

FACULTY ENTREPRENEURSHIP AND BUSINESS

**THE STUDY OF FACTORS INFLUENCING  
CUSTOMER'S PERCEPTION TOWARDS ISLAMIC  
BANKING AND FINANCE (IBF) AMONG ISLAMIC  
BANKING AND FINANCE PROGRAM (SAB)  
STUDENTS IN UNIVERSITI MALAYSIA KELANTAN  
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The Study of Factors Influencing Customer's Perception  
Towards Islamic Banking And Finance (IBF) Among  
Islamic Banking And Finance Program (SAB) Students In  
Universiti Malaysia Kelantan (UMK)

by

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**Faculty of Entrepreneurship and Business**  
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**2023**

## APPENDIX 3: THESIS DECLARATION

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**ABSTRAK**

Perbankan dan Sistem Kewangan Islam merupakan salah satu aktiviti yang mematuhi Syariah atau undang-undang yang dibenarkan dalam Islam. Namun begitu, persepsi positif atau negatif terutamanya daripada pelanggan memainkan peranan penting dalam menentukan penubuhan perbankan dan kewangan Islam. Oleh itu, kajian ini dijalankan untuk mengkaji faktor-faktor yang mempengaruhi persepsi pelanggan terhadap Perbankan dan Kewangan Islam (IBF) dalam kalangan pelajar program Perbankan dan Kewangan Islam (SAB) di Universiti Malaysia Kelantan (UMK). Kajian mendapati faktor yang mempengaruhi persepsi pelanggan terhadap IBF ialah sosial, agama, persepsi risiko, dan persepsi imej. Pendekatan yang digunakan untuk kajian ini adalah berdasarkan kaedah kuantitatif yang terdiri daripada soal selidik yang diberikan secara dalam talian melalui Borang Google kepada responden. Hasil kajian ini menunjukkan hubungan positif antara pengaruh sosial (0.796,  $p=0.000$ ), agama (0.694,  $p=0.000$ ), persepsi risiko (0.716,  $p=0.000$ ), dan persepsi imej (0.716,  $p=0.000$ ) dengan persepsi pelanggan terhadap IBF dalam kalangan pelajar SAB di UMK. Kajian ini dapat menambah ilmu dalam perbankan Islam serta menyampaikan ilmu tersebut didalam organisasi perbankan Islam itu sendiri. Dengan peningkatan pemahaman tentang faktor-faktor yang mempengaruhi persepsi pelanggan terhadap produk yang disediakan oleh institusi IBF, bank boleh memperkenalkan dan menjual produk mereka dengan lebih berkesan kepada pelanggan dan meningkatkan bahagian pasaran mereka. Ia membayangkan bahawa eksekutif perbankan Islam perlu mengambil langkah inisiatif dalam melaksanakan strategi pemasaran untuk memastikan semua pengguna bank Islam mempunyai kesedaran dan persepsi terbaik terhadap produk dan perkhidmatan yang ditawarkan oleh perbankan Islam.

Kata kunci: Persepsi Pelanggan, Pengaruh Sosial, Agama, Persepsi Risiko, Persepsi Imej

**ABSTRACT**

The Islamic Banking and Financial System is one activity that complies with *Shariah* or the laws allowed in Islam. However, positive or negative perceptions, especially from customers, play an essential role in determining the establishment of Islamic banking and finance. Therefore, this study was conducted to examine the factors that influence customers' perceptions towards Islamic Banking and Finance (IBF) among Islamic Banking and Finance program (SAB) students in Universiti Malaysia Kelantan (UMK). The study found that the factors influencing customers' perception towards IBF are social, religiosity, perceived risk, and perceived image. The approach used for this study is based on a quantitative method consisting of a questionnaire given online through Google Forms to the respondents. This study's results show a positive relationship between social influence (0.796,  $p=0.000$ ), religiosity (0.694,  $p=0.000$ ), perceived risk (0.716,  $p=0.000$ ), and perceived image (0.716,  $p=0.000$ ) with customers' perception towards IBF among SAB students in UMK. This study adds to the body of knowledge in Islamic banking while imparting organizational knowledge through its suggestions. With an increased understanding of the factors influencing customer perceptions of products provided by IBF institutions, banks can introduce and sell their products more effectively to customers and increase their market share. It implies that Islamic banking executives should take all necessary measures to adopt marketing strategies and other initiatives to ensure that all clients of Islamic banks have the greatest possible awareness, comprehension, and favorable perception of the products and services provided by Islamic banking.

**Keywords:** Customers' Perception, Social Influence, Religiosity, Perceived Risk, Perceived Image

## CHAPTER 1: INTRODUCTION

### 1.1 BACKGROUND OF THE STUDY

Customer perception refers to a process requiring customers to gather product information. This process will act continuously so customers can interpret and build their opinions on specific products and services. Therefore, everything done by an institution will affect the perception of customers. While Thiruvengktraj and Vetrivel (2017), it describes the method through which a customer chooses, arranges, and interprets information inputs to construct a meaningful impression of a brand or a product. Customer perception of a product plays an important role because it is a fundamental instrument that includes customer perception or awareness of the company's image and the product or service offered.

Islamic Banking and Finance (IBF) is an institution that offers facilities and services like conventional banking. However, this banking is more specific to Muslims and conducts its operations based on the principles set out with Islamic law and known as *Shariah* law. Although it complies with Islamic rulings, Islamic banking still take care and focus on customer satisfaction and comfort (Mariadas and Murthy, 2017). This is because it involves a high perception by customers of the quality of products and services offered must meet the demands of Islam. The acceptance of Muslim and non-Muslim customers to the product and services offered has allowed the banking industry to continue to grow and achieve a maximum level of development when this banking can meet the country's economic needs, which requires more innovative and efficient *Shariah*-based financing services in various shape.

On July 1st, 1983, Malaysia founded its first Banking Islam Malaysia Berhad (BIMB). Although it only had four branches at the beginning of its establishment, today, the Islamic banking has 144 state branches by BIMB. Based on statistics released by Banking Negara Malaysia (BNM) (2022), there are over 1500 Islamic financial institutions worldwide across

80 countries. Among the Islamic banking under the Islamic Banking Act, 1983 in Malaysia, apart from BIMB, are Asian Finance Banking and Banking Muamalat Malaysia Berhad. Meanwhile, under the Islamic Banking Scheme offered by conventional banking are RHB Islamic Banking, Hongkong and Shanghai Banking Corporation Limited (HSBC), and Hong Leong Islamic Banking. This demonstrates how the Islamic banking sector has a significant impact on the Malaysian financial system, which has led to its development and expansion.

According to a study conducted by Rosfazila Abd Rahman et al. (2021), there are some obvious distinctions between conventional and Islamic banking. In Islamic banking, there is strict monitoring by the *Shariah* Advisory Committee and *Shariah* Audit (SACSA). This is because the committee's members have been tasked with keeping an eye on every aspect of Islamic banking, ensuring that every good and service this financial institution provides complies with Islamic *Shariah*. Since there is no special oversight and *Shariah* law is not required for the given goods and services, conventional banking is free to function independently. The Islamic banking industry imposes a compensation charge according to the actual cost of 1% as set by BNM, which is *ta'widh* to customers who are late in making payments to financiers.

In contrast to conventional banking, although fines or damages follow the guidelines of BNM, usually, customers who are late payments will be doubled the penalty, which causes the amount of customer debt to increase. In addition, users of the Islamic banking system will not be charged any interest rate because Islamic banking practice profit-sharing from transactions based on Islamic *Shariah*. While in conventional banking interest rates are charged to customers who use these banking services. Finally, Islamic financial institutions will establish relationships with customers based on investment transactions, buying, and selling,

and profit and loss sharing on traded assets, in contrast to conventional banking, where the relationship is between the lender (banking) and the borrower (customer).

In addition, Islamic banking offers the same products and services as conventional banking, but there are also significant differences between these two banking systems. Islamic banking and conventional banking offer the same product, which is a deposit product. The Islamic banking system has emphasised and used the concept of *card* contract, which carries the meaning of savings with guarantees. Bank Negara Malaysia (2016), deposits using the *wadi'ah yad dhamanah* contract converted to a *qard* contract. In a *qard* contract, the banking is the borrower while the lender is a known entity to the client. At the banking's discretion, grants or gifts may also be granted to consumers. In contrast, to conventional banking, when the savings account product for each account holder is promised a certain return for the savings made. The effect of the concept is usury on each loan transaction where there is an increase in the return on customer savings. Next, Islamic banking financing uses various *Shariah* contracts such as *murabahah*, *ijarah*, *istisna*, and so on. The financing of sale and purchase contracts that generate debt (*dayn*) has used Islamic concepts such as *bai' al-inah* and *tawarruq*. As a result, Islamic banking obtains debt through the sale and buy agreements, and the profit realised comes from the profit rate expressed as the selling price.

Meanwhile, in conventional banking, the consumer receives loan funds from the banking, and the banking's profit is determined by the interest rate, also known as *riba*. Islamic banking institutions have adopted the profit and risk-sharing idea in investment contracts, where the cost of a loss on an investment is absorbed by the consumer, the investor, or both parties. Instead, the customer's *al-mudharabah* (investment) contract makes the investor the joint operator if there is a profit, and the investor bears the loss if there is a loss. This contract corresponds to *fiqh*, which states that "every return comes with risk." Unlike conventional

banking, investments in this banking system do not guarantee a fixed return at the contract's start. In other words, an investment that does not entail the parties involved forming a partnership. In Islam, the set return implied at the beginning of the investment deal is usury of illicit proceeds.

The Islamic banking system that serves as a banking for all groups has caused this industry to become increasingly known and in high demand in the market. Although it is based on *Shariah* principles and is specially designed to meet the needs of Islamic finance, it also offers products and services to non-Muslims. The sign of non-Muslim clients trust Islamic banking more than Muslim customers do that indicates that non-Muslim customers are embracing and using Islamic banking stated by (Nurhayati et al., 2021). An author known as Loretta Napoleoni stated that during the global market crisis, Islamic Banking of Britain (IBB) had seen an increase in customers by 13%, the majority of which were non-Muslim customers. At the beginning of the establishment of Islamic banking, customers chose Islamic banking because it is based on religious factors only. Still, today Islamic banking function as a stable industry, competitive, and can provide maximum profit to customers. For this reason, Islamic banking and financial institutions are known as international institutions. Recent study by Kaakeh et al. (2018), show that the growth of Islamic finance is growing across the country especially European non-Muslim countries in United Kingdom (UK), France and Germany. And, between international banking that are active participants through Islamic banking, such as Standard Chartered, Citi banking, Barclays, and Hongkong, and HSBC. The open nature of Islamic banking has made it an important and useful asset to society.

The nature of Islamic banking, which offers cheaper services without charging any additional fees to customers on loans made, has influenced all types of consumers. Ibrahim and Rizvi (2018), show that the growth rate of Islamic banking financing is higher than

conventional banking which causes customers to make full use of this advantage. In the Islamic banking system, the rate charged to the customer is fixed throughout the repayment period in the Islamic banking system. This service differs from the conventional financial system when the loans offered are interest-based, preventing any possibility of that happening. Repayment amounts also increase and become more expensive as interest rates change and are interdependent based on the loan. According to Nik Abdul Rahim (2022), loan interest payments refer to additional charges on loans obtained. Thus, this shows that the Islamic banking industry can maintain its advantage as an institution that always provides the best products and services to all customers.

An Islamic banking system based on *Shariah* compliance is one of the important requirements to help Muslim consumers to get a good and safe product or service. Islamic banking has made many efforts to maintain its position as an institution capable of meeting customer demand and developing the Islamic economy. The advantages and strengths found in the operation of the Islamic banking system have influenced customers to choose and use the products and services offered by Islamic banking. Therefore, this paper aims to examine the factors influencing the customer's perception towards IBF among SAB students in UMK.

## 1.2 PROBLEM STATEMENT

Perception is important in determining the intention of one's actions. Positive or negative perceptions can help individuals make useful and correct assessments for themselves. The social influences that exist around the individual can determine perceptions in decision making. Sometimes everything that needs to be done is influenced by the perception of religion, that is, in terms of the *Shariah* and the proper way of using it. Institutions and companies that operate in good standing can increase positive perceptions. IBF which produces

products and services is also not spared from being evaluated through the perceptions of its own customers or customers who have used the products or services provided. Thus, it is important to instilled positive perceptions in the minds of customers to develop and improve the IBF itself.

IBF is growing among non-Muslims around the world. To gain a larger market share, the strict key principles reflect the industry's efforts to go beyond religious beliefs. According to Ahmad Razimi and Romle (2017), the available products contain Islamic economic principles and modern loans are a combination of *Shariah* finance and can be sold to Muslims and non-Muslims. However, the explanation of IBF due to its extensive use of Arabic terms and basic principles of Islamic banking makes it difficult for society to better understand, leading to the cultivation of negative perceptions of IBF. Stakeholders in the IBF need to play an important role in introducing services and products, as well as consider that not everything about the IBF is known to non-Muslims. The use of Arabic terms and the basic principles of Islamic banking itself causes the average non-Muslim, including young researchers to be limited (Musse, 2016). This indicates that non-Muslims have difficulty enjoying the products and services at IBF causing their perception to be negative if this matter is not handled properly.

When the community began to believe in IBF, a problem caused their perceptions to falter because of issues involving the main Islamic banking in Malaysia, BIMB. Based on Berita Harian (2022), BIMB is facing a crisis over the existence of a fake share sale website. This caused customers to invest in BIMB because its logo is like the official logo of the banking, causing many to be deceived. BIMB is the leading Islamic banking in Malaysia, making it a yardstick for the entire system. This shows that the management of the Islamic banking itself is inefficient, causing its image to fall. This situation will cause customers to be aware and choose not to use IBF, so it gives a negative perception of IBF in Malaysia. In the



case of Islamic banking, customers receive services or use products based on images, which are symbolic meanings that will be remembered by customers (Manik, 2019). Through this past study, the image reflects the perception of the company by the public. Hence, this will give a bad impression to customers in IBF.

The economy for most countries, especially Malaysia, has just wanted to recover from COVID19 which occurred in March 2020, which is about 2 years ago. Nevertheless, the effects of COVID19 itself, the ongoing military conflict between Ukraine and Russia, commodity price shocks, global supply chain conditions as well as financial market volatility have affected global growth prospects. Berita Harian (2022), stated that the Monetary Policy Committee (MPC) of Banking Negara Malaysia (BNM) decided to raise the Overnight Policy Rate (OPR) at its meeting. The OPR is the reference benchmark for domestic interest rates, raised from 1.75% (2020) to 2.00%, which is 25 basis points. IBF in Malaysia are also no exception to this increase in the OPR. In addition, Awani (2022), BIMB and Banking Muamalat experienced increases in base rates and financing rates, BIMB (2.77% and 5.72% respectively) while Banking Muamalat (2.56% and 5.81% respectively). OPR will have an impact on the household sector on banking loan rate repayment obligations (Theong et al., 2022). As such, IBF customers will feel the potential for negative consequences on product consumption and reduce their purchasing intentions (Hati et al., 2021). Therefore, although this increase is not only felt by IBF, but the rate increase affects the perception of customers due to perceived risk in using IBF.

IBF is gaining attention in the eyes of the world community, which is seen to provide a positive response in terms of trust, security, and convenience of consumers. Various studies have been conducted from 2017 to 2020 in Oman, Gulf Region, and Ghana to study customer's perceptions towards IBF. These past studies are closely related to this study; however, it does

not emphasise youth, especially university students who are consumers and pioneers for the future of IBF. Moreover, research on the customer's perception towards IBF has received less attention in Malaysia. Therefore, understanding the perception from each party to cater to every type of customer consisting of religious and racial diversity is necessary to run an IBF in Malaysia.

### **1.3 RESEARCH OBJECTIVES**

The research objective of this proposal is:

1. To determine the relationship between social influence and the customer's perception towards IBF among SAB students in UMK.
2. To determine the relationship between religiosity and the customer's perception towards IBF among SAB students in UMK.
3. To determine the relationship between perceived risk and the customer's perception towards IBF among SAB students in UMK.
4. To determine the relationship between perceived image and the customer's perception towards IBF among SAB students in UMK.

### **1.4 RESEARCH QUESTIONS**

The research that researchers do is to provide the answer to this research question:

1. Is there any significant between social influence and the customer's perception towards IBF among SAB students in UMK?
2. Is there any significant between religiosity and the customer's perception towards IBF among SAB students in UMK?

3. Is there any significant between perceived risk and the customer's perception towards IBF among SAB students in UMK?
4. Is there any significant between perceived image and the customer's perception towards IBF among SAB students in UMK?

