

UNDERSTANDING THE DETERMINATION OF NON-MUSLIM STUDENTS TO ADOPT ISLAMIC BANKING SYSTEM

FKP

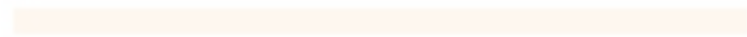
Ilya Insyira Binti Azman
Iman Nabilah Binti Norman
Izakhairunnisa Binti Mohd Zaidi
Julia Afrina Binti Rahim

BACHELOR OF BUSINESS ADMINISTRATION (ISLAMIC BANKING AND FINANCE) WITH HONORS

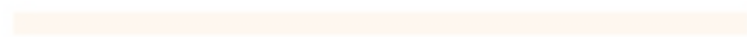
2024



UNIVERSITI



MALAYSIA



KELANTAN



UNIVERSITI
MALAYSIA
KELANTAN

FKP

UNDERSTANDING THE DETERMINATION OF NON-MUSLIM STUDENTS TO ADOPT ISLAMIC BANKING SYSTEM

By

**Ilya Insyira Binti Azman
Iman Nabilah Binti Norman
Izakhairunnisa Binti Mohd Zaidi
Julia Afrina Binti Rahim**

A thesis submitted in fulfillment of the requirements for the degree of Bachelor of Business Administration (Islamic Banking and Finance) with Honors

**Faculty of Entrepreneurship and Business
UNIVERSITI MALAYSIA KELANTAN**

2024

THESIS DECLARATION

I hereby certify that the work embodied in this thesis is the result of the original research and has not been submitted for a higher degree to any other University or Institution.

OPEN ACCESS

I agree that my thesis is to be made immediately available as hardcopy or on-line open access (full text).

EMBARGOES

I agree that my thesis is to be made available as hardcopy or on-line (full text) for a period approved by the Post Graduate Committee.

Dated from 13 March 2023 until 31 January 2024.

CONFIDENTIAL

(Contain confidential information under the Official Secret Act 1972) *

RESTRICTED

(Contains restricted information as specified by the organization where research was done) *

I acknowledge that Universiti Malaysia Kelantan reserves the right as follows:

1. The thesis is the property of Universiti Malaysia Kelantan.
2. The library of Universiti Malaysia Kelantan has the right to make copies for the purpose of research only.
3. The library has the right to make copies of the thesis for academic exchange.



SIGNATURE

NAME: ILYA INSYIRA BINTI AZMAN



SIGNATURE OF SUPERVISOR

NAME: DR. SITI ZAMANIRA BINTI
MAT ZAIB

Date: 1st FEBRUARY 2024



SIGNATURE

NAME: IMAN NABILAH BINTI
NORMAN



SIGNATURE

NAME: IZAKHAIRUNNISA BINTI
MOHD ZAIDI



SIGNATURE

NAME: JULIA AFRINA BINTI RAHIM
Date: 31st JANUARY 2024

FACULTY OF ENTREPRENEURSHIP AND BUSINESS

Research Topic: UNDERSTANDING THE DETERMINATION OF NON-MUSLIM STUDENTS TO ADOPT ISLAMIC BANKING SYSTEM

Student's Name: Ilya Insyira Binti Azman
 Student's Name: Iman Nabilah Binti Norman
 Student's Name: Izakhairunnisa Binti Mohd Zaidi
 Student's Name: Julia Afrina Binti Rahim
 Name of Supervisor: Dr. Siti Zamanira Binti Mat Zaib

Matric No.: A20A1366
 Matric No.: A20A1367
 Matric No.: A20A1375
 Matric No.: A20A1382
 Name of Programme: SAB

Research Topic: UNDERSTANDING THE DETERMINATION OF NON-MUSLIM STUDENTS TO ADOPT ISLAMIC BANKING SYSTEM

NO.	CRITERIA	PERFORMANCE LEVEL				WEIGHT	TOTAL
		POOR (1 MARK)	FAIR (2 MARKS)	GOOD (3 MARKS)	EXCELLENT (4 MARKS)		
1.	Content (10 MARKS) (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	Content of report is written less systematic with include fairly Background of study, Problem Statement,	Content of report is written systematic with include good Background of study, Problem Statement, Research	Content of report is written very systematic with excellent Background of study, Problem Statement,		

FACULTY OF ENTREPRENEURSHIP AND BUSINESS

			and unscientific with unsearchable topic.	Research Objective, Research Question and less scientific with fairly researchable topic.	Objective, Research Question and scientific with good researchable topic.	Research Objective, Research Question and scientific with very good researchable topic.	(Max: 5)	
2.	Overall report format (5 MARKS)	Submit according to acquired format	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)	
		Writing styles (clarity, expression of ideas and coherence)	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)	
		Technicality (Grammar, theory, logic and reasoning)	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)	
		Reference list (APA Format)	No or incomplete reference list.	Incomplete reference list and/ or is not	Complete reference list with few mistakes in format adherence.	Complete reference list according to format.	____ x 0.25	

FKP

FACULTY OF ENTREPRENEURSHIP AND BUSINESS

				according to the format.			(Max: 1)	
		Format organizing (cover page, spacing, alignment, format structure, etc.)	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)	
3.	Research Findings and Discussion (20 MARKS)		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)	

FKP

FACULTY OF ENTREPRENEURSHIP AND BUSINESS

4.	Conclusion and Recommendations (15 MARKS)	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)	
TOTAL (50 MARKS)							

FKBP

UNIVERSITI
MALAYSIA
KELANTAN

ACKNOWLEDGEMENT

In the name of Allah S.W.T, the Most Gracious and the Most Merciful. Alhamdulillah, all praises to Allah for the strength and His blessing in completing this research. Without His numerous blessings it would not have been possible. We hope our research study will benefit others through the knowledge that we have gained through this journey.

We would like to convey our deep gratitude to our courteous supervisor, Dr. Siti Zamanira Binti Mat Zaib who always guides, advises, and supervises us to complete this project. Without the help and knowledge, she has imparted to us, we could not have completed this project on time and efficiently. We are incredibly grateful to have her as our supervisor since she has guided us generously and sacrificed her valuable time to assist us throughout the entire research period. We also like to thank our examiner, Prof. Dr. Mohd Zulkifli Bin Muhammad for thoughtful feedback and suggestions to improve our research study. Furthermore, our heartfelt gratitude for our families for their full support, dua' and positive words of encouragement. We are truly blessed for being surrounded by wonderful people.

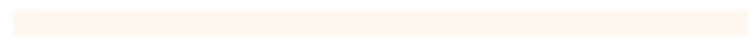
Not forgetting, special thanks and appreciation for the efforts of all group members who showed their responsibilities during the research process. Additionally, we would like to thank all those who gave assistance and ideas in helping us complete this research study. Thank you to the participants who were willing to be interviewed for this study. Their participation has given us a lot of help and support so that we can complete the research study efficiently.

Finally, we appreciate Universiti Malaysia Kelantan (UMK) for providing us with the opportunity to study here. During the process of completing this research, we have acquired a vast amount of knowledge and expertise that will be valuable in future endeavors. In addition, UMK also gives us access to UMK Library Portal, which has been a great assistance in

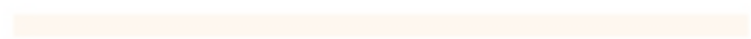
providing us with relevant documents and information to do our research efficiently, despite the fact that we must continue to engage in online learning.



UNIVERSITI



MALAYSIA



KELANTAN

TABLE OF CONTENTS

ACKNOWLEDGEMENT	vi
TABLE OF CONTENTS	viii
List of Table	xi
List of Figure	xii
Abstrak	xiii
Abstract	xiv
INTRODUCTION	1
1.1 Background of the Study	1
1.2 Problem Statement	4
1.3 Research Questions	6
1.4 Research Objectives	7
1.5 Scope of Study	7
1.6 Significance of the Study	8
1.6.1 University	8
1.6.2 Student	8
1.6.3 Industry	9
1.7 Definition of Terms	9
1.7.1 Determination	9
1.7.2 Understanding	10
1.7.3 Knowledge	10
1.7.4 Adoption	11
1.7.5 Islamic Banking System	11
1.8 Organization of the Thesis	12
CHAPTER 2	14
LITERATURE REVIEW	14
2.1 Introduction	14
2.2 Underpinning Theory	14
2.2.1 The Theory of Planned Behavior	15
2.3 Previous Study	17
2.3.1 Understanding	17
2.3.2 Knowledge	18
2.3.3 Acceptance	20
2.3.4 Islamic Banking System	22
2.4 Conceptual Framework	23
2.5 Conclusion	24
CHAPTER 3	26
RESEARCH METHODS	26
3.1 Introduction	26

3.2	Research Approach	26
3.2.1	Deductive Approach	27
3.2.2	Inductive Approach	27
3.2.3	Application to the Study	28
3.3	Research Strategy	29
3.3.1	Data Collection Method	30
3.3.2	Primary Data	30
3.3.3	Secondary Data	31
3.4	Research Instrument Development	32
3.4.1	Interview Analysis	32
3.4.2	Interview Protocol	33
3.5	Procedure Of Data Collection	33
3.5.1	Unit of Analysis	34
3.5.2	Study Population	35
3.5.3	Informants Selection Criteria	36
3.5.4	Potential Informants for This Study	36
3.6	Procedure for Data Analysis	37
3.6.1	Transcribing and Coding	37
3.6.2	Thematic Analysis	38
3.6.3	Atlas.Ti/Nvivo: Software for Data Analysis/Manual Analysis	38
3.7	Conclusion	40
CHAPTER 4		41
DATA ANALYSIS AND FINDINGS		41
4.1	Introduction	41
4.1.1	Demography of Respondents	41
4.1.2	Interview	41
4.2	Findings for Knowledge of the Islamic Banking system among non-Muslim students	42
4.3	Findings for Understanding the concept of Islamic banking system among non-Muslim students	50
4.4	Findings for Acceptance of Islamic banking system among non-Muslim students	56
4.5	Proposed Research Framework	61
4.6	Conclusion	62
CHAPTER 5		63
DISCUSSION AND CONCLUSION		63
5.1	Introduction	63
5.2	Main Findings	63
5.3	Implications of the Research	65
5.4	Contributions of the Research	66
5.5	Limitations of the Research	68
5.6	Recommendations of the Research	69
5.6.1	Knowledge	69
5.6.2	Understanding	70
5.6.3	Acceptance	71

5.7	Recommendation for future Research	71
5.7.1	Emphasize Research in other states in Malaysia.	71
5.7.2	Identify other variables.	72
5.7.3	Improving Study's Methodology.	72
5.8	Conclusions	72
REFERENCES		75
APPENDIX A (INTERVIEW QUESTIONS)		78
APPENDIX B (GANTT CHART)		102

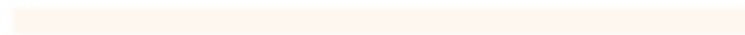


List of Table

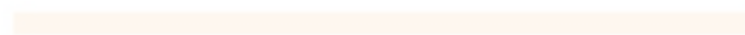
Table 4. 1: To examine knowledge of non-Muslim students to adopt Islamic banking system.	48
Table 4. 2: To examine the understanding of non-Muslim students to adopt Islamic banking system.	54
Table 4. 3: To examine acceptance of non-Muslim students to adopt Islamic banking system.	60



UNIVERSITI



MALAYSIA



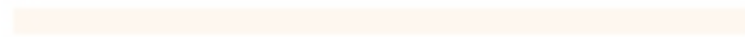
KELANTAN

List of Figure

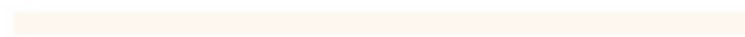
Figure 2.1 : Factor the Determination of Non-Muslim Students to Adopt Islamic Banking System	24
Figure 4 1: Findings the Determination of Non-Muslim Students to Adopt Islamic Banking System	61



UNIVERSITI



MALAYSIA



KELANTAN

Abstrak

Kajian ini menyiasat bagaimana pelajar bukan Islam di Universiti Malaysia Kelantan (UMK) memahami dan menggunakan perbankan Islam. Asas-asas perbankan Islam ialah ia mesti mematuhi pematuhan Syariah dan beroperasi bebas daripada riba, perjudian, dan spekulasi. Sistem perbankan Islam Malaysia diasaskan pada tahun 1983 dan menawarkan kepada pelanggan Islam dan bukan Islam. Perbankan Islam pada masa ini biasanya digunakan untuk deposit pinjaman PTPTN dan tuisyen universiti; Pelajar Islam khususnya, menggunakannya secara meluas kerana mereka sudah biasa dengan Syariah. Orang bukan Islam juga berpendapat bahawa sesetengah orang memilih perbankan Islam walaupun menghadapi halangan dan bukannya keyakinan agama. Kesukaran yang dihadapi oleh orang bukan Islam dalam melaksanakan sistem perbankan Islam berpunca daripada penggunaan istilah "Islam" yang salah dalam media. objektif Selain daripada itu, kejahilan terhadap prinsip dan alat perbankan Islam dan takut dikaitkan dengan keganasan. Keyakinan rendah kerana daya saing dalam menggunakan sistem perbankan Islam. Selain itu, kajian ini menggunakan pendekatan kualitatif bagi menangkap kesungguhan pelajar bukan Islam untuk mengamalkan sistem perbankan Islam. Dalam merealisasikannya, kaedah The Theory of Planned Behavior adalah sesuai. Manakala teknik temu bual bersemuka dan pemerhatian diaplikasikan dalam mencapai matlamat dan objektif kajian ini. Data akan dianalisis peringkat demi peringkat dengan adanya teknik penapisan terperinci mengikut tema dan sub tema masing-masing. Dalam proses pengumpulan data, 5 orang informan terdiri daripada pelajar bukan Islam di Universiti Malaysia Kelantan. Dapatan telah berjaya mencapai kajian Kajian ini cuba menilai pengetahuan dan pemahaman pelajar UMK bukan Islam tentang perbankan Islam dan menentukan pembolehubah yang mempengaruhi penerimaan mereka.

Kata kunci: *Mengambil, Sistem Perbankan Islam, Ilmu, Pelajar Bukan Islam, Kefahaman.*

Abstract

This study investigates how non-Muslim students at Universiti Malaysia Kelantan (UMK) understand and use Islamic banking. The fundamentals of Islamic banking are that it must adhere to Shariah compliance and operate free from usury, gambling, and speculation. Malaysia's Islamic banking system was founded in 1983 and offers both Muslim and non-Muslim customers. Islamic banking is currently usually used for PTPTN loan deposits and university tuition; Muslim students in particular, use it widely because they are familiar with Sharia. Non-Muslims also argue that some people choose Islamic banking despite obstacles rather than religious conviction. The difficulty faced by non-Muslims in implementing the Islamic banking system stems from the incorrect use of the term "Islam" in the media. objective in addition to that, ignorance of the principles and tools of Islamic banking and fear associated with terrorism. Low confidence due to competitiveness in using the Islamic banking system. In addition, this study uses a qualitative approach to capture the seriousness of non-Muslim students to practice the Islamic banking system. In realizing it, the method of The Theory of Planned Behaviour is appropriate. While face-to-face interview and observation techniques are applied in achieving the goals and objectives of this study. Data will be analyzed step by step with detailed filtering techniques according to each theme and sub-theme. In the data collection process, 5 informants consisted of non-Muslim students at Universiti Malaysia Kelantan. Findings have been successfully achieved. This study attempts to assess the knowledge and understanding of non-Muslim UMK students about Islamic banking and determine the variables that influence their acceptance.

Keywords: *Adoption, Islamic banking system, Knowledge, Non-Muslim Students, Understanding.*

CHAPTER 1

INTRODUCTION

1.1 Background of the Study

British colonization in Malaysia has influenced the education, language, legal and economic systems according to the pattern of colonial countries. During the ancient time, most of the Malay people or Muslims had not been exposed to the importance of Islamic banking as they only kept their money in their house, for instance, under the pillow (Teh, 2021). As time goes by, Muslims began to be exposed to the importance of a banking system that complies with Sharia. Like conventional banking, Islamic banking also offers various financial services and products to its customers. However, there are several elements of Islamic banking that are different from conventional banking in terms of its operations, products, and services offered, as well as its regulations.

Islamic banking is a banking system that is free from usury (riba), gambling (maysir), and speculative trading (gharar). Usury (riba), gambling (maysir), and speculative trading (gharar) are strictly prohibited (haram) in Islam as it is an act that oppresses and betrays others. The establishment of Islamic banking must comply with Islamic law or also called Sharia law. In Islam, sharia is a fundamental regulation that covers all aspects of human life, such as aqidah (belief), fiqh (jurisprudence), and akhlaq (morality), that must be followed by Muslims. Therefore, Muslims must know and understand whether the instrument they use in Islamic banking complies with Sharia or not (Albaity & Rahman, 2019). It is to ensure that a Muslim's act is not against the Islamic teachings to get Allah S.W. T's pleasure.

The history of the establishment of Islamic banking began in 1963 when 'Mit Ghamr' which is in Egypt, became the first Islamic banking in the world. The establishment

of Islamic banking kept growing until the formation of the first Islamic banking in Malaysia, which is Bank Islam Malaysia Berhad (BIMB), in 1983. The idea of establishing an Islamic bank came from Dato' Seri Anwar Ibrahim when he was Malaysia's Minister of Finance and Deputy Minister in the Prime Minister's Department. The establishment of Islamic banking is vital as the basis of the Islamic economy in Malaysia (Syakir & Putri, 2022).

Nowadays, Malaysia has 17 Islamic banks that offer products and services such as savings and current accounts to customers, exclusively Muslims. Islamic banking is available for both Muslims and non-Muslims, that hold for 63.5% and 36.5% of the Malaysia population, respectively (Amin et al., 2022), and has been used widely not only among workers but it is also used by university students regardless of religion. In Malaysia, the use of Islamic banking services is adjusted for all public university students. For instance, the use of Islamic banking services provided by Bank Islam Malaysia Berhad (BIMB) is to pay their university fees. In fact, if they make an education loan such as PTPTN, the money will be credited to their Islamic bank account.

