a higher degree of acceptance and usage of Internet banking services.

4. Research Methodology

In this research study, empirical data was collected from university students in Qatar through a survey questionnaire, and the data was analyzed in light of the primary research questions. The questionnaire was distributed to a random sample of 600 students at Qatar University, with the intention of generalizing the results to the rest of the university population. Using a random sample also provided an equal chance for each student to be selected for the study. This distribution protocol was used in order to strengthen the veracity of the results.

There are two primary reasons for using Qatar University (QU) students: First, QU is the official university of the state of Qatar, which includes more than 13,000 students. Second, these students are extremely knowledgeable in the use of computers, the Internet and Internet Banking.

4.1 Research Instrument

In order to meet the research objectives as described above, the study used a Likert scale questionnaire that attempted to measure student attitudes regarding the difficulties of using Internet Banking. It employed a five-point scale ranging from 5 (Totally agree) to 1 (Totally disagree). The questionnaire was completed anonymously in order to ensure confidentiality. In addition, it did not ask for any personal information such as names, addresses etc.

4.2 Data Collection

Data was collected from Qatar University students. The researcher used a stratified sample, with a proportionate number of respondents from each of Qatar University's eight faculties. The questionnaires were randomly distributed to a required number of students from each faculty. The response rate was 423/600 (= 70%). The distribution of respondents according to each university faculty is presented in Table 1.

Table 1: Distribution of respondents by faculty

FACULTY	FREQUENCY	VALID PERCENT	CUMULATIVE PERCENT
ART AND SCIENCES	69	16.3	16.3
BUSINESS AND ECONOMICS	85	20.1	36.4
EDUCATION	31	7.3	43.7
ENGINEERING	97	22.9	66.7
LAW	30	7.1	73.8
PHARMACY	6	1.4	75.2
SHARIA AND ISLAMIC STUDIES	30	7.1	82.3
FOUNDATION PROGRAM	75	17.7	100.0
TOTAL	423	100.0	



16.3% of total responses (n = 69) were received from the faculty of Arts and Sciences; 20.1% of total responses (n = 85) were received from the faculty of Business and Economics; 7.3% of total responses (n = 31) were received from the faculty of Education; 22.9% of total responses (n = 97) were received from the faculty of Engineering; 7.1% of total responses (n = 30) were received from the faculty of Law; 1.4% of total responses (n = 6) were received from faculty of Pharmacy; 7.1% of total responses (n = 30) were received from the faculty of Sharia and Islamic Studies; 17.7% of total responses (n = 75) from the Foundation program. The percentage of male respondents to female respondents is almost equal: 46.1% of respondents were

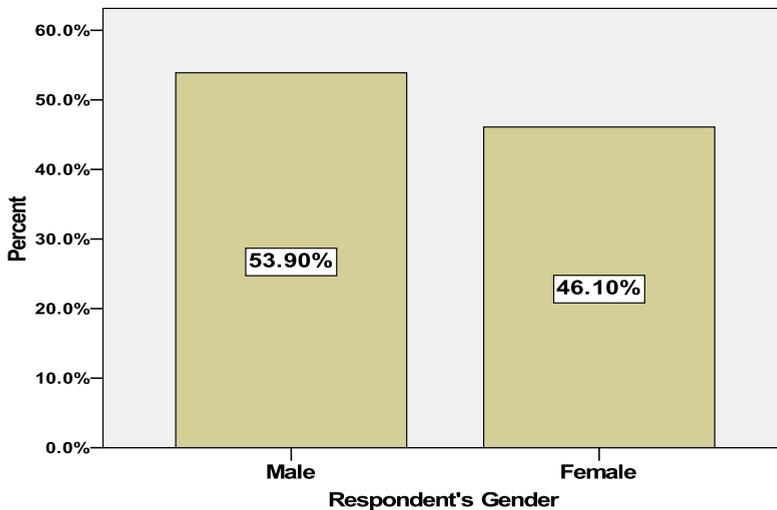


Figure 1: Respondent Gender

female, while 53.9% were males (See Figure 1).

5. Data Analysis and Presentation of Findings

The data yielded by the questionnaire was calculated and statistically analyzed by the researcher using Statistical Package for Social Sciences (SPSS). This descriptive research is also called 'statistical research'. The main goal of this type of research is to describe the data and the characteristics about what is being studied. The idea behind this type of research is to study frequencies and other statistical calculations. Descriptive research is used to obtain information concerning the current status of

the phenomena to describe “what exists with respect to variables or conditions in a situation”. This research tried to measure the objectives according to data collected from respondents for analyzing and finding the results. The results will be discussed according to the questions posed in the questionnaire.

