

Appendix 1

Bank Muamalat Malaysia Berhad branches

LIST OF BMMB BRANCHES

WILAYAH PERSEKUTUAN

JALAN MELAKA

Tingkat 1, Blok Podium
Menara Bumiputra
21, Jalan Melaka
50100 Kuala Lumpur
Tel : 03-2691 9616
Faks : 03-2032 5997

TAMAN SEGAR

No. 30, Jalan Manis 4
Taman Segar Off Jln Cheras
56100 Kuala Lumpur
Tel : 03-9130 2426
Faks : 03-9130 2007

JALAN IPOH

Tingkat Bawah, Wisma TCT
No. 516-1, Batu 3, Jalan Ipoh
51200 Kuala Lumpur
Tel : 03-4041 1885
Faks : 03-4043 1467

WISMA BANDAR

Tingkat Bawah, Wisma Bandar
No.18, Jalan Tuanku Abdul
Rahman
50100 Kuala Lumpur
Tel : 03-2697 7077
Faks : 03-2697 8020

SELANGOR

No. 53, 53 (M), 51 & 51 (M)
Jalan SBC 1, Taman Sri Batu
Caves
68100 Batu Caves
Selangor
Tel : 03-6187 8235
Faks : 03-6186 2387

TAMAN MELAWATI

268, 269 & 270, Jalan Bandar
12,
Taman Melawati
53100 Kuala Lumpur
Tel : 03-4108 1160
Faks : 03-4107 4625

PUSAT PERKHIDMATAN

Universiti Islam Antarabangsa
Central Complex
Jalan Gombak
53100 Kuala Lumpur
Tel : 03-6185 8102
Faks : 03-6187 8579

SELANGOR

KAJANG

3, Jalan Dato' Seri P.
Alagendra 1,
43000 Kajang
Tel : 03-8734 7340
Faks : 03-8734 7332

KELANG

Tingkat Bawah, Bangunan
Pantai Baru
Lot 227-1, Batu 1
Jalan Meru, 41050 Kelang
Tel : 03-3344 4148
Faks : 03-3344 4146

PETALING JAYA

45, Jalan SS 2/64
47300 Petaling Jaya
Tel : 03-7874 5722
Faks : 03-7875 5623

SHAH ALAM, SEK 9

28, Jalan Tengku
Ampuan Zabadah D9/D
40000 Shah Alam
Tel : 03-5512 8830
Faks : 03-5512 8836

RAWANG

No. 9 & 11
Jalan Bandar Rawang 1
Bandar Baru Rawang
48000 Rawang
Tel : 03-6092 1680
Faks : 03-6092 1677

SHAH ALAM, PKNS

G-1, 2 & 3, Tingkat Bawah
Kompleks PKNS
40000 Shah Alam
Tel : 03-5510 6511
Faks : 03-5512 5730

SUBANG JAYA

9 & 11, Lot 4015 & 4017
Jalan SS 15/5A, 47500 Subang Jaya
Tel : 03-5634 3971
Faks : 03-5634 3954

PUSAT PERKHIDMATAN

Universiti Kebangsaan Malaysia
Lot 1.03A, Aras 1
Wisma Unikeb
43600 Bangi
Tel : 03-8925 6034
Faks : 03-8925 6029

PUTRAJAYA

G-3, Block 2, Menara PjH
The Boulevard Precinct 2
62000 Wilayah Persekutuan
Putrajaya
Tel : 03-8888 9778
Faks : 03-8889 2053

NEGERI SEMBILAN

SEREMBAN

Lot 1522 & 1523
Jalan Tun Dr. Ismail
70200 Seremban
Tel : 06-765 1500
Faks : 06-762 7218

MELAKA

395, Taman Sinn, Jalan Semabuk
75050 Melaka
Tel : 06-282 8464
Faks : 06-282 7191

PERAK

IPOH

Tingkat Bawah & Mezzanin
Wisma Maju UMNO
Jalan Sultan Idris Shah, 30000 Ipoh
Tel : 05-249 8800
Faks : 05-243 4997

PARIT BUNTAR

17, Jalan Perwira
Pusat Bandar Baru
34200 Parit Buntar
Tel : 05-716 7201
Faks : 05-716 7204

SITIAWAN

No. 392, Taman Samudera
32040 Seri Manjung
Perak
Tel : 05-6884915
Faks : 05-6884931

TAIPING

18-20 Tingkat Bawah & Satu
Jalan Taming Sari
34000 Taiping
Tel : 05-807 8372
Faks : 05-807 8375

KEDAH

ALOR SETAR

Lot T-1, Tingkat Bawah
dan Mezzanine
Wisma PKNK
Jalan Sultan Badlishah
05000 Alor Setar
Tel : 04-731 5722
Faks : 04-731 5724

KULIM

No. 6, Bangunan Al-Ikhwan
Pusat Perniagaan Putra
Jalan Kilang Lama
09000 Kulim
Tel : 04-496 3500
Faks : 04-490 7825

SUNGAI PETANI

No : 1 & 2, Tingkat Bawah & Satu
Wisma OIB, Jalan Bank
08000 Sungai Petani
Tel : 04-420 4300
Faks : 04-421 5007

PUSAT PERKHIDMATAN

Universiti Utara Malaysia
Rumah Universiti
06010 Sintok
Tel : 04-923 2300
Faks : 04-924 5787

PUSAT PERKHIDMATAN

Lembah Keriang
Lot No. 195, Jalan Chengal
Kg Tradisi Lembah Keriang
Off Jalan Sintok
06010 Changlun
Tel : 04-9246243
Faks : 04-9246246

PENANG

BAYAN BARU

No 24, 26 & 28
Jalan Tengah
Taman Seri Tunas
11950 Bayan Baru
Tel : 04-630 8100
Faks : 04-641 1058

BUTTERWORTH

Tingkat Bawah & Satu
Wisma Perkeso
3012, Off Jalan Lebu Tenggiri 2
13700 Seberang Jaya, Perai
Pulau Pinang
Tel : 04-390 1292
Faks : 04-399 3797

PUSAT PERKHIDMATAN

Universiti Sains Malaysia
Bangunan D12
11800 Minden, Pulau Pinang
Tel : 04-660 4600
Faks : 04-658 5945

PERLIS

KANGAR

No. 11 & 13,
Jalan Bukit Lagi, 01000 Kangar
Tel : 04-976 4751
Faks : 04-976 4799

TERENGGANU

KUALA TERENGGANU

1, Jalan Air Jerneh
20300 Kuala Terengganu
Tel : 09-622 2177
Faks : 09-623 4624

KELANTAN

KOTA BHARU

Tingkat 1 & 2, Lot 2 & 257
Bangunan Perbadanan Menteri
Besar Kelantan (PMBK)
Jalan Kuala Krai
15150 Kota Bharu
Tel : 09-744 1711
Faks : 09-744 4622

JOHOR

JOHOR BAHRU

30, Jalan Tun Abdul Razak
Susur Satu, 80000 Johor Bahru
Tel : 07-223 5822
Faks : 07-224 0811

BATU PAHAT

24-25, Tingkat Bawah & Satu,
Jalan Kundang, Taman Bukit Pasir,
83000 Batu Pahat
Tel : 07-432 5257
Faks : 07-432 4945

JOHOR JAYA

Tingkat Bawah & Satu
No. 17, Jalan Ros Merah 2/20
Taman Johor Jaya
81100 Johor Bahru
Tel : 07-357 7451
Faks : 07-355 8106

KLUANG

No. 1, Jalan Persiaran Dato' Haji
Ismail Hassan
86000 Kluang
Tel : 07-772 2487
Faks : 07-774 4419

KULAI

18 & 19, Taman Seraya
Jalan Raya Kulai Besar, 81000 Kulai
Tel : 07-663 8486
Faks : 07-663 8496