Although there are many services provided by Islamic banking, however in this study, researchers only focus on the implementation and adaptation of Islamic banking to students. For higher education institutions, Islamic banking is used to facilitate the crediting of money to students. Usually, Muslim students prefer to use Islamic banking, which provides a banking instrument that complies with Sharia, as Muslims are generally more familiar with Sharia law which is the basis of Islamic banking (Bley & Kuehn, 2004). According to a study that was conducted by Chowdhury et al. (2019), there are more than 40% of customers choose Islamic banking because of religious preferences.

Nonetheless, non-Muslims choose Islamic banking for certain reasons. In fact, some of them also think that Islamic banking products are only for Muslims (Amin et al., 2022). In addition, the name of Islamic banking itself makes non-Muslims unwilling to deal with it as they are sensitive to the word “Islamic”. This is because “Islamic” is always associated with a bad image by the media (Zaimy et al., 2020). In a study that was conducted by Harvey (2016), they felt worried the Islamic banking institution was being exploited to channel money to Islamic terrorists (Wan Ahmad et al., 2019).

Furthermore, a lack of understanding of the concept of Islamic banking has caused a negative perspective toward Islamic banking (Wan Ahmad et al., 2019). The lack of understanding regarding Islamic banking instruments among non-Muslims may be due to a lack of knowledge about the system and concept of Islamic banking. Having knowledge about something is crucial to ensure that the concept can be understood well. This is because knowledge is a factor that contributes to an individual’s interest in utilizing Islamic banking (Amin et al., 2022). A study that was conducted by Mahamad and Tahir (2010) regarding the perception of non-Muslims towards Islamic banks found that the level of confidence of non-Muslims in the ability of Islamic banking to compete with conventional banks is low. Therefore, this might affect the number of Islamic banking users among non-Muslims.

A previous study has examined the awareness of non-Muslim students regarding Islamic banking in universities in northern Malaysia. However, the research focuses more on Chinese who are Buddhists compared to Indians. Therefore, in this study, researchers want to examine the level of understanding of non-Muslim students, regardless of religion, in the Universiti Malaysia Kelantan (UMK) to adopt the Islamic Banking system. It aims to measure the level of knowledge and understanding of non-Muslim students towards

Islamic banking. The promotion of Islamic banks' value and benefits can persuade non-Muslim customers to use their products and services.

1.2 Problem Statement

Research that was conducted by Mustapha (2022), Malaysia is a country with 32.4 million people from many different cultures and races. Approximately 61.3% of the population is Muslim, whereas 38.7% is not Muslim. The non-Muslim population includes Buddhists, Christians, Hindus, Taoists, Confucians, and other religions. According to recent developments in Malaysia, empirical research indicates that non-Muslim students accept Islamic banking systems. Malaysia is the first country to establish a dual banking system that includes conventional and Islamic banking. The primary distinction between the two sorts of banks is Islam.

The financial system is founded on Islamic principles described in the Quran and Sharia, which prohibit interest (riba), gambling (maisir), uncertainty (gharar), and any investment involving prohibited items such as alcohol. Islamic banks provide a wide range of products and services, including current accounts, savings accounts, and credit cards. Even though the Central Bank of Malaysia has implemented several principles and strategies to make Islamic banking products more appealing to Malaysians, the total profit for Islamic banks from 2008 to 2016 was significantly lower than that of conventional banks. This is because Islamic banking is founded on a different set of principles than conventional banking.

Besides, Rammal and Zurbruegg (2007) argue that non-Muslim students accept purchasing Islamic banking goods and services, but they lack an understanding of Islamic finance concepts and how it functions. Islamic banks must understand their non-Muslim customers to anticipate their behavior when accepting and using the products and services

offered by this industry. In addition, the acceptance of Islamic banking by non-Muslim customers is not promising (Mustapha et al., 2022), and Islamic banking has been given the wrong impression by certain people, who believe that it is exclusively available to Muslims and can only be used by Muslims. This misconception is one factor that contributes to the growing number of non-Muslims who are unfriendly to Islamic banking.

Furthermore, studies on the knowledge of non-Muslims on Islamic banking have been carried out a lot. According to the study conducted by Bley and Kuen (2004), their studies regarding the understanding and knowledge of undergraduate students in the United Arab Emirates on Islamic finance. The lack of understanding of non-Muslims on Islamic banking leads to a negative perception of Islamic banking (Wan Omar & Abdul Rahim, 2015). As a result, a substantial proportion of non-Muslims hesitate to use Islamic banking services. In addition, Muslims' use of Islamic banking products and services is not based on a specific understanding of the concept. However, it is because of religion. Therefore, this matter causes non-Muslims to think that Islamic banking products and services are exclusively for Muslims only (Bley & Kuehn, 2004). The findings of this study prepared banks to be ready to market Islamic banking products to their customers despite the different religions that exist in Malaysia.

Due to the lack of knowledge of Islamic banking concepts, non-Muslim customers are unable to comprehend the Islamic banking system in its entirety because they are not familiar with the principles that are associated with Islamic banking. They are not aware of the numerous goods and services offered by Islamic banks, which would enable them to take advantage of such banks' benefits. Eventually, non-Islamic countries will have enormous gaps in the availability of Islamic financial instruments that comply with Sharia.

According to Zawya News (2022), although Malaysia might be a worldwide financial center, the Islamic banking industry there is still very much in need of development. This information was found in the article. This circumstance demonstrates that most individuals do not yet have a solid understanding of Islamic banking, which demonstrates the need for additional transparency in the years to come. Therefore, knowledge of the factors that lead non-Muslim clients to accept Islamic banking goods and services is a critical component in expanding the competitive advantage of this business, growing its market share, and improving its capacity to endure into the foreseeable future.

Fernandez (2019) says a research gap refers to an unresolved topic or problem that has not been addressed by any previous studies or research conducted in the specific field. A research gap may arise when a certain topic or new idea has not been investigated previously. The researchers of this study identified a few past studies which related to non-Muslim students regarding Islamic banking. (Mustapha et al., 2022) discovered a significant relationship between non-Muslim intention to use Islamic banking services and attitudes, subjective norms, and perceived behavioral control. From a study by Bananuka et al., (2019), the authors identified attitude, norm and religiosity on the intention to adopt Islamic banking system in a non-Islamic developing country. However, new study needs to be carried out to examine the aspects of understanding, knowledge, and level of acceptance in this study. Thus, the three factors filled the gap in the determination of non-Muslim students to adopt Islamic banking system in previous studies.

1.3 Research Questions

1. Do non-Muslim students in Universiti Malaysia Kelantan have knowledge of the Islamic banking system?
2. Do non-Muslim students in University Malaysia Kelantan understand the concept of Islamic banking?

3. Do non-Muslim students in Universiti Malaysia Kelantan accept the Islamic banking system?

1.4 Research Objectives

1. To examine the knowledge of non-Muslim students in Universiti Malaysia Kelantan on the concept of Islamic banking.
2. To study the understanding of non-Muslim students in Universiti Malaysia Kelantan towards the concept of Islamic banking.
3. To identify the level of acceptance of non-Muslim students in Universiti Malaysia Kelantan towards the Islamic banking system.

1.5 Scope of Study

Due to better access to potential respondents, this study focused, in particular, on non-Muslim students at the Universiti of Malaysia Kelantan. According to the purpose and context of the study, respondents were only permitted to be non-Muslim students at the Universiti of Malaysia Kelantan. These results show that non-Muslim students are not familiar with Islamic banking services and products, which are available to all people of faith. They had a strong awareness of how non-Muslim groups were involved in Islamic finance and the system. The fundamental problem in this study is that the respondents' understanding of Islamic banking goods and services is inadequate.

Since the researcher wants to explore how non-Muslim students at Universiti Malaysia Kelantan perceive Muslims based on their knowledge and understanding of Islamic banking's products, services, and operational system, non-Muslim students were chosen as respondents. As a result, the researcher emphasizes this study solely to non-Muslim students at the Universiti of Malaysia Kelantan. Researchers expect that by making non-Muslim students aware of Islamic banking services and products through the study's

findings as well. Due to their ignorance, non-Muslim students must have the ability to utilize and benefit from Islamic banking goods and services. They cannot be relevant and use Islamic goods and services due to the divide created by their different religious and philosophical beliefs. The ignorance of non-Muslim students to engage in Islamic banking services and goods, which is attributable to a lack of understanding in learning, will also be eliminated by this division.

1.6 Significance of the Study

The research given attempts to contribute to the relevant literature, as the study's goal and objectives reveal. As a result, the study's relevance can be summarized as follows:

1.6.1 University

When given instructions for establishing a suitable environment, research can have long-lasting consequences. In addition, this research can assist students and the institution by offering criteria for examining non-Muslim students' determination to use the Islamic banking system. Consequently, this study can serve as an example material for other university students who might utilize this work as a reference.

1.6.2 Student

This study can help students make a study on the understanding of the determination of non-Muslim students to adopt the Islamic banking system. As a result, university graduates will benefit greatly from this research as it will enable them to use the findings as a source of information and expertise. Other than that, the results of this study can also help students gain a comprehensive understanding of the scope of their learning and as a guideline to students in producing this study. Clearly, this research of understanding the determination of non-Muslim students to adopt the Islamic banking system can benefit students in improving their studies.

1.6.3 Industry

This research can also help the industry in increasing awareness and knowledge in terms of adding Islamic banking system information. However, this study can also help people understand how Islamic financial systems operate as well as their processes. In addition, the number of new potential customers who are aware of the Islamic banking system and want to utilize it in the future will rise because of this study. Therefore, the findings of this study can aid the banking sector in highlighting its expertise.

1.7 Definition of Terms

This thesis has a few definitions that can be defined. The terms utilized in this research study include several of them. This phrase is typically used to clarify a research paper's subject for readers. There will be a lot of use of the following words:

1.7.1 Determination

According to Team (2023), determination can be defined as the commitment of an individual to achieve their goals regardless of the challenges that they have to face. Determination is an injection of enthusiasm in an individual so that they will do their best to ensure that they succeed in achieving their goals. However, determination is influenced by several factors such as perception, knowledge, and acceptance of an individual regarding certain issues that they are not familiar with.

In this study, researchers interviewed non-Muslim students from Universiti Malaysia Kelantan (UMK) regarding their determination to adopt the Islamic banking system in their lives apart from conventional banking.

1.7.2 Understanding

According to Tawfik et al., (2021), understanding can be defined as the activities utilized in the think aloud centered on the learner's engagement with recording their comprehension for example with submitting an answer, interacting with the artificial intelligence when the researchers ask a question, evaluating their development, and offering input regarding the integrated multimedia. Tasks for the think aloud were created to investigate how students interacted with different elements of their educational experience. This involved recording their comprehension, interacting with the AI, keeping track of their development, and offering comments on the visual aids.

In this study, researchers interviewed non-Muslim students from Universiti Malaysia Kelantan (UMK) regarding their understanding about the Islamic banking system. The understanding will determine the non-muslim students to adopt Islamic Banking system.

1.7.3 Knowledge

A circumstance with great value and a person who is in an aware relationship with reality are both examples of knowledge. The conscious subject is on one side of the relationship, and reality, whose facts are known either directly or indirectly and which are related to one another, is on the other. Although it is simpler to think directly about knowledge than it is to think indirectly, level issues are brought on by this directness (Zagzebski, 2017). Therefore, the researchers interpret the meaning of knowledge in this study so that the reader can understand the terms of the study.

In this study, researchers interviewed non-Muslim students at the Universiti of Malaysia Kelantan. Researchers focus on non-Muslim students in our study because researchers want to study their knowledge of the Islamic banking system.

1.7.4 Adoption

According to Mahdzan et al. (2017), the adoption of Islamic banking services can be strongly impacted by the professionalism of bank employees or executives. Another behavioral finding in government that is particularly pertinent to public sector organizations in the global north is adoption (Kumpf & Proud, 2022). In this thesis, researchers have interviewed respondents about the determination of adoption in the Islamic banking system.

In this study, researchers studied the respondents' understanding of the adoption of the Islamic banking system. Researchers would like to examine the level of understanding of non-Muslim students about the Islamic banking system using four factors, namely perception, acceptance, intention, and attitude.

1.7.5 Islamic Banking System

Ishak & Asni (2020) asserted that there are certain distinctions between conventional banking and Islamic banking in the current Islamic terminology. This is to ensure that it is clear that it must function in accordance with Fiqh muamalah, which is Islamic law. In addition, the Islamic banking system is not permitted to contain components that are prohibited in Islam, such as riba (interest), gharar (uncertainty), and gambling. However, Fiqh muamalah offered contractual agreements through Islamic banking as a substitute that are now used as modern financial tools such as bay' (sell), ijarah (lease), and kafala (guarantee).

Due to the phrase "Islamic banking system," few people are aware that it is accessible to people of all faiths and is not just for Muslims. As a result, the public is unaware of the Islamic banking system due to a lack of knowledge.

1.8 Organization of the Thesis

The purpose of this study is to comprehend the motivation of non-Muslim students to accept the Islamic financial system. The research question also aims to determine whether non-Muslim students are exposed to the Islamic banking system, whether non-Muslim students are familiar with and understand the concept of the Islamic banking system, whether the Islamic banking products offered meet the standards as well as the level of interest non-Muslim students demonstrate to participate in it.

Chapter 1 illustrates an overview of the background of the study, problem statement, research question, research objective, the scope of the study, the significance of the study, the definition of the term, and the organization of the thesis. An overview of the research methodology, which refers to the technique utilized to acquire qualitative data for the study, is outlined in this chapter.

Chapter 2 analyzes the literature review, including the introduction, underpinning theory, previous studies, hypothesis statement, conceptual framework, and conclusion. Meanwhile, chapter 3 reviews the research methods in the introduction, the research approach, the research strategy, the data collection, the research instrument development, the procedure of data collection, the procedure for data analysis as well as the summary.

Chapter 3 focuses on the many methodologies used in research. This consists of an introductory section and a research design that will use qualitative data. The following aspects will be addressed: data collecting method, study population, sample size, sampling methodology, research equipment creation, and measurement of the variables. The data analysis procedure illustrates the process of analyzing obtained data. The concluding part presents a concise overview of the achievements made in this chapter.

Chapter 4 contains the presentation of data analysis and the resulting findings. This study discusses the introduction and findings for knowledge of the Islamic banking system, findings for understanding the concepts of Islamic banking, and findings for acceptance of Islamic banking among non - Muslim students at Universiti Malaysia Kelantan.

Chapter 5 has a discussion and conclusion. At the end of this chapter, there is a concluding part that provides a summary of the completed work. This chapter also includes an introduction, main findings, implications of the research, contribution of the research, limitations of the research, recommendations of the research and lastly, the conclusions.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter will discuss the component that is used by researchers in order to conduct this study. Firstly, the researchers will explain the theory that is used to help and support the study, which is the Theory of Planned Behaviour (TPB). Then, it will be followed by previous studies that have been carried out in this field. Thirdly, it will discuss the hypotheses statement that is suitable to use in this study. The last part of this chapter will describe the conceptual framework of this study as well as the conclusion for this chapter.

2.2 Underpinning Theory

Islamic banking has been used widely among Muslim due to its concept and system that complies with Sharia which is free from interest (usury), uncertainty (gharar), and gambling (maysir). However, the use of Islamic banking among non-Muslims still becomes a question whether it is accepted and used among non-Muslims especially students. Therefore, researchers have used an underpinning theory that is suitable to study the determination of non-Muslims students to adopt Islamic banking which is the Theory of Planned Behavior (TPB). According to Gregor (2022), underpinning theory is a theory that is meant to explain about "why" and "how" something happens. Underpinning theory also known as "lens" as it is only focused on certain aspects (Orlikowski, 2000). This "lens" is used as an analysis tool to choose and orient the study (Mkhomazi & Iyamu, 2013). It is crucial to elucidate how to evaluate the accumulated facts by providing recommendations. Besides, the underpinning theory will give awareness regarding Islamic banking to non-

Muslims students. Thus, this shows that underpinning theory is crucial to researchers in conducting their research.

2.2.1 The Theory of Planned Behavior

The Theory of Planned Behavior became popular among researchers in conducting their studies. In a wide range of behavioral fields, it has been used to predict and explain human behavior (Ajzen, 2020). The Theory of Planned Behavior (TPB) is a theory that was proposed by Ajzen (1985) to study human behavior regarding certain issues. It is the extension of the Theory of Reasoned Action (TRA) that was proposed by Fishbein & Ajzen in 1975 (Brookes, 2023). The Theory of Planned Behavior (TPB) begins with an explicit definition of the desired behavior in terms of the target, the action involved, the context in which the matter occurs, and the duration. Each of these components can be explained at various levels of specificity or breadth. The concept of compatibility by Ajzen (1988) states that once the behavior has been outlined, all constructs in this theory must match the behavior in these four aspects (Ajzen, 2020).

The intention is a direct antecedent in the Theory of Planned Behavior (TPB). According to Ajzen (1985), the intention to engage in a particular behavior can be used to predict a person's decision to do so. It is the motivational factors that will influence someone's behavior, whether they are willing to perform the behavior or not. Therefore, the higher the intention will be, resulting in higher performance (Ajzen, 1991). According to TPB, intentions are determined by three variables which are subjective norms, perceived behavior control, and personal attitudes. Subjective norms refer to the way researchers view other people's ideas; meanwhile, perceived behavior control refers to the extent to which researchers believe that the researcher can control our behavior. However, it depends on

how we interpret both internal factors, such as our capacity and determination, and external factors, such as resources and assistance (Brookes, 2023).

