



اُنِوَرْسِيْتِي تِكْنُوْلُوْجِي مَرْا  
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**A STUDY ON CONSUMER SATISFACTION OF ISLAMIC  
BANKING PRODUCTS AND SERVICES  
IN PORT DICKSON NEGERI SEMBILAN**

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## **ABSTRACT**

The aim of this study is to investigate consumers' satisfaction on Islamic Banking product and services in Port Dickson, Negeri Sembilan. More specifically is to examine the reasons why consumers were selecting Islamic Banking services rather than Conventional Banking services. This study, presents primary data collected by self-administered questionnaires involving a sample of 80 respondents. All the data are analyzed using Statistical Package for Social Services (SPSS). The findings show that the consumers' satisfaction of Islamic banking products and services to certain degree. The respondents expressed their dissatisfaction with some of the Islamic bank's services as well. Although the respondents' indicated that they are aware of specific consumer financing products and services but they do not deal with them. This study will be useful to Bankers mainly Islamic Bankers on consumers' preferences towards Islamic products and service hence it will improve the efficiency in marketing, product innovation and operating Islamic Finance.

## CHAPTER 1

### 1. INTRODUCTION

#### 1.1 Background of the Study

Malaysia has gone a long way to make itself as an International Islamic financial hub since early 1980s. According to a research study conducted by (Fazlan & Mohamad, 2007) the emergence of Islamic banking system has created a new dimension to the current economic models. The Islamic banking system in Malaysia has evolved as a competitive component of the overall financial system, complementing the conventional banking system as a driver economic growth and development. It is the aspiration of the Malaysian government to have a strong Islamic financial industry by 2010 (Aziz, 2000-2006).

The first Islamic bank established in the country was Bank Islam Malaysia Berhad (BIMB) which commenced operation on 1<sup>st</sup> July 1983. In line with its objectives the banking activities of the bank are based on Syariah principles. Later, in October 1999 a second Islamic bank namely Bank Muamalat Malaysia Berhad commenced its operations. At present, Malaysia has succeeded in implementing a dual banking system and has emerged as the first nation to have a full-fledged Islamic banking system which comprises ten (10) local Islamic banks and six (6) foreign Islamic banks (Bank Negara, 2009).

As one of the most important players in service industry today, Islamic banking is no longer regarded as a business entity striving only to fulfill religious obligations of the Muslim community but more significantly as a business that is ineluctably in need for winning over customers while retaining the old ones (Wilson, 1995).