SEGAMAT

54, Jalan Genuang
85000 Segamat
Tel : 07-931 0540
Faks : 07-931 0542

PUSAT PERKHIDMATAN

Kolej Universiti Teknologi
Tun Hussein Onn
KM 21, Jalan Kluang
86400 Parit Raja, Batu Pahat
Tel : 07-453 6132
Faks : 07-453 6125

PUSAT PERKHIDMATAN

Universiti Teknologi Malaysia
Rumah Universiti (R02)
81310 UTM, Skudai
Tel : 07-558 1560
Faks : 07-557 6064

PAHANG

KUANTAN

B-114 & B-116
Lorong Tun Ismail 9
Sri Dagangan 2
25000 Kuantan
Tel : 09-516 2782
Faks : 09-516 2853

MENTAKAB

6 & 7, Jalan Tun Abd Razak
28400 Mentakab
Tel : 09-277 5917
Faks : 09-277 4940

SARAWAK

KUCHING

Lot 543-545 Bangunan Cheema
Jalan Tun Ahmad Zaidi Adruce
93400 Kuching
Tel : 082-25 7877
Faks : 082-41 4142

MIRI

433-434, Tingkat Bawah & Satu
Jalan Bendahara
98000 Miri
Tel : 085-420 622
Faks : 085-418 111

SABAH

KOTA KINABALU

Shoplot 69-72
Blok H, Asia City
88000 Kota Kinabalu
Tel : 088-239 122
Faks : 088-239 128

LABUAN

Unit E002, Tingkat Bawah
Aras Podium
Kompleks Ujana Kewangan Labuan
Jalan Merdeka
87000 Wilayah Persekutuan Labuan
Tel : 087-424 190
Faks : 087-424 204

Appendix 2

Example of sales commission structure for in-house sales staff

Table A2.1
Calculation of 'Hurdle' for sales representative

1	Basic salary (p.a)	42,000	1
2	Overhead (2 x salary)	84,000	2
3	Basic hurdle [(1) + (2)]	126,000	3
4	(Plus) Incremental salary @ 10% p.a	4,200	0.1
5	Incremental overhead @ 10% p.a	8,400	0.2
	[(3)+(4)+(5)]	138,600	3.3
	Hurdle, say		3

Note: Assumptions

1 Basic salary of RM3,500 per month per sales staff

2 A hurdle of 3x basic salary only covers salary & overhead.

Other incidental costs to the bank shall not be covered.

Table A2.2

Commission payment for in-house sales staff.

Profit target per sales rep. (p.a) (Hurdle rate x basic salary) - RM	126,000	168,000	210,000
Sales volume required (p.a) @ 1% ROA - RM	12,600,000	16,800,000	21,000,000
Minimal Sales volume required (p.m) @ 1% ROA - RM	1,050,000	1,400,000	1,750,000

Commission structure, say:

1% for each RM of sales volume between 3x to 4x hurdle

1.25% for each RM of sales above 4x hurdle and up to
5x hurdle

1.5% for each RM of sales above 5x hurdle

Sales volume, say RM2,000,000 pm

Commission to be paid-out:

1% for each RM of sales volume between 3x to 4x hurdle 3,500

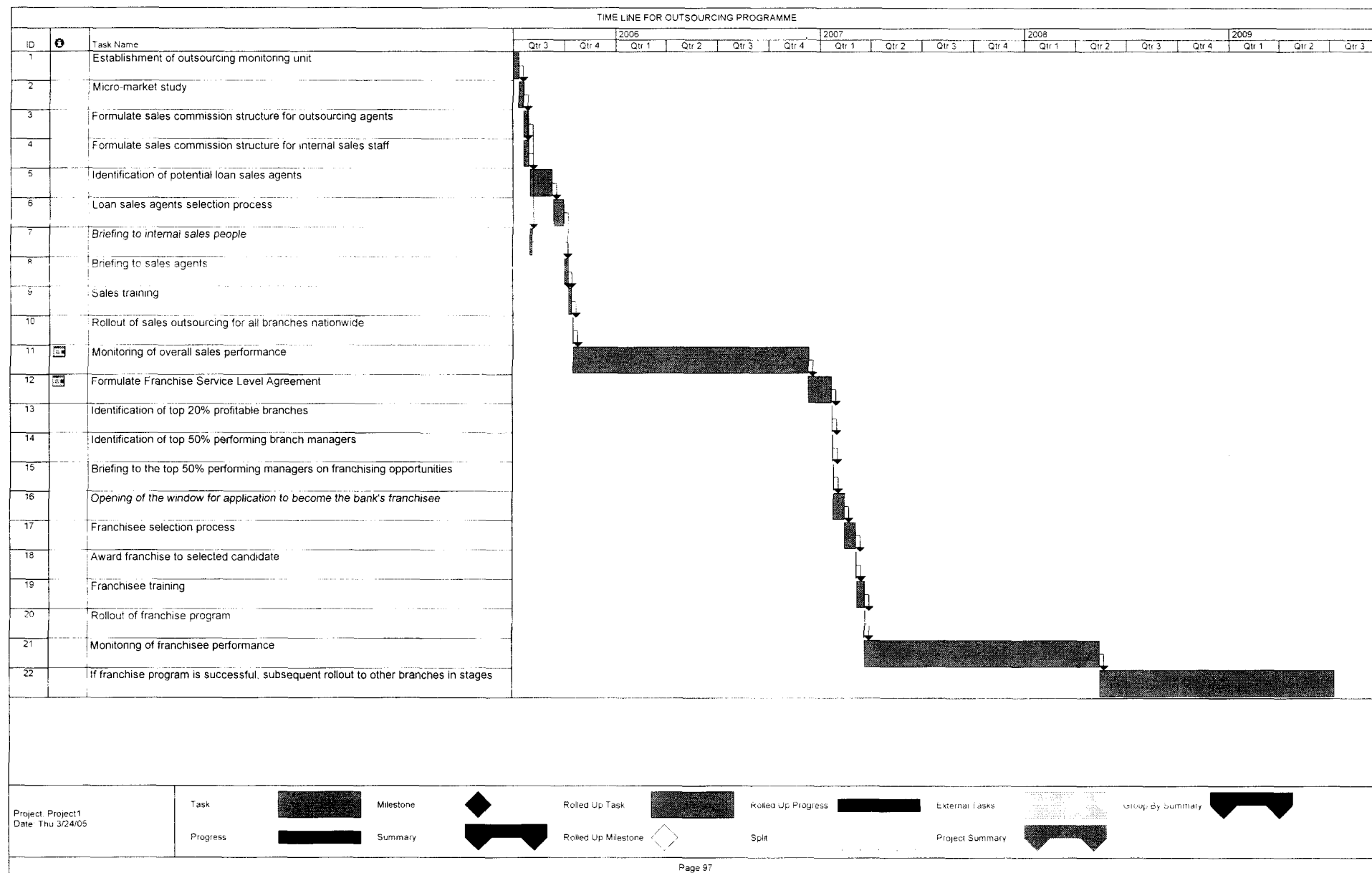
1.25% for each RM of sales above 4x hurdle and up to
5x hurdle 4,375

1.5% for each RM of sales above 5x hurdle 3,750

Total monthly commission 11,625

Appendix 3

Time line for the proposed outsourcing programme



Appendix 4
Survey Methodology and Results

SECTION 1

SURVEY METHODOLOGY

This chapter will outline the survey methodology undertaken as complement to this consultative study. It will briefly describe how the instrument was designed and how the sample was chosen. Next, it will explain the data collection procedures that were conducted in obtaining the responses. Finally, the data analysis techniques will be briefly outlined.