A personal attitude refers to our attitudes towards certain behavior which includes knowledge and prejudice towards something, whether it is positive or negative. According to Amin (2020), knowledge is one of the factors that can influence an individual's behavior. Previous studies have found that the level of knowledge of Islamic banking has influenced customers to adopt the Islamic banking system. A study that was conducted by Chaouch (2017) found that knowledge of Islamic banking can improve the customer's interest in utilizing Islamic banking. Besides, a study conducted by Hristov and Kuhar (2015) also found the same results in which the level of knowledge and information about Islamic banking influenced the decision of customers to use Islamic banking. A study regarding the use of Islamic banking by Echchabi & Echchabi (2013) also found that having a strong knowledge of Islamic banking products influenced customers to use Islamic banking products and services. This shows that knowledge plays an important role which influenced the community's decision to adopt Islamic banking. Looking at the suitability of this theory to be used in research, thus, many researchers used the Theory of Planned Behavior (TPB) in order to support their study.

Islamic banking system nowadays is emerging as a significant player in the global financial landscape. Therefore, it is essential to understand the factors that might influence the adoption of Islamic banking system particularly among non-Muslim students. In this study, researchers employ the Theory of Planned Behavior (TPB) in order to delve into the intricacies of the determination of non-Muslim students to adopt Islamic banking system. By examining the interaction of attitude, subjective norm, behavioral action, and perceived behavior control of the non-Muslim students through knowledge, understanding, and

acceptance of non-Muslim students regarding Islamic banking system, this study aims to unravel the underlying motivations and barriers that shapes the decision of non-Muslim students to adopt Islamic banking system. Through the exploration of this psychological theory, the researchers strive to contribute valuable insights to encourage the use of Islamic banking systems in diverse demographics, especially to non-Muslim students.

2.3 Previous Study

2.3.1 Understanding

The process by which humans learn anything, whether it is the quantity or quality of their information, is called understanding. Simultaneously, understanding entails empathy and placing oneself in the shoes of another. Conversely, shared understanding necessitates imparting knowledge in a way that individuals are certain they will comprehend. Thus, comprehension involves both knowing and feeling; fundamentally, it involves "understanding between people" just as much as it does acquire knowledge (Cresswell, 2010).

There are few who would contest the idea that understanding is a prerequisite for intelligent human behavior. However, understanding requirements are illusive. Part of this is defining precisely what constitutes the essential tests of a system's comprehension of its input and what kinds of data researchers should accept as proof of understanding. Hannon (2021) proposed a reasonable set of criteria for defining understanding: comprehension is a cognitive accomplishment, not something that is merely acquired by information reception; comprehension is gradable; comprehension is demonstrated by skills or knowledge, particularly the capacity to "grasp" connections. Regarding these fundamentals as well as even more basic issues like whether understanding is a type of knowledge (and thus similarly open to questions about the nature of knowledge), there is still a great deal of dispute. However, this

implies that a single system may display several levels of comprehension, and that these levels may evolve with time.

As a result, the supporting data and crucial tests ought to take into account a range of degrees and change with time. Understanding, when coupled with awareness of its apparent purpose, is described as the acquisition, organization, and appropriate use of knowledge to produce a response directed towards a goal (Hough and Gluck, 2019). These definitions all underline that comprehension involves applying information to achieve a task-related objective consistently. Consequently, the capacity to accomplish a goal job is regarded as proof of comprehension. The non-Muslim students in this study will be fully engaged in reaping the rewards of the service offered if they are able to comprehend the idea of the Islamic banking system.

The culmination of all of this is a comprehensive consumer behavior that reflects knowledge and comprehension in the decision-making process about purchases (Laily et al., 2021). More publications on Islamic banking topics ought to be made available to the public, according to Abdul Aziz et al. (2012). This will help non-Muslims of all ages and educational backgrounds gain a better understanding of the concept and practices of Islamic banking. Consequently, when non-Muslim students learn more, their perception of the Islamic banking system will likewise improve, and they will be more inclined to participate in it.

2.3.2 Knowledge

Knowledge is a crucial aspect in human lives. It helps people in determining their decision, action, and acceptance regarding certain issues. According to Saraswati (2016), knowledge is the interpretation of facts by a person considering their education and life experiences. Meanwhile, Davenport, Long, and Beers (1998) have defined knowledge as a combination of information based on experience, context, analysis, and

reflection. Dixon (2020) defines knowledge as the meaningful links people make in their minds between information and its application in action in a specific setting. According to the theory of planned behavior that was proposed by Azjen (1985), knowledge is one of the factors that will influence a person's action and behavior toward the issues. The theory has highlighted the three variables which will determine the intention of an individual, which are personal attitudes, subjective norms, and perceived behavioral control. Personal attitudes consist of the sum of knowledge, prejudice, and attitudes of an individual when they take the action into account (Brookes, 2023).

The use of conventional banking has started to decrease among Muslims. This is due to the Islamic banking system practices a banking system that complies with sharia which is suitable to use by both Muslim and non-Muslims. However, the lack of knowledge of Islamic banking by non-Muslim customers has brought a negative perspective toward Islamic banking. According to Zaimy et al. (2020), non-Muslims are very sensitive with the word Islamic as it is associated with bad images by the media. The knowledge of Islamic banking among communities, especially among non-Muslims, is crucial as it will influence their acceptance of Islamic banking. According to Bashir et al. (2016), the lack of knowledge of Islamic banking significantly impacts the perception and preferences of Islamic banking. Moreover, knowledge also can encourage the adoption of Islamic banking products like savings accounts and current accounts in the community (Amin et al., 2022).

A study conducted by Chaouch (2017) found that having knowledge of Islamic banking can increase the client's interest in using Islamic banking services and products. This is because when customers have knowledge about the services or products offered by Islamic banking, they will be more confident to use them.

Furthermore, it is an important element that will influence customers to adopt Islamic banking (Amin et al., 2022). Knowledge also plays an important role for consumers to make decisions on whether to use Islamic banking or not, especially non-Muslims. According to Hristov and Kuhar (2015), the level of knowledge that the customers have affects their decision before deciding to adopt Islamic banking. This shows that knowledge is closely related to the decision-making and acceptance of non-Muslims to adopt Islamic banking in their lives. Therefore, to ensure that non-Muslims understand the concept of Islamic banking, they need to have knowledge of Islamic banking. That way, non-Muslims will be more open in accepting the Islamic banking system without hesitation.

2.3.3 Acceptance

In general, acceptance means a general agreement that something is satisfactory or right, or that someone should be included in a group. According to Anderson (2012), acceptance implies passivity and as such does not necessarily reflect community approval or support. In this study, it also refers to the social acceptance specifically towards non-Muslim students. Social acceptance can be defined as a parameter to indicate the public towards an innovative technology for a sustainable development pathway (Chin et al., 2014). Meanwhile Hitzeroth and Megerle (2013) stated that acceptance' refers to a range of positive attitude parameters adopted by subjects of acceptance (parties concerned by planning) as to an object of acceptance (planning project).

A study conducted by Amin et al (2022), 4 factors that influence acceptance of Islamic banking among non-Muslim students in Mukah Polytechnic which are awareness, knowledge, perception, and quality. As a result, non-Muslim students have

a high level of acceptance towards Islamic banks. First, customers are greatly impacted by the awareness element, which brings them back to their original desire to utilize Islamic banking. Therefore, raising clients' awareness is very beneficial and has a big impact on whether they decide to use Islamic banking products and services (Ibrahim et al. 2017). Next, according to Mariadas and Murthy (2017) and Mahdzan and Au (2017) that knowledge is the key factor affecting the adoption of Islamic banking. Therefore, spreading knowledge about Islamic banking is of the utmost significance if you want to entice all possible non-Muslim customers into using it.

Other factors that influence non-Muslim students is their perception. Many people continue with the assumption that Islamic banking is only available to Muslims, in the meantime. However, the findings show that younger non-Muslims are more likely than older non-Muslims to use Islamic banking. Demographic characteristics like age and gender affect how Islamic banking products are seen and accepted. According to a different study, most Islamic banking clients are highly educated young people (Loo, M. 2010). Therefore, the quality gives a good impression to the customer. If the services or instruments offered by Islamic banking satisfy the client, they are more likely to choose or use it. Customers who are not Muslims consequently become more interested in all services offered and devoted to using Islamic banking (Amin et al., 2022). To sum up, these four factors have influenced the non-Muslim students to adopt Islamic banking system.

A person's acceptance of something depends on the current situation or circumstances whether they are used to being exposed to it or not. Referring to the study, acceptance of non-Muslim students towards Islamic banking system is low. Since they do not have extensive exposure to the function of Islamic banking system and organization. Besides that, they are also unable to have an exact and accurate channel

as well as a source of information to learn and explore more about the validation of Islamic banking system towards non-Muslim students.

2.3.4 Islamic Banking System

According to the financial services board (2016), over the years, the Islamic finance sector has maintained an encouraging growth rate. The stability of the performance of Islamic banks during the 2008 financial crisis shows the resilience inherent in the Islamic banking system as an alternative financial system that guarantees synergy between fiscal and economic activities and the real sector. These distinctive features are largely responsible for the implementation of Islamic financial services by Muslims and non-Muslims alike.

Bananuka et al. (2019) found that Muslim students have more knowledge and understanding in Islamic banking products and services than non-Muslims students. Non-Muslim students are having difficulties understanding the basic knowledge of how the Islamic banking system works. There are some non-Muslims who are interested in Islamic values, such as Islamic home-facing, Shariah-compliant credit cards, and others related to Islamic banking. Therefore, Muslims and non-Muslims view Islamic banking differently; non-Muslims are motivated by profit, while Muslims are motivated by profit and religious reasons. Further, perception, acceptance, and knowledge are significant predictors of patronizing Islamic banking, and that knowledge is a mediator in the relationship between Islamic banking in Malaysia.

In addition, Seethaletchumy, Uchenna, Arul, and Kesavan (2011) argued that Islamic banking concepts, namely Bai' Bitman-Ajil, Bai al Inah, and Mudarabah, seem to be less popular among Islamic bank customers, which may be associated with Arabic terms contained in Islamic bank products. Due to the predominance of Arabic in the

concept of Islamic banking, non-Muslims face difficulties in understanding non-English products and services, which require clearer explanations for them to be aware and aware of the entire Islamic banking system.

The study conducted by this researcher focuses on understanding the determination of non-Muslims in Islamic banking. This Islamic banking system is not only for Muslim students but also essential for the awareness of non-Muslim students. Therefore, non-Islamic students can benefit from understanding what Islamic banking is in the future.

2.4 Conceptual Framework

The aim of this study is to determine non-Muslim students to adopt Islamic banking system. There are many factors on understanding non-Muslim to adopt Islamic banking in previous articles and studies. For this research, there are three factors chosen such as perception, acceptance, and knowledge. Based on underpinning theories, all these factors are studied whether they are related to the understanding of the determination of non-Muslim students to adopt Islamic banking system.

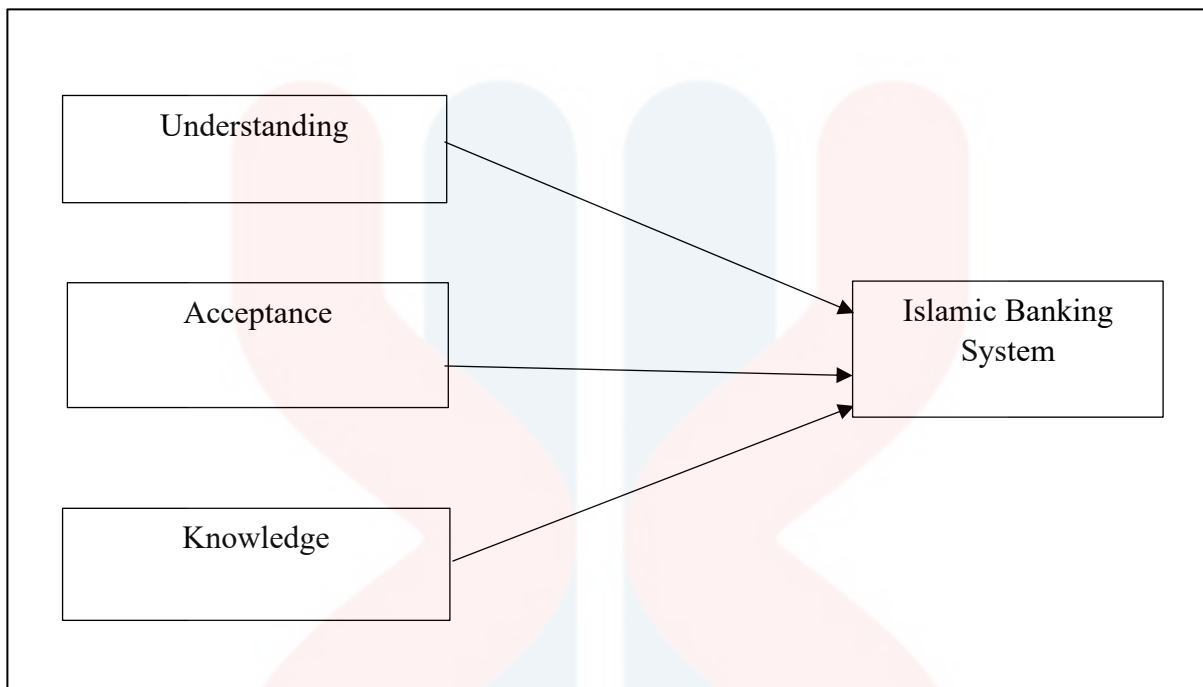


Figure 2.1 : Factor the Determination of Non-Muslim Students to Adopt Islamic Banking System

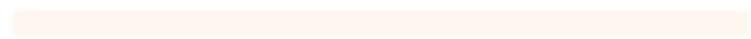
2.5 Conclusion

In this chapter, a relevant literature which regards the understanding of Islamic banking services among non-Muslim students in Universiti of Malaysia Kelantan. There is a theory which is The Theory of Planned Behavior (TPB) that is almost related to this topic and influenced the determination of non-Muslim students to adopt Islamic banking services. In addition, this research identified a variety of articles and journals that provide a review of prior research to acknowledge recent scholars who have laid the foundation for this topic. Furthermore, the researcher describes the study's variables, including the Islamic banking system, perception of non-Muslim students, acceptance of non-Muslim, and knowledge of non-Muslim students regarding Islamic banking. This study also seeks to determine how non-Muslim students perceive the concept of

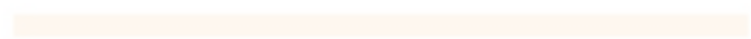
Islamic banking. The purpose of the study is to determine the relationship between non-Muslim students and Islamic banking.



UNIVERSITI



MALAYSIA



KELANTAN

CHAPTER 3

RESEARCH METHODS

3.1 Introduction

The practical "how" of research studies is referred to as research methodology. A more thorough explanation of the systematic design process used by researchers to produce results that are legitimate and trustworthy to fulfill the objectives, aims, and research questions (Jansen & Warren, 2023). This chapter will cover the methodology that was used in this study. Every aspect of conducting this research will be discussed, including the population, research design, and interview sampling techniques. As a result, this is the most important aspect of the research. In general, Chapter 3 discusses applications for this study. It also provides a clear understanding of how the research is carried out in this chapter.

3.2 Research Approach

Research approaches are a group of policies and strategies that determine how a study is conducted. The procedures for data collection, processing, and interpretation are determined by the research strategy. The entire research procedure adheres to the research methodology philosophy. The choice of a research technique is influenced by numerous variables, including the research purpose, the researcher's background, and the target audience. There are two types of research approaches, qualitative and quantitative. A qualitative approach is utilized when the researcher seeks to ascertain or verify the presence or absence of a component in the study. Comparatively, a quantitative approach is employed when the researcher seeks to ascertain the amount of the element's presence. Advanced statistical approaches are used in quantitative methods, whereas open-ended inquiries and direct quotations are used in qualitative methods. The researcher can use semi-structured interviews for qualitative research and statistical

approaches for evaluating hypotheses for quantitative research. Both approaches deepen the scholars' comprehension of social processes.

3.2.1 Deductive Approach

Deductive analysis, also known as a priori analysis, typically entails using the data to test a theory. It resembles a "top-down" method of data processing (Bingham, 2022). This frequently entails applying preset codes to the data in qualitative analysis. The codes may be developed as purely organizational tools, or they may be developed using ideas taken from theories, literature, or the researcher's own established notions. Deductive analysis can help when conducting studies such as adding information to organizational categories like data types, people, or timeframes. To do this, researcher can create attribute codes to organize your data (Miles et al., 2020). The data can be categorized using these attribute codes according to the type of data (for example, "interview"), location (for example, "Binary High School"), participant (for example, "Mr Perez"), time period (for example, "Fall 2017"), etc. Next, sort the information into categories to keep it in line with the research questions. Researchers can stay focused on the goal of their research with the assistance of deductive analysis. Other than that, deductive analysis uses conceptual or theoretical frameworks. Researchers can apply theories or conceptual frameworks with the aid of deductive methods.

3.2.2 Inductive Approach

Inductive research begins with unresolved questions concerning a particular phenomenon of interest rather than a theory that needs to be refuted (or verified) or developed (Woiceshyn & Daellenbach, 2018). In other words, since the authors' focus is on how their research question and work go beyond what is already known, no fundamental hypotheses are required (Looke, 2007). As the researcher reads through

the data and permits codes to develop/name concepts as they occur, inductive analysis is a more emergent approach. It employs a more "bottom-up" analytical approach. Inductive analysis can take many different forms, but some popular techniques include open coding (also known as initial coding), in vivo coding (codes created from participants' own words), and continuous comparative analysis. An inductive approach can help to create themes and conclusions. Inductive analysis is mostly used to go deeply into the data, comprehend the themes that are present, and provide findings that address the research questions. Other than that, the inductive approach also helps in determining representative data to strengthen conclusions. This helps to give a space to freely write about the findings and helps to keep track of critical evidence. Therefore, in this study, the researchers will use an inductive approach because of the suitability and researchers can modify their questions and methodologies according to the inductive approach. Because of this, it's useful for investigating open-ended queries and circumstances with ambiguous underlying mechanisms.