5.1 Using the Internet

The results indicate that almost all (98.1%) of respondents access the Internet regularly on a daily basis (See Table 2). Only 1.9% do not use the Internet regularly. This indicates that almost all respondents were regular users of the Internet.

Table 2: Using the Internet

	FREQUENCY	VALID PERCENT	CUMULATIVE PERCENT
YES	415	98.1	98.1
No	8	1.9	100.0
TOTAL	423	100.0	

5.2 Having a Bank Account

The results show that the majority of respondents (81.6%) have a bank account, while the minority (18.4%) have not opened a bank account. See Figure 2).

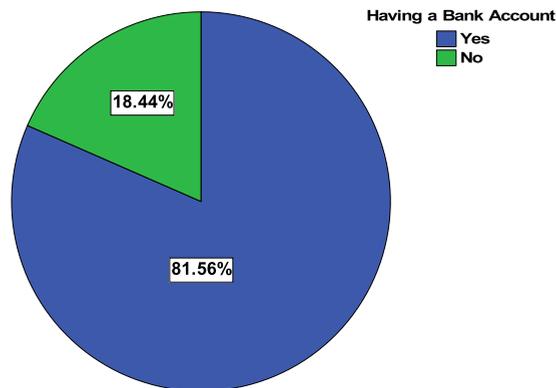


Figure 2: Having a Bank Account



5.3 Respondents' Knowledge of Internet Banking

A large number of the respondents (86.76%) have heard of Internet Banking and they know that such services exist. On the other hand, 13.24% of respondents have not

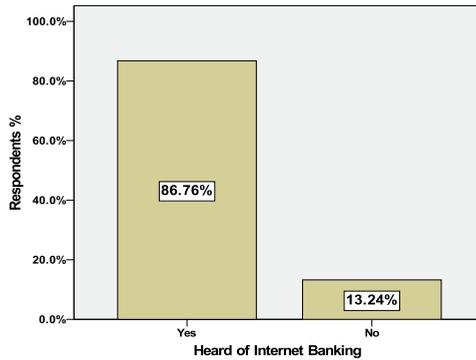


Figure 3: Respondents' Knowledge of Internet Banking

heard about Internet Banking services (See Figure 3).

5.4. Internet Banking Knowledge Source

Figure 4 below identifies how respondents came to know about Internet Banking services. The three main sources are as follows: From their bank; from advertisements, or from their colleagues. The most popular sources are from their bank (34.33%) and from their colleagues (34.06%).

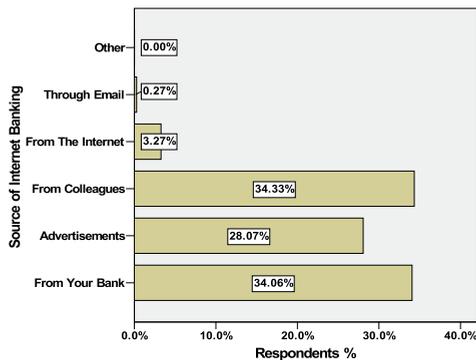


Figure 4: Internet Banking Knowledge Source

5.5 Banks Used

The data indicate that 26.1% of the total respondents hold a Qatar National Bank account; 22.1% hold a Qatar Islamic Bank account; 20.05% hold an Al-Rayyan Bank account; 10.7% hold a Qatar International Islamic Bank account; 6.0% hold a Doha Bank account; and 3.5% hold a Commercial Bank account. Figure 5 shows the

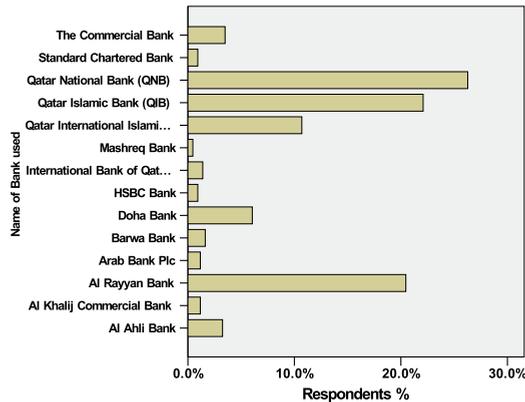


Figure 5: shows the frequency of bank usage of the respondents

frequency of Bank usage of the respondents.