1.1 SURVEY DESIGN

Past literature was first studied to gain a brief understanding on consumer banking facilities and needs; and to explore current banking facilities and products offered internationally and domestically. The literature was gathered from international journals via on-line databases as well as reports from international banking institutions and organizations. To have a better understand financial institutions and services in Malaysia, reports from central bank of Malaysia, Bank Negara Malaysia, were used as reference.

Since no standard questionnaire was readily available for the purpose of the particular survey objective in hand, a compilation of questions and statements used in other prior research formed the basis of the survey.

Some questions in the questionnaire were constructed independently in achieving the survey objective. As this study uses the self-administered survey

method, the questionnaire was deliberately designed to provide convenience and ease for respondents. Instead of asking open-ended questions, except for demographics segment and Part VI of the survey, all the questions used an ordinal-scale. Respondents were given a five-option scale to choose from, ranging from “extremely important” to “not important at all” to the statements given in the survey.

The survey instrument was a structured four -page questionnaire and statements (see Appendix 5). The purpose of the survey was explained on the cover page of the questionnaire, followed by six main sections: Part I – Demographics, Part II – Products and Services, Part III – Delivery Channels, Part IV – Staff and Services, Part V – Complaints and Enquiries and Part VI – Banking Providers. Part I and Part VI were structured using nominal type questionnaires.

Questions from Part I requested for demographic information such as gender, age, marital status, ethnic group, educational level, occupational category and total annual income for each respondents.

The second segment of the survey sought to find the importance of the banking products and services in general. This section comprised six statements, where the respondents were required to indicate the importance of the said statements using the five-option scale to choose from. Test for reliability using Cronbach Alpha resulted in a value of 0.85 for the particular segment. Some of the statements given in Part II are as follows:

- Wide range and innovative of products and services available

- Flexibility of terms and conditions of products offered
- Competitive bank's lending/deposit rates

The third segment of the survey was intended to uncover the importance of delivery channels in respect of the locations of the banking services, usage and the timing of self service terminals (SSTs) such as ATM, cheque or cash deposit machine as an alternative to over the counter (OTC) transactions, availability and user-friendly of electronic banking (e-banking) and reliability of delivery channels.

The fourth segment looks into the importance the services by the banking staff namely on the efficient, prompt and courteous services, staff knowledge of the bank's procedures, products and services.

Part V threw a few questionnaires relating to the importance of complaints and enquiries avenues and their timing of the resolutions within the promised time period.

The last part of the survey with regards to banking providers, sought of the view of the respondents on the type of banking products and services currently used and their main concern of the concept of outsourcing the banking branches. The respondents were given multiple choice answers to select from and they can choose more than one answer.

The completed questionnaires were subjected to a pre-test using 10 respondents. The objective of the pre-test was to assess if the contents were

appropriate and comprehensible. Based on the feedback obtained from respondents, minor changes were made and the final version of the survey questionnaires was developed.

The questionnaire was prepared in English only as it is assumed that the majority of the urban Malaysian would be fairly competent in the English language.

1.2 SAMPLING DESIGN

The targeted sample size was set at 100 respondents located in Klang Valley to provide the database for this survey. Although, the sample size appears to be small, we are of the opinion that the number of respondents was reasonable as this survey was only to complement to whole consultancy exercise and give an indication of the importance of the banking in general.

1.3 DATA COLLECTION PROCEDURES

The primary data were obtained through a self-administered survey conducted between December 2004 and January 2005. Due to the time and economic constraints, the sample was selected on a convenience basis from respondents in the Klang Valley. Although it is not an ideal method of sampling, Calder, Philips and Tybout (1981) and Calder (1982, 1983) have defended the usage of convenience sampling for consumer behaviour studies.

The survey was sent out to eighty (80) acquaintances residing in the Klang Valley through electronic mail, while another fifty (50) questionnaires were hand-

delivered to other respondents. The respondents were employees of varying companies and industries such as bank, engineering, oil and gas, insurance, education and communication to name a few. The survey distribution either by e-mail or by hand was assisted by family and friend of the authors.

1.4 DATA ANALYSIS TECHNIQUE

The data were analyzed using the Statistical Package for Sciences (SPSS) for Window Version Program. The analysis process involved editing, coding, recoding, analyzing and summarizing the data. Among the statistical techniques used to analyze the data were the frequency analysis, reliability test, cross tabulation and chi-squared test.

The first part of the analysis was conducted to provide an overview of the demographic characteristics of the respondents. Frequency counts and percentages were obtained to provide a better representation on the profile of the respondents. Besides the demographic information, the other parts of the survey were also analyzed using frequency analysis. These were used to ascertain the importance of the banking in general. Reliability test was run to test the acceptable level of the questionnaires. One way variance analysis (ANOVA) was used to determine any significant different in result across demographic characters namely; gender, level of income and level of education.

SECTION 2

DATA ANALYSIS

This chapter will begin by detailing the profile of respondents such as their gender, age group, ethnic, marital status, occupation and educational background. Next, it will present an analysis of the data collected from the sample. Specifically, it will present the findings of the level of importance of the banking in general which would form the summary of issues to be considered in outsourcing the banking services. The answers to all the survey questionnaires will be provided in this chapter.

2.1 PROFILE OF RESPONDENTS

A total of 110 responses were collected, out of 130 survey questionnaires distributed. This reflects an 84.6% response rate. However, breaking it down to the methods of distribution, 65 out of 80 e-mail responses were received indicating a 81% response rate, while the response rate for questionnaires delivered by hand was 90% (45 out of 50). Out of the 110 total responses received, only 106 were deemed usable as four e-mail responses had their softcopy of the file corrupted. As such overall response rate was 81.5%.

By gender, 58.5% of the respondents were male and 41.5% were female. A majority of the respondents (49%) were between the ages of 31 to 40 years old.

Table A4.1
Gender and age of respondents

Variable		Frequency	Percentage (%)
Gender:	Male	62	58.5
	Female	44	41.5
	TOTAL	106	100
Age (years old):	Below 30	23	21.7
	31-40	52	49.0
	41-50	16	15.1
	Above 50	15	14.2
	TOTAL	106	100

The sample consisted of 67.0% Malays, 27.3% Chinese and 5.7% Indian respondents. Although the sample appears to be skewed towards Malays, the racial composition is a close representation of the Malaysian population of 65.1% Bumiputera, 26.0% Chinese and 7.7% Indian (Department of Statistics, 2003).

Table A4.2
Ethnic group of respondents

Variable		Frequency	Percentage (%)
Ethnic group:	Malay	71	67.0
	Chinese	29	27.3
	Indian	6	5.7
	Others	0	0
	TOTAL	106	100

About 88% of the respondents were either single (34.9%) or married (52.8%) and 10.4% were divorcees and two out of 106 respondents were widower.

As for education, most of respondents have higher education (diploma and above) and a mere 14.2 % of the respondents had just high school education. This reflects the current Malaysian educational level with the introduction of private universities and higher education institutions.

Table A4.3**Marital status and education level of respondents**

Variable		Frequency	Percentages (%)
Marital status:	Single	37	34.9
	Married	56	52.8
	Divorced	11	10.4
	Widowed	2	1.9
	TOTAL	106	100
Education level:	High School	15	14.2
	Diploma	21	19.8
	Bachelor's Degree	55	51.9
	Post-Graduate Degree	11	10.3
	Others	4	3.8
	TOTAL	106	100

Most of the respondents (38.7%) fell into the 'Manager' occupational category, followed by 24.5% 'Professionals' and 22.6% 'Executives' and 14.2% fell under non-executive levels either technician or clerical or labourer.

Table A4.4**Occupational category of respondents**

Variable		Frequency	Percentage (%)
Occupational category:	Professional	26	24.5
	Manager	41	38.7
	Executive/Officer	24	22.6
	Clerical	6	5.7
	Technician	1	1.0
	Labourer	8	7.5
	TOTAL	106	100

In term of annual income, the highest percentage or half of the respondents were earning an annual income in the range of RM48,001 to RM96,000. This is not surprising as most of them were managers and professionals.