3.2.3 Application to the Study

When doing a case study, a researcher will utilize an instrument to gather data, analyze the data, and make decisions. For different study kinds, various instrumentation techniques will be employed. Research using mixed methods, qualitative research, and quantitative research were all included in the study. Interviews, observations, focus groups, document analysis, and audiovisuals are the five categories of qualitative research tools. The interview was chosen as one of the research tools for the qualitative technique since it is one of the most significant data collection processes.

Interviews are mostly used to research how committed non-Muslim students are to embracing the Islamic financial system. In a semi-structured interview, questions

are posed in the context of a target selection framework. The questions are not, however, arranged in any specific order or structure. Semi-structured interviews are frequently qualitative in character when used in e-research. In the domains of marketing, social science, survey technique, and another research, it is frequently employed as an exploratory tool.

To aid respondents in comprehending the semi-structured survey questions, they were asked in small groups. It guarantees the effectiveness of research difficulties. It is intended to determine non-Muslim students' commitment to using the Islamic financial system.

Qualitative research is typically inductive in nature, with several underlying assumptions that reality is a social construct, variables are difficult to measure, complex, and interwoven, subject matter is paramount, and data collected will reflect an insider's perspective (Rovai et al., 2014). This design's primary data collection methods are interviews.

3.3 Research Strategy

According to Walia and Chetty (2020), research strategy is a step-by-step plan of action that will guide and give direction to researchers in conducting their studies. Research strategy helps the researchers to carry out their study in an organized and orderly manner. In other words, it helps the researchers to conduct their study systematically. The purpose of research strategy is to introduce the main components of the study which are research topic, research focus, research design, as well as research method. Researchers need to implement the research strategy in order to choose the right data collection and analysis. Research strategy is divided into ten types which are quantitative, descriptive, analytical, critical, basic, action, interpretive,

predictive, exploratory, and qualitative. Each type of research strategy is used for different purposes. However, in this study, researchers use qualitative types of research strategy.

3.3.1 Data Collection Method

The use of relevant data plays an important role in a study to ensure it is reliable and trusted to be used by other researchers. Researchers will use the data collection method to obtain the data for their study. According to Cote (2021), the data collection method is the methodological process to collect information regarding a specific subject or topic in research. The data collection phase is essential to guarantee that the data is complete and gathered legally and morally. Generally, there are two categories of data collection methods which are primary data and secondary data. However, in this study researchers will use the first method which is primary data collection. Researchers focus on conducting interviews or surveys to collect the data. It is to ensure the data that the researchers obtain to conduct this study more accurately in accordance with our study area. To obtain the correct answer for our study, researchers have prepared a few questions in dual language which are Malay and English regarding the knowledge, understanding, and acceptance of Islamic banking system among non-Muslim students in Universiti of Malaysia Kelantan.

3.3.2 Primary Data

Primary data can be described as the original information that researchers gathered or acquired via their experiences, efforts, and work in an endeavor to address their study topic (Surbhi 2020). It is also called raw data or first-hand data as it is collected by the researchers themselves. Usually, the process of collecting primary data is conducted through interviews, surveys, and questionnaires. This data collection method is quite expensive as it requires labor and investment (Surbhi 2020). Although

it is quite expensive and time consuming, this method is more accurate and reliable to use by researchers in conducting their study. In fact, they can select and filter their respondent in accordance with their topic and study area. As a result, researchers can maintain their research qualities in terms of data collection. In this study, researchers decided to use a primary data collection method to obtain accurate data regarding the understanding of non-Muslims students in Universiti of Malaysia Kelantan to adopt Islamic banking system. Thus, through this method, researchers can make a conclusion regarding the subject and topic as well as to prove the study so that it can be used by other researchers as their reference sources.

3.3.3 Secondary Data

According to Surbhi (2020), secondary data is secondhand information which is collected or obtained from past studies or research. In other words, it is the data that comes from various sources such as articles, news, journals, reports, books and more. This data is then used by researchers to support their information or explain their topics in more detail. Moreover, secondary data is obtained when statistical techniques are used on the primary data. The advantages and benefits of secondary data are that it is easily available, less time-consuming, and can save us cost. Usually, these types of data are not related to the current research problem. At some point, it might not be valid to use specially to support the current research problems as the usefulness of the data is limited. This is due to the period the data was obtained with the current research is too long. Although the use of secondary data is limited, researchers also use this type of data in our study as our source of references. Some examples of secondary data that have been used in this study are journals, articles, books, and web pages in order to explain the meaning, terms, and definition of certain words or topics.

3.4 Research Instrument Development

Many researchers use research instruments in order to collect any data in their studies. The term research instrument carries the meaning of any tools that are used by researchers to obtain or collect any data, measure, as well as analyze the data that are relevant to the topics of the study. It contains a few elements such as surveys, questionnaires, interviews, simple tests, and a checklist. Research instruments play an important role specially to ensure the transparency and accountability of the data. It is also used to answer the purpose and objective of the study. Besides that, researchers use the research instrument to prove whether the hypotheses can be accepted or not. Research instruments consist of a few types which are structured and unstructured interview, a focus group interview, a focus interview, and a non-directive interview. Meanwhile, observation research instruments consist of three types which are participant observation, structured observation, and naturalistic observation. All these types of research instruments are often used by researchers in conducting their study successfully. For this study, researchers only use a few research instruments such as surveys, questionnaires, and interviews. The researchers interview our respondents which is non-Muslim students in Universiti of Malaysia Kelantan using face to face interviews.

3.4.1 Interview Analysis

Interview analysis includes organizing the data, breaking it down into manageable pieces, integrating it, recognizing patterns, establishing what is essential and what has been learned, and deciding what the researcher will convey to others. The analysis of qualitative interview data usually starts with a set of transcripts from the interviews. Researchers need to take good notes during an interview or record it and type up the information to get these transcripts. Transcription involves playing back the

interview and putting in every word, noting who said what. If the interview occurs face-to-face or through Skype, include nonverbal replies in the written transcription.

3.4.2 Interview Protocol

Interview protocol is crucial in conducting research. It is to avoid the occurrence of unwanted things such as embarrassing or hurting the feelings of the interviewee. Interview protocol is a set of guidelines that must be followed by researchers, journalists, interviewers and more when interviewing someone. The interview protocol provides step by step instructions regarding the ways to conduct an interview properly (Alves, 2022). It will guide the researchers regarding the correct ways to prepare the question, the topics that should and should not be discussed, and the information that can be revealed during the interview. With the interview protocol, the researchers will be more aware of the topics that will be interviewed. For instance, not touching the sensitivity of race, religion, and more so that the interview session went smoothly.

3.5 Procedure Of Data Collection

Data collection is the process of acquiring and analyzing information on relevant variables in a predetermined, methodical way so that one can respond to specific research questions, test hypotheses, and assess results. All academic disciplines, including the humanities, physical and social sciences, business, and others, share the data collection component of research. The emphasis on ensuring accurate and truthful collection persists despite the fact that techniques differ by field. In 1965, Warner created the randomized response (RR) methodology, a method for gathering data that protects respondents' anonymity while enabling researchers to get sensitive information. Respondents are more likely to cooperate while using this strategy, and they are less likely to record their attitudes inadvertently.

3.5.1 Unit of Analysis

The unit of analysis, as defined by Cavana et al. (2001), refers to the level at which the data acquired in the subsequent step of data analysis is consolidated. The unit of analysis refers to the specific component of the information that will be utilised for decision-making in the process of creating codes. Waltz (2001) categorises the world in three distinct domains for analysis: the individual, the nation-state, and armed conflict, as outlined in the book *Man, the State and War*. Unit analysis may be categorised into two types: individual level and group level. The aggregate level is divided into two distinct categories: organizations and groupings. Many interpretations also emphasize interconnectedness or objective resemblance (Turner, 1982; Platow, Grace, & Smithson, 2011), as well as individuals who perceive themselves as integral members of the collective (Reicher, 1982). Sexuality, leadership styles, organizational structure, communication methods, and other factors contribute to social organization. This statement is supported by Susan and Wheelan (2005) as well as Chapais and Berman (2004). Lim, Putnam, and Robert (2010) identify prominent religious and societal organizations as examples of these groupings. Moody, White, and Douglas (2003) argue that social groupings are organized in a hierarchical structure. In 2006, Hasmath, Hildebrandt, and Hsu asserted the existence of many types of social organizations. Several social disciplines, sociology, economics, political science, psychology, management, and organizational communication (Douma & Schreuder, 2013).

Frequently, psychologists do research on individuals who are not in a romantic relationship. An individual's research can significantly impact the expansion of a firm. We may get a great deal of knowledge and wisdom from their extensive expertise and life experiences. A significant number of individuals are engaged in the field of business study (Sanjida Satter, 2022). The individual serves as the unit of analysis for examining

people's buying behaviors, learning abilities, or attitudes towards novel instruments. The study of groups provides insights into phenomena such as the dynamics of street gangs or the collaborative dynamics inside corporations (Anol Bhattacharjee, 2021). The researcher chooses to examine individuals as the primary focus of investigation for that assertion. The primary emphasis is on students enrolled at the Universiti of Malaysia Kelantan. The experts employed semi structured dialogues to aid in the selection of the most suitable individuals for each research. To optimize the efficiency of your interview, it is important to establish guidelines. These provide a comprehensive and systematic understanding of several individuals, while maintaining emphasis on the intended activity (Crabtree BF, 2006). This study primarily focuses on a specific demographic: non-Muslim students enrolled at the Universiti of Malaysia Kelantan. The objective is to assess the level of understanding, familiarity, and acceptance of Islamic banking as a means of managing their finances.

3.5.2 Study Population

Creswell (2012) states that the population is a group of individuals who have the same characteristics. The study population is a segment of the target population from which the actual sample is drawn. It goes beyond the scope of the concept sample frame. It might be accurate to state that the sample frame is a study population that has been operationalized. According to Henry (1990) and Bickman & Rog (1998), the study population is the operational definition of the target population. The full target population, which is not always easily available, is rarely able to be studied by researchers. Robert Yin (2006) asserts that a case study should only be conducted with 2 to 5 respondents. This is because of the saturation method the researcher used. When a researcher starts hearing the same statements repeatedly during interviews, data

saturation has occurred. The study focused on non-Muslim students who were enrolled in Islamic banking and finance courses, as well as those who were not enrolled in such courses. The main reason is that the researchers want to know how understand non-Muslim students in Universiti Malaysia Kelantan (UMK) to adopt Islamic banking system.

3.5.3 Informants Selection Criteria

This study discusses the selection process of key informants prior to conducting field research. It addresses the relationship of informants' understanding, knowledge, acceptance and response on the study topic, merits, and demerits of using (Key Informants Interview) KII technique in research. Qualitative interviews are used to varying extents in social research (Kvale & Brinkman, 2009). Interviewing respondents includes a wide variety of forms and multiplicity of uses and has also become part of the common research culture (Kvale & Brinkman, 2009). To identify the sample and conduct the interviews there were a few selected criteria that had been prepared. The selected respondents must be non-Muslim students at Universiti Malaysia Kelantan. It was important that the respondents were non - Muslim students (UMK) and have or not knowledge about Islamic banking system, the gaps between them and the community participation among non - Muslim students.

3.5.4 Potential Informants for This Study

The most potential informants for this study must be the people who have met all the criteria provided. First, the researcher had decided that the non-Muslims students are the first criteria to choose the informants who are involved in this study. Besides, they must be among the Universiti Malaysia Kelantan's students in any courses. The non-Muslims students come from various religions such as Christian, Hinduism and

Buddhist who have less knowledge about the implemented research. By the reason of their less information on the Islamic banking system, it has raised them as potential informants to contribute to the success of this study.

3.6 Procedure for Data Analysis

Data analysis, according to Lester et al. (2020), is the process of putting together, looking at, and making sense of conceptual information that is not a number and user comments in order to find themes and patterns, answer research questions, and find ways to make your product or website better. The researcher will look at the data to see if it fits with the study's goals and the questions from Chapter 1. Analyzing data is also a technical part of research that has to do with the most basic levels of research methods (Mohajan, 2018). This is because data analysis tries to find sense in the data, which can be done by adding and organizing data very carefully.

3.6.1 Transcribing and Coding

Streefkerk (2022) that transcription means writing down speech word for word. When people do interviews, they often transcribe them so that researchers can learn from them. There are two ways to get qualitative data ready for analysis: using exact transcripts or making changes to the transcripts.

Verbatim transcription is the "word-for-word reproduction of verbal data, where the written words are an exact replication of the audio-recorded words." It depends on the study, researchers might be less interested in recordings that are copied word-for-word and more interested in field notes and memos. Sometimes, researchers will listen to audio files to help them understand the field notes and memos they made during the research process better. A lot of researchers use a mix of field notes, memos, and recordings that are written word-for-word. Plus, changing the transcript is a study can

change the transcript if the sound quality is bad or if the conversation itself needs to be explained more clearly.

As Miles and Huberman (1994) also say, codes are "tags or labels for assigning units of meaning to descriptive or inferential information compiled during a study. To put it simply, codes are labels that experts put on different sizes of text, like words, phrases, sentences, or even whole paragraphs, to sum up what they mean. In this case, the data is broken up into smaller pieces so that they can be analyzed to find connections. Because of this, coding is the basis of qualitative data analysis.

3.6.2 Thematic Analysis

Thematic analysis is a type of qualitative data study that looks for repeating patterns in large sets of data, evaluates them, and reports on them. Techniques for thematic analysis, like how to code data, find and refine themes, and share results, can be used in a number of qualitative methods, such as foundational theory and discourse analysis. For this study, which gathers information through interviews, the information will be put together.

Thematic analysis is a helpful method for doing research when you want to learn anything about people's ideas, opinions, knowledge, experiences, or values from a collection of qualitative data, such as interview transcripts, social media profiles, or survey results (Caulfield, 2022). For example, interviewing and coding, to understand a group of views or actions shared by university students in a data set about the determination of non-Muslim students to adopt Islamic banking system.

3.6.3 Atlas.Ti/Nvivo: Software for Data Analysis/Manual Analysis

NVivo is the leading global provider of qualitative research tools and is the largest firm specializing in computer-assisted qualitative data analysis software

(CAQDAS). CAQDAS facilitates the integration of data from many sources, enabling its organization and in-depth analysis. Various sources, such as text, audio, video, emails, photographs, lists, online polls, social media, and web content, are available. The year 2008. In this study, Paulus et al. (2017) discuss the findings of a discourse analysis conducted on 763 observational studies that utilised either Atlas.ti or NVivo. Approximately 87.5% of researchers in a certain group that utilize Computer- Assisted Qualitative Data Analysis Software (CAQDAS) do not provide comprehensive information regarding the specific technological aspects they employed, except from mentioning the software program's name. This behavior is commonly referred to as "name-dropping" Approximately 10% of the group provides reports that have a certain level of information, mostly focusing on "descriptions of software capability". In 2015, Zamawe stated that NVivo is compatible with a wide range of study approaches due to its lack of methodological specificity. In addition, he stated that the inclusion of NVivo enhances its compatibility with grounded theory and theme analysis methodologies.

According to the Zamawe (2015) asserts that the process of "copying, cutting, and pasting" facilitates the manual analysis of qualitative data using NVivo NVivo also enhances the speed and efficiency of coding, allowing for easy modification of the code format through a simple process of button-clicking. This set is grounded in the research question, the study structure, and the Theory of Planned Behaviour (TPB), which is an established theory. The study question seeks to comprehend the motivations behind non-Muslim students' desire to utilize the Islamic banking system, with the objective of gaining insight, embracing, and enhancing knowledge on this subject.

3.7 Conclusion

Overall, this chapter provides the research method to find out what are the factors that influence the determination of non-Muslim students to adopt Islamic banking system. This study will be conducted using an effective and helpful research approach that will assist the researcher in solving the difficulty regarding finding out the non-Muslim students' determination.

CHAPTER 4

DATA ANALYSIS AND FINDINGS

4.1 Introduction

The results and information gathered from the conducted interview will be presented by the researcher in this chapter. Five students from various faculties at Universiti Malaysia Kelantan participated in the interview. Every informant took part in the study voluntarily and was willing to do that. Throughout the interview, there were inquiries on the goals of the study. The conclusions gathered from the informants will put a light on the results.

4.1.1 Demography of Respondents

Five informants were interviewed for this study. The informants were Teah Zhi Jie (Faculty of Data Science and Computing), Trissa Anak Bunyau (Faculty of Hospitality, Tourism and Wellness), Wong See Jit (Faculty of Entrepreneurship and Business), Leelavathy Kanagarajan (Faculty of Entrepreneurship and Business), and Cassiedy Anak Thomas (Faculty of Entrepreneurship and Business).

4.1.2 Interview

To gather the required data, conducting semi-structured interviews is the most popular qualitative research methodology. Regarding a few of the interviewer's inquiries, the informant offered clarification. This approach involves communication, from which all profound information is gleaned (Bhat,2023). Interviews in this study were conducted through method face to face. A face-to-face interview is a formal interview that takes place at the same time and location. The purpose of the interview is to get views on personal experiences and motives rather

than objective information or actions. The interview guide, which can be created or collected from the literature, past study findings, or early data collection techniques like document studies or observations, can be used to formulate the questions that will be asked (Busetto et al., 2020). In keeping with the modern trend, interviews can now be conducted by audio or video recording; formerly, printed notes were the instrument of choice (Busetto et al., 2020).

An efficient method is to record audio or video, then write an article based on the interview. This is because research based on appropriately provided data can be produced more effectively by utilizing current technologies. A smartphone that is used to capture each question's response as well as the interviewee's whole countenance and expression more thoroughly. This may save expense and time. Through the app Recorder, the interviewer can retain all the data collected on the phone as well as the audio, which can be shared and listened to repeatedly before being converted to written form. The efficient use of technology meant that the interviews translated quickly. While the interview is being conducted, multiple additional interviewers are taking notes or jotting down significant information provided by the participants. This will facilitate the process of highlighting each person's most significant content. All of the interviews took place in early November, and every participant cooperated well throughout the process.