From the above interpretation, we can say that the primary reason for choosing a particular bank for an internet bank account is because of the excellent services offered by the bank. A secondary reason is the brand name of the bank.

5.6 Using Internet Banking

Figure 6 below shows that 61.23% of the respondents use Internet Banking and 38.77% do not use Internet Banking. The latter is a relatively large number, especially

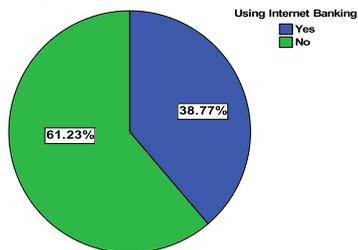


Figure 6: Using Internet Banking

when one considers that most of the respondents are Internet users.

5.7 How likely are you to open an Internet Bank Account within the next 12 months?

Respondents were asked, “How likely are you to open an Internet bank account within the next 12 months?” 35% of the said, “Neither unlikely nor likely”. 29% of the respondents stated that they were “Somewhat likely” to open an Internet bank account in near future. However, 14% responded that they were somewhat unlikely to open an

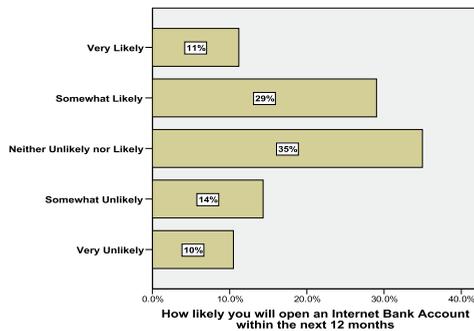


Figure 7: opening an Internet Bank Account

Internet account within the next 12 months, as shown in Figure 7.

5.8 Currently Using Internet Banking Services

Figure 8 below shows the percentage of respondents who are currently using Internet Banking services. The respondents were provided with a list of 9 Internet Banking Services in Question 10 of the questionnaire. In relation to these nine services, the respondents were asked to indicate which services they were currently using. 25.6% of respondents said that they have accessed their bank’s websites to check their balance or to print statements. 23.26% of the respondents indicated that they use it to make payments on-line. 16.54% of the respondents use Internet Banking for transferring funds between accounts.

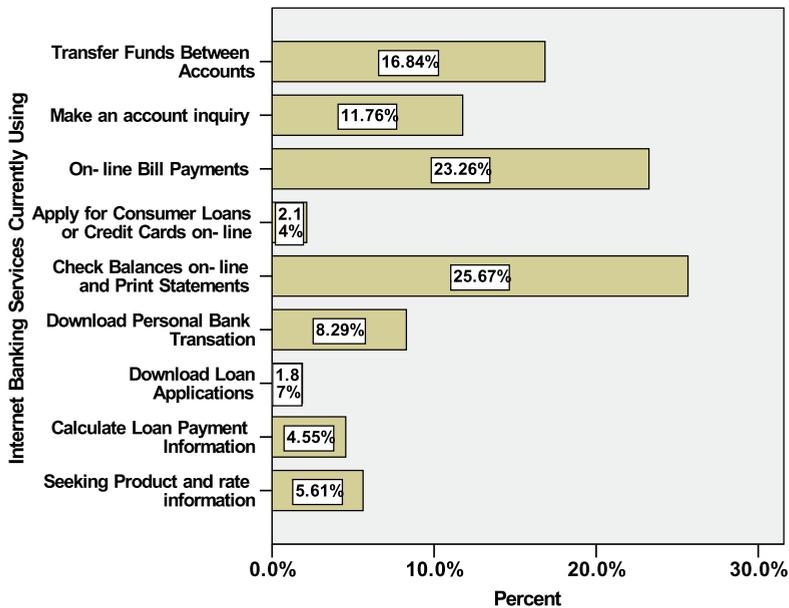


Figure 8: Internet Banking Services Currently Using

6. Students' Views Toward Internet Banking

Tables 3 shows the respondents' views toward eleven important facets of Internet Banking. We will highlight some of the more salient findings below:

First, in regard to the design of the bank's website, 70% of respondents (n = 124) agreed that it was well-designed, while 7% of respondents (n = 13) disagreed. 23% of the respondents (n = 40) were neutral.