Table A4.5
Annual Income level of respondents

Variable	Frequency	Percentage (%)
Income level: Under RM24,000	7	6.6
24,000 – 47,999	32	30.2
48,000 – 96,000	53	50.0
Above 96,000	14	13.2
TOTAL	106	100

2.2 PRODUCT SERVICES

The second part of the survey was designed to evaluate the importance of the banking products and services in general banking.

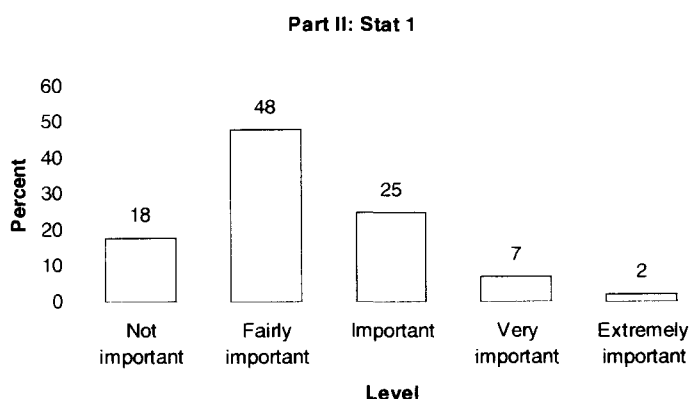
2.2.1 Wide range and innovative products and services available

As shown in Figure A4.1, the level of importance for banking in general in providing wide range and innovative products and services skewed towards the left with almost two third of the respondents indicating 'not important' or 'fairly important'. This suggests that the respondents seem to be looking for simple products such as depositing their money or taking simple range of loans.

Table A4.6
Wide range and innovative products and services

Valid	Frequency	Percent	Valid Percent	Cumm. Percentage
Not important	19	17.9	17.9	17.9
Fairly important	51	48.1	48.1	66.0
Important	27	25.5	25.5	91.5
Very important	7	6.6	6.6	98.1
Extremely important	2	1.9	1.9	100.0
Total	106	100.0	100.0	

Figure A4.1
Wide range and innovative products and services



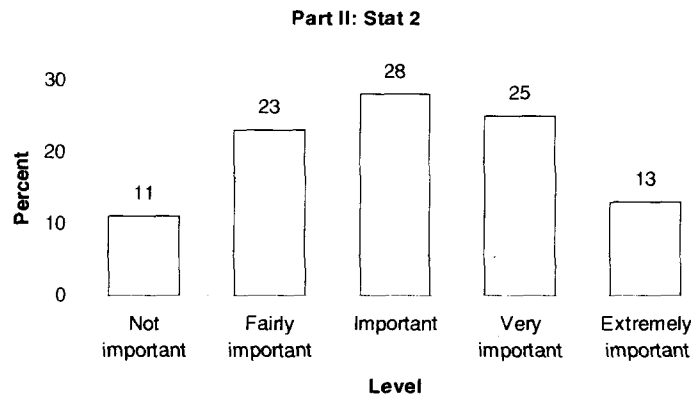
2.2.2 Information about products and services is easily obtained and understood

In term of the level of importance of information about the products and services is easily obtained and understood, almost two third of the respondents indicating it is either 'important', 'very important or 'extremely important' (Figure A4.2). This suggests banks should also concentrate in their continuous improvement by having information available in the method which could be easily understood and make available all the time.

Table A4.7
Information easily obtained and understood

Valid	Frequency	Percent	Valid Percent	Cumm. Percentage
Not important	12	11.3	11.3	11.3
Fairly important	24	22.6	22.6	33.9
Important	30	28.4	28.4	62.3
Very important	26	24.5	24.5	86.8
Extremely important	14	13.2	13.2	100.0
Total	106	100.0	100.0	

Figure A4.2
Information easily obtained and understood



2.2.3 Terms and conditions of products offered are flexible

Figure A4.3 illustrates the percentages of the sample with regards to the flexibility of the terms and conditions of the banking products offered. About 83 % of the respondents claimed the flexibility is 'important', 'very important' or 'extremely important'. The results showed that the banking fraternity needs to look into the said aspect in satisfying their customers' needs.

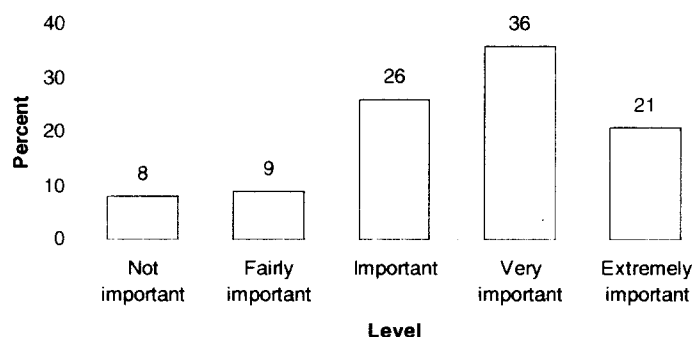
Table A4.8
Terms and conditions are flexible

Valid	Frequency	Percent	Valid Percent	Cumm. Percentage
Not important	8	7.5	7.5	7.5
Fairly important	10	9.5	9.5	17.0
Important	28	26.4	26.4	43.4
Very important	38	35.8	35.8	79.2
Extremely important	22	20.8	20.8	100.0
Total	106	100.0	100.0	

Figure A4.3

Terms and conditions are flexible

Part II: Stat 3



2.2.4 The bank's lending / deposit rates or 'hibah' are competitive

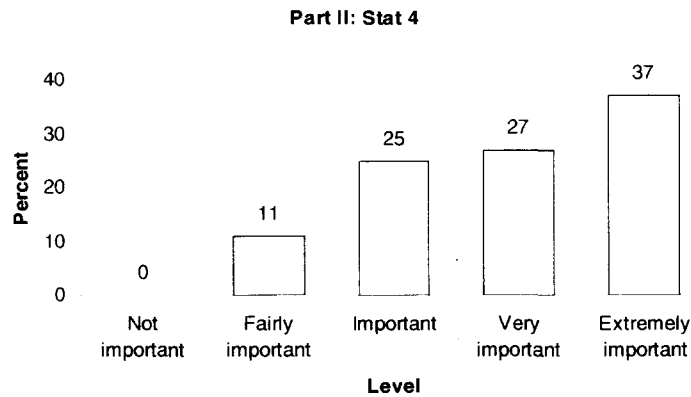
All of the respondents stated at least 'fairly important' that the bank's lending or deposit rates or 'hibah' are competitive (Figure A4.4). This result may be difficult for the bank to follow as the rates being offered by the banks are also dependent on the prevailing level of 'base lending rate (BLR)' set by Bank Negara Malaysia.

Table A4.9

Bank's lending/deposit rates are competitive

Valid	Frequency	Percent	Valid Percent	Cumm. Percentage
Not important	0	0	0	0
Fairly important	12	11.3	11.3	11.3
Important	26	24.5	24.5	35.8
Very important	29	27.4	27.4	63.2
Extremely important	39	36.8	36.8	100.0
Total	106	100.0	100.0	

Figure A4.4
Bank's lending/deposit rates are competitive



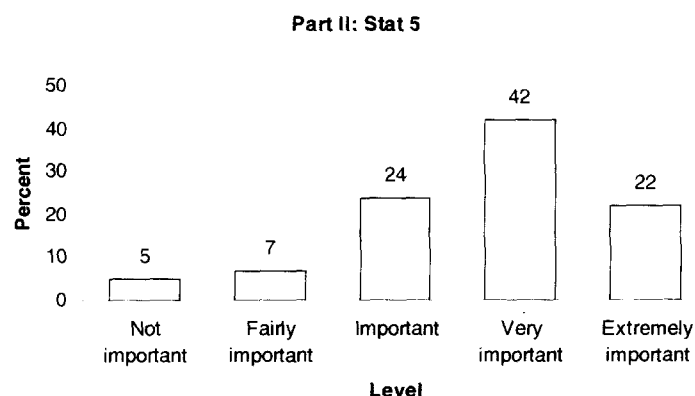
2.2.5 Promotion and advertisement are not misleading on any aspects

About 88 % of the respondents implied that it is 'important', 'very important' or 'extremely important' for the bank's promotion and advertisement are not misleading on any aspects. This suggests that bank should be cautious in establishing their promotion and advertisement in order to gain the consumers' confidence on their products and services.