4.2 Findings for Knowledge of the Islamic Banking system among non-Muslim students

These studies indicate three themes, which are the knowledge of the Islamic Banking System, the understanding of the concept of the Islamic Banking System, and lastly, the acceptance of the Islamic Banking System among non-Muslim students. In theme one, there are five sub-themes of the knowledge of the Islamic Banking System among non-Muslim

students that researchers believe can influence the determination of non-Muslim students to adopt the Islamic Banking System. The sub-theme that was concluded in the interviewer's question is the level of knowledge regarding the Islamic Banking System among non-Muslim students. The first sub-theme is regarding the certainty of the informant hearing about Islamic banking. The second sub-theme is the knowledge of Islamic banking. The third sub-theme discusses the sources of the informant's knowledge about Islamic banking. The fourth sub-theme addressed the opinion of non-Muslim students to have knowledge regarding Islamic banking, and the last sub-theme is related to the reasons related to the informant's answer in the fourth sub-theme.

According to the first sub-theme, the knowledge of the Islamic banking system among non-Muslim students is discussed. In the first sub-theme, the studies found that all of the informants stated that they had heard about Islamic banking before this study was conducted. This shows that all of the informants have actually been exposed to Islamic banking. In the second sub-theme, although all of the informants had heard about Islamic banking, only two stated that they knew about it. The rest only know a little bit about Islamic banking.

According to Informant 4:

"I know. Islamic banking is a kind of financial activity attached to shariah, which is Islamic law". This is supported by Mohammad et al. (2019) and Nawaz and Haniffa (2017) in the article, which defined Islamic banking as a banking system that is strictly guided by Shariah, which is Islamic principles and forbids all business activities that involve interest-based investment (riba), gambling (maysir), speculative activities (gharar), and any investment that involved forbidden goods such as alcohol.

Informant 3 also said:

“I know. Islamic banking has prohibited elements such as riba, gharar, and maysir”.

It is stated in the holy Quran and sunnah that riba, gharar, and maysir are prohibited in the transaction as it is contrary to shariah and will oppress one party. Meanwhile, only the other one will get the benefit. Therefore, Islam does not recommend this matter because there is no element of justice.

The third sub-theme discusses where all of the informants knew or heard about Islamic banking. The research also found that every informant has different answers to this question. However, only some informants have similar responses to this question. Although all of the informants had other answers, it made them learn about Islamic banking in Malaysia.

According to Informant 1:

“I know about Islamic banking from advertisements that I watch on television, YouTube, and videos. Apart from that, I also see the Islamic banking counter when I’m going to the bank. So, that’s where I know about Islamic banking”.

Advertising plays an important role, especially in introducing a new product to customers. According to Kaakeh et al. (2020) in the article ‘Understanding Self-efficacy and Performance of Salesperson in Islamic Banking,’ an advertisement can provide a piece of valuable information about the product to customers. Therefore, it can help the financial institution to introduce Islamic banking to non-Muslims.

Meanwhile, according to Informants 2, 3, 4, and 5:

“I used to study the subject of business and commerce during my high school. So, I know about Islamic banking because of that subject, as it mentions the use of Islamic banking services.”

“I know about Islamic banking from the course that I take in the university, which is Islamic banking. And I also heard about Islamic banking from my friends.”

“I am studying for a Bachelor of Business Administration (Islamic Banking and Finance) at Universiti Malaysia Kelantan. So, I know about Islamic banking from my course.”

“I know about Islamic banking from my friends. They took an Islamic banking course.”

Numerous sources can be used in order to educate people, predominantly non-Muslim students, about Islamic banking. For instance, advertisements, friends, courses taken at university, and more. However, the studies show that universities that offer Islamic banking and finance courses at university are more effective, exclusively in introducing Islamic banking and finance to non-Muslim students.

The fourth sub-theme discusses the opinion of the informant regarding the non-Muslim students to have knowledge about Islamic banking. Based on the interviews, the researchers found that most of the informants have the same opinion, which is non-Muslims should know about Islamic banking.

According to Informants 2, 3, and 4:

“I think non-Muslim should know about Islamic banking.”

“I think everyone should know about Islamic banking.”

“Yes. In my opinion, it is necessary for non-Muslim students to know about Islamic banking”.

Having knowledge about Islamic banking is crucial to all individuals, regardless of whether they are Muslim or non-Muslim. This is because it can influence an individual to utilize Islamic banking or not. This is supported in the article written by Albaity & Rahman (2019), who stated that an important factor that influences the clients of Islamic banks to use Islamic bank instruments is the level of knowledge that the clients have about Islamic banking. In addition, the use of Islamic banking is not only applicable to Muslims only. In fact, non-Muslims also can use Islamic banking.

The last sub-theme of this study examines the reason why informants gave such answers in the fourth sub-theme. Every informant has a different opinion regarding this matter. Although all of the informants agree that non-Muslims should have knowledge about Islamic banking in the fourth sub-theme, there are only two informants who are in a neutral position, which does not encourage non-Muslims to learn about Islamic banking. However, it also does not prohibit non-Muslims from learning about Islamic banking. Researchers believe that every informant has their own reason and answer based on their opinion regarding this matter.

According to Informant 5:

“Some people think that learning about Islamic banking is to add new knowledge. Meanwhile, some people think that learning or knowing about Islamic banking can influence non-Muslims to convert to Islam”.

From the analysis, researchers can conclude that all informants have knowledge about Islamic banking, which is a factor in the adoption of Islamic banking among non-Muslim students at Universiti Malaysia Kelantan. All informants can give a clear explanation of this

research. Even so, there is still a lack of knowledge about Islamic banking among non-Muslim students, which causes non-Muslim students to be hesitant to accept and use Islamic banking. The importance of having knowledge about Islamic banking is able to influence and give confidence to non-Muslims, especially, to use Islamic banking services.

Based on table 4.1, all five informants have similar perceptions of Islamic banking as a factor in adopting Islamic banking among non-Muslim students at Universiti Malaysia Kelantan. In this interview, their perception of Islamic banking is based on their knowledge about Islamic banking is that they know about it. They had similar perceptions in different conversations during the interview session. Therefore, researchers concluded that this factor achieved the objective of the research, which is to examine the knowledge of non-Muslim students in the Universiti Malaysia Kelantan on the concept of Islamic banking.

Table 4. 1: To examine knowledge of non-Muslim students to adopt Islamic banking system.

No.	Statement	Informant 1 (Aaron)	Informant 2 (Trissa)	Informant 3 (See Jit)	Informant 4 (Leela)	Informant 5 (Cassiedy)
1	Have you heard about Islamic banking before?	Yes. I have.	Yes.	Yes.	Yes.	Yes.
2	Did you know what Islamic banking is?	Yes. I just know a little bit about Islamic banking.	Yes. I know.	Yes. I know. Islamic banking has prohibited elements such as riba, gharar, and maysir.	Yes. I know. Islamic banking is a kind of financial activity attached to shariah, which is Islamic law.	Yes. I know about Islamic banking.
3	Can I know, where did you know or hear about Islamic banking?	I know about Islamic banking from advertisements that I watch on television, YouTube, and videos. Apart from that, I also see the Islamic banking counter when I'm going to the bank. So, that's where I know about Islamic banking.	I used to study the subject of business and commerce during my high school. So, I know about Islamic banking because of that subject, as it mentions the use of Islamic banking services.	I know about Islamic banking from the course that I take in the university, which is Islamic banking. And I also heard about Islamic banking from my friends.	I am studying for a Bachelor of Business Administration (Islamic Banking and Finance) at Universiti Malaysia Kelantan. So, I know about Islamic banking from my course.	I know about Islamic banking from my friends, they took Islamic banking course.

4	In your opinion, do non-Muslim students also need to have knowledge about Islamic banking?	In my opinion, it is okay for non-Muslim to have knowledge about Islamic banking. However, I also think that it is okay for non-Muslim to not have knowledge about Islamic banking.	I think non-Muslim should know about Islamic banking.	I think everyone should know about Islamic banking.	Yes. In my opinion it is necessary for non-Muslim students to know about Islamic banking.	I am neutral. Yes and no.
5	Why did you think so?	Because we have conventional banking. And Islamic banking, although it is also a bank, however its system is different. So, it is depending on the individual whether to use Islamic banking or conventional banking at his convenience.	Because Islamic banking is not exclusively for Muslim. Non-Muslim also can no use Islamic banking. So why not we study about Islamic banking right?	Because there are differences between Islamic banking and conventional banking.	Because each bank does have part or section for Islamic banking which is also beneficial for non-Muslim.	Because some people think that learning about Islamic banking is to add new knowledge. Meanwhile, some people think that learning or knowing about Islamic banking can influence non-Muslim to convert to Islam.

4.3 Findings for Understanding the concept of Islamic banking system among non-Muslim students

This study had chosen understanding as the second theme to implement the research. In the scope of the second theme, there are five sub-theme which basically examine the informant's understanding level of Islamic banking system, the future explanation of their understanding, their own opinion for non-Muslim student to utilize Islamic banking system including a reason of their opinion, the importance of non-Muslim students to understand Islamic banking system with a reason as well as the encouragement of non-Muslim students to use it.

Referring to the first sub-theme in measuring the exposure of Islamic banking understanding towards the informants, the researchers found that not all of the informants have the understanding of it. Fortunately, for the second-sub theme all of the informants have their own understanding of Islamic banking depending on their additional knowledge.

According to informant 3:

“Islamic banking is not taking any interest which is known as riba. Islamic banking is also prohibited from involving in haram activities.”

This statement is supported by Adam Hayes (2022), for two reasons, riba is forbidden under Sharia law. Its purpose is to guarantee fairness in trade. Its goal is to guarantee that people may safeguard their money by outlawing unfair and unequal transactions.

Informant 4 also state:

“Islamic banking is a system governed by Shariah which promotes mutual risk and profit sharing, assurance of fairness for all and that transactions are based on an underlying business activity or asset.”

It is also mentioned in the Malaysian Financial Sector in the section of Islamic banking and Takaful as the basic definition that refers to the Islamic banking.

The second sub-theme discusses the future explanation of the informant's understanding about Islamic banking. The researcher found that all of the informants have their own basic understanding.

According to the informant 1 and 5:

"I understand that it is a banking system and following the Islam flows".

"What I know that Islamic banking basically a bank managed according to the Islamic concept".

Both statements illustrate that all of them have the basic understanding of Islamic banking, meanwhile the rest of the informants are able to describe more about what they understand of Islamic banking.

In addition, the third sub-theme discusses the informant's opinion of the utilization of Islamic banking on the other non-Muslim students. All of the informants agree that every non-Muslim student needs to use it.

According to informant 1,3 and 5:

"Yes, because it is just a banking system and non-Muslim is not prohibited to use it. It also does not affect our religion."

"Yes, because for me Islamic banking has its own benefits. For example, even though it does not have interest, it still has a dividend. For taking a loan in future, it also has benefits."

“I think yes because what I understand about Islamic banking is that it underlines justice of the growing money by involving in the right channel.”

All of the three-informant statements in the line with Evan Tarver (2023), which stated that financial operations that comply with Shariah (Islamic law) are referred to as Islamic banking, also known as Islamic finance or Shariah-compliant finance. The sharing of profit and loss and the ban on lenders and investors collecting and paying interest are two of the core tenets of Islamic banking.

Then, the fourth sub-theme of this study discusses the importance of Islamic banking through informant’s perspectives. Some of the informants think that it is important while one of them being natural and the rest have no idea on it.

According to informant 3 and 4:

“Yes, because Islamic banking concepts have the difference within conventional banking concepts and if other people understand about this, the benefits would be shared widely.”

“Yes, moreover when it comes to finance related study especially for me it is important for me to understand the Islamic banking. It is because for students, especially me where I am in Islamic banking study, not only me, but every student must also have the knowledge about Islamic banking because in future they can choose which one, the more beneficial one.”

Those statements show that both informants could describe the importance of Islamic banking exposure to the non-Muslim students and the difference between Islamic banking and conventional banking in their own system.

The final sub-theme of this study indicates the encouragement of informants to Islamic banking towards non-Muslim students. Simply, it refers to the attraction of Islamic banking towards the informant. Most of the informants stated that Islamic banking concepts have encouraged them to be involved in it.

According to informant 2,3,4 and 5:

“It is safer than conventional and has strict rules.”

“For me maybe we can share through any random discussion and changing opinion with other friends, for example about loan.”

“The benefits and services provided encourage me to use it.”

“Because of justice. The channel of the money growth is not deviant and follows the rules.”

All of the informants' statements refer to the benefits provided by Islamic banking towards all of the consumers. As a conclusion, the researcher examines that not all of the informants have a clear understanding in terms of Islamic banking concept. Some of them truly understand that concept since they are in Islamic banking and finance courses, meanwhile the other informants have a little understanding since they are not exposed to it. The informants also have the mindset that their current religion would be affected regarding the term of Islamic banking itself. Thus, it is essential for applying a clear understanding of Islamic banking especially to the non-Muslim student for gaining a great result on their perspectives.

Table 4. 2: To examine the understanding of non-Muslim students to adopt Islamic banking system.

No.	Statements	Informant 1 (Aaron)	Informant 2 (Trissa)	Informant 3 (See Jit)	Informant 4 (Leela)	Informant 5 (Cassiedy)
1	Do you understand the concept of Islamic banking?	Not really.	I have no idea.	Yes.	Yes.	Yes, but just a little understanding.
2	Can you explain what you understand about Islamic banking?	I understand that it is a banking system and following the Islam flows	what I know is that Islamic banking has a smaller scope and need to follow some rules different with conventional banking	Islamic banking is not taking any interest which is known as riba. Islamic banking is also prohibited from involving in haram activities.	Islamic banking is a system governed by Shariah which promotes mutual risk and profit sharing, assurance of fairness for all and that transactions are based on an underlying business activity or asset.	what i know that Islamic banking basically a bank managed according to the Islamic concept

<p>3</p>	<p>In your opinion, is Islamic banking also can be utilized by non-Muslim students and why?</p>	<p>Yes, because it is just a banking system and non-Muslim is not prohibited to use it. It also does not affect our religion.</p>	<p>Yes, because it does not put any specific consumers to use it.</p>	<p>Yes, because for me Islamic banking has its own benefits. For example, even though it does not have interest, it still has a dividend. For taking loan in future, it also has benefits.</p>	<p>yes, because of the service, price, cost, product, facilities, and preference provided</p>	<p>I think yes because what I understand about Islamic banking is that it underlines justice of the growing money by involving in the right channel.</p>
<p>4</p>	<p>Is it important for non-Muslim students to understand the concept of Islamic banking? Why?</p>	<p>I am not sure</p>	<p>Not sure</p>	<p>Yes, because Islamic banking concept have the difference within conventional banking concepts and if other people understand about this, the benefits would be shared widely.</p>	<p>yes, moreover when it comes to finance related study especially for me it is important for me to understand the Islamic banking. It is because for students, especially me where i am in Islamic banking study, not only me, but every student must also have the knowledge</p>	<p>iam natural. Some students think it is important and some students think that it is not important.</p>

					about Islamic banking because in future they can choose which one, the more beneficial one.	
5	How can the concept of Islamic banking encourage non-Muslim students to use it?	I am not sure because i am not used to Islamic banking.	It is safer than conventional and has strict rules.	For me maybe we can share through any random discussion and changing opinion with other friends for example about loan.	The benefits and services provided encourage me to use it.	because of justice. The channel of money growth is not deviant and follows the rules.

4.4 Findings for Acceptance of Islamic banking system among non-Muslim students

In these studies, the next theme is acceptance of non-Muslim students to adopt Islamic banking system. In theme three, there are four sub-theme which is do you have savings accounts in Islamic banking, since when did you start using Islamic banking services, who gave you advice or encouragement to use Islamic banking, and in your opinion, is Islamic banking better than conventional banking and why did you think so.

According to the first sub-theme that discussed having savings accounts in Islamic banking, the researcher found that all the informants have the same answer which is they all have the savings account in Islamic banking. All of the informants mostly have Bank Islam for education purposes.

According to Informants 1,2,4,5:

“Yes, I have an Islamic bank which is Bank Islam and RHB bank”.

This statement is supported by Mahdzan and Zainudin (2017), people who use Islamic banks are not just Muslims; they can also be non-Muslims. Therefore, Muslims are thought to be the only ones who can use Islamic banking. As a result, many non-Muslims are still wary of Islamic banking.

Next, for the second sub theme that discusses since when you started using Islamic banking services, the research also found a unanimous agreement among informants, indicating that they apply Islamic banking only for educational purposes.

According to Informants 1:

“Bank Islam, since entering UMK to get PTPTN scholarship and RHB bank account because UMK is required to use it”.

While according to Informants 4:

“Since 2020, I have been using Bank Islam for education purposes”.

Third sub-themes on acceptance discussed, who gave you advice or encouragement to use Islamic banking. According to the study, many informants have stated that Bank officials actively promote the use of Islamic banking. Additionally, several Informants said that UMK actively promotes the utilization of Islamic banking services.

According to Informants 2 and 4:

“Bank officials who encourage to use Islamic banking.”

“Bank officials who encourage to use Islamic banking for PTPTN scholarship.”

Meanwhile, according to Informants 1 and 5:

“UMK itself is encouraged to use Islamic banking”.

“UMK's own requirements.”

The last sub-theme in the part is Islamic banking is better than conventional banking. The researcher discovered that the majority of the informants had various viewpoints, with some believing that Islamic banking is better than conventional banking while others do not.

According to Informants 2:

“In my opinion, conventional banking is better than Islamic banking because application of Bank Islam is slower than Maybank conventional bank.”

