

UNIVERSITI TEKNOLOGI MARA

**FACTORS THAT INFLUENCE
CUSTOMERS' PREFERENCES TO
CHOOSE ISLAMIC PAWN BROKING
IN RURAL AREA**

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

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LETTER OF SUBMISSION

June 2018

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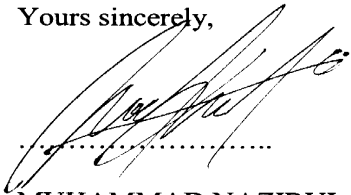
Dear Madam,

SUBMISSION OF PROJECT PAPER ISB666

I attached my project paper titled “Factors that Influence Customers’ Preferences to choose Islamic Pawn Broking in Rural Area” to fulfil the requirement as needed by the Faculty of Business Management, University Teknologi MARA.

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.

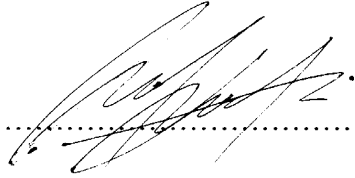
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ABSTRACT

Besides the function played by the formal financial institution, there also has an important function that played by the informal financial institution through their endeavour in providing credit facilities to the society. The informal financial institution such a pawnshop has increased over the past few years, especially during the rugged economic climate. In our country, the pawn broking business has provided promptly service to the people in need for the cash in various form. Primarily, our country has two approaches of pawn broking which are conventional pawn broking and Islamic pawn broking. Given from that, the aim of this study is to explore and examines the theoretical frameworks of factors that influence customers' preferences to choose Islamic pawn broking in rural area using descriptive analysis of the factors accepting Islamic pawn broking. Five factors are Shariah View, Pledge Assets, and Customer Service, Advertisement and one new variables that was created which is Social Factors. This research was conducted using a quantitative methods. 150 of the questionnaires were distributed personally. Data analysis was run in SPSS in order to determine which factors that influence customers' preferences to choose Islamic pawn broking in rural area. Lastly, this study has turned out the strong element that positively significant toward customer preferences to choose Islamic pawn broking scheme which are Shariah view and Social factors.

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Thank you.