Table A4.10
Promotion and advertisement are not misleading

Valid	Frequency	Percent	Valid Percent	Cumm. Percentage
Not important	5	4.7	4.7	4.7
Fairly important	7	6.6	6.6	11.3
Important	25	23.6	23.6	34.9
Very important	45	42.5	42.5	77.4
Extremely important	24	22.6	22.6	100.0
Total	106	100.0	100.0	

Figure A4.5
Promotion and advertisement are not misleading



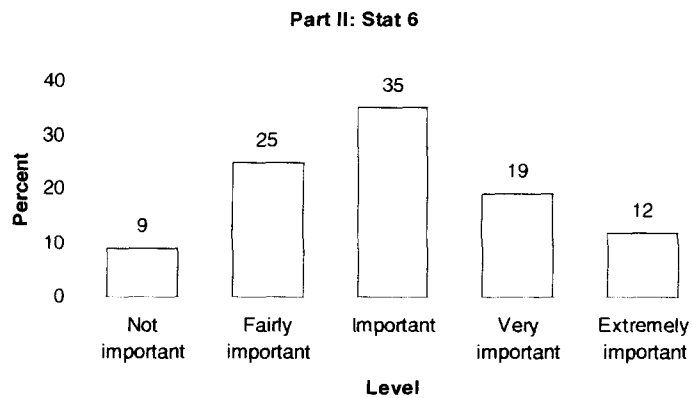
2.2.6 Availability of integrated and consolidated statements for all products and services with the same bank.

As far as the availability of integrated and consolidated for all products and services in the same banks is concerned, majority of the respondents stated that it is 'important' (24.5%), followed by 'fairly important' (24.5%) and 'extremely important' about 18.9 % (Figure A4.6). There were about 9.4% of the respondents stated 'not important' and this perhaps relate to respondents who use the bank as a form of depositing their income.

Table A4.11
Availability of integrated and consolidated statements

Valid	Frequency	Percent	Valid Percent	Cumm. Percentage
Not important	10	9.4	9.4	9.4
Fairly important	26	24.5	24.5	33.9
Important	37	34.9	34.9	68.8
Very important	20	18.9	18.9	87.7
Extremely important	13	12.3	12.3	100.0
Total	106	100.0	100.0	

Figure A4.6
Availability of integrated and consolidated statements



2.3 DELIVERY CHANNELS

This next section will provide the responses on the level of importance to the following survey questions:

- Branches are conveniently located;
- Usage of SSTs as an alternative to OTC;
- Availability and user friendly e-banking; and
- Reliability of delivery channels.

2.3.1 Branches are conveniently located

Figure A4.7 shows that all the respondents felt that at least it is fairly important that the branches are conveniently located with about 24.5% stated that it is 'extremely important'. None of the respondents indicated that this statement is 'not important'.

Convenient may include easy access to the branch such as ample parking space and in all town centres.

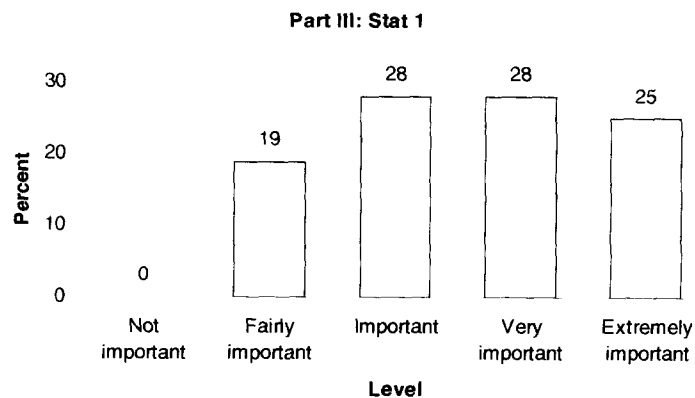
Table A4.12

Branches are conveniently located

Valid	Frequency	Percent	Valid Percent	Cumm. Percentage
Not important	0	0	0	0
Fairly important	20	18.9	18.9	18.9
Important	30	28.3	28.3	47.2
Very important	30	28.3	28.3	75.5
Extremely important	26	24.5	24.5	100.0
Total	106	100.0	100.0	

Figure A4.7

Branches are conveniently located



2.3.2 Usage of Self Service Terminals (SSTs) as an alternative to Over The Counter (OTC)

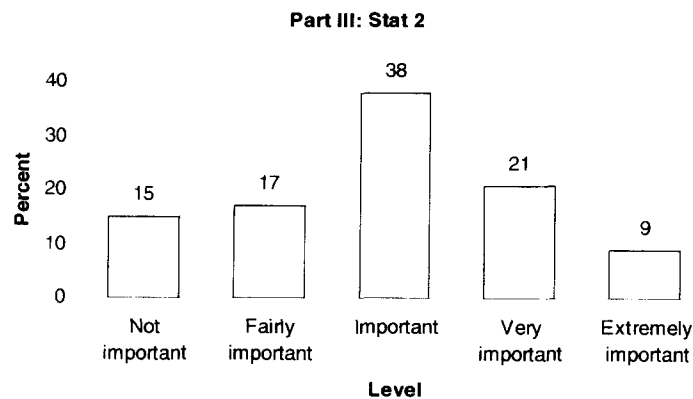
The following statement asked about the level of importance of SSTs which include automated teller machine, cash and cheque deposits machines and passbook update machine as an alternative to OTC. In Figure A4.8, about 15% of the respondents felt that the SSTs is 'not important' whilst about 68% of the

respondents indicated that SSTs are 'important', 'very important' or 'extremely important'. This could suggest that some of the respondents perhaps used the bank to deposit their salaries and withdraw it all at one time. As we aware the introduction of SSTs as made a number of transactions faster and could be performed outside the normal banking hours.

Table A4.13
Usage of SSTs as an alternative to OTC

Valid	Frequency	Percent	Valid Percent	Cumm. Percentage
Not important	16	15.1	15.1	15.1
Fairly important	18	17.0	17.0	32.1
Important	40	37.7	37.7	69.8
Very important	22	20.8	20.8	90.6
Extremely important	10	9.4	9.4	100.0
Total	106	100.0	100.0	

Figure A4.8
Usage of SSTs as an alternative to OTC



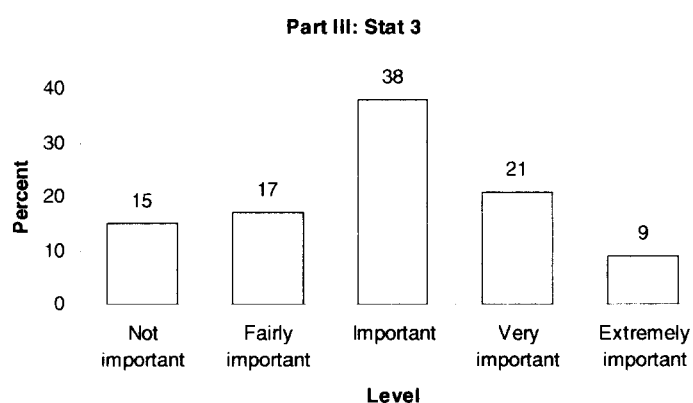
2.3.3 Availability and user friendly e-banking

In this questionnaire, about 70% respondents (Figure A4.9) stated it is at least 'important', 'very important' or 'extremely important' for the bank to make available e-banking which is user friendly. It is not surprising as most of the respondents are executive levels and with the current internet environment, this service should be made available to the customers.