This statement supported by WISER.MY (2022) said that Bank Islam is now facing accessibility challenges with their services, which are bankislam.biz and the Go by Bank Islam application. According to their statement, this occurred because of heavy congestion. The consumer is instructed to shut the browser and attempt the action once more. Therefore, the majority of students now use digital banking services. As a result, if there is any kind of issue with the service, students will switch to a better-quality service.

Meanwhile, according to Informant 3,4, and 5:

“Islamic banking provides the same service for everyone compared to conventional banking”.

“Islamic banking is better than conventional banking because it is secure, and our information is not disclosed even though the process is slow. Therefore, I think the Islamic banking system is more secure from usury than conventional banking”.

“Islamic banking is more about rules / the right, it is better to protect the money and there are legal rules, but conventional banking has no rules and has usury”.

These statements supported by Ali et al., (2021) said that the primary objective of conventional banks is to generate profit, but Islamic banks strive to attain both profitability and economic stability, with the additional goal of preventing any kind of consumer abuse.

From analysis, researchers conclude that non-Muslim students exhibit varying levels of acceptability towards Islamic banking. It is important to accept the Islamic banking system among non-Muslim students because they can be charged low service charges and high returns from savings accounts.

Based on table 4.3, explain about the acceptance of non-Muslim students to adopt Islamic banking system. Each of the informants has provided his or her own response and viewpoint regarding this aspect of Islamic banking. Three informants agreed that Islamic banking is better than conventional banking while one disagreed that Islamic banking is better than conventional. Due to its foundation in Islamic law, interest is forbidden however there is no differentiation between Muslims and non-Muslims when it comes to the receipt and payment of interest. Therefore, Islamic banking has emerged as the preferred option among Universiti students in Kelantan, regardless of whether it is endorsed by UMK or not.

Table 4. 3: To examine acceptance of non-Muslim students to adopt Islamic banking system.

No.	Statements	Informant 1 (Aaron)	Informant 2 (Trissa)	Informant 3 (See Jit)	Informant 4 (Leela)	Informant 5 (Cassie)
1.	Do you have savings account in Islamic banking	Yes, I have an Islamic bank which is Bank Islam and RHB bank.	Yes, I have an Islamic bank which is Bank Islam and RHB bank.	I have an Islamic banking account. Bank Islam, RHB, and Maybank. I do not have conventional banking	Yes, I have an Islamic bank which is Bank Islam and RHB bank.	Yes, I have an Islamic bank which is Bank Islam, RHB bank.
2.	Since when you started using Islamic banking services?	Bank Islam, since entering UMK to get PTPTN scholarship and RHB bank account because UMK is required to use it.	I have been using an Islamic bank account for 4 years and RHB bank for 1 year.	Apply before entering university for PTPTN scholarship	Since 2020, I have been using Bank Islam for education purposes.	Bank Islam in 2020 and RHB were used last year.
3.	Who gave you advice or encouragement to use Islamic banking?	UMK itself encourages the use of Islamic banking.	Bank officials who encourage the use of Islamic banking.	Government because when we want to apply for PTPTN scholarship, we have to use Islamic banking.	Bank officials who encourage the use of Islamic banking for PTPTN scholarship	UMK's own requirements.
4.	In your opinion, is Islamic banking better than	There are no differences between Islamic	In my opinion, conventional banking is better	Islamic banking is better than conventional banking	Islamic banking is better than conventional banking	Islamic banking is more about rules / the right, it is

	conventional banking and why did you think so?	banking and conventional banking. For me, we as students only use the account to save money, so there is no problem for me.	than Islamic banking because application of Bank Islam is slower than Maybank conventional bank.	because Islamic banking has the right guidelines. Besides, Islamic banking provides the same service for everyone compared to conventional banking	because it is secure, and our information is not disclosed even though the process is slow. Therefore, I think the Islamic banking system is more secure from usury than conventional banking.	better to protect the money and there are legal rules, but conventional banking has no rules and has usury.
--	--	--	--	--	--	---

4.5 Proposed Research Framework

The purpose of this study is to find out understanding the determination of non-Muslim students to adopt Islamic banking system. The results of the inquiry conducted are shown in Figure 4.5. According to the study, all of the variables examined—knowledge, understanding and acceptance have an impact on understanding the determination of non-Muslim students to adopt Islamic banking system.

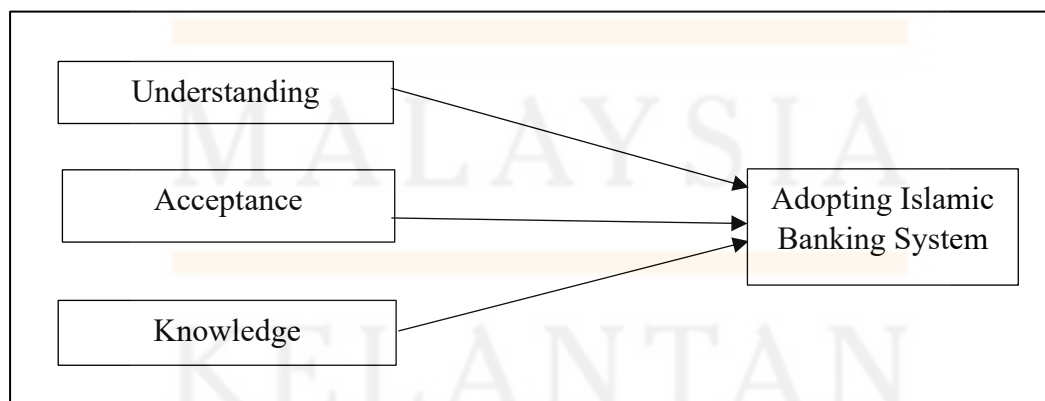


Figure 4 1: Findings the Determination of Non-Muslim Students to Adopt Islamic Banking System

4.6 Conclusion

In a nutshell, the interpretation of the data and observations gathered from the student interviews at Universiti Malaysia Kelantan is the main topic of this chapter. It has provided an explanation for the resolve of non-Muslim students to embrace the Islamic banking system. To provide a deeper knowledge of the research, the researchers conduct analysis and interpretation. Based on the responses, it appears that most people have the same opinion



CHAPTER 5

DISCUSSION AND CONCLUSION

5.1 Introduction

The results of the study that were derived from the data analysis in Chapter 4 will be elaborated upon in detail in Chapter 5. From the previous Chapter, the researchers presented the results and discussion gained after the interview and observation sessions that focused on the objectives of the research. In this chapter, there are five important themes that have been discussed. These topics include the main findings, implications of the research, contribution of the research, limitations of the research and lastly, recommendations of the research.

5.2 Main Findings

The main findings for the three research questions on the interview of non-Muslim students to adopt the Islamic banking system were based on their knowledge, understanding, and level of acceptance.

The findings are as stated below:

- I The findings in this study show that the informants who study at the Faculty of Business and Entrepreneurship have knowledge of the Islamic banking system, while there are other informants who do not study at the Faculty of Business and Entrepreneurship but still have knowledge about the Islamic banking system. The worldwide Islamic banking industry has experienced exponential growth in recent decades (Ayyub et al., 2020). The presence of Islamic elements in Islamic banks is not just a business transaction mechanism but also a religious obligation (Uluyol & Abdullah, 2018). However, according to Saiti & Abdullah (2016), it does not discriminate based on any particular

race. Islamic finance may be learned by individuals of other ethnicities for their own knowledge as well.

- II Based on the results of the study, it can be concluded that all informants have an understanding of Islamic banking. According to our findings, the majority of informants have a basic understanding of Islamic banking. Because non-Muslims now have a limited understanding of Islamic banking, some informants do not know the importance of the concept of Islamic banking to non-Muslim students. According to a study done by Chaouch (2017), knowing about Islamic banking might improve an individual's interest in adopting Islamic banking services and products. This is because individuals will be more likely to utilize Islamic banking services or products once they are comprehending Islamic banking system.
- III This study highlighted the level of acceptance by non-Muslim students to adopt Islamic banking. According to Ahmed, (2020), Islamic financing is gaining acceptance and popularity among non-Muslims on a daily basis. Our findings show the majority of non-Muslim students accept the Islamic banking system because they open a savings account for educational purposes. An example of an education loan is the National Higher Education Fund Corporation (PTPTN). Therefore, for those who want education loans, they need to open an SSPN account at Bank Islam. Nevertheless, some informants expressed a desire to terminate their Islamic bank account upon completing their studies, since they had initially created the account only for educational reasons and also perceived Islamic bank processes to be somewhat sluggish in comparison to regular bank.

5.3 Implications of the Research

According to Saiti et al. (2019), during the 2008 financial crisis, Islamic banks' stable performance showed that the Islamic banking system is naturally strong as an alternative financial system that makes sure that economic and fiscal actions work together with the real sector. Islamic banks are highly regarded by non-Muslim societies due to their achievements. First, profit sharing, which is more profitable than the interest system in conventional banks. Second, Islamic banks operate in accordance with socio-religious principles that forbid the practice of collecting and paying interest, as well as engaging in any prohibited activities such as gambling, speculating, short selling, and the sale of loans and receivables meanwhile in conventional banks, no such restrictions.

It serves as an incentive for non-Muslim groups to convert to Islamic practices. Islamic banks offer a variety of solutions to enhance the convenience of client transactions. Therefore, Islamic financial institutions are welcoming to non-Muslim communities, as they do not impose any limits on their participation in Islamic banking. Based on our analysis, researchers can see that most non-Muslim students agree that Islamic banks are better than conventional banks.

However, our analysis shows that the application of Islamic banks, which is Bank Islam slow than conventional banks. The Go by Islamic bank application was launched in 2016 and was positively accepted. The program initially offers fundamental functionalities, including the ability to transfer funds, make bill payments, and use DuitNow and JomPAY services. For this reason, financial institutions that provide banking services need to work to enhance the banking system in order to encourage non-Muslim students to utilize Islamic banking services.

Bank service providers should prioritize the analysis of Islamic banking services to encourage non-Muslim students to utilize these services. In addition, Muslim students should educate non-Muslim students about Islamic banking and place a focus on the subject in order to help non-Muslim students enhance their understanding of the Islamic financial system. Therefore, a significant number of individuals who are not Muslims are able to examine the Islamic financial system.

5.4 Contributions of the Research

This study will benefit several parties. It will motivate non-Muslim students to utilize and adopt Islamic banking because a little bit of this research will give new knowledge and awareness about Islamic banking to non-Muslim students. Furthermore, it will also change the bad perception of non-Muslim students towards Islamic banking. This research helps give a clear explanation of the actual concept of Islamic banking, as it is not designed for Muslims only. In fact, non-Muslim students also can use Islamic banking services as part of their bank transactions.

This study will help non-Muslim students understand the Islamic banking concept clearly. Therefore, they will no longer be afraid to use the Islamic banking system in their lives. This is because, most non-Muslim students think that when using Islamic banking services, they need to convert to Islam as this banking system is conducted according to shariah (Islamic law) that prohibits *riba* (interest), *gharar* (uncertainty), and *maysir* (speculation or gambling) that are contrary to the concept of conventional banking. In the meantime, it will also help the development of the Islamic banking system especially, when it is also used by many non-Muslims.

Furthermore, when non-Muslim students understand the concept of Islamic banking, it will help them make the choice to use Islamic banking instruments that suit their current needs.

Indirectly, it will also influence their own family members or friends to utilize Islamic banking services. This is because understanding the real concept of Islamic banking will influence the acceptance of Islamic banking among non-Muslim students. Thus, it is crucial to educate non-Muslim students regarding the real concept of Islamic banking so that there is no longer a misunderstanding about Islamic banking that gives a bad image of Islamic banking.

This study also helps society understand the concept of Islamic banking. Although Islamic banking is used by most Muslims, however, there are still Muslims who do not have enough knowledge about Islamic banking. In fact, there are also Muslims who think that Islamic banking is similar to conventional banking, the only differences between these two banks are the use of its terms and instruments. Apart from that, they thought that Islamic banking was only for Muslims and could not be used by non-Muslims. In fact, there are many Muslims which feels strange when non-Muslims learn and use Islamic banking services compared to conventional banking. This is due to the lack of knowledge among Muslims regarding the Islamic banking concept and services.

This study also provides information to responsible authorities which can help them find ways to promote Islamic banking and attract more people especially non-Muslims to use Islamic banking services. As this study is conducted by interviewing non-Muslim students regarding their knowledge, understanding, and acceptance of Islamic banking, it can open someone's eyes regarding the reality and perception of non-Muslims towards the Islamic banking system. Therefore, they can use various marketing methods or implement programs that can bring the community closer to the Islamic banking concept so that all levels of society regardless of Muslim or non-Muslim know a little bit about the basics of the Islamic banking system.

5.5 Limitations of the Research

There are some limitations found during this study. Firstly, it is limited in terms of sample size because the scope is only non-Muslim students from Universiti Malaysia Kelantan instead of other universities or other campuses. In this study, the researcher chose only non-Muslim students at Universiti Malaysia Kelantan from Campus Pengkalan Chepa as their informants. The study was also only carried out in the state of Kelantan. In fact, the data on the determinants of non-Muslim to adopt Islamic banking is comprehensive for all people, but this study only focuses on non-Muslim students in Universiti Malaysia Kelantan. This shows that there is a limitation in the sample size of this study.

Other than that, during the interview, the responder will provide their opinions and knowledge, no matter how brief, based on what they know. For the purpose of this study, the understanding of the Islamic banking system was ascertained through interviews with only five non-Muslim student informants. The purpose of this survey was to get their opinions regarding the Islamic banking system in relation to several aspects, such as acceptability, knowledge, and perception. As a result, while the study's findings can serve as a springboard for further research, they cannot be regarded as a definitive conclusion. Since some non-Muslim students believe that the Islamic banking system is exclusive to Muslims, the notion of using them as informants was developed. Therefore, the sample size for interviewing informants is restricted to five individuals. In the future, however, informants may be drawn from a larger pool of university students.

One of our limitations as interviewers is the inability to conduct face-to-face interviews. This is a result of the short interview period. A research problem is that it is challenging to get to know the respondents well because of the time constraints that make communication difficult. This is because the majority of responders are college students who are preoccupied

with their daily schedules. The largest obstacles for interviewing informants are various tasks like attending class and finishing projects; it is hard to extend the interview period since they do not have the time. This indicates that there are two distinct directions for interviewers and respondents. Respondents may find it challenging to communicate their views in a way that would enable appropriate data collection if their interview responses are distributed.

The suitability of the data for analysing elements influencing non-Muslim students' understanding of and adoption of the Islamic banking system. Three variables or factors are the main focus of this investigation. In order to increase the accuracy of the data collected, the researchers should try to include additional aspects in their next investigations. When just three elements were provided, the interviewees' responses were constrained and might not have been accurate given the circumstances. Thus, the authors propose that other variables be included in future research on this topic.

5.6 Recommendations of the Research

This study has been able to provide a detailed overview of the determination of non-Muslim students to adopt Islamic banking system. However, the limitations of the study have been limited to university students in Kelantan and limited to three variables only. This section discusses some suggestions for further research that can be used as a guide for future researchers. Based on this study, researchers made the following recommendations for prospects.

5.6.1 Knowledge

To enhance the knowledge of non-Muslim students regarding the Islamic banking system, consider incorporating Islamic finance courses. Researchers should introduce dedicated courses on Islamic finance within the academic curriculum. These courses should cover the foundational principles of Islamic banking, its historical development, and

contemporary practices. Ensure that the content is presented in an accessible manner, avoiding assumptions of prior knowledge about Islamic finance. Besides, researchers also recommended creating resource centers specifically for students and people. Establish resource centers or libraries with an extensive collection of books, articles, and multimedia materials on Islamic finance. Access to these resources empowers students to conduct self-directed study and engage with diverse perspectives on the subject. This initiative helps non-Muslim students to gain more of their additional knowledge regarding benefits provided by Islamic banking.

5.6.2 Understanding

Plan engaging seminars with the express goal of educating students who are not Muslims about the fundamentals of Islamic banking. Divide complicated ideas up into manageable sections that address important topics like profit and loss sharing, Sharia compliance, and ethical investing. Give real-world examples of Islamic financial organizations' operations. Case studies and group discussions can be used to promote active involvement. Students gain a deeper understanding of the complexities of Islamic banking through the application of academic information to real-world settings through this experiential learning technique.

Moreover, arranging guest lectures aids non-Muslim students in developing a deeper comprehension of Islamic banking institutions. Invite seasoned experts in the subject of Islamic finance to provide guest lectures. These professionals are able to impart their knowledge, expertise, and useful applications of Islamic banking across a range of sectors. Work together with these visiting lecturers to create case studies or real-world examples that complement the curriculum and give students current, pertinent information. Their comprehension and admiration of Islamic banking methods can be greatly improved by this first-hand experience. These tactics can be combined to create an engaging and dynamic learning environment that

helps non-Muslim students gain a deeper grasp of Islamic banking through educational workshops and guest speakers.

5.6.3 Acceptance

To elaborate even further, think of holding seminars or workshops that explore the basic ideas of Islamic banking without requiring any prior expertise. Invite erudite speakers who can explain the Islamic banking industry's ethical underpinnings and financial stability. Encourage students who are not Muslims to participate in interactive sessions where they can ask questions and express their opinions. Provide instances of successful Islamic banking operations from real-world situations, emphasizing the ways in which these frameworks support social responsibility and economic stability. Highlight the inclusiveness of Islamic finance and show how a wide range of people could find it appealing. Work together with student organizations, extending invitations for them to join in conversations and creating a feeling of community around the comprehension of financial diversity.

5.7 Recommendation for future Research

5.7.1 Emphasize Research in other states in Malaysia.

This study was conducted by involving the informants from non-Muslim students specifically in Universiti Malaysia Kelantan. As a consequence of that, the population of data collected by the researchers is quite limited. In order to obtain more accurate data and information, the researcher must conduct extensive and in-depth research but still focus in a certain population scope to avoid any confusion. In addition, future researchers also recommended conducting an interview session with the public. It is needed in order to provide more comprehensive information and findings. Perhaps by expanding the scope of the study population, it would help in increasing the precision and accuracy of the data to be studied.