### **1.5 SCOPE OF THE STUDY**

The scope of this research is to determine the factors influencing customer's perception towards IBF among SAB students in UMK. Among the factors influencing are social influence, religiosity, perceived risk, and perceived image. This research only focuses on the students who took the SAB in UMK. The researchers also will use a questionnaire (quantitative method) to collect data for this research. The target respondents required by the researcher are 260 respondents among SAB students in UMK. The researchers will use an online platform (Google Form) for distributing the survey of the questionnaire. Content of the questionnaire will be based on the factors influencing customer's perception towards IBF among SAB students in UMK.

### **1.6 SIGNIFICANT OF STUDY**

The study conducted is essential to students because students are future users of IBF. Therefore, students with knowledge and awareness of Islamic banking will be necessary where students need to understand in advance customer perceptions of Islamic banking in advance. Students who have a more thorough understanding of the subject will be better able to appreciate the variety of factors that can affect customer perceptions of Islamic banking, where this situation requires students to be prepared to use and practice all the knowledge gained to

correct customer perceptions of Islamic banking. In addition, the study can also educate students to become knowledgeable customers in using the products and services offered by Islamic banking. This is because of their knowledge; they can disseminate correct and accurate information about Islamic banking and change consumer perceptions earlier.

Furthermore, this study is very important to the stakeholders in operating IBF. Islamic banking institutions can utilise this study to attract more customers by assessing how the products and services provided meet customer's needs. Based on this study, the IBF can identify products and services that customers need and do not need. This can help IBF form the best and most effective alternative to increase the acceptance of Islamic customers and attract more non-Muslim customers to IBF, where every product and service provided is the best and coincides with the needs of customers and Islamic law.

Finally, this study is also important for future researchers. This is because a lack of research can be seen, especially on factors specifically on customer perceptions. In future studies, researchers can use it as a benchmark to improve or develop new ideas related to this study. Not only that, but future researchers will also be able to continue the study of customer's perceptions from relevant aspects.

## **1.7 DEFINITION OF TERM**

### **1.7.1 CUSTOMER'S PERCEPTION**

Islamic banking customers have significant preferences and perceptions based on their need for more understanding and awareness of the system. Customer perception can be defined as the way people see any company's goods and brands. It is an impression they have created because of all of their direct and indirect interactions with an organization. Customers must thoroughly comprehend the nature of the product or service they are willing to patronize for

any service or product to succeed in the market. On the other hand, many customers support Islamic banking because they are religiously consistent with Islamic principles. Thus, many Muslim customers are eager to deposit their money into Islamic banking to keep their religious beliefs and conduct legitimate financial operations Islamically.

### **1.7.2 SOCIAL INFLUENCE**

Abourrig (2021), says that social influence is central to explaining and understanding human behaviours. People's social uniqueness causes them to exert and accept mutual influence on each other's attitudes, values, and behaviours. This influence was manifested through social norms. These norms generate rules and standards that guide or limit social behaviour without the force of law if members of the group understand them. Human interaction is used to introduce them either implicitly or overtly will sanction the violation of the social network's rules of conduct. As a result, three key social influences were discovered and used to predict Islamic banking acceptability in the current study. Subjective norms, descriptive norms, and social identity are examples of these types of norms.

### **1.7.3 RELIGIOSITY**

Religion is a system that melds people's expectations, values, and behaviours. Religiosity is defined as a belief in God and a dedication to upholding the ideas that are believed to be inspired by God. Religion's influence on a person's behaviour and actions is measured by religiosity. Feelings develop when something that contradicts a person's religious beliefs can change, mainly if someone has been practicing their religion for a long time (Amini et al., 2020). According to Muslichah and Sanusi (2019), religion significantly influences individual and public behavior. An individual's affinity group can be determined by how they practice a particular religion. Religious values, on the other hand, vary from person to person.

Individuals' attitudes and behaviour can indicate their level of religiosity. Ali et al. (2022), discovered that religious people prefer products that share characteristics with their beliefs.

### **1.7.5 PERCEIVED RISK**

Perceived risk is defined as a consumer's perception of the uncertainty and negative consequences of making a purchase. Because the risk is in the minds of consumers, it is perceived rather than real. Laura Lake (2019), defines risk through financial aspects as every consumer faces some level of financial risk. They are concerned that a purchase will deprive them of their income now or in the future. For example, purchasing a car may leave them with little to no money or with loans that will affect their income for the next few months or even years.

### **1.7.6 PERCEIVED IMAGE**

Generally, the image can be defined as an individual's subjective perceptions of the image. The perceived reputation of an organization or banking system also can be defined as its perceived image. According to Manik (2019), an image is a symbolic meaning that consumers associate with a product or service they utilise in Islamic banking. In other words, the representation of the company mirrors how the public views it. The customer can describe their feelings about the product or service as users based on this image. Customers are drawn to banking or organization based on how well they are treated.

## **1.8 ORGANIZATION OF THE PROPOSAL**

Planning from the beginning to the end of the study is required to ensure that the study's writing is controlled and orderly. The study begins with chapter 1, which explains the background of the research to give the reader an initial understanding of the things studied.

Next, research problems are also provided to show the factors that caused the researcher to study customer perceptions towards IBF. In addition, the study's objectives, the research questions, the study's scope, the significance of the study, and the definition term are included before entering the following chapters.

The researcher discusses the underpinning theory in the literature review's chapter 2. In this study, researchers also use Planned Behaviour Theory because the theory is closely related to customer perceptions in using services and products IBF. Next, the researcher will touch more deeply on the study's independent variables and dependent variables. Moreover, from the literature review, the researcher made assumptions through hypotheses and formulated a conceptual framework on the factors that influence customer's perception towards IBF among SAB students in UMK.

In chapter 3, the researcher explains the research methods used throughout the study. The research design used is based on a quantitative approach by using primary data. The study population, sample size, and sampling technique are described in this section. Research instrument development is provided in this section to see the preparation of questionnaires and measurement variables to obtain data. The data analysis procedure is also described in this study to see the overall journey from the beginning of data collection to the data analysis section. Finally, the researcher recorded a unit of study analysis towards IBF customers among SAB students in UMK

The researcher used IBM SPSS Statistic version 26 to generate data for preliminary analysis, descriptive analysis, validity and reliability test, normality test, and hypothesis testing. In chapter 4, the researcher explains the method used to analyze the questionnaire generated using Google Forms. This section is important to analyze the demographics of the respondents, to analyze the mean for each question for the independent variables (IV) and

dependent variable (DV) sections, to see whether the questions are acceptable and good for the respondents and whether the data distribution is normal or otherwise, also the IV and DV involved are related to each other. In this section, the hypothesis presented by the researcher can be accepted or vice versa.

Finally, in chapter 5, the researcher formulates key findings based on the research conducted. In this section, the researcher also writes the impact of the research findings, especially on the interested parties, stating the weaknesses and constraints found throughout the study, as well as suggestions for future researchers who want to conduct a more in-depth analysis of customer's perception towards IBF. The researcher also discussed the hypotheses involved in more depth.

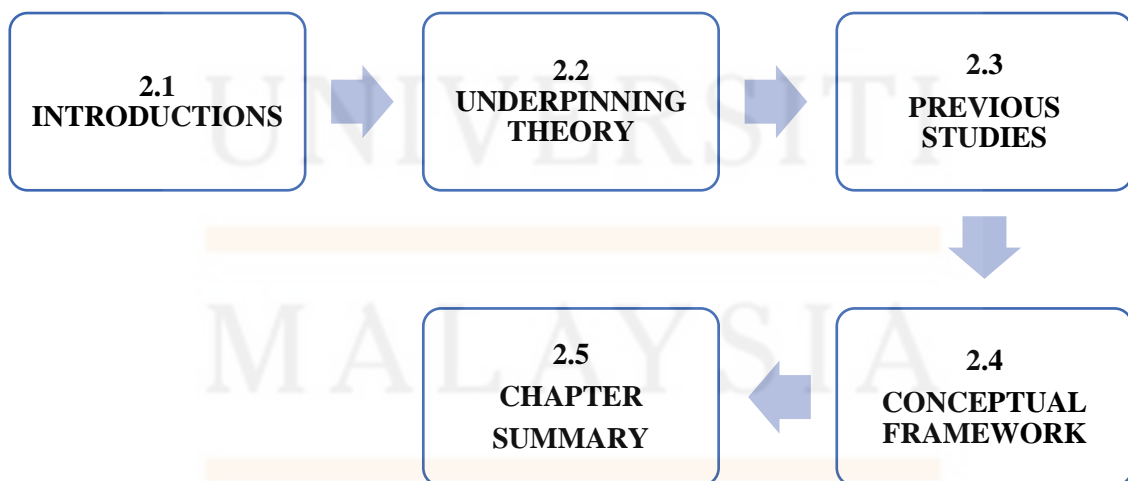
## **1.9 CHAPTER SUMMARY**

There are four objectives published in this study. This introductory chapter talks about the background of the study on customer perceptions, Islamic banking, and institutions available in Malaysia, as well as the comparison between IBF and conventional banking and finance. Next, the researchers describe the problems that led to this study being conducted due to the need for a more precise understanding shown by non-Muslim customers, the image, and the risks customers face in using IBF products and services. This led to four issues being resolved throughout the study. Furthermore, the importance of the study is very emphasis on the students, the IBF itself, and the researchers in the future. To provide a better understanding of the terms that are often used throughout the study, the researchers provide definitions of these terms. Finally, a description of the proposal-making journey is also described in this section to ensure that all processes run in an orderly and systematic manner



**CHAPTER 2: LITERATURE REVIEW****2.1 INTRODUCTION**

In chapter two, the previous study is a field of study that has been written by previous researchers who play a role in providing information in the study conducted (Hasanah Taib, 2020). This means that we will use previous research, including articles or journals related to consumer perception, awareness, and understanding of Islamic banking products and services, to support the research conducted. The theory used include the Theory of Planned Behaviour (TPB). In addition, the findings of previous studies can also be used as a guide to the latest researchers who want to do more research on a field or topic because there are various forms of questions and problems in the study that can be discussed in the study. In order to ensure that the goals are met and the study results are reliable, it is crucial to collect enough data. Based on this chapter, many aspects of this study's dependent and independent variables are highlighted. The foundation theory, past studies, hypothesis statement, framework, and conclusion are all included in this section.



*Figure 2.1: The Key Components for Chapter 2*

**2.2 UNDERPINNING THEORY**

Underpinning theory is an analytical tool intended to assist researchers in data analysis and interpretation research (Mkhomazi and Iyamu, 2013). In this study, the researchers used the Theory of Planned Behaviour (TPB) to explain the factors that influence customer’s perception towards IBF among SAB students in UMK.

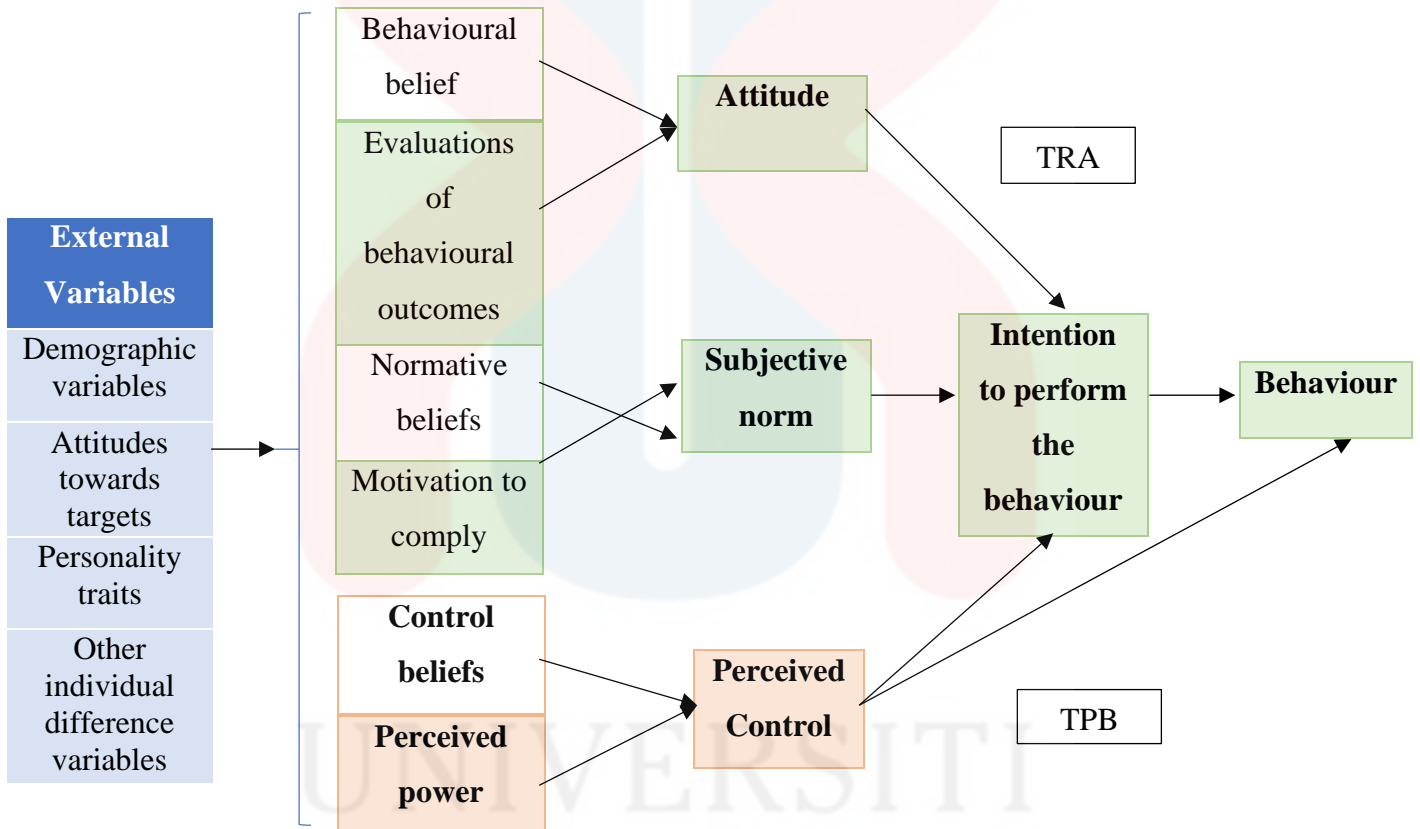


Figure 2.2: The Theory of Reasoned Action and Planned Behaviour. Revised From

Sources: [https://www.researchgate.net/figure/The-theory-of-reasoned-action-and-planned-behavior-Revised-from-Health-behavior-and\\_fig1\\_308784496](https://www.researchgate.net/figure/The-theory-of-reasoned-action-and-planned-behavior-Revised-from-Health-behavior-and_fig1_308784496)

Theory of Reasoned Action (TRA) was begun in 1960. TRA describes attitudes, subjective norms, and intentions capable of influencing a person’s behaviour. Attitude results

from behavioural belief together with evaluation of behavioural outcomes, while subjective norms result from normative belief along with motivation to comply. The intention to perform a behaviour result from subjective attitudes and norms and then produces a behaviour. Behaviour is also influenced by external factors such as demographics, attitudes toward targets, personality traits, and other individual difference variables.

Theory of Planned Behaviour (TPB) was developed from TRA in 1985 with the presence of a new component besides attitude, subjective norms, and intention, that is, perceived control. It is because TRA does not consider a person's perception of things that can control their behaviour. Perceived control describes how a person can control himself by a perception. According to Munthe and Winario (2022), perception involves an individual's interpretation of the environment through his or her senses consisting of touch, sight, smell, hearing, and taste. This is since each interpretation is different according to a particular individual despite looking at the same thing. Behavioural intention, a key component of this theory, is said to be influenced by the attitude toward the behaviour. Subsequently the perception that the behaviour can be personally controlled.

According to Behwal and Al Maqbali (2018), to study consumer perceptions from the perspective of buying and selling, TPB plays an important role in looking at consumer behaviour towards Islamic banking products. This study is supported by Latif (2019), that the perception of the Islamic community towards Islamic banking is considered important because it can influence the community's attitude towards the use of Islamic banking. Furthermore, Allini et al., (2017), stated in their study that perceived behavioural control is associated with perceptions of situational competence because it represents the perceived feasibility of performing a behaviour (self-efficacy). The assessment of each customer is different resulting

in the need to understand the perception of each of them. Hence, customer perceptions can influence the propensity to use the products and services offered by IBF.

## **2.3 PREVIOUS STUDIES**

### **2.3.1 CUSTOMER'S PERCEPTION TOWARDS IBF**

According to Asy'ari (2021), perception is “the process that is initiated by the consumers' exposure and attention to stimuli and purpose marketing with consumer interpretation”. Asy'ari (2021), also state that perception will create an image in the consumer's mind of a specific object, influencing the consumer's purchasing decision process. Consumer image is defined as “consumers' perception of all product components, services, and brands, as well as how consumers evaluate the quality of the offer marketers” (Asy'ari., 2021). Customer's perception analysis helps financial institutions to provide excellent products and services to appease their needs (Qaisar Ali, 2018).