Table A4.14
Availability and user friendly e-banking

Valid	Frequency	Percent	Valid Percent	Cumm. Percentage
Not important	16	15.1	15.1	15.1
Fairly important	18	17.0	17.0	32.1
Important	40	37.7	37.7	69.8
Very important	22	20.8	20.8	90.6
Extremely important	10	9.4	9.4	100.0
Total	106	100.0	100.0	

Figure A4.9
Availability and user friendly e-banking



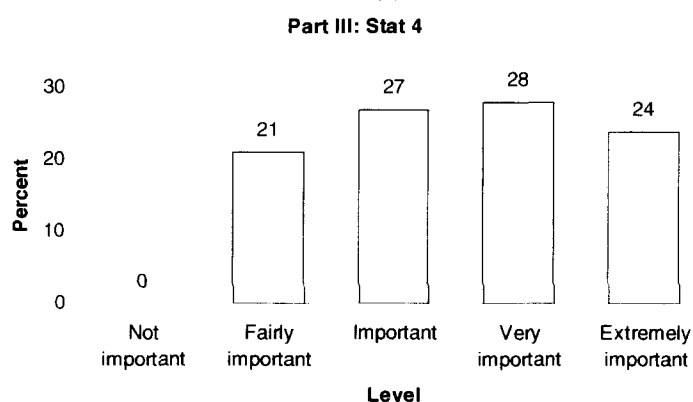
2.3.4 Reliability of delivery channels

In term of reliability, none of the respondents indicated it is 'not important'. There was about 21% (Figure A4.10) stated that it is 'fairly important'. Whilst 79% of the respondents felt that it is either 'important', 'very important' or 'extremely important' (24%).

Table A4.15
Reliability of delivery channels

Valid	Frequency	Percent	Valid Percent	Cumm. Percentage
Not important	0	0	0	0
Fairly important	22	20.7	20.7	20.7
Important	29	27.4	27.4	48.1
Very important	30	28.3	28.3	76.4
Extremely important	25	23.6	23.6	100.0
Total	106	100.0	100.0	

Figure A4.10
Reliability of delivery channels



2.4 STAFF AND SERVICES

In this section, the respondents were asked on the level of importance in respect of the staff and services.

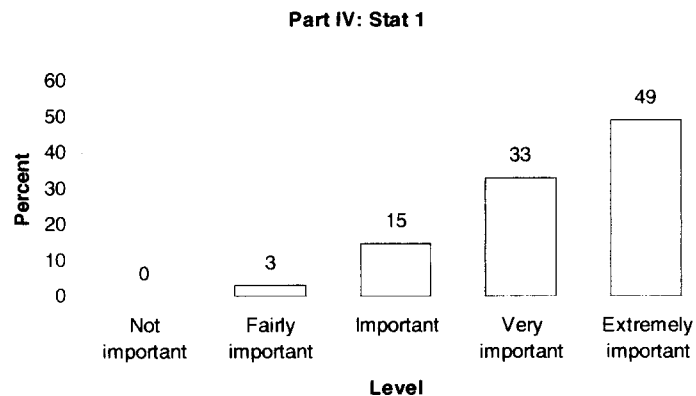
2.4.1 Efficient and prompt services

Figure A4.11 depicts that almost 49% of the respondents stated that it is 'extremely important' followed by 33% 'very important' in term of efficient and prompt services by the bank. In the customer orientated industry, it is expected to receive this type of responses.

Table A4.16
Efficient and prompt services

Valid	Frequency	Percent	Valid Percent	Cumm. Percentage
Not important	0	0	0	0
Fairly important	3	2.8	2.8	2.8
Important	16	15.1	15.1	17.9
Very important	35	33.0	33.0	50.9
Extremely important	52	49.1	49.1	100.0
Total	106	100.0	100.0	

Figure A4.11
Efficient and prompt services



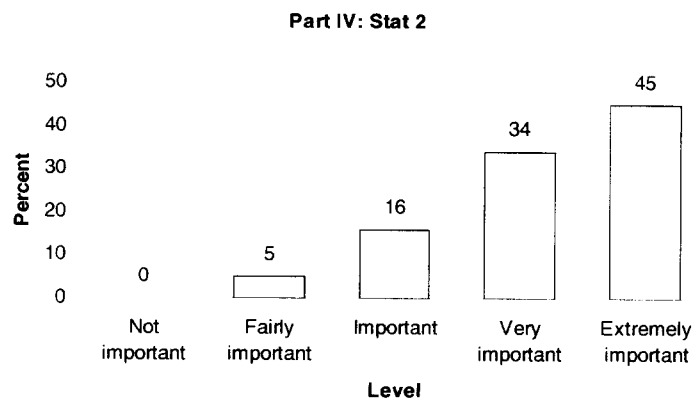
2.4.2 Staff are courteous and professional towards customers

For this statement, about 45% and 34% of the respondents indicated that it is 'extremely important' and 'very important' respectively. None of the respondents indicated this statement is 'not important'.

Table A4.17
Staffs are courteous and professional

Valid	Frequency	Percent	Valid Percent	Cumm. Percentage
Not important	0	0	0	0
Fairly important	5	4.7	4.7	4.7
Important	17	16.0	16.0	20.7
Very important	36	34.0	34.0	54.7
Extremely important	48	45.3	45.3	100.0
Total	106	100.0	100.0	

Figure A4.12
Staffs are courteous and professional



2.4.3 Staff are courteous and professional towards customers

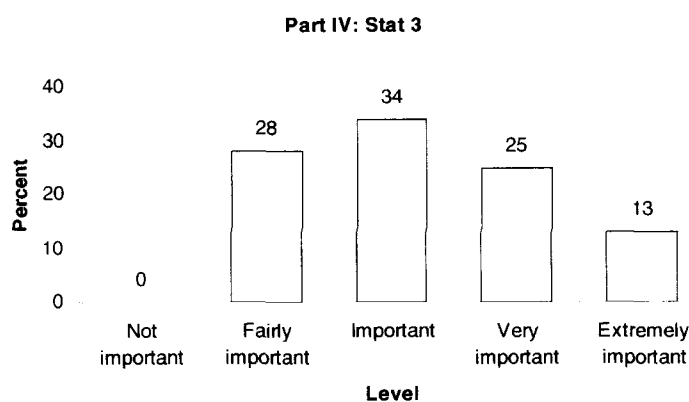
The same goes for the responds that staff should be knowledgeable of bank procedure, products and services. All the respondents (Figure A4.13) stated that

either it is 'fairly important' (28%), 'important' (34%), 'very important' 24% and 'extremely important' about 13%.

Table A4.18
Staffs are knowledgeable

Valid	Frequency	Percent	Valid Percent	Cumm. Percentage
Not important	0	0	0	0
Fairly important	30	28.3	28.3	28.3
Important	36	34.0	34.0	62.3
Very important	26	24.5	24.5	86.8
Extremely important	14	13.2	13.2	100.0
Total	106	100.0	100.0	

Figure A4.13
Staffs are knowledgeable



2.5 COMPLAINTS AND ENQUIRIES

In Part V, the respondents were asked on their opinion in respect of the level of importance of complaints and enquiries. Three statements were posed to the respondents in the survey questionnaires. The statements are as follows:

- Sufficient avenues to address complaints or enquiries;
- Complaints or enquiries are attended competently; and

- Complaints and enquiries are resolved in promised time frame or quickly.