5.7.2 Identify other variables.

This study only focuses on three factors including knowledge, understanding and acceptance due to the most related aspects to the students. All of the variables only measure the basic aspects regarding Islamic banking. Further studies might emphasize more variables which are deeper than the current study as well as gaining deeper knowledge and data. Therefore, there are a few suggested aspects that would help for the other researcher such as religiosity, parental involvement, and awareness. By identifying more other variables, researchers can measure their own perception towards the other people whether the informants are exposed to this case or not.

5.7.3 Improving Study's Methodology.

Basically, there are two methods of data collection, and this study used the qualitative method where the researcher needs to conduct an interview with few informants in the data collection process. It is recommended that quantitative research methodologies are chosen by informants in future studies. A sample population will be given Krejcie and Morgan's methodology and interview. Quantitative approaches are more objective and focused on obtaining study results. Thus, it is recommended for future researchers to apply software for data collection, specifically ATLAS.ti for qualitative methods. Meanwhile, since a qualitative approach such as a smaller respondent pool and time-consuming method, future studies also proposed improving the study's methodology by collecting the data in a quantitative approach. The data would be analyzed by Statistical Package for the Social Science (SPSS).

5.8 Conclusions

In conducting this study, the researchers interviewed five informants to answer the research questions in terms of determining the non-Muslim students to adopt Islamic banking system. The informants involved in the interview section are Aaron, Trissa, Wong See Jit,

Leelavathy A/P Kanarajan and Cassiedy Anak Thomas. All the informants are non-Muslim students who studied in Kelantan. This study is particularly related to the exposure of determination non-Muslim university students to adopt Islamic banking system. Disclosure of these resolutions is done to provide knowledge, understanding and acceptance of non-Muslim students to use Islamic banking in their life.

The three variables under investigation all encourage non-Muslim students to get active in the Islamic banking system, but knowledge has the greatest impact. Researchers deduced from the interview that all informants are aware of the fundamental concept that Islamic banking is associated with the Sharia compliant system. Additionally, a few of them are able to distinguish between Islamic and conventional banking systems. Every informant stated that they were personally aware of the Islamic financial system and that they had previously heard of it. The researcher determines from each informant's response that, based on their own general knowledge, each of them was aware of the Islamic banking systems.

In the meantime, the second variable entails determining which informants, on average, believe that Islamic banking exists. The regulations that are in place, which prioritize justice for all parties, expose informants to the benefits of Islamic banking. The services, advantages, and facilities offered also enable the informants to make use of the Islamic banking system in their day-to-day lives. The informants also think that Shariah compliance matters, which are not biased against other races, mean that Islamic banking has not placed any requirements on its customers to use it. Due to several reasons, including their lack of desire to learn more about several Islamic banking systems, all of the informants have a limited understanding of Islamic banking systems and were not exposed to this system itself.

Last but not least, because Islamic banking goes against their existing views and they believe that they must convert to Islam, some non-Muslim students find it impossible to accept

Islamic banking. This only affects students studying Islamic banking and finance; it does not affect non-Muslim students in other courses. This would thus be their justification for finding it difficult to accept Islamic banking, even in cases where they believe it to be superior to conventional banking. In summary, the informants' lack of comprehension and expertise regarding the operation of the Islamic financial system serves to support their point of view. where, with additional understanding, could be altered.

REFERENCES

- Ahmed, U. (2020). *Non-Muslims Attitude and Perception towards Islamic Banking: A Case of District Peshawar*.
- Ajzen, I. (2020). The theory of planned behavior: Frequently asked questions. *Human Behavior and Emerging Technologies*, 2(4), 314-324.
- Albaity, M., & Rahman, M. (2019). The intention to use Islamic banking: an exploratory study to measure Islamic financial literacy. *International Journal of Emerging Markets*.
- Ali, A., Bashir, M. F., & Afridi, M. A. (2021). Do Islamic Banks Perform Better than Conventional Banks? *Turkish Journal of Islamic Economics*, 8(1), 1–17. <https://doi.org/10.26414/a082>
- Alves, R. (2023). The importance of developing a good interview protocol. Medium. <https://medium.com/writelicious/the-importance-of-developing-a-good-interview-protocol-8245b37372db>
- Amin, M. N. M., Najib, M. Z. S. M., & Setopa, M. F. (2022). Factors Influencing Acceptance of Islamic Banking Among Non-Muslim Students in Mukah Polytechnic. *Borneo Engineering & Advanced Multidisciplinary International Journal*, 1(2), 59-65
- Ashni Walia, P. C. (2022). How to formulate a research strategy?. Knowledge Tank. <https://www.projectguru.in/how-to-formulate-a-research-strategy/>
- Ayyub, S., Xuhui, W., Asif, M., & Ayyub, R. M. (2020). Determinants of intention to use Islamic banking: A comparative analysis of users and non-users of Islamic banking: evidence from Pakistan. *International Journal of Islamic and Middle Eastern Finance and Management*, 13(1), 147-163. <https://doi.org/10.1108/imefm-05-2017-0135>
- Bananuka, J., Kaawaase, T. K., Kasera, M., & Nalukenge, I. (2019). Determinants of the intention to adopt Islamic banking in a non-Islamic developing country. *ISRA International Journal of Islamic Finance*, 11(2), 166-186. <https://doi.org/10.1108/ijif-04-2018-0040>
- Bingham, A. (2022). *Qualitative analysis: Deductive and inductive approaches*.
- Bley, J., & Kuehn, K. (2004). Conventional versus Islamic finance: student knowledge and perception in the United Arab Emirates. *International journal of Islamic financial services*, 5(4), 17-30.
- Brookes, E. (2023). *The Theory Of Planned Behavior: Behavioral Intention*.
- Caulfield, J. (2022). How to Do Thematic Analysis | Guide & Examples. *Scribbr*. <https://www.scribbr.co.uk/research-methods/thematic-analysis-explained/>
- Cote, C. (2021). 7 data collection methods in Business Analytics. Business Insights Blog. <https://online.hbs.edu/blog/post/data-collection-methods>

- Fernandez K.V. (2019), “Critically reviewing literature: a tutorial for new researchers,” *Austral. Mark. J.* 27(3), 187– 196.
- Ishak, M. S. I., & Asni, F. (2020). The role of maqasid al-Shari‘ah in applying fiqh muamalat into modern Islamic banking in Malaysia. *Journal of Islamic Accounting and Business Research*, 11(9), 2137-2154. <https://doi.org/10.1108/jiabr-12-2019-0224>
- Kumpf, B., & Proud, E. (2022). *The Adoption of Innovation*.
- Mahdzan, N. S., Zainudin, R., & Au, S. F. (2017). The adoption of Islamic banking services in Malaysia. *Journal of Islamic Marketing*.
- Mustapha, N., Mohammad, J., Quoquab, F., & Salam, Z. A. (2022). “Should I adopt Islamic banking services?” Factors affecting non-Muslim customers’ behavioral intention in the Malaysian context. *Journal of Islamic Marketing*. <https://doi.org/10.1108/jima-03-2022-0094>
- Paulus, T., Woods, M., Atkins, D., & Macklin, B. (2017). The Discourse of QDAS: Reporting Practices of ATLAS.ti and NVivo Users with Implications for Best Practice. *International Journal of Social Research Methodology*, 20(1), 35–47.
- Rammal, H. G., & Zurbruegg, R. (2007). Awareness of Islamic banking products among Muslims: The case of Australia. *Journal of Financial Services Marketing*, 12(1), 65-74. <https://doi.org/10.1057/palgrave.fsm.4760060>
- Saiti, B., & Abdullah, A. (2016). *PROHIBITED ELEMENTS IN ISLAMIC FINANCIAL TRANSACTIONS: A COMPREHENSIVE REVIEW*.
- Surbhi. (2020, July 13). Difference between primary and secondary data (with comparison chart). Key Differences. <https://keydifferences.com/difference-between-primary-and-secondary-data.html>
- Streefkerk, R. (2022). Transcribing an Interview | 5 Steps & Transcription Software. *Scribbr*. <https://www.scribbr.com/methodology/transcribe-interview/>
- Syakir, A., & Putri, A. (2022). *Tahukah Korang idea-idea Anwar Ibrahim ni Telah Mengubah Pelbagai Sektor?* SOSCILI. Retrieved April 29, 2023, from <https://soscili.my/tahukah-korang-idea-idea-anwar-ibrahim-ni-telah-mengubah-pelbagai-sektor/>
- Tawfik, A. A., Gatewood, J., Gish-Lieberman, J. J., & Hampton, A. J. (2021). Toward a definition of learning experience design. *Technology, Knowledge and Learning*, 27(1), 309–334. <https://doi.org/10.1007/s10758-020-09482-2>
- Thambiah, S., Ramanathan, S., & Mazumder, M. N. H. (2012). The Determinants Of Islamic Retail Banking Adoption In Malaysia. *International Business & Economics Research Journal (IBER)*, 11(4), 437. <https://doi.org/10.19030/iber.v11i4.6880>
- Team, I. E. (2023). *What Is Determination? (With Definition, Examples and Tips)*.
- Teh, P. (2021). *Sejarah Ringkas penubuhan bank Islam Pertama di Malaysia*. Majalah Labur. Retrieved April 29, 2023, from <https://www.majalahlabur.com/saham/sejarah-ringkas->

[penubuhan-bank-islam-pertama-di-malaysia/#:~:text=Bank%20Islam%20secara%20rasminya%20dilancarkan,konvesional%20yang%20tidak%20patuh%20syariah.](#)

- Uluyol, B., & Yumusak, I. (26 C.E.). Why non-Muslims Subscribe to Islamic Banking? econometric testing of issues in finance and economics View project Indexing Literature under KAUJIE Classification Scheme Project View project. *Why Non-Muslims Subscribe to Islamic Banking?*, 1. <https://doi.org/10.1108/ORFM-01-2018-0005>
- Wan Ahmad, W. M., Hisham Hanifa, M., & Hyo, K. C. (2019). Are non-Muslims willing to patronize Islamic financial services? *Journal of Islamic Marketing*, 10(3), 743-758.
- Wan Omar, W. A., & Abdul Rahim, H. (2015). Perception of Non-Muslims towards Islamic Banking Revisited: SEM Approach. *Mediterranean Journal of Social Sciences*. <https://doi.org/10.5901/mjss.2016.v7n1p139>
- WISER.MY. (2022, April 25). Bank Islam Turut Alami Masalah, Perbankan Internet Tidak Dapat Dicapai. Wiser.my; Aminudin. <https://wiser.my/bank-islam-turut-alami-masalah-perbankan-internet-tidak-dapat-dicapai>
- Woiceshyn, J., & Daellenbach, U. (2018). Evaluating inductive vs deductive research in management studies: Implications for authors, editors, and reviewers. *Qualitative Research in Organizations and Management: An International Journal*, 13(2), 183-195.
- Wong, L. (2008). Data analysis in qualitative research: a brief guide to using nvivo. *Malays Fam Physician*, 3(1), 14-20.
- Zamawe, F. C. (2015). The Implication of Using NVivo Software in Qualitative Data Analysis: Evidence-Based Reflections. *Malawi Medical Journal*, 27(1), 13–15.(Zamawe, 2015)
- Zagzebski, L. (2017). What is knowledge? *The Blackwell guide to epistemology*, 92-116.

APPENDIX A (INTERVIEW QUESTIONS)



UNIVERSITI
MALAYSIA
KELANTAN

INTERVIEW CONSENT FORM

RESEARCH TOPIC:

UNDERSTANDING THE DETERMINATION OF NON-MUSLIM STUDENTS TO ADOPT ISLAMIC BANKING SYSTEM

Research objectives:

1. To examine the knowledge of non-Muslim students in Universiti Malaysia Kelantan on the concept of Islamic banking.
2. To study the understanding of non-Muslim students in Universiti Malaysia Kelantan towards the concept of Islamic banking.
3. To identify the level of acceptance of non-Muslim students in Universiti Malaysia Kelantan towards the Islamic banking system.

Name: _____

University: _____

I hereby agree/disagree to be one of the study participants to be interviewed by members of this group. I have been informed of the purpose of this research. I have also been informed that this interview session will be recorded for research purposes. I give permission to this group to use any information collected as long as it does not touch the sensitivities of any party.

Signature: _____

Date: _____



UNIVERSITI
MALAYSIA
KELANTAN

FKP

BORANG PERSETUJUAN TEMUBUAL

TAJUK KAJIAN:

MEMAHAMI KEAZAMAN PELAJAR BUKAN ISLAM UNTUK MENERIMA PAKAI SISTEM PERBANKAN ISLAM

Objektif kajian:

1. Mengkaji pengetahuan pelajar bukan Islam di Universiti Malaysia Kelantan tentang konsep perbankan Islam.
2. Mengkaji kefahaman pelajar bukan Islam di Universiti Malaysia Kelantan terhadap konsep perbankan Islam.
3. Mengenal pasti tahap penerimaan pelajar bukan Islam di Universiti Malaysia Kelantan terhadap sistem perbankan Islam.

Nama:

Universiti:

Dengan ini saya bersetuju tidak bersetuju untuk menjadi salah satu peserta kajian untuk ditemu bual oleh ahli kumpulan ini. Saya telah dimaklumkan akan tujuan temu bual ini. Saya juga telah dimaklumkan bahawa sesi temu bual ini akan dirakam untuk tujuan kajian. Saya memberi kebenaran kepada kumpulan ini untuk menggunakan segala maklumat yang dikumpul asalkan ia tidak menyentuh sensitiviti mana mana pihak.

Tandatangan: _____

Tarikh: _____

UNDERSTANDING THE DETERMINATION OF NON- MUSLIM STUDENTS TO ADOPT ISLAMIC BANKING SYSTEM

Informant Demography

Interviewer:

Student Name

Student University:

Age: Gender:

RO 1: To examine knowledge of non-Muslim students to adopt Islamic banking system.	
1.	Have you heard about Islamic banking before? (Pernahkah anda mendengar tentang perbankan Islam sebelum ini?)
2.	Did you know what Islamic banking is? (Tahukah anda apa itu perbankan Islam?)
3.	Where did you know or hear about Islamic banking? (Di manakah anda tahu atau mendengar tentang perbankan Islam?)
4.	In your opinion, do non-Muslim students also need to have knowledge about Islamic banking? (Pada pendapat anda, adakah pelajar bukan Islam juga perlu mempunyai pengetahuan tentang perbankan Islam?)
5.	Why did you think so? (Kenapa awak fikir begitu?)

RO 2: To examine the understanding of non-Muslim students to adopt Islamic banking system.	
1.	Do you understand the concept of Islamic banking? (Adakah anda faham konsep perbankan Islam?)
2.	Explain what you understand about Islamic banking? (Jelaskan apa yang anda faham tentang perbankan Islam?)
3.	In your opinion, is Islamic banking also can be utilized by non-Muslim students and why? (Pada pendapat anda, adakah perbankan Islam juga boleh digunakan oleh pelajar bukan Islam dan mengapa?)
4.	Is it important for non-Muslim students to understand the concept of Islamic banking? Why? (Adakah penting untuk pelajar bukan Islam memahami konsep perbankan Islam? Kenapa?)
5.	How can the concept of Islamic banking encourage non-Muslim students to use it? (Bagaimanakah konsep perbankan Islam boleh menggalakkan pelajar bukan Islam menggunakannya?)

RO 3: To examine the understanding of non-Muslim students to adopt Islamic banking system.	
1.	Do you have savings account in Islamic banking? (Adakah anda mempunyai akaun simpanan dalam perbankan Islam?)
2.	Since when you started using Islamic banking services? (Sejak bila anda mula menggunakan perkhidmatan perbankan Islam?)
3.	Who gave you advice or encouragement to use Islamic banking? (Siapa yang memberi nasihat atau galakan kepada anda untuk menggunakan perbankan Islam?)
4.	In your opinion, is Islamic banking better than conventional banking and why did you think so? (Pada pendapat anda, adakah perbankan Islam lebih baik daripada perbankan konvensional dan mengapa anda berpendapat demikian?)

Interview Transcript

Informant 1

Interviewer: Ilya Insyira binti Azman

Student Name: Teah Zhi Jie

Student University: Universiti Malaysia Kelantan

Faculty: Faculty of Data Science and Computing

Gender: Male

Interviewer	11.17 am
	Hi, I am Ilya Insyira, a final year student at UMK. My group for the final year project conducted research on Understanding the determination of non-Muslim students to adopt Islamic Banking System. As a representative for my group, can I interview you on this matter?
Informant	11.17 am
	Hi, sure.
Interviewer	11.17 am
	Before we continue the questions, can you introduce yourself first?
Informant	11.17 am
	My name is Teah Zhi Jie. Can call me Aaron, a second-year student in Universiti Malaysia Kelantan.
Interviewer	11.17 am
	Okay Aaron. Firstly, thank you for willingly being our informant for this research. There are a few questions that I want to know from you. First question is, have you heard about Islamic banking before?
Informant	11.17 am
	Yes, I have.
Interviewer	11.18 am
	Did you know what Islamic banking is?
Informant	11.18 am
	Yes. I just know a little bit about Islamic banking.