Islamic banking is a banking system that contributes significantly to society while adhering to Islamic law prescribed by the *Maqasid Shariah*. Islamic banking are banking systems that use Shariah-compliant as a guideline in their business transactions and provide customer financial services free of prohibited elements like interest (*riba*), uncertainty (*gharar*), and gambling (*maysir*). The Islamic banking sector is making an effort to draw in more clients in order to grow its market share and outperform its rivals in the conventional banking sector in terms of competence (Mariadas and Murthy, 2017). Islamic banking are not as popular among Malaysians, both Muslims and non-Muslims, compared to conventional banking. Therefore, IBF must ensure that every product and service offered is able to influence the perception of customers in Malaysia who consist of various races and religions.

Customer perception has long been a research topic in banking. Due to the increased demand, they should conduct research on customer perceptions towards Islamic banking products and services. Pricing of other banking products, attitude, subjective norm (social influence), religiosity, knowledge of Islamic banking products, and competitive advantage are all possible explanations for the intention to adopt Islamic banking (Bananuka et al., 2017). Customers are satisfied when the perceived performance meets or surpasses their service expectations or otherwise. Dissatisfied customers are more likely to spread negative word of mouth and tell others about their bad experiences. Hence, the need to convince customer's perception is vital to establish IBF in Malaysia.

According to Fauzi et al. (2022), trust is widely regarded as an essential component because it can sustain a long-term relationship, in this case, the customer relationship with the banking. Therefore, Qaisar Ali (2018), has proposed that customer perception of service quality is influenced by the comparison of expectations (what they believe the service provider should offer) and service performance. The consumer preferences for Islamic banking are culturally sensitive, influenced by various factors that may differ across countries, such as employees' skills and values. The friendliness of banking employees is also an important criterion that the banking must have. The friendliness, dress code, communication tactics, and customer interactions of the workforce all contribute to the quality of service. Customer's perceptions of uncertainty and risk can be effectively reduced through trust. In Malaysia, no significant differences existed in this regard between Muslim and non-Muslim customer. Thus, all these factors can enhance the understanding of IBF towards Muslims and non-Muslims, and the image and trust of customers to continue using IBF. In addition, social influence is also widespread if customers spread a good perception of IBF.

### 2.3.2 SOCIAL INFLUENCE

Social influence could be a fact of daily life (Robert, 2015). A previous study by Robert (2015), also defined social influence as interpersonal processes that change people's feelings, thoughts, or behaviours. Research by Eva et al. (2018), found that social influence from peers and households contains a profound effect on high-quality formative years' adjustment. Research by Robert (2015), says that social influence entails both intentional and unintentional attempts to trade the beliefs, attitudes, or behaviours of others. Moreover, previous study by Heri Sudarsono et al. (2021), states that the important part in influencing one's intention in adopting Islamic banking services is influenced by the environment. The social influence will help individuals to adapt to their environment, as a private effort to survive in an environment that is not completely known. When being under significant social influence or pressure, a private would perform the expected behaviour even though he might not be in favour of performing the behaviour (Nelson et al., 2017). Additionally, subjective norms are a social term that refers to experienced social pressure that influences whether or not an individual engages in an activity. They are discussed as a further factor determining behavioural intention (Saygili et al., 2022)

Subjective norms consider an individual's means to another individual's ideas of a particular behaviour. In other words, an individual's perception of the attitudes of others. It is also a factor from social influence that can affect customer perceptions to use IBF. However, Pratiwi et al. (2020), was discovered that there was barely any social influence on desires to use Islamic financial products. Studies associated with the intention to use Islamic banking products often verify the role of subjective norm or social influence (Nelson et al., 2017).

Similarly, customer's perception towards IBF is influenced by social influence. In an earlier research study, Tunçgenç et al. (2021) state that social influence from those around leads

to transformation. Humans are social cooperate who view behaviour change as an issue that affects everyone. Additionally, empirical research has shown that social influence has an impact on how people feel about using Islamic banking (Charag et al., 2019). Aziz & Afaq (2018), discovered that subjective norms have an indirect impact on purchasing intention through the mediated mechanism of mentality in the context of Islamic banking.

Customer perception is often determined by their level of enjoyment with products or services, and customer satisfaction is sometimes described in terms of service quality and repair features provided (Mustika et al.,2020). Also, the study by Mustika et al. (2020), prior research on Islamic banking products has mostly targeted corporate customers. Moreover, a study by Majid (2018), investigates the impact of the perceptions and attitudes of execs towards Islamic finance on the events of 9/11. The authors Majid (2018), find that, although the events within the USA created false impressions and misconceptions about Muslims, it significantly contributed towards growth in, and awareness of, Islamic finance. Majid (2018), conducted research to review the attitude, knowledge and perception towards Islamic banking from a personal customer, firm and establishment view. "A person's view that most people who are significant to him/her think he/she should or should not conduct the behaviour in question" is the definition of social influence (Zhang et al., 2020). This indicates that even if a system is not in their favour in their own thinking, people may still find it useful and decide to utilise it if their significant referents believe they should (Zhang et al., 2020). Ultimately, here the researcher can see the great influence shown by social influence factors on customer perceptions to use the products and services that exist in IBF.

**H1: There is a positive relationship between social influence and customer's perception towards IBF among SAB students in UMK.**

### 2.3.3 RELIGIOSITY

According to Junaidi et al. (2021), state that religion refers to an individual's commitment to the beliefs and practices practised. This shows that when an individual has a high belief in religion then a person's behaviour regarding certain products and services can be influenced. This study is also supported by Janah et al. (2020), who have a similar opinion when religion significantly influences customer's decision to use Islamic banking. Meanwhile, Khursheed et al. (2021) stated that *Shariah*-compliance plays a prominent role in influencing customer's perception towards IBF. This refers to the fact that Islamic banking was established based on the religion of Islam, where it was established specifically for Muslims especially aimed at helping, safeguarding human welfare, justice, and religious protection, as well as operating in compliance with Islamic law. The level of consumer awareness of products and services in Islam can also influence the choice of Islamic banking (ElMassah et al., 2021). This shows that when the community has a high level of awareness of Islam will make religion the main reason, they take use of the products and services provided by Islamic banking.

Customer perception is very important, especially customer perception of religion because it includes customer's awareness, impressions and opinion about a product and services of an organisation (Jibril et al., 2021). Recent study by Bashir et al. (2021), discovered that many consumers favour Islamic banking because it is a legitimate financial transaction in terms of Islam, and this shows one of the ways consumers choose and support Islamic banking because of their belief in religion. Therefore, understanding and knowledge of religion is very important among consumers because it will lead to customer knowledge and awareness of Islamic banking which can indeed lead to a significant perception by customers about the products and services offered by Islamic banking. In addition, Khan et al. (2021), contend that customers like Islamic banking due to its straightforward procedure, quick service delivery,



and security. This shows that the understanding and belief about Islam can give customers an accurate perception of Islamic banking when this system is chosen not because of profit but their perception by believing that Islamic banking is a simpler, more effective, and efficient institution than conventional banking. Sarker et al. (2019), stated the effectiveness of Islamic banking in maintaining sustainability has positive results.

On the other hand, there are in earlier research where religion is no longer a factor influencing customers' perceptions of Islamic banking. Nelson Lajuni et al (2017), argue that attitude is one of the factors that have a significant relationship in influencing customer's perceptions in using Islamic banking. This shows that attitude is also the most important factor compared to religion because it will affect the customer's perception of whatever behaviour or attitude shown by Islamic banking. This statement is supported by Ali and Tanveer (2019), who stated that attitude plays an important role in influencing consumer perceptions so that they can decide wisely to utilise the products and services provided by Islamic banking. This is because every attitude shown or highlighted by Islamic banking employees in meeting the needs and wants of consumers will be the yardstick by customers. When the level of service provided is higher than the customer's expectations then the institution is considered good and satisfies the customer. Therefore, the stronger one's attitude, the greater the society's intention to choose Islamic-based services according to the study (Janah et al., 2020).

However, due to its proximity to customers, religion continues to have the greatest influence on how customers perceive products and services, especially Muslims in choosing Islamic banking to get safe products and services. According to Diana Carina (2020), in Islamic law there are some things that are illegal and should be avoided by consumers and the banking system such as no elements such as *riba*, *gharar* and *gambling*. Practising something good and halal can influence customer perceptions where Islamic banking functions based on *Shariah*

which is the choice of the customer because of its profitability, resilience, risk sharing, fairness, and ethical reasons (E-Massah and Abou-El-Sood, 2021). Therefore, religious factors can influence customer's perceptions towards IBF to get the best products and services.

**H2: There is a positive relationship between religiosity and customer's perception towards IBF among SAB students in UMK.**

### **2.3.4 PERCEIVED RISK**

Perceived risk is a probabilistic estimate of a future outlay. Simply put, perceived risk refers to the uncertainty consumers experience before acquiring a product or service (Rattanaburi and Vongurai, 2021). Risk is described as uncertainty about how a given behaviour may affect what people value, with a concentration on adverse or unfavourable outcomes. A user of Islamic banking can only gain from trade and investment as a kind of return if they share some of the risk. To protect their clients, Islamic banking will typically only undertake low-risk projects.

Customers try to reduce risk by minimising their use of Islamic banking services. According to Charag et al. (2019), the risk is unavoidable in any commercial transaction. Nonetheless, risk perception rises in situations when uncertainty is high or bad outcomes are expected. When rational consumers make purchasing decisions, they make active attempts to examine all the uncertainties and probable negative repercussions.

Perceived risk is a well-established perception in consumer behaviour research, and it has been shown to influence consumer behaviour in a variety of scenarios. Risk is viewed as a crucial element in financial transactions involving a good and service that are as unstable as the Islamic financial system. When the behaviour is shown through the customer towards something it can also affect the customer's perception of something. Charag et al. (2019)

discovered that the perceived risk of adoption affects attitude and can operate as a barrier for customers unless deliberate attempts are made to reduce it. Furthermore, research has shown that consumers' attitudes are influenced by perceived risk. Another study by Charag et al. (2019), found that perceived risk influences customer behaviour intentions. As a result, customer's perception of the uncertainty of outcomes associated with their decision to utilise Islamic banking will impact their attitude and willingness to use it.

In this regard, to reduce the rate of uncertainty from customers, banking must improve the banking system more efficiently. Furthermore, risks can arise from different reasons, such as the lack of knowledge of Information Technology (IT) and updated information. When the banking introduces a new system or item, it must provide clear guidelines to make it easier for customers to understand the ways and means used by the item. Kaabachi et al. (2016), asserted that the uncertainty regarding Islamic banking services is associated in part with their newness and fundamental nature. As a precautionary measure, customers need to be careful in making choices related to their financial management.

Financial intermediaries are critical in moving funds from surplus units to deficit units. They enter contracts with both parties to protect each party's rights. Information symmetry is a critical component of a contract. If the level of literacy in the financial market is low, information asymmetry may be visible. Islamic contracts based on equity participation will reduce adverse selection and moral hazard issues. Joint ventures and equity participation plans necessitate much greater transparency into a company's books and investments. However, agency problems (principal-agent problems) will persist due to asymmetric information and expensive monitoring. Most businesses in developing economies maintain multiple books of accounts, making it difficult for banking to track the true profitability of various clients. The risk of default rises because of information asymmetry, as do monitoring costs.

In addition, a more efficient way of risk management can create a good relationship between customers and banking; that is, the level of customer trust can be built. In the context of Islamic banking, customer's perception of risk plays a very important role in their trade and investment decisions toward the adoption of Islamic banking products and services (Albashir et al., 2017).

**H3: There is a positive relationship between perceived risk and customer's perception towards IBF among SAB students in UMK.**

### **2.3.5 PERCEIVED IMAGE**

Saleh et al. (2017) state that corporate image is a perception stored by customers in their memory. In contrast, two studies on Islamic banking define the image as the company's physical nature and behaviour resulting from the perceptions of all customers (Suhartanto, 2019). Image plays an important role as an intermediary between each banking and its customers. This statement is supported by a journal article that concluded that the reputation of Islamic banking plays an important role (Albaity and Rahman, 2019). Building trust and confidence of customers in doing business together comes from the image of an institution, and it is very important (Dawami, 2020). Therefore, it is important to instil a good impression in every use of products and services offered by IBF to maintain the good name of the IBF brand itself.

Charag et al., (2019), argue that the extent to which consumers perceive the use of a product or service can enhance image or status in social groups, known as perceived image. In their study, Hati et al. (2020), associated consumer loyalty in the banking sector with perceived values and image. Bhatti et al. (2017), concluded that perceived image by consumers could be helpful during the execution of financial transactions, reduce risk, and increase the intention to purchase a product. Saleh et al. (2017), also stated that the important determinant in customer

patronage is an image. This can be seen from the recommendations given by other customers and direct experience with the banking, which are how Saudi customers perceive the image of the banking (Karbhari et al., 2020). Moreover, the image, unique service qualities, and satisfaction have raised the line of difference perceived between Islamic and conventional banking in Bangladesh (Saleh et al., 2017).

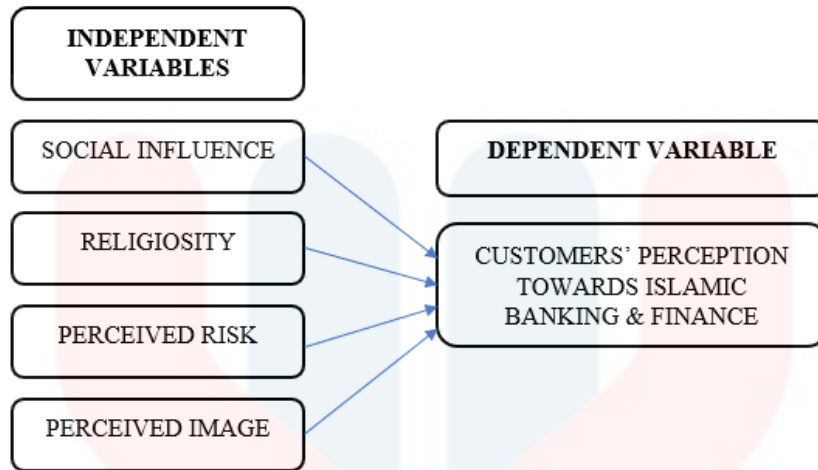
Researchers see the image as having a huge impact on customer perceptions through the banking-related case that took place in Bangladesh. Saleh et al. (2017), stated that corruption cases involving banking in Bangladesh gave a negative impression of customer perceptions and affected the banking sector there. Hence, researchers see perceived image can influence customer perceptions in decision making, especially in using the products and services offered at IBF.

According to Ahmed (2019), a positive brand image can generate relationships that will always help in consumer retention. Furthermore, the brand image which is an aspect of consumer psychology created by impact, built in the consumer subconscious through expectations and experiences can form a positive image. Images are a useful way to portray the corporate image in a business (Shabbir et al., 2018). The corporate image is the general view felt by the customer because the corporate image is the presentation of the business personality to the stakeholders, that is, the customer himself. Shabbir et al., (2018), further stressed that to bring customer loyalty to a higher level is to ensure that its image is positive and strong. Latif et al. (2020) also support that the positive effect of image enhancement will have a positive impact on the reputation of the company. The right image of the business can influence the perception, hence the attitude of the customer towards the business. This study can show perceived image is a customer's priority in choosing to use IBF and maintaining its use.

**H4: There is a positive relationship between perceived image and customer's perception towards IBF among SAB students in UMK.**

## **2.4 CONCEPTUAL FRAMEWORK**

Figure 2.4 below shows the conceptual framework for the study conducted, namely the factors that influence customer's perception towards IBF among SAB students in UMK. The objective of the study was to determine whether independent variables (social influence, religiosity, perceived risk, and perceived image) can influence dependent variables (customer's perception towards IBF). There are four hypotheses, namely there is a positive relationship between perceived image and customers 'perception towards IBF among SAB students in UMK (H1), there is a positive relationship between perceived image and customer's perception towards IBF among SAB students in UMK (H2), there is a positive relationship between perceived image and customer's perception towards IBF among SAB students in UMK (H3), and there is a positive relationship between perceived image and customer's perception towards IBF among SAB students in UMK (H4). Thus, the resulting conceptual framework below.



EKBP

*Figure 2.4: The Conceptual Framework for Factors Influencing Customer's Perception Towards IBF among SAB Students in UMK.*

## 2.5 CHAPTER SUMMARY

In this chapter, the researcher uses the TPB as an underpinning theory to support that customer perceptions can influence intentions and behaviours to use the products and services offered by IBF. Next, the relationship between the customer's perception, social influence, perceived risk, religiosity, and perceived image that influence consumer perceptions towards IBF has been presented in previous studies. Moreover, the study found a positive relationship between social influence, religiosity, perceived risk, and perceived image with the customer's perception towards IBF among SAB students in UMK through the conceptual framework.