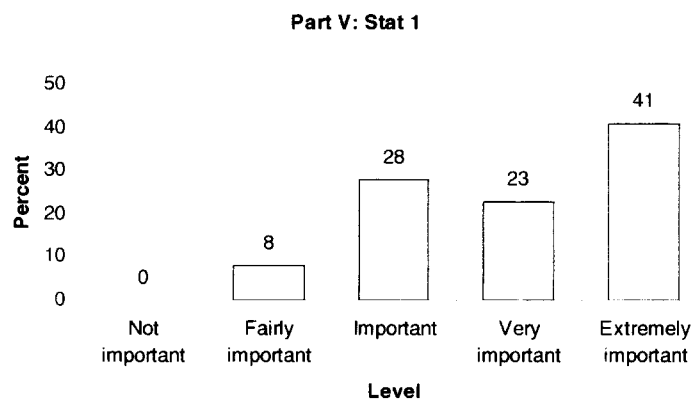
2.5.1 Staff are courteous and professional towards customers

Nearly 82% of the respondents indicated that it either 'important' (28%), 'very important' (23%) or 'extremely important' (41%) for the bank staff to be courteous and professional towards their customers.

Table A4.19
Sufficient avenues to address complaints/enquiries

Valid	Frequency	Percent	Valid Percent	Cumm. Percentage
Not important	0	0	0	0
Fairly important	9	8.5	8.5	8.5
Important	30	28.3	28.3	36.8
Very important	24	22.6	22.6	59.4
Extremely important	43	40.6	40.6	100.0
Total	106	100.0	100.0	

Figure A4.14
Sufficient avenues to address complaints/enquiries



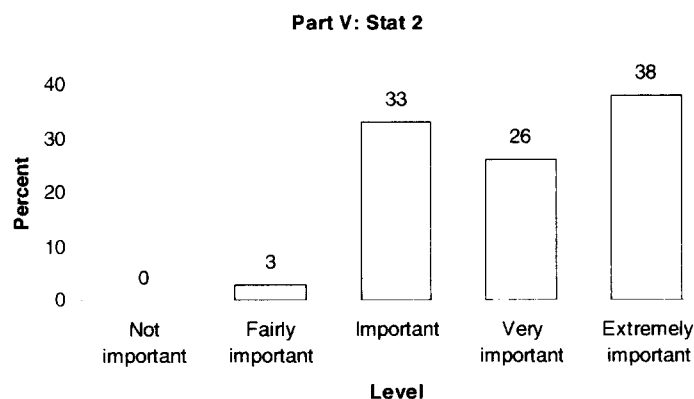
2.5.2 Complaints or enquiries attended to competently

For complaints or enquiries, based on Figure A4.15, 38% of the respondents indicated that it is 'extremely important' for the bank to attend to competently. Nearly 59% of the respondents replied that this statement is either 'important' (33%) or 'very important' (26%)

Table A4.20
Complaints /enquiries attended competently

Valid	Frequency	Percent	Valid Percent	Cumm. Percentage
Not important	0	0	0	0
Fairly important	3	2.8	2.8	2.8
Important	35	33.0	33.0	35.8
Very important	28	26.4	26.4	62.2
Extremely important	40	37.8	37.8	100.0
Total	106	100.0	100.0	

Figure A4.15
Complaints /enquiries attended competently



2.5.3 Complaints or enquiries are resolved in promised time frame or quickly

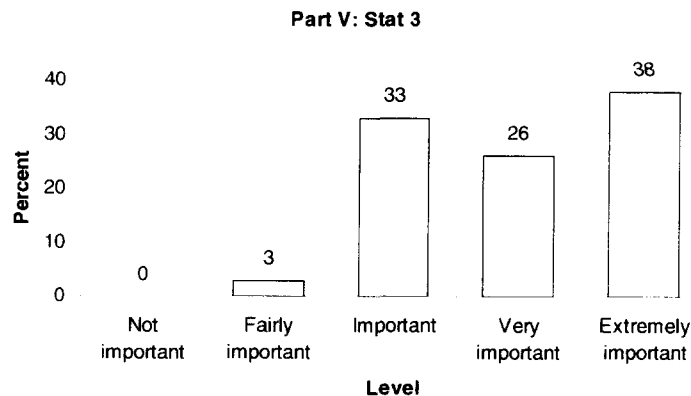
Lastly, the respondents expect that their complaints or enquiries are being resolved in promised time frame or quickly where nearly 96% of them stated that it is either 'important' (33%) or 'very important' (26%)

important' (36%), 'very important' (25%) or 'extremely important' (35%). None of the respondents indicated that the resolution of their complaints or enquiries is 'not important'.

Table A4.21
Complaints /enquiries resolved within the promised timeframe

Valid	Frequency	Percent	Valid Percent	Cumm. Percentage
Not important	0	0	0	0
Fairly important	4	3.8	3.8	3.8
Important	38	35.8	35.8	39.6
Very important	27	25.5	25.5	65.5
Extremely important	37	34.9	34.9	100.0
Total	106	100.0	100.0	

Figure A4.16
Complaints /enquiries resolved within the promised timeframe



2.6 BANKING PROVIDERS

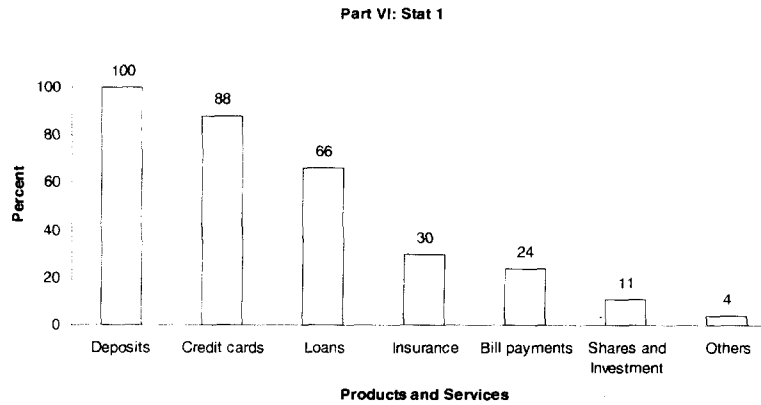
In final part, the respondents were asked on the following questions:

- Banking products and services currently used by the respondents; a
- What is the main concern if bank branches being outsourced?

2.6.1 Banking products and services currently used by respondents

Overall, Figure A4.17 shows that all the respondents do use deposits as one of their banking products. This is not surprising as presently most of the employers require their staff to have banking accounts in paying their salary. 88% of the respondents own credit cards. The credit card appears to be a common way of life for urbanite, even for those earning below RM48,000 per annum. This shows that with the current competitive credit card market, it is not difficult to obtain them. About 66% of the respondents have loan facilities with banking institutions. Currently, with the lower lending rate and easier approval for hire purchase arrangement, it is expected that a high number of the respondents are using the loan facilities provided by the banks. Other banking products and services used by respondents are insurance (30%), bill payment (24%), shares and investment (11%) and others (4%). The lower percentages reflect that these services are also being offered by other industry such as insurance companies, the service provider payment outlets, post offices and also securities companies.

