



**FACTORS THAT INFLUENCE MUSLIMS CONSUMER IN CHOOSING  
ISLAMIC BANKING PRODUCTS: A CASE STUDY AMONG STAFF  
MAJLIS PERBANDARAN KOTA BHARU BANDAR RAYA ISLAM  
(MPKB BRI)**

**MOHAMAD NASSTAIN NAL ARZIHI BIN MOHD FAUZI**

**2014595317**

**BACHELOR OF BUSINESS ADMINISTRATION BBA  
(HONS) ISLAMIC BANKING  
FACULTY OF BUSINESS MANAGEMENT UNIVERSITI TEKNOLOGI  
MARA CAMPUS KOTA BHARU KELANTAN**

**JANUARY 2017**

**LETTER OF TRANSMITTAL**

MOHAMAD NASSTAIN NAL ARZIHI BIN MOHD FAUZI  
Bachelor of Business Administration (Hons) Islamic Banking  
Faculty of Business Management,  
Universiti Teknologi Mara, Wisma KUB,  
Kampus Kota Bharu,  
Kelantan Darul Naim.

January 2017

Head of Program  
Bachelor of Business Administration (Hons) Islamic Banking  
Faculty of Business Management  
University Technology MARA, Wisma KUB  
Kota Bharu Campus  
15050 Kota Bharu, Kelantan

Dear Sir/Madam,

**SUBMISSION OF PROJECT PAPER (ISB 672)**

I am Mohamad Nasstain Nal Arzihi Bin Mohd Fauzi, writing to propose project entitled “**Factors That Influence Muslims Consumer In Choosing Islamic Banking Products Among Staff MPKB**” to fulfil the requirement as needed by the Faculty of Business management Universiti Teknologi Mara (UiTM) Kampus Kota Bharu Kelantan.

Thank you,

Yours sincerely,

.....  
MOHAMAD NASSTAIN NAL ARZIHI BIN MOHD FAUZI  
2014595317  
Bachelor of Business Administration (Hons) Islamic Banking

## ACKNOWLEDGEMENT



This paper finally has been completed and fully carried out with cooperation and support from various parties and few from authorities. I would like to say my bug gratitude and honest appreciation to those who helped, guided and support me either in financial, strength and all the process during completing this study.

First of all, I want to express my appreciation to my beloved parents and my family members for helped me to complete my research. They gave me full attention and support to all my needs in financial, mental support and gaining information to run the process of this study.

Next, I want to thank Universiti Teknologi MARA (UiTM), campus in Kota Bharu for giving me an opportunity to this research. This research gave me a lot of information and more understanding on financial management in real life rather than a tutorial in class.

Besides that, I would like to give my gratitude to my advisor, Dr Affendi Ismail who had guided me during my whole research process. Her advice helps, and tolerations that make my research be on right track and run smoothly. I fell so thankfully for all her efforts.

In addition, I want to thank all staff MPKB to helps me during my practical and support me to complete my research in MPKB. They support me to gain information as I needed and gave me space and time to do my research around the hospital. Subsequently, I want to thank for staff MPKB that willing gave me their time and corporation to answer my questionnaires and other information as needed in completing this research.

Lastly, I want to give my thankful to all my friends that give me all the support and help to finish this research.

## TABLE OF CONTENT

	Page
TITLE PAGE	I
DECLARATION OF ORIGINAL WORK	II
LETTER OF TRANSMITTAL	III
ACKNOWLEDGEMENT	IV
TABLE OF CONTENTS	V
LIST OF FIGURES	VII
LIST OF TABLES	VIII
ABSTRACT	IX
<b>CHAPTER 1 INTRODUCTION</b>	
1.0 Introduction	1
1.1 Background of study	1
1.2 Problem Statement	3
1.3 Research Objectives	5
1.4 Research Question	5
1.5 Theoretical Framework	6
1.6 Hypothesis	7
1.7 Significant of Study	8
1.8 Scope of Study	9
1.9 Definition of Term	9
1.10 Limitations of the Study	10
<b>CHAPTER 2 LITERATURE REVIEW</b>	
2.0 Introduction	11
2.1 Definition and Concept of Islamic banking	11
2.2 The Principle of Islamic banking	12
2.3 Choosing of Islamic banking	13
2.4 Knowledge	13
2.5 Perception	14
2.6 Religious	16
<b>CHAPTER 3 RESEARCH METHODOLOGY</b>	
3.0 Introduction	18
3.1 Research Design	18
3.2 Data Collection	18
3.3 Sampling Design	19
3.3.1 Population	19
3.3.2 Sampling Size	19
3.3.3 Sampling Technique	19
3.4 Type of Data	19
3.4.1 Primary Data	19
3.4.2 Secondary data	20
3.5 Questionnaire Design	20

## ABSTRACT

This paper aimed to identify the factors that influence Muslims consumer in choosing Islamic banking products. Main focused of this research is to examine the factors that influence Muslims consumer in choosing Islamic banking products among staff MPKB. The study is used the primary data by questionnaires and the samples consisted of 100 staff and the target population is from Majlis Perbandaran Kota Bharu Bandar Raya Islam (MPKB BRI), Kelantan. SPSS software system 2.0 is used for running the collect data. There are three independent variables such as knowledge, perception and religious factor whereby the dependent variable is the choosing Islamic banking product. The results revealed that the knowledge showed most significant positive relationship with choosing Islamic banking product, whereby the religious factor also significant but not strong as the knowledge. Finally, the limitation and recommendation are included to help further researchers to have a better finding of the result.

**Keyword:** *Islamic* banking product, knowledge, perception and religious