**CHAPTER 3: RESEARCH METHODS**

**3.1 INTRODUCTION**

The methodology is a large structure used to organize approaches that can provide a complete interpretation, comprising two terms that understand the entire research process and refer to specific strategies for gathering data in a study. This implies that methodology is a crucial part of any research project. This chapter will go through the research design and process for collecting data, including sampling techniques, instrument development, methods for data collection, and data analysis.

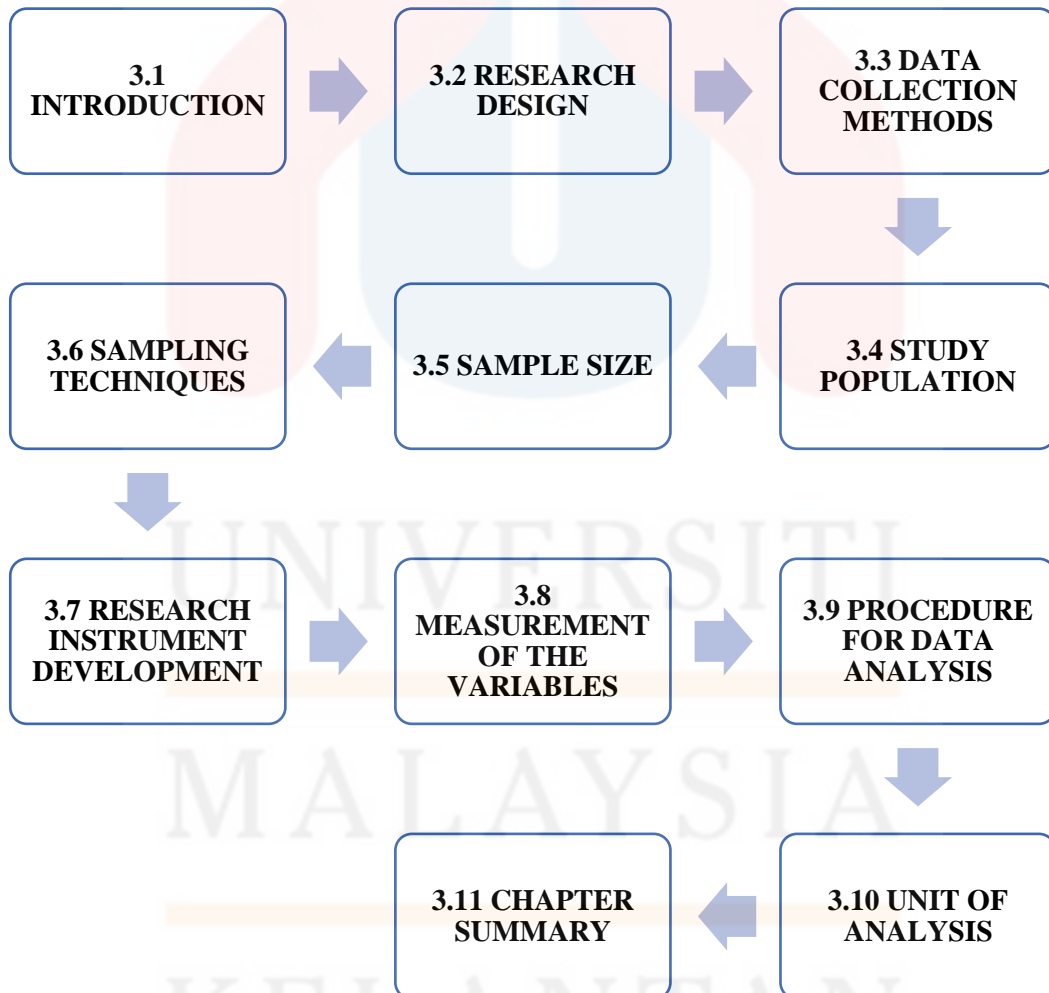


Figure 3.1: The Key Components for Chapter 3



### 3.2 RESEARCH DESIGN

According to a previous study by Tesfaye Boru (2018), the research approach is a procedure that comprises data collection, analysis, interpretation, and reporting of data in research studies conducted. It is essential for a research study because it is an overall plan that links the problems related to conceptual and empirical research. Meanwhile, Kassu Jilcha (2019), provides an appropriate framework for a study where a decision needs to be made in the research design process to determine how information relevant to the study can be obtained. Among the methods used and answering the research questions are methods of collecting and analyzing data.

The research was conducted to study the component influencing customer's perception towards IBF among SAB students in UMK. Hence, quantitative research is an appropriate and suitable research strategy for this subject. In a recent study by Olasile (2020), quantitative research is the empirical and systematic investigation of phenomena that can be observed through statistical, computational, or mathematical techniques. We also used experimental research and numerical data from statistical tests to perform quantitative procedures. Moreover, quantitative research is one of the methods that can confirm hypotheses and test theories, and the data obtained can be calculated and compared.

In this study, an online questionnaire will be implemented to achieve the study's objectives by focusing on the target population of respondents, students from the SAB in UMK that are using IBF products and services. Questionnaires are used because it is the simplest method to gather various types of data for this research conducted requires investigation or obtaining data sources from many people in different geographical areas. According to Yakubu Sabo (2019), questionnaires are a research mechanism that contains a chain of questions that aims to collect information and data from people. It is also the most popular method used

among researchers because of the ease of collecting and obtaining data as well as the conditioning of the answers.

In addition, this questionnaire consists of three sections: demographics profile, Independent Variables (IV), and Dependent Variable (DV). The demographic profile consists of age, gender, and others. IV consists of social influence, religion, perceived risk, and perceived image, while DV consists of items of customer's perception towards IBF. Based on the research title, this design research aims to determine whether there is a causal association or a positive relationship between IV and DV. Furthermore, this study chose quantitative approaches for various reasons, including that this research covers a more significant randomly selected sample and will most likely be included in the population under research or the entire population in the application of quantitative findings (Rahman, 2016). Therefore, the positive variable measurement paradigm must be the foundation for quantitative techniques.

Furthermore, the researcher will test the relationship between the independent variable (social, religious, perceived risk, and perceived image) and the dependent variable (customer's perception towards IBF). Therefore, the framework of this research study will be our primary reference to lead this research topic.

### **3.3 DATA COLLECTION METHODS**

Meanwhile, Sajjad Kabir (2016), stated the goal of collecting data is to capture quality proof that can be translated into data analysis and construct convincing and reliable answers. Collecting the data is a technique for managing and measuring information on variables that the researcher has identified to be able to answer each question presented in the study and analyze the results as well as test research hypotheses. Hence, data collection is an essential

portion of each empirical that the researcher can identify in terms of data sources known as primary or secondary data during data collection.

Apuke (2017), argues that quantitative methods are related to measuring and analyzing independent variables and dependent variables. An adopted quantitative approach using a positivist paradigm in this study. Quantitative methodologies are preferred in this study since this quantitative research can be used widely where there are several research processes (Basiasi and Pollalis, 2018). This suggests that quantitative methods can use to determine the procedures and tactics used in this study with a broad design range. Variables will be assessed using instruments because of the research findings, and the amount of data acquired will be examined using statistical processes.

To ensure the usefulness and accuracy of this study, data obtained from primary sources via survey questionnaires will be the significant source. As a result, this study's questionnaire is a self-administered questionnaire. This survey was distributed to respondents, who were SAB students in UMK, via an online Google Form generated using social media platforms such as Whatsapp and Telegram. This study will collect and record data obtained from the questionnaire, and the collected data will reuse to do new research. This questionnaire will be delivered to respondents for two weeks when they must complete and return it. All the data from the respondents and the researcher will collect within one month. Also, follow up with those who did not complete the questionnaire to receive comments.

### **3.4 STUDY POPULATION**

Enrolling the entire target population in clinical research investigations is frequently inappropriate or impractical. Instead, to engage in the study, researchers will select a representative sample from the target demographic. In these situations, the research study's

objective is to apply the results of the sample study to the relevant population. The chosen research or treatment population is referred to as the population of interest, according to (Majid, 2018). This research's target population is IBF customers from SAB students in UMK. According to data obtained from the Majlis Perwakilan Pelajar (MPP) UMK of the Academic division, the number of students from the SAB program is 801 people, consisting of Year 1 to Year 4 students, in Semester 2021/2022.

### **3.5 SAMPLE SIZE**

Sampling is a crucial tool since the target group is frequently too large to include as participants in any study endeavor. Sampling refers to picking a sample of people from an interest population that is statistically representative (Majid, 2018). A good sample is statistically representative of the target population and large enough to address the research question.

A research study's sample size should be sufficient for power and significance (Majid, 2018). The sample for this study is the community representing Islamic banking and financial students. According to data from the Majlis Perwakilan Pelajar (MPP) UMK of the Academic division, the total number of students is 801. The overall sample of 260 respondents, according to Krejcie and Morgan (1970), will be sufficient to represent the survey accurately. Because sampling influences the accuracy of the data, the sample size is carefully chosen. Thus, the comprehensive survey for this research will be from 260 respondents.

Table 3.5: Table of Sample Size

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	1000000	384

Note: N is Population Size; S is Sample Size Source: Krejcie & Morgan, 1970

Sources: Adopted from Krejcie & Morgan (1970). *Determining Sample Size for Research Activities. Educational and Psychological Measurement, Book.*

### 3.6 SAMPLING TECHNIQUES

It is common to collect data from each person in a group when doing research. The researcher must select a sample. A sample is a segment of the population participating in the study. To interpret the results accurately, researchers must carefully plan to select a sample that is representative of the entire group.

Probability sampling, one of two sampling techniques that use random selection, allows the researcher to make reliable statistical inferences about the entire group. Non-probability sampling involves non-random selection based on practicality or other factors, making it easy

to collect data. For each of the two main designs will use a different sample approach is provided.

The researcher used convenience sampling from a non-probability sampling strategy based on quantitative analysis studies. This is because this sampling method involves respondents who easily answer the survey the researcher will distribute. Furthermore, getting the respondents does not require any pattern causing the researcher to use this method.

### **3.7 RESEARCH INSTRUMENT DEVELOPMENT**

Kumar et al. (2013), said that the questionnaire design depends on the aim of data collection. Since the researcher wanted to test the hypotheses for a conclusive study, then a formal standardized questionnaire (structured questionnaire) was used. The researcher made sure to design a simple and concise questionnaire that suited the study's objectives for the respondents to respond by using correct and accurate information. This ensures that the target group, SAB students in UMK, can provide a quality response. Moreover, the use of bilingualism is also emphasized, that is, the use of Bahasa Malaysia (BM) and English as the intermediary medium in this survey. Questionnaires will be used in collecting quantitative data. A questionnaire in the form of close-ended questions consists of multiple-choice and scaled questions, which will be distributed through a Google Form.

For this study, there are three parts in the distributed research (Sections A, B, and C). Section A covers the respondents' demographic data, including age, gender, nationality, race, student year, and type of banking used. As for this section, researchers used multiple-choice questions. The study's DV is discussed in Section B, customer's perceptions towards IBF.

Section C is IV consisting of social influence, perceived risk, religiosity, and perceived image. As for the variables section, researchers used a 5-point Likert scale.

The researcher has conducted a pilot test using Cronbach's alpha to evaluate the effectiveness and quality of the results. The pilot test is a small-scale study conducted before an actual design experiment. Therefore, to determine the validity of the questionnaire can be used for research. For analyzing and confirming the instrument's validity, the researcher utilised Google Forms to deliver 28 questions to survey respondents. This test will be carried out for one week to determine its effectiveness. According to the researchers, the average amount of time respondents needed to read each section's survey questions and respond was only 10 to 15 minutes. The reliability of the respondents to the given questionnaire will then be evaluated in this study using the coefficient alpha expressed as Cronbach's alpha. When Cronbach's alpha is close to 1, it will indicate the best internal reliability; when it is less than 0.6 and lower, it indicates weak internal reliability.

### **3.8 MEASUREMENT OF THE VARIABLES**

Four measurement scale types are frequently employed in research nominal, ordinal, interval, and ratio (Kumar et al., 2013). In this section there are three sections to the questionnaire. The researchers use nominal and interval scales as measurement scales. The type of questionnaire in the form of close-ended questions consists of multiple-choice and scaled questions.

The nominal scale used in the research questionnaire aims to divide the subjects into specific categories. The nominal scale involves gender, age, nationality, race, student year, and

type of banking used. This scale also does not include orders or quantitative values in Section A.

The interval scale used in the research questionnaire is a numerical scale that uses the Likert scale to see the level of the propensity of respondents' opinions on the stated variables. Dependent Variables in Section B is customer's perception of Islamic Banking and Finance. Independent Variables located in Section C consist of factors that influence customer's perceptions towards Islamic Banking and Finance, which are social influence, perceived risk, religiosity, and perceived image. Questionnaire respondents were free to choose any scale they preferred for these sections. The involved scale was ranged from 1 (strongly disagree) to 5 (strongly agree).

*Table 3.8: 5 Point Likert Scale.*

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

### **3.9 PROCEDURE FOR DATA ANALYSIS**

Analyzing data is a data processing method to find helpful information that can be used as a basis for decision-making to solve problems. This analysis process includes data collection based on its features, cleaning data, changing data, and modelling data to obtain important information from the data. Data has been obtained in a form that is interesting and easy to understand by others, especially in graphic or plot form. After that, collecting data was conducted through a questionnaire distributed to 260 Islamic Banking and Finance (SAB) students from the UMK on factors that influence customer's perceptions towards IBF for the data analysis process to be implemented. Researchers will then analyze and insert data into the



Social Sciences Statistical Package (SPSS) version 26 for more quality and accurate data. This is because SPSS is an effective statistical tool and is widely used among researchers around the world. This research will use various studies, including descriptive analysis, pilot tests, and reliability obtained from the use of SPSS. Descriptive studies are very important in this research to identify respondents' demographics, such as mean, median, and mode. Subsequently, comparative and correlation tests are conducted according to parametric and non - parametric statistical procedures. To compare the relationship between independent variables and dependent variables, Correlation analysis Spearman and Pearson will use in this research study.

### **3.10 UNIT OF ANALYSIS**

This subtopic can be described as the structure to be analyzed in the research. Determining the unit of analysis in research is an important matter of investigation. The main focus of the analytical unit on this research is an individual consisting of students who follow the SAB program for a bachelor's degree from UMK. This inquiry focused on the reasons influencing customer's perceptions towards IBF among SAB students in UMK. The core audience of this study is SAB students from Year 1 to Year 4 who use the products and services offered by IBF.

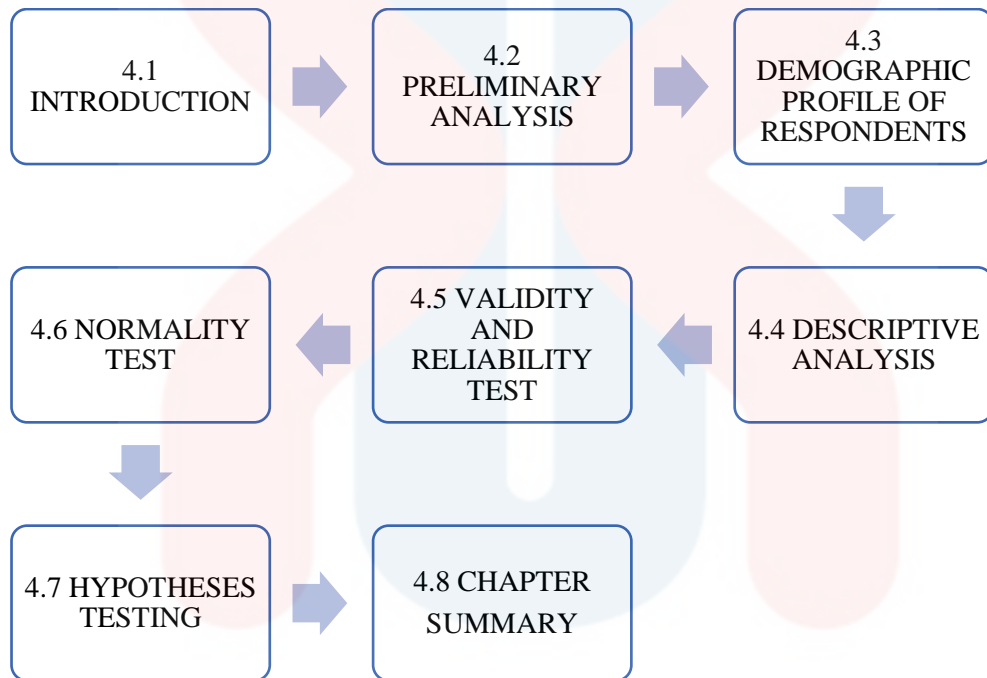
### 3.11 CHAPTER SUMMARY

In chapter 3, the researcher explains the research design used, which is a quantitative study. For data collection techniques, the researcher used an online survey to collect information from respondents using a quantitative approach. The study population included 801 students of the SAB in UMK, but according to the sample size, the researcher only took 260 respondents to answer the questionnaire that was distributed using a simple sampling method. In the development of research instruments, some items will include in the questionnaire that will be tested using a pilot test, and the reliability and validation of the items will be seen. Nominal and interval scales were also used to measure the variables involved. The researcher also explains the procedure for conducting data analysis, and finally, the individual analysis unit is also placed at the end of this chapter.