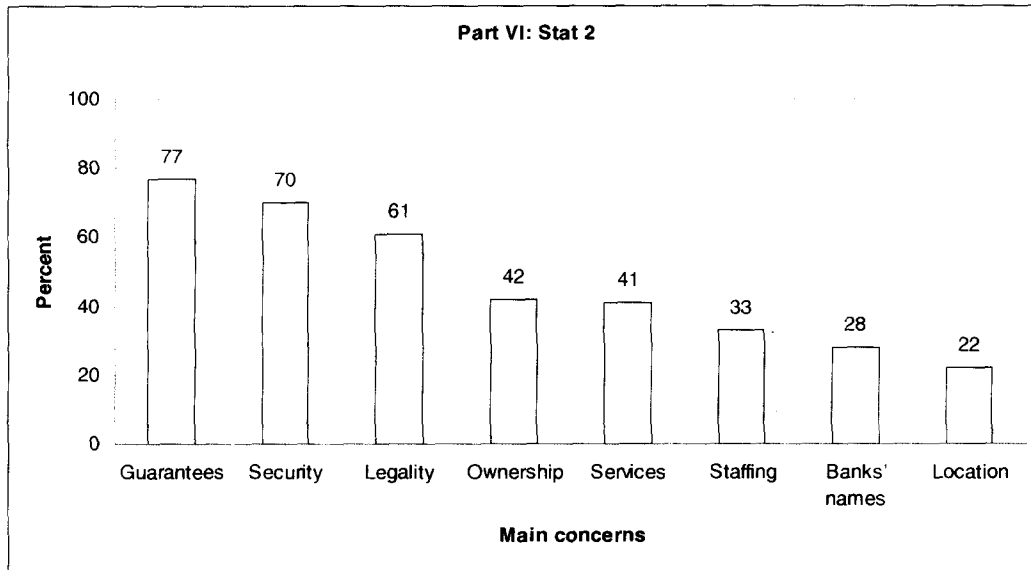
Figure A4.17
Banking products and services currently used by respondents



2.6.2 Main concerns if the bank branches are being outsourced

The respondents have been given eight choices of main concerns if the bank branches are being outsourced. Results as in Figure A4.18 showed that 77% of respondents main concern is the guarantee of their deposits, followed by security of the branches (70%), legality (61%) and ownership of the branch about 42%. 41% of the respondents also concern about the level of service followed by staffing (33%), banks' name (28%) and the location (22%).

Figure A4.18
Main concerns for outsourcing of bank branches



SECTION 3

CONCLUSION OF THE SURVEY

Based on the result of the survey, we could conclude some of the aspects where the banks need to concentrate as well as the issues that need to be addressed in introducing the concept of outsourcing the bank's branches.

The findings from the survey also in some way supported by the result of Customer Perception Survey published by the Asian Banker Research where on the highest level of perception on the criterion are easy access to service and excellent customer service

The survey found that in term of the product and services, the bank should continue in introducing wide range and innovative products and services, however, steps should be taken to make the information is readily available and easily understood and not misleading the customers.

The reliability of the delivery channels and branches where are conveniently located are some of the expectation from the customers in term of bank's delivery channels. These aspects should be considered by the banks in introduction of the outsourcing concepts. The banks should consider that the banks shall be their rights to decide on the branch location rather than the franchisor.

As shown in the result of the survey, both staff and services and complaints and enquiries shall form the crucial part between the banks and their customers.

Requirements shall be spelt out in the contract with regards to the minimum level of the staffing and services. Key Performance Indicators (KPIs) on these matters should be set by the bank for their franchisor to be met and periodic review shall be performed. The banks should remain to be able to monitor the performance in term of attending the complaints and enquiries and keeping track on their customers 'hotline'.

The survey also found out that the main products and services used the customers are mainly deposits, loans and credit cards. Emphasis should be given on the level of services provided by their franchisor to these products.

Lastly, in introducing this concept of outsourcing, the banks should be able to provide information about the concerns that might be raised by the customers mainly on the guarantees, security, legality and ownership of the banks' branches.

Appendix 5
Survey Questionnaires



SURVEY ON BANKING SERVICES AND ITS PRODUCTS

Dear Respondents,

This survey attempts to discover the importance of the banking products, services and its deliver channels.

This study will also attempt to discover whether there will be concern if the new concept of outsourcing of bank branches/delivery network

We seek your kind cooperation to complete this Survey by providing your honest and most accurate response regarding the importance of banking products, services and its delivery channels.

We assure you that the results of this survey will be used solely for academic purposes and that your response will be kept in total anonymity and in strictest confidence.

Your response is important to us and we greatly appreciate your time and effort.

Thank you.

Yours sincerely,

Shamsul Bahar / Adissadikin Ali
Masters of Business Administration
Faculty of Business & Accountancy
University of Malaya
Kuala Lumpur

Supervised by:

Assoc. Prof. Dr. Ahmad Nazari
Faculty of Business & Accountancy
University of Malaya
Kuala Lumpur

Part I: Demographics

1. Gender:

☐ Male

☐ Female

2. Age:

☐ Below 30 years old

☐ 31 - 40 years old

☐ 41 - 50 years old

☐ Above 50 years old

3 Marital status:

☐ Single

☐ Married

☐ Divorced

☐ Widowed

4 Ethnic group:

☐ Malay

☐ Chinese

☐ Indian

☐ Others (please specify) _____

5 Highest level of education:

☐ High school

☐ Diploma

☐ Bachelor's Degree

☐ Post-graduate Degree

☒ Others (please specify) _____

6 Occupational category:

☐ Professional

☐ Manager

☐ Executive/Officer

☐ Clerical

☐ Technician

☐ Labourer

☐ Others (please specify) _____

7 Total annual income:

☐ Under RM24,000

☐ RM24,001 - RM48,000

☐ RM48,001 - RM96,000

☐ Above RM96,000

Part II: Products and Services

Please read each of the statements listed below and indicate the importance to which you of the opinion in general banking by ticking at the appropriate boxes.

1. Wide range and innovative of products and services available
2. Information about products and services is easily obtained and understood
3. Terms and conditions of products offered are flexible
4. The bank's lending/deposit rates or 'hibah' are competitive
5. Promotion and advertisements are not misleading on any aspects
6. Availability of integrated and consolidated statements for all products and services with the same bank

Extremely important	Very important	Important	Fairly important	Not important
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

Part III: Delivery Channels

Please read each of the statements listed below and indicate the importance to which you of the opinion in general banking by ticking at the appropriate boxes.

1. Branches are conveniently located
2. Usage of Self Service Terminals (SSTs) as an alternative to OTC*
3. Availability and user friendly e-banking
4. Reliability of delivery channels

* OTC = over the counter

* E.g. SSTs= ATM, Cheque/Cash deposit machine. Passbook update machine.

Extremely important	Very important	Important	Fairly important	Not important
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

Part IV: Staff and Services

Please read each of the statements listed below and indicate the importance to which you of the opinion in general banking by ticking at the appropriate boxes.

1. Efficient and prompt services
2. Staff are courteous and professional towards customers
3. Staff are fully knowledgeable of bank procedure, products and services

Extremely important	Very important	Important	Fairly important	Not important
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

Part V: Compliants and Enquiries

Please read each of the statements listed below and indicate the importance to which you of the opinion in general banking by ticking at the appropriate boxes.

1. Sufficient avenue to address complaints/enquiries
2. Complaints/enquiries are attended to competently
3. Complaints and enquiries are resolved in promised time frame/quickly

Extremely important	Very important	Important	Fairly important	Not important
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

Part VI: Banking Providers

Read the following questions and provide your answer by ticking at the appropriate boxes. Please choose more than one answer.

1. Which of these products and services do you currently used?

- ☐ Deposits (saving / current / fixed)
- ☐ Loans (housing / personal / motor vehicles)
- ☐ Bill payment services
- ☐ Credit cards
- ☐ Insurance (General / Takaful / Life)
- ☐ Share and investments
- ☐ Others (please specify) _____

2. What are your main concerns if the bank branches are being outsourced?

- ☐ Guarantees
- ☐ Security at the bank premises
- ☐ Legality
- ☐ Staffing
- ☐ Services
- ☐ Bank's name
- ☐ Location
- ☐ Ownership of the branch

☐

Thank you for your co-operation

☐