

UNIVERSITI TEKNOLOGI MARA

**FACTORS OF CUSTOMERS' INTENTION TO USE
PERSONAL FINANCING: COMPARISON
BETWEEN CONVENTIONAL AND ISLAMIC**

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BBA (Hons) Business Administration

Islamic Banking

December 2017

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Thesis submitted in fulfillment
of the requirement for the degree of
Bachelor of Business Administration
(Hons) (Islamic Banking)

Faculty of Business and Management

December 2017

LETTER OF SUBMISSION

21st December 2017

Puan Zuraidah binti Sipon
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Dear Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “**FACTORS OF CUSTOMERS’ INTENTION TO USE PERSONAL FINANCING: COMPARISON BETWEEN ISLAMIC AND CONVENTIONAL**” to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA for the subject of ISB672.

Thank You.

Yours sincerely,


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AUTHOR'S DECLARATION

I declare that the work in this thesis was carried out in accordance with the regulations of Universiti Teknologi MARA Johor. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Undergraduate, Universiti Teknologi MARA Johor, regulating the conduct of my study and research.


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Thesis : Factors of Customers' Intention to use Personal
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ABSTRACT

One of the factors that lead to bankruptcy among adults is personal loan. The high interest rate will burden the youngest to make repayment loan for every month. Moreover, they assume a personal loan is the only option for those who have poor credit or do not own any assets that can be used as collateral to make secure loan (Ibrahim, 2012). Due to high cost of living, they have no option unless make personal financing with financial institutions. Even though, they have option to make personal financing with Islamic banks, which does not charge high interest but there have certain groups of people who are still make conventional personal financing. This research had going to perform the comparison between conventional and Islamic personal financing. The purpose of this study is to identify the factors of customer's intention to use personal financing in Selangor. There are 200 sets of questionnaires have been distributed to customers of personal financing. The data have be analysis by SPSS software. A few of analysis have been done to evaluate the data such as frequency, reliability analysis, descriptive analysis, correlation analysis and multiple regression analysis. The findings shown attitude and pricing have significant relationship with customers' intention to use Islamic personal financing meanwhile attitude and social influence have significant relationship with customers' intention to use conventional personal financing.