**CHAPTER 4: DATA ANALYSIS AND FINDINGS**

**4.1 INTRODUCTION**

In this chapter, the researcher will focus on analyzing the data results and findings, including the preliminary analysis, descriptive analysis, validity and reliability test, and normality test.



*Figure 4.1: The Key Components for Chapter 4*

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#### 4.2 PRELIMINARY ANALYSIS

A pilot test is a study to test the validity and reliability of the questionnaire constructed in the study conducted. It also tests whether the research conducted is problematic or an error. Based on table 4.2, the researcher used the Google Form platform to distribute 32 questionnaire items that needed to be answered by 28 respondents selected from the main study. The duration of this test will be taken for a week to see the level of effectiveness. On average, the researchers found that respondents only needed 10 to 15 minutes, including time to read and answer the survey questions in each section.

Cronbach's alpha value should exceed 0.07 to allow the questionnaire to obtain validity and obtain quality results. In table 4.2, Cronbach's alpha value is 0.879, more than 0.07. This shows that the questionnaire built for this study can be given to respondents to collect further data. Therefore, to determine the validity of the questionnaire can use or not this research uses Cronbach's alpha.

*Tables 4.2: Pilot Test*

<b>Reliability Statistics</b>		
	Cronbach's Alpha	
	Based on	
Cronbach's Alpha	Standardized Items	N of Items
.879	.887	5

### 4.3 DEMOGRAPHIC PROFILE OF RESPONDENTS

The study included knowing the respondents' backgrounds while collecting data, which is an essential component of this study. After collecting data from a questionnaire given to SAB students in UMK, this part of Chapter 4 will explain in more detail their student demographics.

*Table 4.3: Demographic Profile of The Respondents*

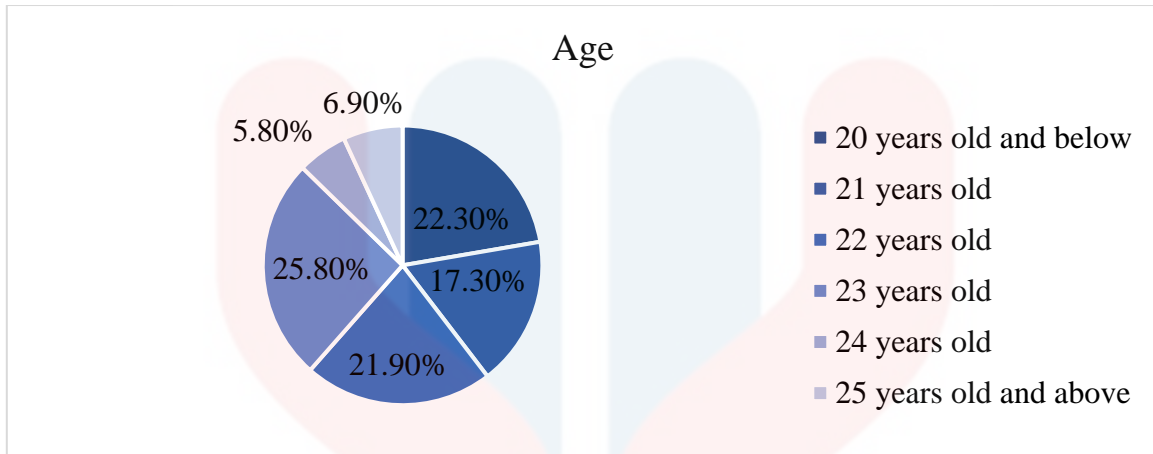
Variable	Frequency	Percentages%
<b>Age</b>		
20 years old and below	58	22.3
21 years old	45	17.3
22 years old	57	21.9
23 years old	67	25.8
24 years old	15	5.8
25 years old and above	18	6.9
<b>Total</b>	260	100
<b>Gender</b>		
Male	64	24.6
Female	196	75.4
<b>Total</b>	260	100
<b>Nationality</b>		
Malaysian	259	99.6
Non-Malaysian	1	0.4
<b>Total</b>	260	100
<b>Race</b>		

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Malay	253	97.3
Chinese	1	0.4
Indian	1	0.4
Others	5	1.9
<b>Total</b>	<b>260</b>	<b>100</b>
<b>Students Year</b>		
Year 1	70	26.9
Year 2	43	16.5
Year 3	48	18.5
Year 4	99	38.1
<b>Total</b>	<b>260</b>	<b>100</b>
<b>Types of Banking Used</b>		
Islamic Banking	164	63.1
Conventional Banking	8	3.1
Islamic and Conventional Banking	88	33.8
<b>Total</b>	<b>260</b>	<b>100</b>

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**4.3.1 DEMOGRAPHIC BASED ON AGE**

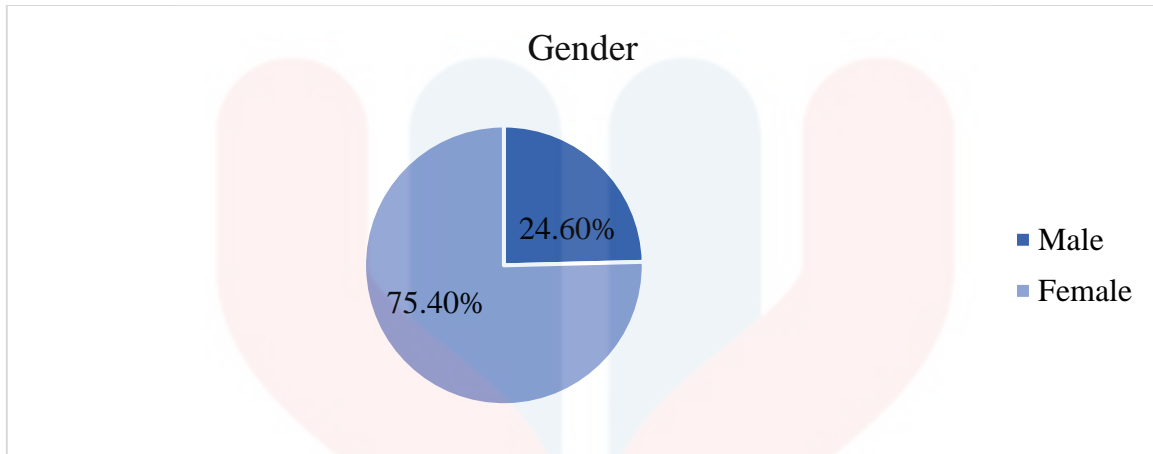


*Figure 4.3.1: Demographic Based on Age*

Figure 4.3.1 shows demographic respondents based on age. Between 20 years old and below until 25 years old and above, 23 years old have the highest percentage of answering the questions, which is 25.8% (67 respondents). The second-highest and third-highest percentages only have a slight difference between them, which is only 0.4%. The second highest is the group aged 20 years old and below. A total of 22.3% of this group answered the research questions given (58 respondents). While the third highest has a total of 21.9% (57 respondents), which consists of a group of 22 years old, 21 years old, 24 years old, and 25 years old and above each have a percentage of 17.3% (44 respondents), 5.8% (15 respondents), and 6.9% (18 respondents). The group responded the least to the research question was the 24-year-old group.

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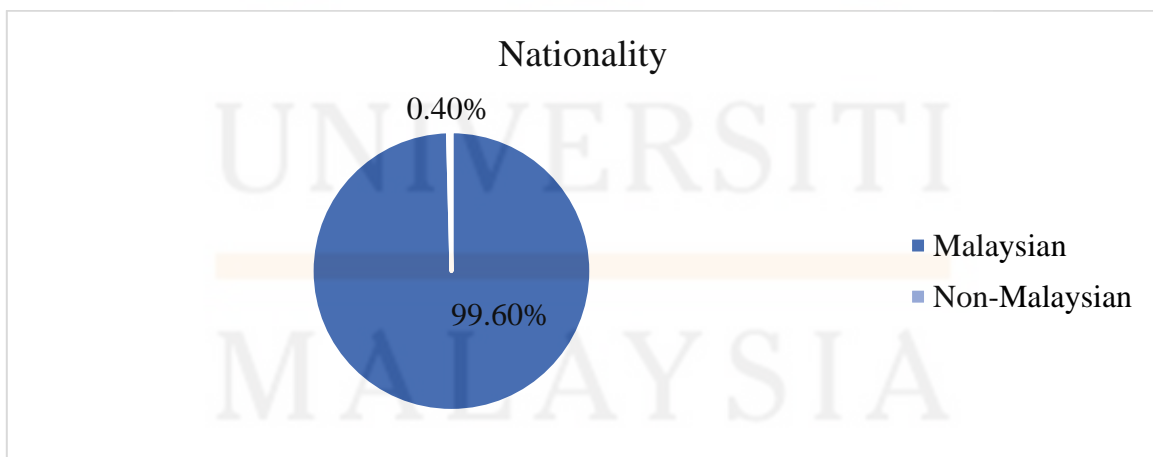
**4.3.2 DEMOGRAPHIC BASED ON GENDER**



*Figure 4.3.2: Demographic Based on Gender*

Figure 4.3.2 shows demographic respondents based on gender. The pie chart shows that the majority of female respondents are 75.4% (196 respondents). Meanwhile, the minority respondents are men, which is 24.6% (64 respondents). This difference shows that the average SAB students in UMK consist of female students.

**4.3.3 DEMOGRAPHIC BASED ON NATIONALITY**



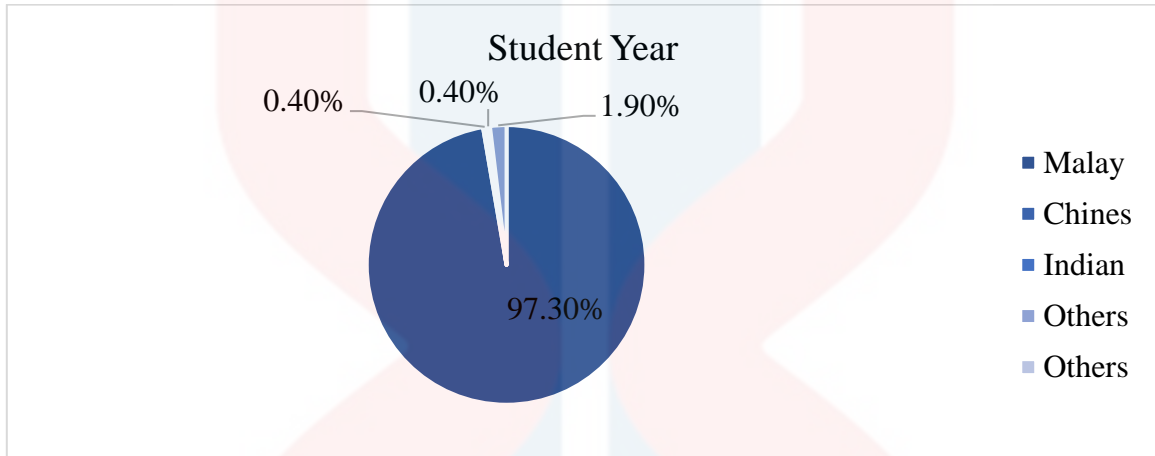
*Figure 4.3.3: Demographic Based on Nationality*

Figure 4.3.3 shows demographic respondents based on nationality. The pie chart shows the percentage of SAB students in UMK, Malaysian citizens, comprising 259 respondents



(99.6%). Meanwhile, only 0.4%, 1 respondent, is a student from abroad, not a Malaysian citizen.

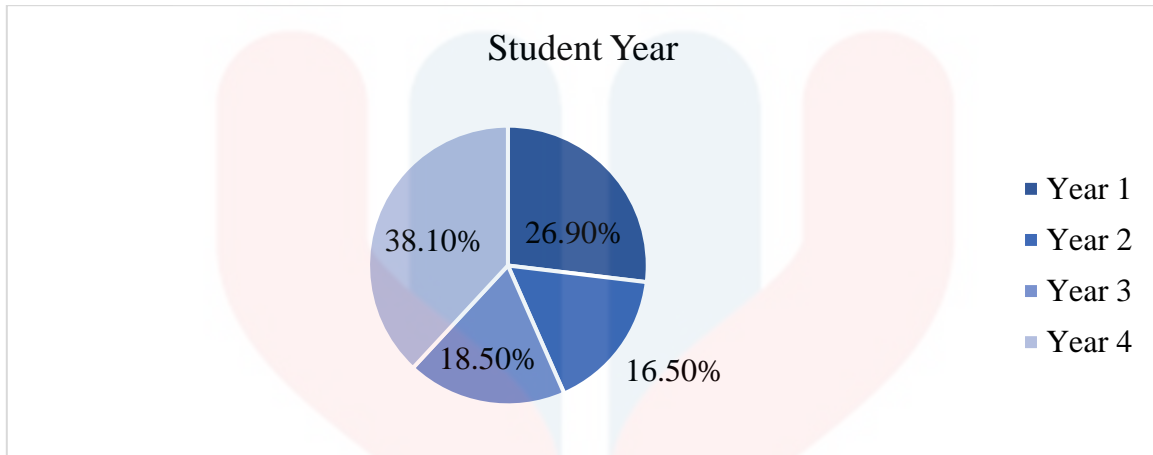
**4.3.4 DEMOGRAPHIC BASED ON RACE**



*Figure 4.3.4: Demographic Based on Race*

Figure 4.3.4 shows demographic respondents based on race. Only 1 respondent (0.4%) represented the Chinese and Indian races, while the rest (1.9%) were from other races. The pie chart shows that most SAB students in UMK respondents are from a Malay background, which is 253 respondents (97.3%). It is because the SAB program itself is based on Islam. The average Malay-Muslim student is confident and more interested in learning the subjects offered by the SAB program itself.

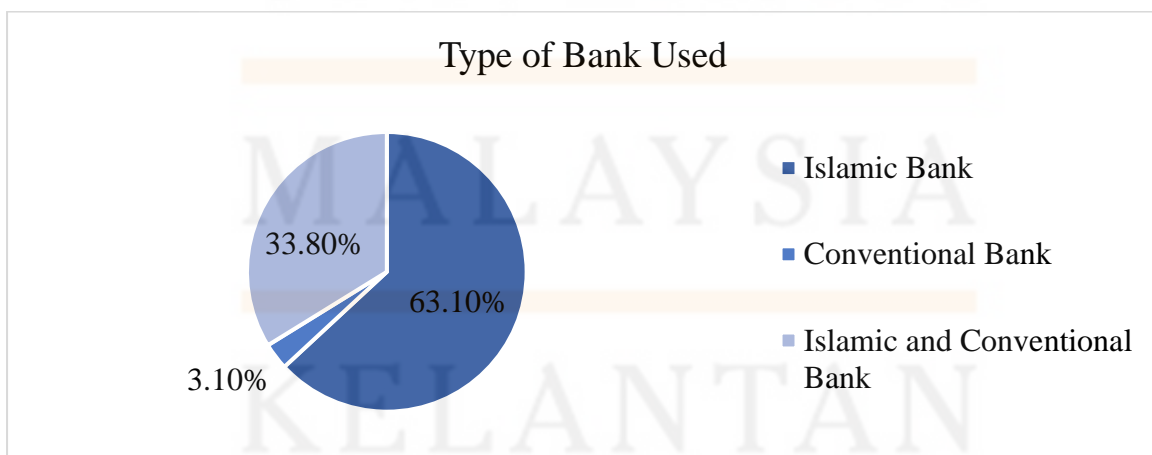
**4.3.5 DEMOGRAPHIC BASED ON STUDENTS YEAR**



*Figure 4.3.5: Demographic Based on Students Year*

Figure 4.3.5 shows demographic respondents based on students' years. Most respondents who answered this online survey were SAB students in UMK from the fourth year, that is, 99 respondents (38.1%), followed by first-year students, 70 respondents (26.9%), and third-year students, 48 respondents (18.5%). Second-year students are a minority of 43 respondents (16.5%). The number of respondents from year 4 is more than the others because they are more aware of this survey's online dissemination than respondents from other years.

**4.3.5 DEMOGRAPHIC BASED ON TYPE OF BANKING USED**



*Figure 4.3.6: Demographic Based on Type of Banking Used*

Figure 4.3.6 shows demographic respondents based on the type of banking used. Based on the pie chart above, the number of respondents who use Islamic banking is 63.10% compared to conventional banking (3.10%). The rest use both types of banking, which is 33.80%.