Second, as far as the protection of privacy on the bank's website is concerned, 71% of respondents (n = 126) agreed with the statement that their privacy was protected. Only 11 % of respondent (n = 20) disagreed.

Third, in regard to trusting the security of the bank's website, 77% of respondents (n = 136) responded positively, with only 4% of respondent (n = 7) having a negative view. 19% of respondents (n = 34) were neutral on this issue.

Fourth, 68% of respondents (n= 120) agreed that their bank met their information needs. Only 9% of respondents (n= 16) had negative views, while 23% of the

respondents (n = 41) were neutral.

Fifth, in regard to making transactions quickly on the bank website, 71% of respondents (n= 126) agreed that the process was fast. While 7% of respondents (n = 12) felt that it was not. 22% of respondents (n= 39) were neutral.

Sixth, 62% of respondents (n= 109) agreed that their bank website provided ways to contact an advisor. Only 10% of respondents (n= 17) had a negative view, and 48% Of respondents (n = 51) were neutral.

Seventh, as far as recommending the use of e banking to others is concerned, 66% of respondents (n = 116) indicated that they would recommend. Only 7% of respondents (n = 13) disagreed, while 27% of respondents (n = 47) were neutral.

Table 3: Student’s Opinions about the utility of internet banking

FACTORS	TOTALLY AGREE	AGREE	NEITHER AGREE OR DISAGREE	DISAGREE	TOTALLY DISAGREE
THE SITE OF MY BANK IS VISUALLY ATTRACTIVE	37	87	40	9	4
I THINK MY PRIVACY IS PROTECTED ON MY BANK WEBSITE	49	77	31	20	0
I TRUST THE SECURITY OF MY BANK WEBSITE	70	66	34	6	1

MY BANK WEBSITE MEETS MY INFORMATION NEEDS (INFORMATION QUALITY)	47	73	41	10	6
THE INFORMATION ON MY BANK WEBSITE IS RELEVANT (INFORMATION QUALITY)	50	71	46	7	3
ON MY BANK WEBSITE, THERE ARE CLEAR EXPLANATIONS OF SECURITY (FINANCIAL SECURITY)	49	72	43	10	3
IT'S QUICK TO MAKE TRANSACTIONS ON MY BANK WEBSITE (SAVE TIME)	55	71	39	7	5
THE SITE PROVIDES WAYS TO CONTACT AN ADVISOR AT MY BANK (INTERACTIVITY)	37	72	51	11	6
I CAN COMMUNICATE WITH SOMEONE FROM MY BANK (BY EMAIL.) IF I HAVE PROBLEMS WITH MY ACCOUNT (INTERACTIVITY)	30	55	64	13	14



I WOULD BE WILL- ING TO RELY ON THIS INTERNET BANKING	61	65	31	13	6
I WILL RECOMMEND OTHERS TO USE THIS E-BANK	44	72	47	7	6

7. Level of satisfaction and willingness to rely on Internet Banking

Table 4 shows the level of satisfaction and willingness to rely on Internet Banking. A 5-point Likert-type scale was used, with response categories ranging from ‘totally agree’ to ‘totally disagree’. The data analysis revealed that 71% of internet bank users (n = 126) are generally satisfied with it.

Table 4: Internet users’ level of satisfaction with the service. And willingness to rely on Internet Banking

	FREQUENCY	PERCENT
TOTALLY AGREE	61	34%
AGREE	65	37%
NEITHER AGREE OR DISAGREE	31	18%
DISAGREE	13	7%
TOTALLY DISAGREE	7	4%
TOTAL	177	100%

8. Main reason for not using Internet Banking

The respondents were provided with a list of seven statements in the questionnaire stating the reasons why customers may not feel comfortable with opening an Internet Banking account. Figure 9 shows that 26% of the respondents were concerned about security. 21% of the respondents indicate that they have not taken the time to open an

