



DETERMINANTS OF CONSUMER INTENTION TO ADOPT
ISLAMIC BANKING IN KOTA KINABALU

NORASSHIDA BINTI SAHAT

2015149121

BACHELOR OF BUSINESS ADMINISTRATION
WITH HONOURS (MARKETING)
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
KOTA KINABALU, SABAH

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LIST OF DEFINITION OF TERMS

- Bay' bithaman ajil** A sales contract on a deferred payment basis
- Mudharabah** It is a form of silent partnership between two parties where one provides the capital for a project and the other, mudharib, manages the project. Profits are distributed according to a predetermined ratio while losses are borne by the provider of the capital
- Murabahah** A sales contract where the goods are sold at a price which includes a profit margin agreeable to both parties
- Musharakah** A partnership contract where partners contribute the capital for financing the project. All parties share profits on a pre-agreed ratio but losses are shared on the basis of equity participation
- Riba** An increase over the principal in a loan transaction; usury or interest. In a commodity exchange riba' denotes the disparity in the quantity or time of delivery. Technically, riba' denotes any increase that must be paid by the borrower to the lender along with the principal sum as a condition for the loan or loan extension
- Shariah** The divine guidance as given by the Holy Qur'an and the Sunnah, it embodies all aspects of the Islamic faith, including belief and practice

ABSTRACT

INTRODUCTION

The aim of this study is to examine the relationship between bank reputation, consumer awareness, relative advantage with consumer intention to adopt Islamic Banking in Kota Kinabalu. For this study, the researcher distributes the questionnaires with sampling size of 200 respondents (Malhotra, 1999) that randomly take part on the survey. The researcher used Statistical Package for Social Science (SPSS) in order to keying and analyze the data for this research. By using Multiple Regression Analysis, two of the variables which is Bank Reputation and Consumer Awareness have a significant relationship towards the dependent variable which is consumer intention to adopt Islamic Banking in Kota Kinabalu. Meanwhile, relative advantage has no significant relationship towards the dependent variable which is consumer intention to adopt Islamic Banking in Kota Kinabalu. From this finding, it shows that only one hypothesis which is H1 and H2 were supported, while H3 were rejected on testing of association with the dependent variable. Thus, the finding from this research can help the researcher to conduct future research in consumer intention to adopt Islamic Banking.