#### 4.4 DESCRIPTIVE ANALYSIS

It is to find out “The factors influencing customer’s perception towards IBF among SAB students in UMK.” for the descriptive analysis, the researchers used the mean and standard deviation for every section of the dependent variable and independent variables. From the analysis, the researcher compared the mean between the dependent variable and independent variable for every question. Then, the researcher will find the answer which strongly agreed with the respondent and disagreed. The responses are scaled by using the Likert scale, where 1= Strongly disagrees, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly agree.

*Table 4.4: The Level of Means*

Level	Means
4.01-5.00	Strongly Agree
3.01-4.00	Agree
2.01-3.00	Neutral
1.01-2.00	Disagree
0.00-1.00	Strongly Disagree

## 4.4.1 CUSTOMER'S PERCEPTION TOWARDS IBF

Table 4.4.1: DV (Customer Perception Towards IBF)

Descriptive Statistics					
	N	Min	Max	Mean	Std. Deviation
1. IBF effectively market their products.	260	1	5	4.22	.798
2. IBF are more ethical in carrying out their responsibilities.	260	1	5	4.32	.807
3. IBF has quality products and services.	260	1	5	4.30	.798
4. IBF provide detail information on its product.	260	1	5	4.28	.766
5. IBF are not compete for profit.	260	1	5	3.93	1.052
6. IBF provide lower costs of products and services.	260	1	5	3.96	.958
7. IBF do not charge additional charges to borrowers.	260	1	5	3.93	1.030
8. Knowledge of the Islamic banking system influences customer perception.	260	1	5	4.33	.770
Valid N (listwise)	260				

Sources develop from research

**4.4.2 SOCIAL INFLUENCE**

Table 4.4.1 above shows the analysis for the mean, standard deviation, minimum and maximum scale of the dependent variable, which is customer’s perception. The highest mean was question 8, which is 4.33, where the respondents strongly agree that knowledge of the Islamic banking system influences customer perception. The lowest mean was questions 5 & 7, which both mean is 3.93, where the respondents agree that IBF is not competing for for-profit and IBF does not charge additional charges to borrowers.

*Table 4.4.2: IV (Social Influence)*

<b>Descriptive Statistics</b>					
	N	Min	Max	Mean	Std. Deviation
1. The banking that I used provides information on IBF.	260	1	5	4.23	.869
2. Satisfaction and feedback received by people surrounding influenced me to use IBF.	260	1	5	4.27	.860
3. The subjects offered at university influenced me to use IBF.	260	1	5	4.34	.830
4. Family who are customers of Islamic banking encouraged me to use it.	260	1	5	4.21	.949
5. Close people who are customers of Islamic banking encouraged me to use it.	260	1	5	4.13	.933
6. The public who uses Islamic financial products encourage me to use it.	260	1	5	4.06	.981

7. My family and I prefer Islamic financial services because it have many advantages compared to conventional banking.	260	1	5	4.18	.887
8. Most of my friends/colleagues who have taken IBF agreed that it is better than conventional.	260	1	5	4.20	.854
Valid N (listwise)	260				

Sources developed from research

Table 4.4.2 above shows the analysis for the mean, standard deviation, minimum and maximum scale of the independent variable, which is social influence. The highest mean was question 3, at the level of 4.34, where the respondents strongly agreed that the bank they used provides information on IBF. The lowest was question 6, which had a mean shown at the level of 4.06, where the respondents also strongly agreed with the public who uses Islamic financial products and encouraged them to use it.

#### 4.4.3 RELIGIOSITY

Table 4.4.3: IV (Religiosity)

Descriptive Statistics					
	N	Min	Max	Mean	Std. Deviation
1. By obeying Islamic command, I can distinguish between halal and haram product based on Shariah.	260	1	5	4.54	.747

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2. Awareness of religion can influence me to use the Islamic financial system.	260	1	5	4.48	.763
3. I understand the concept of usury which is prohibited in IBF systems.	260	1	5	4.46	.767
4. I understand the concept of uncertainty which is prohibited in IBF systems.	260	1	5	4.42	.774
5. I understand the concept of gambling which is prohibited in IBF.	260	1	5	4.46	.787
6. I like to use Islamic banking because it is a legal financial transaction in Islam.	260	1	5	4.51	.753
7. The IBF system can be used for non-muslim.	260	1	5	4.43	.790
8. The IBF system operate in compliance with the Islamic Shariah.	260	1	5	4.46	.768
Valid N (listwise)	260				

Sources develop from the research

Table 4.4.3 analyzes the independent variable's mean, standard deviation, minimum and maximum scale, and religiosity. The highest mean was question 1, which is 4.54, where the respondents strongly agree that by obeying Islamic commands, they can distinguish between halal and haram products based on Shariah. The lowest mean was question 4, which is 4.42, where the respondents also strongly agree that they understand the concept of uncertainty which is prohibited in the IBF system.

**4.4.4 PERCEIVED RISK***Table 4.4.4: IV (Perceived Risk)*

<b>Descriptive Statistics</b>					
	N	Min	Max	Mean	Std. Deviation
1. The use of Islamic financial products made me aware of the risks that would be faced.	260	1	5	4.20	.873
2. Rumours of IBF on social media made me aware of financial risk.	260	1	5	4.21	.864
3. The financial management problems spread on social media encouraged me to be aware of financial risks.	260	1	5	4.33	.803
4. I know by using IBF can avoid financial loss.	260	1	5	4.12	.888
5. I need to have knowledge about information technology to reduce financial risk.	260	1	5	4.31	.828
6. I use IBF because it has low risk compared to conventional.	260	1	5	4.21	.903
7. Customer trust can be built when IBF can manage risk more efficiently.	260	1	5	4.37	.773



8. Islamic banking are more concerned with risk awareness than conventional banking.	260	1	5	4.23	.871
Valid N (listwise)	260				

Sources develop from research

Table 4.4.4 above shows the analysis for the independent variable's mean, standard deviation, minimum and maximum scale, and perceived risk. The lowest mean was question 4, which is 4.12, where the respondents also strongly agree that using IBF can avoid financial loss. The highest mean was question 7, which 4.37, where the respondents are strongly agreed with the statement customer trust can be built when IBF can manage risk more efficiently.

#### 4.4.5 PERCEIVED IMAGE

Table 4.4.5: IV (Perceived Image)

Descriptive Statistics					
	N	Min	Max	Mean	Std. Deviation
1. I am aware IBF have a good name in the banking industry.	260	1	5	4.38	.814
2. I am aware Islamic financial system has an impressive reputation in the community.	260	1	5	4.36	.785
3. I am aware Islamic financial system evaluated positively in the eyes of the community.	260	1	5	4.33	.799

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4. I want to use Islamic products due to the honesty principle.	260	1	5	4.37	.783
5. Image is a determinant of customer loyalty towards IBF.	260	1	5	4.33	.822
6. An honest image builds customer confidence in banking and institutions.	260	1	5	4.40	.782
7. A good or bad image can influence the customer's perception in making decision on Islamic banking.	260	1	5	4.38	.759
8. An ethical image can influence customers the intention in using IBF.	260	1	5	4.39	.746
Valid N (listwise)	260				

Sources develop from research

Table 4.4.5 above shows the analysis of the independent variable's mean, standard deviation, and minimum and maximum scale, which is the perceived image. The highest mean was question 6, which is 4.40, where the respondents strongly agree that an honest image builds customer's confidence in banking and institutions. The lowest mean was questions 3 & 5, which both mean is 4.33. The respondents also strongly agree that they are aware Islamic financial system is evaluated positively in the eyes of the community and image is a determinant of customer's loyalty towards IBF.

#### 4.5 VALIDITY AND RELIABILITY TEST

The reliability coefficient measured the variability in the study data obtained. Cronbach's alpha coefficient is one of the most used indicators in quantitative research. Following Farahiyah Nawi et al. (2020), one of the most crucial components of test quality is the reliability test, which is concerned with the repeatability, consistency, or an examinee's performance on the test. Alternately, Farahiyah Nawi et al. (2020), also noted how for the exploratory phase, the researcher must check on the instrument's validity because a test must also be valid for it to be trustworthy. The following tables outline Alain et al. (2020), general Cronbach's Alpha Coefficient Range.

Internal consistency dependability of the item is increased by the value's proximity to 1. It showed the range of alpha coefficients for reliability analysis in table 4.5. According to Alain et al. (2020) values of 0.4 and lower were deemed undesirable, whereas values of 0.9 and higher were considered highly dependable.

*Table 4.5: The Rules of Thumb About Cronbach's Alpha Coefficient Size*

<b>Alpha Coefficient Range</b>	<b>Strength of Association</b>
<b>&lt; 0.6</b>	Poor
<b>0.6 to &lt; 0.7</b>	Moderate
<b>0.7 to &lt; 0.8</b>	Good
<b>0.8 to &lt; 0.9</b>	Very Good
<b>0.9 &gt;</b>	Excellent

Source: Sarstedt et al. (2017)

**4.5.1 RELIABILITY RESULT FOR CUSTOMER’S PERCEPTION TOWARDS IBF, SOCIAL INFLUENCE, RELIGIOSITY, PERCEIVED RISK AND PERCEIVED IMAGE**

*Table 4.5.1.1: Reliability Test for The DV (Customer’s Perception Toward IBF)*

<b>Reliability Statistics</b>		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.918	.923	8

Sarstedt (2017), the rules of thumb Cronbach’s Alpha coefficient from table 4.5.1.1 can be concluded that to coefficient alpha for the dependent variable was 0.918. This showed that the consistency and stability of 0.918 were excellent. As a result, the test was reliable for furthering the questionnaire. Asked eight questions about customer’s perceptions towards IBF. In short, this test demonstrated that respondents understood and correctly answered all the questions.

*Table 4.5.1.2: Reliability Test for The IV (Social Influence)*

<b>Reliability Statistics</b>		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.932	.932	8

According to Sarstedt et al. (2017), the general guidelines for Cronbach's Alpha coefficient can infer from table 4.5.1.2 that the dependent variable's alpha coefficient was

0.932. This demonstrated that 0.932 consistency and stability were excellent. Because of this, the test was trustworthy for use with the questionnaire. Regarding social influence, there were eight questions. In essence, this test proved that the participants comprehended and accurately responded to every question.

*Table 4.5.1.3: Reliability Test for The IV (Religiosity)*

<b>Reliability Statistics</b>		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.951	.951	8

Sarstedt et al. (2017), to the general guidelines for Cronbach's Alpha coefficient, it may infer from Table 4.5.1.3 that the coefficient alpha for the dependent variable was 0.951. This demonstrated the high consistency and stability of 0.951. Because of this, the test was trustworthy for use with the questionnaire. Regarding religiosity, posed eight questions. In essence, this test proved that the participants comprehended and accurately responded to every question

*Table 4.5.1.4: Reliability Test for The IV (Perceived Risk)*

<b>Reliability Statistics</b>		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.941	.942	8

According to Sarstedt et al. (2017), to the rules of thumb, Cronbach's Alpha coefficient from Table 4.5.1.4 means that the coefficient alpha for the dependent variable was 0.941. This

showed that the consistency and stability of 0.941 were excellent. As a result, the test was reliable for furthering the questionnaire. The researcher asked eight questions about perceived risk. In short, this test demonstrated that respondents understood and correctly answered all of the questions

*Table 4.5.1.5: Reliability Test for The IV (Perceived Image)*

<b>Reliability Statistics</b>		
<b>Cronbach's Alpha</b>	<b>Cronbach's Alpha Based on Standardized Items</b>	<b>N of Items</b>
.964	.964	8

Table 4.5.1.5 shows that the dependent variable's Cronbach's Alpha coefficient was 0.964, following general guidelines Sarstedt et al., (2017). This demonstrated the outstanding consistency and stability of 0.964. Because of this, the test was trustworthy for use with the questionnaire. Regarding the perceived image, posed eight questions. This test proved that the participants comprehended and accurately responded to every question.

#### **4.6 NORMALITY TEST**

A normality test is a technique used to ascertain whether the data set is modelled for a normal distribution and assess the normality hypothesis's validity. This is to determine whether the research's data has a normal distribution or not. Histograms and normality plots are two examples of graphical approaches. In statistics, the researcher can use the presence of skewness and excess kurtosis to check for normality. The data set is said to be non-normal if the skewness does not decrease toward zero. The researcher concentrated on the Kolmogorov-Smirnov and

Shapiro-Wilk approaches, looking at the significant value = p to ensure this hypothesis was normal. If the p-value is more than 0.05 or less than 0.05, a significant value is indicated.

According to table 4.6, Kolmogorov-Smirnov and Shapiro-Wilk demonstrate that the p-value for the four hypotheses with 0.05 or less is insignificant based on the normality test. As a result of the hypothesized p-value of  $p=0.000$ ,  $p<0.05$ , hypotheses cease to be normal. As a result, the data acquired can be categorized as non-normality data, and the researcher tests their hypothesis using Spearman's test method.

Table 4.6: Normality Test

	Tests of Normality					
	Kolmogorov-Smirnov			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Customer's perception towards IBF	.129	260	.000	.903	260	.000
Social influence	.153	260	.000	.870	260	.000
Religiosity	.213	260	.000	.764	260	.000
Perceived risk	.147	260	.000	.868	260	.000
Perceived image	.184	260	.000	.802	260	.000

a. Lilliefors Significance Correction

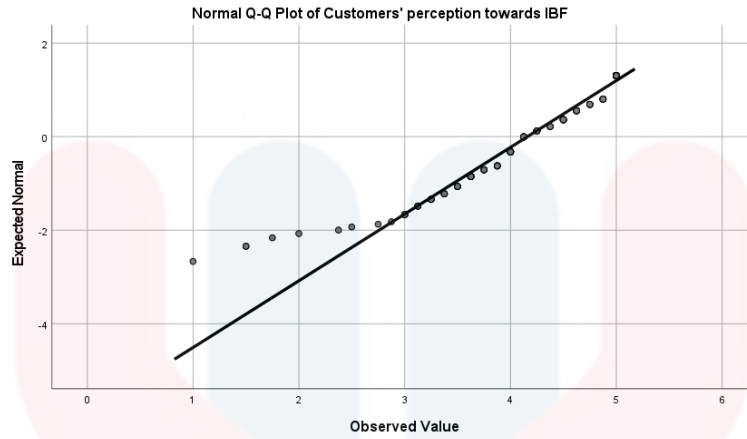


Figure 4.6.1: Normal Q-Q Plot of Mean of Social Influence

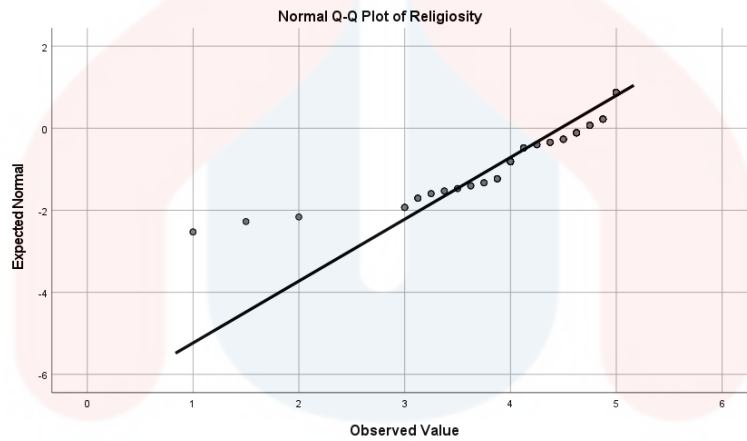


Figure 4.6.2: Normal Q-Q Plot of Mean Religiosity

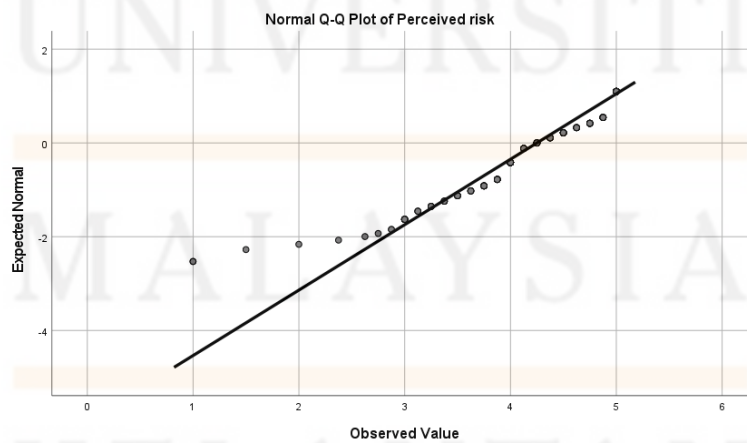


Figure 4.6.3: Normal Q-Q Plot of Mean Perceived Risk



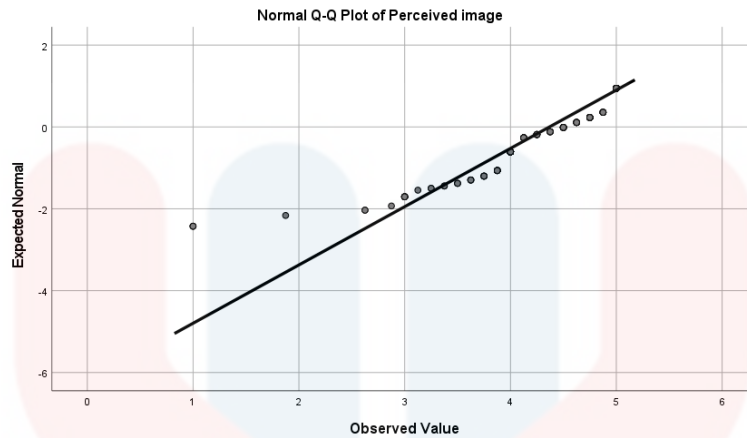


Figure 4.6.4: Normal Q-Q Plot of Mean Perceived Image

#### 4.7 HYPOTHESES TESTING

Based on the information obtained from the collection of the completed questionnaires, the researcher employed Spearman's correlation to analyze the relationship between the dependent and independent variables. Due to the significant result (p-value) of 0.000, which indicates that the data acquired is not normal, this correlation has been used to test the existing hypotheses. Spearman's correlation essentially displays a range between  $\pm 1$  and 0, by Mohammad et al. (2018). A range around 1 denotes a significant correlation between the variables, while 0 denotes no correlation. The rules thumb approach to calculating the correlation between two variables and their interpretation is shown in the table below.