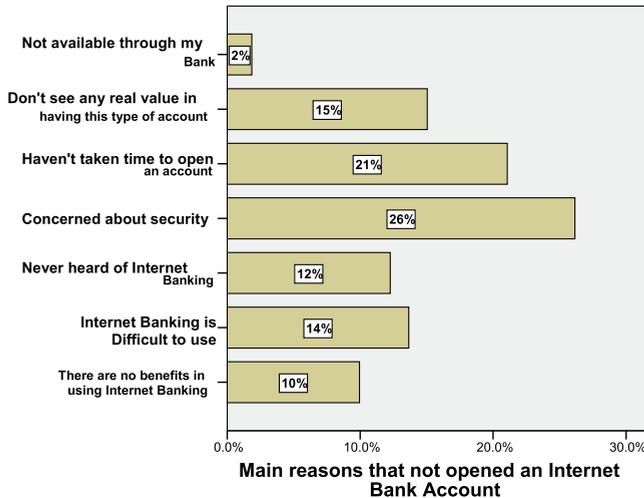


Figure 9: Reasons for not opening an Internet Bank account
 Internet account. 15% said that they do not see any real value in having this type of account, and 14% of respondents feel that Internet Banking is difficult to use.

9. Discussion

Based on the data results of the current study, we can conclude that the majority of the respondents – most of whom use either Qatar National Bank (QNB) or Qatar Islamic Bank (QIB) -- are aware of Internet Banking. The data also reveals that the main reason for choosing a particular bank for an Internet Banking account is the excellent services offered by the bank. The second most important reason is the brand name of the bank. In addition, the data confirms that the three most used internet banking services include the following: checking balances; printing statements; and making payments. We can also conclude from the results that most customers strongly feel that banks should be concerned with ensuring the privacy and security of IB, and with providing relevant information through their website and with familiarizing customers on how to use internet banking services. If banks do these things, they will definitely increase customer usage of IB services. Indeed, bank managers should include all of the above factors in their respective strategic plans for increasing customer levels, and maintaining a competitive advantage over other banks.

Furthermore, in order for Qatari banks to reduce their operational costs and increase the rate of usage of IB, they must cooperate with each other in working towards this

objective. Banks also need to ensure their IB systems are well secured, reliable and user-friendly, and they also need to better promote and familiarize their customers about their IB services. Even though customer confidence in the bank itself may be strong, there is low consumer trust in regard to internet banking technology. Therefore, banks need to increase the level of trust among customers, so that they can use internet banking services with confidence. Research has consistently shown that this trust issue is particularly relevant in the area of customer security and privacy Juan (2009).

10. Conclusion and Recommendations

The results of this study provide particularly important information for promoting Internet banking services among university students, 80 percent of whom said that they would be willing to adopt internet banking in the future. These results are supported by Laforet and Li (2005), Howcroft et al. (2002) and Al-Ashban and Burney (2001), who found that younger customers were more likely to adopt electronic banking. Furthermore, 70% of customers are satisfied with Internet Banking Services.

On the negative side, the research found that the major IB concern among customers in Qatar is the privacy and security of Internet Services. This is a real obstacle to using the services. In addition, the data reveals that customers also fear the hacking of their accounts and thus do not use internet banking. Although banks are trying their level best to provide the best security options to customers, there are still a lot of negative factors which prevent customers from opening an internet bank account.

Consequently, banks should not only ensure that online banking is safe and secure for all customer financial transactions, but they should also organize seminars and conferences to educate their customers regarding online banking services. These presentations should primarily address issues of security and privacy. They must also stress that internet banking is cheaper for the customer than the traditional face-to-face transaction at the bank. The bank can also distribute booklets containing information about the new internet services. In addition, the website should be user friendly, so that customers can use it more easily to access their accounts. This would include the provision of a user platform from where the customer can access different accounts at a single time, without extra bank charges. Such changes would motivate customers to use internet banking more extensively.



Finally, banks could also include extra features on their websites to make the experience more memorable and fun. A plain website may be appealing to an older audience but not to young adults. An example of an extra feature is having promotions that are only applicable to online transactions.

11. Limitations and Scope of Further Research

This research focused on customer opinions regarding the utility of internet banking. Further research is required to investigate issues relating to online banking in a deeper manner, particularly to investigate what strategies banks should use to enhance the level of e-satisfaction and e-loyalty with respect to online banking. Such research would also benefit from using larger samples for the purpose of higher accuracy. Also, future researchers could use a multi-dimensional approach (such as a cross tabulation procedure) for a more in-depth and textured analysis.

One of the limitations of this study is that the respondents were from only one location and may not represent the entire population in Qatar. In addition, future research should consider the responses from non-internet banking users. This will enable a stronger and a more balanced perspective on the research issues.

Regardless of the limitations, this study has offered helpful insights on the subject of Internet Banking in Qatar. Hopefully, it has also provided a platform for future investigation.

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