

UNIVERSITI TEKNOLOGI MARA

**FACTOR THAT INFLUENCE CONSUMERS'
WILLINGNESS TO CHOOSE MICROFINANCE
FACILITY AT BANK KERJASAMA RAKYAT
MALAYSIA BERHAD (BKRM)**

**NOR HAZIRAH BINTI KHAMIS
2015143151**

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of the requirements for the degree of
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AUTHOR'S DECLARATION

In the name of Allah s.w.t The Almighty and The Most Merciful

I declare that the work in this final year project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. 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, regulating the conduct of my study and research.

Name of Student : Nor Hazirah binti Khamis
Student I.D. No. : 2015143151
Programme : Bachelor of Business and Administration (Hons)
Islamic Banking.
Faculty : Business and Management
Thesis : Factor that Influence Consumers' Willingness to
Choose Microfinance Facility at Bank Kerjasama
Rakyat Malaysia Berhad (BKRM)

Signature of Student : 

Date : June 2018

ABSTRACT

Banking institutions must take the challenges and support the growth of local micro and SMEs, as they are the promoter of equitable development in the economy. However, there are lack of assessment on the microfinance facilities offer by the banking institution. Then this study have been conducted to focus on the microfinance facilities under banking institutions, which is Bank Kerjasama Rakyat Malaysia Berhad (Bank Rakyat). In the study, the researcher uses theory of interpersonal behaviour factor to determine the willingness of the consumers to choose microfinance facility offer by BKRM. Several factor are used for determine consumers' willingness to choose (dependent variable) such as social factors, perceived financial benefit and perceived risk (independent variables). The finding of the study found that consumers' willingness to choose microfinance facility at Bank Rakyat is significantly influenced by perceived financial benefit when receiving the micro- financing. Others factors found to influence the respondents' willingness to choose microfinance at Bank Rakyat is perceived risk associated in it. Thus, it is suggested that Bank Rakyat should provide more attractive benefits and reduce the risk. In particular, give opportunity to new comer of SMEs who have profitable business venture to gain high margin of financing.

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