Table 4.7: The Rules of Thumb for Interpreting Spearman's Correlation

Size of Correlation	Interpretation
$\pm 0.00$ to $0.30$	Negligible correlation
$\pm 0.30$ to $0.50$	Low positive/negative correlation
$\pm 0.50$ to $0.70$	Moderate positive/negative correlation

$\pm 0.70$ to $0.90$	High positive/negative correlation
$\pm 0.90$ to $1.00$	Very high positive/negative correlation

#### 4.7.1 HYPOTHESIS 1

**H1: There is a positive relationship between social influence and customer's perception towards IBF among SAB students in UMK.**

Correlation				
			Customer's perception towards IBF	Social influence
Spearman's rho	Customer's perception towards IBF	Correlation Coefficient	1.000	.796**
		Sig. (1-tailed)		.000
		N	260	260
		Correlation Coefficient	.796**	1.000
	Social influence	Sig. (1-tailed)	.000	
		N	260	260

\*\* . Correlation is significant at the 0.01 level (1-tailed).

The relationship between social influence and customer's perception towards IBF is depicted in the table above. The findings demonstrate that social influence has a strong positive link with customer's perception of IBF, with an  $r = 0.796$  and  $p$ -values of ( $p = 0.000, p < 0.05$ ). Therefore, it is possible to conclude that social influence and customer's perception towards IBF among SAB students in UMK are positively correlated.

**4.7.2 HYPOTHESIS 2**

**H2: There is a positive relationship between religiosity and customer’s perception towards IBF among SAB students in UMK.**

Correlation				
			Customer’s perception towards IBF	Religiosity
Spearman’s rho	Customer’s perception towards IBF	Correlation Coefficient	1.000	.694**
		Sig. (1-tailed)		.000
		N	260	260
		Religiosity	Correlation Coefficient	.694**
		Sig. (1-tailed)	.000	
		N	260	260

\*\* . Correlation is significant at the 0.01 level (1-tailed).

The association between religiosity and customer’s perception towards IBF is depicted in the table above. According to the findings, there is moderate positive correlation between religiosity and customer’s perception towards IBF, that is  $r = 0.694$  with a p-value of ( $p = 0.000, p < 0.05$ ). Thus, it can be concluded that among SAB students in UMK, there is a favourable correlation between religion and customer’s perception towards IBF.

**4.7.3 HYPOTHESIS 3**

**H3: There is a positive relationship between perceived risk and customer’s perception towards IBF among SAB students in UMK.**

Correlation				
			Customer’s perception towards IBF	Perceived risk
Spearman’s rho	Customer’s perception towards IBF	Correlation Coefficient	1.000	.716**
		Sig. (1-tailed)		.000
		N	260	260
		Perceived risk	Correlation Coefficient	.716**
		Sig. (1-tailed)	.000	
		N	260	260

\*\* . Correlation is significant at the 0.01 level (1-tailed).

The relationship between perceived risk and customer’s perception towards IBF is depicted in the table above. The findings demonstrate that perceived risk high positively correlates with customer’s perceptions towards IBF,  $r = 0.716$  ( $p = 0.000$ ,  $p < 0.05$ ). Thus, it can be concluded that among SAB students in UMK, perceived risk and customer’s perception towards IBF are positively correlated.

**4.7.4 HYPOTHESIS 4**

**H4: There is a positive relationship between perceived image and customer’s perception towards IBF among SAB students in UMK.**

Correlation				
			Customer’s perception towards IBF	Social influence
Spearman’s rho	Customer’s perception towards IBF	Correlation Coefficient	1.000	.677**
		Sig. (1-tailed)		.000
		N	260	260
		Perceived Image	Correlation Coefficient	.677**
		Sig. (1-tailed)	.000	
		N	260	260

\*\* . Correlation is significant at the 0.01 level (1-tailed).

The relationship between perceived image and customer’s perception towards IBF is depicted in the table above. The findings indicate moderate positive relationship between perceived image and customer’s perceptions towards IBF, or  $r=0.677$  with a p-value of ( $p = 0.000, p < 0.05$ ). Thus, it can be concluded that among SAB students in UMK, there is a positive correlation between perceived image and customer’s perception towards IBF.

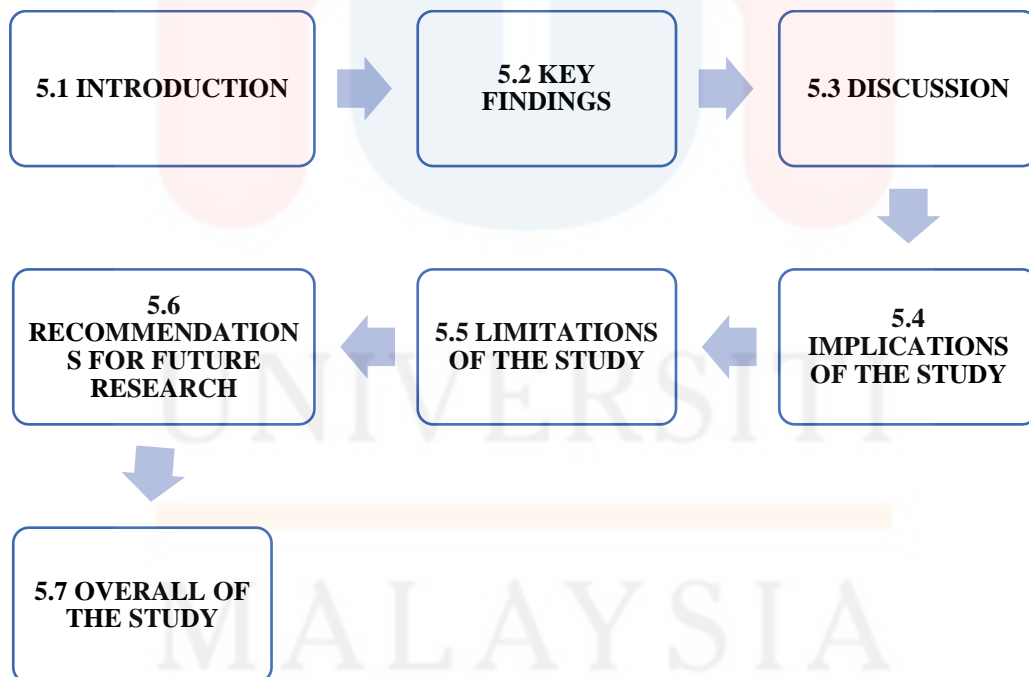
#### 4.8 CHAPTER SUMMARY

This chapter has discussed data analysis based on questionnaires received from respondents. We chose 260 students from years one through four of the Islamic Banking and Finance (SAB) program to participate in this study, guided by Krejcie & Morgan (1970). The researcher gave respondents questionnaires via social media sites like WhatsApp. Following input from the respondents, the researcher used SPSS to evaluate the data, which revealed that all the study's variables were acceptable based on the reliability and validity analysis that was carried out. In addition, researchers analyze data using mean, frequency table, correlation, and regression analysis. Demographic information is the respondent's background, the normality test to determine the method used in this study, which is Spearman, also the belief to determine the factors that influence the customer's perception towards IBF among SAB students in UMK, which consists of social influence factors, religion, perceived risk, and perceived image. In this study, the hypothesis shows a positive relationship based on the results of correlation analysis. Overall, statistical analysis has aided in achieving this study's goals.

**CHAPTER 5: DISCUSSION AND CONCLUSION**

**5.1 INTRODUCTION**

Chapter 5 explains the discussion and conclusions from the data analysis and results in the previous chapter. This chapter also discusses the analysis of data generated for IV (social influence, religiosity, perceived risk, and perceived image) also DV (customer’s perception towards IBF). Next, this study explains the researcher's main findings to answer the research questions and research objectives. Furthermore, the researcher explains the study's findings in more depth in the discussion section to answer and evaluate the study's results, along with support from previous studies. Finally, the researcher explains the study's implications, limitations, and recommendations in this section.



*Figure 5.1: The Key Components for Chapter 5*

## 5.2 KEY FINDINGS

To see the factors influencing customer's perception towards IBF, the researcher conducted a study on 260 respondents, students from SAB program studying at UMK. Data is taken from an online survey (Google Form) that is distributed and has been run through IBM SPSS Statistics version 26.

The results obtained from the study show demographics, that is, respondent information such as age, gender, nationality, race, students year, and the type of banking used. The results of the study found that the most frequent respondents to the survey were 23 years old, female, Malaysian, Malay, and fourth year students and only used Islamic banking. As for the descriptive part involving variables, the mean for religiosity (4.37) is the highest, while the mean for customer's perception towards IBF (4.16) is the lowest. However, the mean gap between the variables does not show a major difference.

Next, the researcher found that the results of reliability statistics show all five variables are very reliable, with Cronbach's Alpha of 0.948 for each variable. The researcher used Kolmogorov-Smirnov to test the normality of the five variables, but the results showed no significance ( $p > 0.05$ ). Hence, the researcher used Spearman's correlation to see the relationship between DV (customer's perception towards IBF) and IV (social influence, religiosity, risk perception, and perceived image). The results found social influence, religiosity, perceived risk, and perceived image have a positive relationship with customer's perception towards IBF among SAB students in UMK.



Table 5.2: Summary of Hypotheses Testing

Hypothesis	Correlation	Result
H1	Social influence has a high positive correlation with customer's perception towards IBF. $r = 0.796, p = 0.000$	Accepted
H2	Religiosity has a moderate positive correlation with customer's perception towards IBF. $r = 0.694, p = 0.000$	Accepted
H3	Perceived risk has a high positive correlation with customer's perception towards IBF. $r = 0.716, p = 0.000$	Accepted
H4	Perceived image has a moderate positive correlation with customer's perception towards IBF $r = 0.677, p = 0.000$	Accepted

### 5.3 DISCUSSION

The study conducted is to test the factors influencing customer perception towards IBF among SAB students in UMK. 260 respondents consisting of students from the first year to the fourth year from the SAB program have given feedback through the questionnaire on this study. Also, this study aims to determine the connections between IV (social influence, religion, perceived risk, and perceived image), which will significantly impact how SAB students see IBF in UMK.

Next, for this study, the researcher uses research tools like online questionnaires to gather data. The researchers used IBM SPSS Statistic version 26 for the data analysis techniques to find the frequency and descriptive reliability, test normality, and use Spearman's correlation coefficient for the hypothesis. The Cronbach's alpha coefficient's significant findings have demonstrated that the study's goal has been met.

### 5.3.1 HYPOTHESIS 1

**H1: There is a positive relationship between social influence and customer's perception towards IBF among SAB students in UMK.**

This study aims to determine the factors influencing customer's perception towards IBF among SAB students in UMK. The researchers applied the alpha coefficient in determining each independent variable's effectiveness and Spearman's correlation between studying users' perceptions towards IBF. Table 4.7.1 in chapter 4 indicates that the alpha coefficient of social influence with customer's perception towards IBF is  $r=0.796$ , resulting in a positive connection and excellent stability according to the Cronbach alpha study (Taber, 2018). This positive quality relationship shows that the social influence factor is considered an important determinant that can influence the user's perception towards IBF. Bashir (2019), explained that social influence could shape the viewpoint of individuals or customers concerning Islamic banking. When the products and services offered by IBF suit the customer's social circles, it will encourage customers to develop a better attitude. Therefore, the significant positive quality relationship between the variables supports H1. There is a significant relationship between the effectiveness of social influence and customer's perception towards IBF among SAB students in UMK. This study supports previous studies by (Ambreen et al., 2020).

### 5.3.2 HYPOTHESIS 2

**H2: There is a positive relationship between religiosity and customer's perception towards IBF among SAB students in UMK.**

Table 4.7.2 found that the alpha coefficient for religiosity and customer's perception towards IBF is  $r=0.694$ , which has a positive connection and is quite reasonable according to the Cronbach alpha study (Taber, 2018). A moderate positive relationship shows that the religious factor is considered important that can influence the user's perception towards IBF. Previous studies using Islamic banking support this finding; religion affects customers because it is the most important belief (Kaakeh et al., 2018). Empirically, a moderate positive relationship shows that the products and services suggested by Islamic banking comply with *Shariah*, which can motivate Muslims to accept Islamic banking. The higher the religious beliefs of Muslims, the greater the chance of Islamic banking becoming an option in the future. Therefore, the significant positive moderate relationship between the variables supports H2. There is a significant relationship between the effectiveness of social influence and customer's perception towards IBF among SAB students in UMK. This finding is consistent with previous studies (Bashir, 2019).

### 5.3.3 HYPOTHESIS 3

**H3: There is a positive relationship between perceived risk and customer's perception towards IBF among SAB students in UMK.**

In table 4.7.3 in chapter 4, the researchers summarize that the alpha coefficient for perceived risk and customer's perception towards IBF is  $r=0.716$ , which has a positive connection and excellent stability according to the Cronbach alpha study by (Taber, 2018). This positive quality relationship shows that the social influence factor is considered a vital determinant that can affect the user's perception of IBF. The study by Charag et al. (2019)

explained that perceived risk could affect customer's behavioural intentions in using Islamic banking. This is closely related to customer trust in Islamic banking institutions. When Islamic banking and finance can manage financial risk better and more efficiently, the bond between the customer and the banking can be built. The study of Albashir et al. (2017), shows that the customer's perception of risk plays a big part, especially in the context of the use of Islamic banking. Therefore, a significant positive quality relationship between the variables supports H3, which is that there is a significant relationship between the effectiveness of perceived risk with customer's perception towards IBF among SAB students in UMK.

#### **5.3.4 HYPOTHESIS 4**

**H4: There is a positive relationship between perceived image and customer's perception towards IBF among SAB students in UMK.**

Lastly, table 4.7.4 in chapter 4 expresses that the alpha coefficient for perceived image and customer's perception towards IBF is  $r=0.677$ , which has a positive connection and is quite reasonable according to the Cronbach alpha study by (Taber, 2018). This moderately positive relationship shows that the factor perceived image is considered necessary, which can influence the user's perception towards IBF. This finding can support previous research where the perceived image is one of the useful ways to describe an image in business (Shabbir et al., 2018). An image is a psychological aspect built through the conscious mind of users and experiences, which can influence users in making decisions primarily related to Islamic banking offers to customers. The positive effects of Islamic banking make the business's reputation positive. Hence, the significant positive moderate relationship along with the variables supports H4, and there is a significant relationship between the effectiveness of perceived image with customer's perception towards IBF among SAB students in UMK. This

finding is consistent with a previous study by Latif et al., (2021), which indicates that image perception is a priority for consumers to choose and be loyal to IBF products and services.

#### **5.4 IMPLICATIONS OF THE STUDY**

The research conducted had an impact, especially in the area related to Islamic banking institutions, that will help researchers in the time ahead. The implications can be seen from this research to support previous research on the factors that influence customer's perceptions of IBF. Thus, it functions well as a reference in future research.

The first implication of this research is to be able to provide more detailed knowledge and information among students, especially about the factors that affect customer's perception towards IBF. This is because it is essential as students to manage finances systematically and well based on a correct and reliable system, especially for Muslims. Systematic financial management must be guided by the rules set to form a commendable character. Students are the people who will lead in the future. This study of customer's perception towards IBF, it can help students know several factors that can influence customers to choose IBF. Moreover, it can also help change the perception of some parties still sceptical of the Islamic financial system, who lack exposure and knowledge regarding IBF.