Interviewer	11.18 am
	Can I know, where did you know or hear about Islamic banking?
Informant	11.18 am
	I know about Islamic banking from advertisements that I watch on television, YouTube, and videos. Apart from that, I also see the Islamic banking counter when I'm going to the bank. So, that's where I know about Islamic banking
Interviewer	11.18 am
	In your opinion, do non-Muslim students also need to have knowledge about Islamic banking?
Informant	11.18 am
	In my opinion, it is okay for non-Muslim to have knowledge about Islamic banking. However, I also think that it is okay for non-Muslim to not have knowledge about Islamic banking.
Interviewer	11.18 am
	Why did you think so?
Informant	11.18 am
	Because we have conventional banking. And Islamic banking, although it is also a bank, however its system is different. So, it is depending on the individual whether to use Islamic banking or conventional banking at his convenience.
Interviewer	11.19 am
	Do you understand the concept of Islamic banking?
Informant	11.19 am
	Not really.
Interviewer	11.19 am
	Can you explain what you understand about Islamic banking?
Informant	11.19 am
	I understand that it is a banking system and following the Islam flows
Interviewer	11.19 am
	In your opinion, is Islamic banking also can be utilized by non-Muslim students and why?

Informant	11.19 am
	Yes, because it is just a banking system and non-Muslim is not prohibited to use it. It also does not affect our religion.
Interviewer	11.19 am
	Is it important for non-Muslim students to understand the concept of Islamic banking? Why?
Informant	11.19 am
	I am not sure.
Interviewer	11.20 am
	How can the concept of Islamic banking encourage non-Muslim students to use it?
Informant	11.20 am
	I am not sure because I am not used to Islamic banking.
Interviewer	11.20 am
	Do you have savings account in Islamic banking
Informant	11.20 am
	Yes, I have an Islamic bank which is Bank Islam and RHB bank.
Interviewer	11.21 am
	Since when you started using Islamic banking services?
Informant	11.21 am
	Bank Islam, since entering UMK to get PTPTN scholarship and RHB bank account because UMK is required to use it.
Interviewer	11.21 am
	Who gave you advice or encouragement to use Islamic banking?
Interviewer	11.21 am
	In your opinion, is Islamic banking better than conventional banking and why did you think so?
Informant	11.22 am
	There are no no differences between Islamic banking and conventional banking. For me, we as students only use the account to save money, so there is no problem for me.

Interviewer	11.22 am
	Thank you, Aaron, for participating in this interview.
Informant	11.22 am
	Welcome

FKPP



Informant 2

Interviewer: Iman Nabilah Binti Norman

Student Name: Trissa Anak Bunyau

Student University: Universiti Malaysia Kelantan

Faculty: Faculty of Hospitality, Tourism and Wellness

Gender: Female

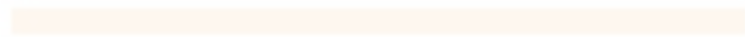
Interviewer	10.35 am
	Hi, I am Iman Nabilah, a final year student at UMK. My group for the final year project conducted research on Understanding the determination of non-Muslim students to adopt Islamic Banking System. As a representative for my group, can I interview you on this matter?
Informant	10.35 am
	Hi, sure.
Interviewer	10.36 am
	Before we continue the questions, can you introduce yourself first?
Informant	10.36 am
	My name is Trissa Anak Bunyau. Can call me Trissa, a final year student in Universiti Malaysia Kelantan.
Interviewer	10.36 am
	Okay Trissa Firstly, thank you for willingly being our informant for this research. There are a few questions that I want to know from you. First question is, have you heard about Islamic banking before?
Informant	10.36 am
	Yes.
Interviewer	10.36 am
	Did you know what Islamic banking is?
Informant	10.36 am
	Yes. I know.
Interviewer	10.37 am
	Can I know, where did you know or hear about Islamic banking?

Informant	10.37 am
	I used to study the subject of business and commerce during my high school. So, I know about Islamic banking because of that subject, as it mentions the use of Islamic banking services
Interviewer	10.37 am
	In your opinion, do non-Muslim students also need to have knowledge about Islamic banking?
Informant	10.37 am
	I think non-Muslim should know about Islamic banking.
Interviewer	10.37 am
	Why did you think so?
Informant	10.37 am
	Because Islamic banking is not exclusively for Muslim. Non-Muslim also cannot use Islamic banking. So why not study about Islamic banking right?
Interviewer	10.37 am
	Do you understand the concept of Islamic banking?
Informant	10.38 am
	I have no idea.
Interviewer	10.38 am
	Can you explain what you understand about Islamic banking?
Informant	10.38 am
	What I know is that Islamic banking has a smaller scope and need to follow some rules different with conventional banking
Interviewer	10.38 am
	In your opinion, is Islamic banking also can be utilized by non-Muslim students and why?
Informant	10.38 am
	Yes, because it does not put any specific consumers to use it.
Interviewer	10.38 am
	Is it important for non-Muslim students to understand the concept of Islamic banking? Why?

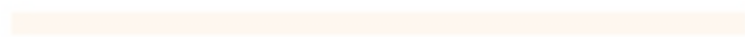
Informant	10.39 am
	Not sure.
Interviewer	10.39 am
	How can the concept of Islamic banking encourage non-Muslim students to use it?
Informant	10.39 am
	It is safer than conventional and has strict rules.
Interviewer	10.39 am
	Do you have savings account in Islamic banking
Informant	10.39 am
	Yes, I have an Islamic bank which is Bank Islam and RHB bank
Interviewer	10.39 am
	Since when you started using Islamic banking services?
Informant	10.39 am
	I have been using an Islamic bank account for 4 years and RHB bank for 1 year.
Interviewer	10.39 am
	Who gave you advice or encouragement to use Islamic banking?
Informant	10.40 am
	Bank officials who encourage the use Islamic banking.
Interviewer	10.40 am
	In your opinion, is Islamic banking better than conventional banking and why did you think so?
Informant	10.40 am
	In my opinion, conventional banking is better than Islamic banking because application of Bank Islam is slower than Maybank conventional bank.
Interviewer	10.40 am
	Thank you, Trissa, for participating in this interview.
Informant	10.41 am



UNIVERSITI



MALAYSIA



KELANTAN

Informant 3

Interviewer: Izakhairunnisa Binti Mohd Zaidi

Student Name: Wong See Jit

Student University: Universiti Malaysia Kelantan

Faculty: Faculty of Entrepreneurship and Business

Gender: Female

Interviewer	5.28 pm
	Hi. I am Izakhairunnisa, a final year student at UMK. My group for the final year project conducted research on Understanding the determination of non- Muslim students to adopt Islamic Banking System. As a representative for my group, can I interview you on this matter?
Informant	5.28 pm
	Hi. Sure.
Interviewer	5.28 pm
	Before we continue on the questions, can you introduce yourself first?
Informant	5.28 pm
	My name is Wong See Jit. Can call me See Jit, a final year student at Universiti Malaysia Kelantan.
Interviewer	5.29 pm
	Okay See Jit. Firstly, thank you for willingly being our informant for this research. There are a few questions that I want to ask you. First question is, have you heard about Islamic banking before?
Informant	5.29 pm
	Yes
Interviewer	5.29 pm
	Did you know what Islamic banking is?
Informant	5.29 pm
	Yes. I know. Islamic banking has prohibited elements such as riba, gharar, and maysir.
Interviewer	5.29 pm

	Can I know, where did you know or hear about Islamic banking?
Informant	5.30 pm
	I know about Islamic banking from the course that I take in the university, which is Islamic banking. And I also heard about Islamic banking from my friends.
Interviewer	5.30 pm
	In your opinion, do non-Muslim students also need to have knowledge about Islamic banking?
Informant	5.30 pm
	I think everyone should know about Islamic banking.
Interviewer	5.31 pm
	Why did you think so?
Informant	5.31 pm
	Because there are differences between Islamic banking and conventional banking.
Interviewer	5.31pm
	Do you understand the concept of Islamic banking?
Informant	5.31 pm
	Yes.
Interviewer	5.32 pm
	Can you explain what you understand about Islamic banking?
Informant	5.32 pm
	What I know that Islamic banking basically a bank managed according to the Islamic concept
Interviewer	5.32 pm
	In your opinion, is Islamic banking also can be utilized by non-Muslim students and why?
Informant	5.32 pm
	Yes, because for me Islamic banking has its own benefits. For example, even though it does not have interest, it still has a dividend. For taking a loan in future, it also has benefits.

Interviewer	5.32 pm
	Is it important for non-Muslim students to understand the concept of Islamic banking? Why?
Informant	5.33 pm
	Yes, because Islamic banking concepts have the difference within conventional banking concepts and if other people understand about this, the benefits would be shared widely.
Interviewer	5.33 pm
	How can the concept of Islamic banking encourage non-Muslim students to use it?
Informant	5.33 pm
	For me maybe we can share through any random discussion and changing opinion with other friends for example about loan
Interviewer	5.34 pm
	Do you have savings account in Islamic banking
Informant	5.34 pm
	I have an Islamic banking account. Bank Islam, RHB, and Maybank. I do not have conventional banking
Interviewer	5.34 pm
	Since when you started using Islamic banking services?
Informant	5.35 pm
	Apply before entering university for PTPTN scholarship
Interviewer	5.35 pm
	Who gave you advice or encouragement to use Islamic banking?
Informant	5.35 pm
	Government because when we want to apply for PTPTN scholarship, we have to use Islamic banking.
Interviewer	5.36 pm
	In your opinion, is Islamic banking better than conventional banking and why did you think so?
Informant	5.36 pm

	Islamic banking is better than conventional banking because Islamic banking has the right guidelines. Besides, Islamic banking provides the same service for everyone compared to conventional banking
Interviewer	5.37
	Thank you, See Jit, for participating in this interview.
Informant	5.37
	Welcome

Informant 4

Interviewer: Izakhairunnisa Binti Mohd Zaidi

Student Name: Leelavathy Kanagarajan

Student University: Universiti Malaysia Kelantan

Faculty: Faculty of Entrepreneurship and Business

Gender: Female

Interviewer	11.37 am
	Hi, morning. I am Izakhairunnisa, a final year student at UMK. My group for the final year project conducted research on Understanding the determination of non- Muslim students to adopt Islamic Banking System. As a representative for my group, can I interview you on this matter?
Informant	11.37 am
	Hi, morning. Yes, sure.
Interviewer	11.37 am
	Before we continue on the questions, can you introduce yourself first?
Informant	11.37 am
	My name is Leelavathy Kanagarajan. Can call me Leela, a final year student in Universiti Malaysia Kelantan.
Interviewer	11.37 am
	Okay Leela. Firstly, thank you for willingly being our informant for this research. There are a few questions that I want to know from you. First question is, have you heard about Islamic banking before?
Informant	11.37 am
	Yes
Interviewer	11.38 am
	Did you know what Islamic banking is?
Informant	11.38 am
	Yes. I know. Islamic banking is a kind of financial activity attached to shariah, which is Islamic law
Interviewer	11.38 am

	Can I know, where did you know or hear about Islamic banking?
Informant	11.38 am
	I am studying for a Bachelor of Business Administration (Islamic Banking and Finance) at Universiti Malaysia Kelantan. So, I know about Islamic banking from my course.
Interviewer	11.38 am
	In your opinion, do non-Muslim students also need to have knowledge about Islamic banking?
Informant	11.38 am
	Yes. In my opinion it is necessary for non- Muslim students to know about Islamic banking.
Interviewer	11.39 am
	Why did you think so?
Informant	11.39 am
	Because each bank does have a part or section for Islamic banking which is also beneficial for non-Muslim.
Interviewer	11.39 am
	Do you understand the concept of Islamic banking?
Informant	11.39 am
	Yes.
Interviewer	11.39 am
	Can you explain what you understand about Islamic banking?
Informant	11.39 am
	Islamic banking is a system governed by Shariah which promotes mutual risk and profit sharing, assurance of fairness for all and that transactions are based on an underlying business activity or asset.
Interviewer	11.40 am
	In your opinion, is Islamic banking also can be utilized by non-Muslim students and why?
Informant	11.40 am
	Yes, because of the service, price, cost, product, facilities, and preference provided.

Interviewer	11.40 am
	Is it important for non-Muslim students to understand the concept of Islamic banking? Why?
Informant	11.40 am
	Yes, moreover when it comes to finance related study especially for me it is important for me to understand the Islamic banking. It is because for students, especially me where i am in Islamic banking study, not only me, but every student must also have the knowledge about Islamic banking because in future they can choose which one, the more beneficial one
Interviewer	11.40 am
	How can the concept of Islamic banking encourage non-Muslim students to use it?
Informant	11.40 am
	The benefits and services provided encourage me to use it
Interviewer	11.40 am
	Do you have savings account in Islamic banking
Informant	11.40 am
	Yes, I have an Islamic bank which is Bank Islam and RHB bank.
Interviewer	11.41 am
	Since when you started using Islamic banking services?
Informant	11.41 am
	Since 2020, I have been using Bank Islam for education purposes.
Interviewer	11.41 am
	Who gave you advice or encouragement to use Islamic banking?
Informant	11.41 am
	Bank officials who encourage the use Islamic banking for PTPTN scholarship.
Interviewer	11.42 am
	In your opinion, is Islamic banking better than conventional banking and why did you think so?
Informant	11.42 am

	Islamic banking is better than conventional banking because it is secure, and our information is not disclosed even though the process is slow. Therefore, I think the Islamic banking system is more secure from usury than conventional banking.
Interviewer	11.42 am
	Thank you Leela for participating in this interview.
Informant	11.42 am
	Welcome

FKP

UNIVERSITI
 MALAYSIA
 KELANTAN

Informant 5

Interviewer: Julia Afrina binti Rahim

Student Name: Cassiedy Anak Thomas

Student University: Universiti Malaysia Kelantan

Faculty: Faculty of Entrepreneurship and Business

Gender: Male

Interviewer	11.51 am
	Hi, I am Julia Afrina, a final year student at UMK. My group for the final year project conducted research on Understanding the determination of non-Muslim students to adopt Islamic Banking System. As a representative for my group, can I interview you on this matter?
Informant	11.51 am
	Hi, sure.
Interviewer	11.51 am
	Before we continue on the questions, can you introduce yourself first?
Informant	11.51 am
	My name is Cassiedy Anak Thomas. Can call me Cassie, a final year student in Universiti Malaysia Kelantan.
Interviewer	11.51 am
	Okay Cassie. Firstly, thank you for willingly being our informant for this research. There are a few questions that I want to know from you. First question is, have you heard about Islamic banking before?
Informant	11.51 am
	Yes
Interviewer	11.51 am
	Did you know what Islamic banking is?
Informant	11.51 am
	Yes. I know about Islamic banking.
Interviewer	11.52 am
	Can I know, where did you know or hear about Islamic banking?

Informant	11.52 am
	I know about Islamic banking from my friends, they took Islamic banking course.
Interviewer	11.52 am
	In your opinion, do non-Muslim students also need to have knowledge about Islamic banking?
Informant	11.52 am
	I am neutral. Yes and no.
Interviewer	11.52 am
	Why did you think so?
Informant	11.52 am
	Because some people think that learning about Islamic banking is to add new knowledge. Meanwhile, some people think that learning or knowing about Islamic banking can influence non-Muslim to convert to Islam.
Interviewer	11.52 am
	Do you understand the concept of Islamic banking?
Informant	11.52 am
	Yes, but just a little understanding
Interviewer	11.53 am
	Can you explain what you understand about Islamic banking?
Informant	11.53 am
	What i know that Islamic banking basically a bank managed according to the Islamic concept
Interviewer	11.53 am
	In your opinion, is Islamic banking also can be utilized by non-Muslim students and why?
Informant	11.53 am
	I think yes because what I understand about Islamic banking is that it underlines justice of the growing money by involving in the right channel.
Interviewer	11.53 am
	Is it important for non-Muslim students to understand the concept of Islamic

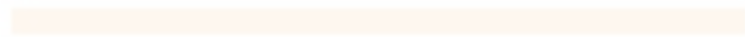
	banking? Why?
Informant	11.53 am
	I am natural. Some students think it is important and some students think that it is not important.
Interviewer	11.53 am
	How can the concept of Islamic banking encourage non-Muslim students to use it?
Informant	11.53 am
	Because of justice. The channel of money growth is not deviant and follows the rules.
Interviewer	11.54 am
	Do you have savings account in Islamic banking
Informant	11.54 am
	Yes, I have an Islamic bank which is Bank Islam, RHB bank.
Interviewer	11.54 am
	Since when you started using Islamic banking services?
Informant	11.54 am
	Bank Islam in 2020 and RHB were used last year.
Interviewer	11.54 am
	Who gave you advice or encouragement to use Islamic banking?
Informant	11.54 am
	UMK's own requirements.
Interviewer	11.54 am
	In your opinion, is Islamic banking better than conventional banking and why did you think so?
Informant	11.54 am
	Islamic banking is more about rules / the right, it is better to protect the money and there are legal rules, but conventional banking has no rules and has usury.
Interviewer	11.55 am
	Thank you, Cassie, for participating in this interview.

Informant	11.55 am
	Welcome

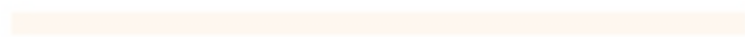
FKPP



UNIVERSITI



MALAYSIA



KELANTAN

APPENDIX B (GANTT CHART)

Work	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15
Group distribution	■	■													
Briefing about research project proposal			■	■	■	■									
Submission Chapter 1							■	■							
Submission Chapter 2								■	■	■					
Submission Chapter 3											■	■			
Evaluation of the provided manuscript by the supervisor											■	■			
Submission full report to supervisor													■		
Presentation Live with supervisor and examiner														■	
Submission correction report to supervisor															■

UNIVERSITI
MALAYSIA
KELANTAN

APPENDIX B: Gantt Chart for Chapter 4 – 5

Work	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14
Meeting with Supervisor	■													
Briefing About Research Project Proposal Chapter 4 – Chapter 5 with Supervisor		■	■											
Draft Interview Questions				■										
Qualitative And Quantitative Data Analysis Online Class					■									
Submit Draft Interview Question to Supervisor					■									
Collect Data						■	■							
Analysis The Data						■	■							
Writing For Chapter 4							■	■						
Writing For Chapter 5									■	■				
Submission Hardcopy Draft Full Report to Supervisor											■			
Meet with the supervisor and make corrections												■		
Submit Final Full Report, E-Poster and Video Presentation on Poster													■	