Next, for stakeholders in operating IBF. As responsible parties, they must provide products and services based on Islam to maintain the reputation and image of the Islamic Financial system. This can influence customers to accept the Islamic financial system, especially non-Muslim customers. With the factors that influence the customer's perception of IBF, it can improve the system based on religious law.

Finally, future researchers can use this research that has been conducted as a guide and reference to help their research. This study can help the researcher get or add new ideas that

the researcher can accept. In addition, it can be used as evidence to strengthen arguments and explanations for them by showing that previous researchers have done this study.

### **5.5 LIMITATIONS OF THE STUDY**

As we conducted our research study, the researchers found that there were limitations that occurred in our research study. The researcher can use online surveys and interviews to collect the data for future research. The lack of data collection is the most significant limitation because the researchers only use online surveys as their data collection method. Due to that, it is difficult for there to measure the truth of the answers given by the respondents. In addition, online surveys take a long time because they need to give respondents time to answer the questions. Furthermore, some respondents experience technical problems, such as needing internet access to answer the online survey.

Furthermore, the researcher's constraint is in terms of the respondents themselves. Their respondents are university students majoring in IBF from the first to the fourth year. Therefore, most students who responded to the online survey are fourth-year students because the researchers do not know junior students due to the learning sessions that took place entirely online due to the pandemic. In the future, researchers can make all university students respondents to their study.

Narrow and specific studies focus only on a small population at one university. The required information needs to be more diverse, causing the data to be uneven. The sample size in this study is 260 respondents, which is considered a small size. For future studies, researchers can connect respondents from various universities.

Finally, the demographic variables in this study are limited to six variables. Futurology and futurism can include more demographic variables, one at a time to obtain a complete profile of respondents. Also, it is better to comprehensively overview Muslims and non-Muslims in Malaysia. It is suitable for a sample that includes professionals, such as bankers and other working-class people.

### **5.6 RECOMMENDATIONS FOR FUTURE RESEARCH**

For suggestion, this project would be more quality with help from experts and organizations related to the research. Stakeholders such as banking officers are more knowledgeable about this research topic. Their opinions and thoughts are different from the researcher, also students. Furthermore, using both data collection methods, online surveys and face-to-face interviews, is better. The honesty of the answers from the respondents is easier to assess by using the face-to-face interview method. In addition, opinions and improvements from the respondents themselves can help the researchers improve their research. Moreover, online surveys can also be additional data for this research study.

Most of the online survey respondents are Malay students who use Islamic banking only. However, researchers also need views and feedback from students of other nations and those who use conventional banking. Therefore, their views must differ from those who only use Islamic banking. Furthermore, additional time in collecting data and finding respondents can help researchers. They can make a comparison between the two banking, which are Islamic and conventional banking, and which one is better from various angles. It helps researchers because they will also get additional information for their research study and learn something new.

This work uses a loose analytical approach that allows researchers to define and explore the cause and effect of their variables, providing end users with high-quality research results for reference. Depending on the research objectives of the report, the target respondents should be determined in advance. Potential researchers are encouraged to categorize target participants during data collection to facilitate the process.

When conducting this study, it is also essential to keep in mind that the scope of this study is limited to perception, understanding, awareness, and demographic factors of Islamic banking among selected students from UMK. That is why the researchers suggest possible areas of research on Muslim and non-Muslim satisfaction with Islamic banking products and services and their selection criteria. This means that satisfaction leads to higher support for Islamic banking, thereby, knowledge of selection criteria. Islamic banking can put more effort into these criteria to attract more customers. It is because of societies with different perceptions of Islamic banking's products and services.



## 5.7 OVERALL OF THE STUDY

To conclude, the research was conducted to determine factors influencing customer's perception towards IBF among students from the SAB program in UMK. To obtain this data, an online survey (Google Form) was distributed, and a sum 260 respondents was involved in this research. Next, the researchers analyzed data using IBM SPSS Statistic version 26. Using the data system, the researcher conducted the preliminary analysis, descriptive analysis, validity and reliability test, normality test, and hypothesis testing. The outcome of the reliability test found that values for each question distributed were good and acceptable for the variables used. Although the normality test shows that the distributed data is not normal, the hypothesis found that IV (social influence, religiosity, perceived risk, and perceived image) has a positive relationship and can influence DV, that is, customer's perception towards IBF among SAB students in UMK. So, all four hypotheses were accepted. Although there are areas for improvement in this study, such as this study does not examine in more depth the services and products produced by IBF itself, the future researcher will be able to examine better is the hope from us as the researcher. A clear picture of the stakeholders can be provided for the IBF industry to manage this industry more efficiently and effectively. It can be an information source for new researchers to conduct thorough research on IBF.

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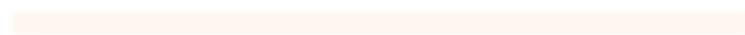
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APPENDIX A

1.1 QUESTIONNAIRE

SECTION A: DEMOGRAPHIC RESPONDENT

Profile of Respondent	Items	Tick
Age	<ul style="list-style-type: none"> <li>• 20 years old and below</li> <li>• 21 years old</li> <li>• 22 years old</li> <li>• 23 years old</li> <li>• 24 years old</li> <li>• 25 years old and above</li> </ul>	
Gender	<ul style="list-style-type: none"> <li>• Male</li> <li>• Female</li> </ul>	
Nationality	<ul style="list-style-type: none"> <li>• Malaysian</li> <li>• Non-Malaysian</li> </ul>	
Race	<ul style="list-style-type: none"> <li>• Malay</li> <li>• Chinese</li> <li>• Indian</li> <li>• Others</li> </ul>	
Student Year	<ul style="list-style-type: none"> <li>• Year 1</li> <li>• Year 2</li> <li>• Year 3</li> <li>• Year 4</li> </ul>	
Types of Bank Used	<ul style="list-style-type: none"> <li>• Islamic Bank</li> </ul>	

	<ul style="list-style-type: none"> <li>• Conventional Bank</li> <li>• Islamic and Conventional Bank</li> </ul>	
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**SECTION B & C: INDEPENDENT VARIABLES AND DEPENDENT VARIABLES**

<b>CUSTOMERS' PERCEPTION TOWARDS IBF</b>						
<b>No</b>	<b>Item</b>	<b>Scale</b>				
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>1</b>	IBF effectively market their products					
<b>2</b>	IBF are more ethical in carrying out their responsibilities.					
<b>3</b>	IBF has quality products and services.					
<b>4</b>	IBF provide detail information on its product.					
<b>5</b>	IBF are not compete for profit.					
<b>6</b>	IBF provide lower costs of products and services.					
<b>7</b>	IBF do not charge additional charges to borrowers.					
<b>8</b>	Knowledge of the Islamic banking system influences customer perception.					

<b>SECTION C (SOCIAL INFLUENCE)</b>						
<b>No</b>	<b>Item</b>	<b>Scale</b>				
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>1</b>	The bank that I used provides information on IBF.					

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2	Satisfaction and feedback received by people surrounding influenced me to use IBF.					
3	The subjects offered at university influenced me to use IBF.					
4	Family who are customers of Islamic banks encouraged me to use it.					
5	Close people who are customers of Islamic banks encouraged me to use it.					
6	The public who uses Islamic financial products encourage me to use it.					
7	My family and I prefer Islamic financial services because it has many advantages compares to conventional banks.					
8	Most of my friends/colleagues who have taken IBF agreed that it is better than conventional.					

SECTION C (RELIGIOSITY)						
No	Item	Scale				
		1	2	3	4	5
1	By obeying Islamic command, I can distinguish between halal and haram product based on Shariah.					
2	Awareness of religion can influence me to use the Islamic financial system.					

<b>3</b>	I understand the concept of usury which is prohibited in IBF systems.					
<b>4</b>	I understand the concept of uncertainty which is prohibited in IBF systems.					
<b>5</b>	I understand the concept of gambling which is prohibited in IBF.					
<b>6</b>	I like to use Islamic banking because it is a legal financial transaction in Islam.					
<b>7</b>	The IBF system can be used for non-Muslim.					
<b>8</b>	The IBF system operates in compliance with the Islamic Shariah.					

**SECTION C (PERCEIVED RISK)**

<b>No</b>	<b>Item</b>	<b>Scale</b>				
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>1</b>	The use of Islamic financial products made me aware of the risks that would faced.					
<b>2</b>	Rumors of IBF on social media made me aware of financial risk.					
<b>3</b>	The financial management problems spread on social media encouraged me to be aware of financial risks.					
<b>4</b>	I know by using IBF can avoid financial loss.					
<b>5</b>	I need to have knowledge about information technology to reduce financial risk.					

6	I use IBF because it has low risk compared to conventional.					
7	Customer trust can be built when IBF can manage risk more efficiently.					
8	Islamic banks are more concerned with risk awareness than conventional banks.					

**SECTION C (PERCEIVED IMAGE)**

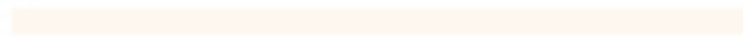
No	Item	Scale				
		1	2	3	4	5
1	I am aware Islamic banks have a good name in the banking industry.					
2	I am aware Islamic financial system has an impressive reputation in the community.					
3	I am aware Islamic financial system evaluated positively in the eyes of the community.					
4	I want to use Islamic products due to the honesty principle.					
5	Image is a determinant of customer loyalty towards IBF.					
6	An honest image builds customer confidence in banks and institutions.					
7	A good or bad image can influence the customer's perception in making decision on Islamic banking.					

8	An ethical image can influence customers the intention in using IBF.					
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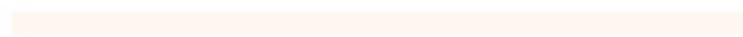
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APPENDIX B – GANTT CHART

**FINAL YEAR PROJECT GANTT CHART**

MONTH	March	April	May	June	July	November	December	January	February
WEEK									
ACTIVITY									
Project Title Selection	█								
Project Research & Finding Journal		█							
Introduction		█							
Literature Review			█						
Research Methodology				█					

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Preparation For Proposal Presentation										
Final Corrections and Amendments										
Collecting Data										
Analyze & Discussion										
Conclusion & Summary										
Preparation For Final Presentation										

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**ASSESSMENT FORM FOR FINAL YEAR RESEARCH PROJECT: RESEARCH REPORT (Weight 50%)  
(COMPLETED BY SUPERVISOR AND EXAMINER)**

Student's Name: NURAI SYAH FITRAH BINTI KHALID  
 Student's Name: NURARIN NATASHA BINTI ABDUL RAHIM  
 Student's Name: NURATIKAH SHOBIRAH BINTI MAT SABL I  
 Student's Name: NURAZLINA BINTI ABDULLAH SANI  
 Name of Supervisor: DR. NURHAIZA BINTI NORDIN Name of Programme: SAB  
 Research Topic: FACTOR INFLUENCING CUSTOMER'S PERCEPTION TOWARDS ISLAMIC BANKING AND FINANCE (IBF) AMONG ISAMIC BANKING AND FINANCE PROGRAM (SAB) STUDENT IN UNIVERSITI MALAYSIA KELANTAN (UMK)

Matric No. A19A0653  
 Matric No. A19A0656  
 Matric No. A19A0658  
 Matric No. A19A0662

NO.	CRITERIA	PERFORMANCE LEVEL				WEIGHT	TOTAL
		POOR (1 MARK)	FAIR (2 MARKS)	GOOD (3 MARKS)	EXCELLENT (4 MARKS)		
1.	<b>Content (10 MARKS)</b> (Research objective and Research Methodology in accordance to comprehensive literature review)  Content of report is systematic and scientific (Systematic includes Background of study, Problem Statement, Research Objective, Research Question) (Scientific refers to researchable topic)	Poorly clarified and not focused on Research objective and Research Methodology in accordance to comprehensive literature review.	Fairly defined and fairly focused on Research objective and Research Methodology in accordance to comprehensive literature review.	Good and clear of Research objective and Research Methodology in accordance to comprehensive literature review with good facts.	Strong and very clear of Research objective and Research Methodology in accordance to comprehensive literature review with very good facts.	____ x 1.25 (Max: 5)	
		Content of report is written unsystematic that not include Background of study, Problem Statement, Research Objective, Research Question and unscientific with unsearchable topic.	Content of report is written less systematic with include fairly Background of study, Problem Statement, Research Objective, Research Question and less scientific with fairly researchable topic.	Content of report is written systematic with include good Background of study, Problem Statement, Research Objective, Research Question and scientific with good researchable topic.	Content of report is written very systematic with excellent Background of study, Problem Statement, Research Objective, Research Question and scientific with very good researchable topic.	____ x 1.25 (Max: 5)	



**ASSESSMENT FORM FOR FINAL YEAR RESEARCH PROJECT: RESEARCH REPORT (Weight 50%)  
(COMPLETED BY SUPERVISOR AND EXAMINER)**

2.	<b>Overall report format (5 MARKS)</b>	<b>Submit according to acquired format</b>	The report is not produced according to the specified time and/ or according to the format	The report is produced according to the specified time but fails to adhere to the format.	The report is produced on time, adheres to the format but with few weaknesses.	The report is produced on time, adheres to the format without any weaknesses.	___ x 0.25 (Max: 1)
		<b>Writing styles (clarity, expression of ideas and coherence)</b>	The report is poorly written and difficult to read. Many points are not explained well. Flow of ideas is incoherent.	The report is adequately written; Some points lack clarity. Flow of ideas is less coherent.	The report is well written and easy to read; Majority of the points is well explained, and flow of ideas is coherent.	The report is written in an excellent manner and easy to read. All of the points made are crystal clear with coherent argument.	___ x 0.25 (Max: 1)
		<b>Technicality (Grammar, theory, logic and reasoning)</b>	The report is grammatically, theoretically, technically and logically incorrect.	There are many errors in the report, grammatically, theoretically, technically and logically.	The report is grammatically, theoretically, technically and logically correct in most of the chapters with few weaknesses.	The report is grammatically, theoretically, technically, and logically perfect in all chapters without any weaknesses.	___ x 0.25 (Max: 1)
		<b>Reference list (APA Format)</b>	No or incomplete reference list.	Incomplete reference list and/ or is not according to the format.	Complete reference list with few mistakes in format adherence.	Complete reference list according to format.	___ x 0.25 (Max: 1)
		<b>Format organizing (cover page, spacing, alignment, format structure, etc.)</b>	Writing is disorganized and underdeveloped with no transitions or closure.	Writing is confused and loosely organized. Transitions are weak and closure is ineffective.	Uses correct writing format. Incorporates a coherent closure.	Writing include a strong beginning, middle, and end with clear transitions and a focused closure.	___ x 0.25 (Max: 1)

EKFP

**ASSESSMENT FORM FOR FINAL YEAR RESEARCH PROJECT: RESEARCH REPORT (Weight 50%)  
(COMPLETED BY SUPERVISOR AND EXAMINER)**

3.	<b>Research Findings and Discussion (20 MARKS)</b>	Data is not adequate and irrelevant.	Data is fairly adequate and irrelevant.	Data is adequate and relevant.	Data is adequate and very relevant.	___ x 1 (Max: 4)	
		Measurement is wrong and irrelevant	Measurement is suitable and relevant but need major adjustment.	Measurement is suitable and relevant but need minor adjustment.	Measurement is excellent and very relevant.	___ x 1 (Max: 4)	
		Data analysis is inaccurate	Data analysis is fairly done but needs major modification.	Data analysis is satisfactory but needs minor modification.	Data analysis is correct and accurate.	___ x 1 (Max: 4)	
		Data analysis is not supported with relevant output/figures/tables and etc.	Data analysis is fairly supported with relevant output/figures/tables and etc.	Data analysis is adequately supported with relevant output/figures/table and etc.	Data analysis is strongly supported with relevant output/figures/table and etc.	___ x 1 (Max: 4)	
		Interpretation on analyzed data is wrong.	Interpretation on analyzed data is weak.	Interpretation on analyzed data is satisfactory.	Interpretation on analyzed data is excellent	___ x 1 (Max: 4)	
4.	<b>Conclusion and Recommendations (15 MARKS)</b>	Implication of study is not stated.	Implication of study is weak.	Implication of study is good.	Implication of study is excellent	___ x 1.25 (Max: 5)	
		Conclusion is not stated	Conclusion is weakly explained.	Conclusion is satisfactorily explained.	Conclusion is well explained.	___ x 1.25 (Max:5)	
		Recommendation is not adequate and irrelevant.	Recommendation is fairly adequate and irrelevant.	Recommendation is adequate and relevant.	Recommendation is adequate and very relevant.	___ x 1.25 (Max:5)	
						<b>TOTAL (50 MARKS)</b>	

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