



**A STUDY ON THE FACTORS CONTRIBUTE TOWARDS
EXISTENCE OF REPETITIVE CUSTOMERS AT MUASSASAH AR-
RAHNU MAIDAM**

FARAH AMALINA BT MD NAWI

2007269062

**BACHELOR OF BUSINESS ADMINISTRATION WITH (HONS)
ISLAMIC BANKING
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
DUNGUN TERENGGANU**

NOVEMBER 2009

DECLARATION OF ORIGINAL WORK



BACHELOR OF BUSINESS ADMINISTRATION WITH HONOURS (ISLAMIC BANKING) FACULTY OF BUSINESS MANAGEMENT UNIVERSITI TEKNOLOGI MARA

I, **Farah Amalina bt. Md. Nawī** (I/C Number: **860629-46-5420**)

Hereby, declare that:

- 1) This work has not previously been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree or any other degrees.
- 2) This project paper is the result of my independent work and investigation, except where otherwise stated.
- 3) All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature: _____

A handwritten signature in black ink, appearing to read 'Farah Amalina', written over a horizontal line.

Date: 4 NOV 2009

ABSTRACT

MAIDAM or Majlis Agama Islam dan Adat Melayu Terengganu is a government body which responsible to coordinate and manage all matter relate to Muslim economy. One of the service offers by MAIDAM is Ar-Rahnu scheme. The special feature of Ar-Rahnu scheme offer by MAIDAM is the lowest fee (ujrah) charged for every single transaction (Hanudin et. al, 2007). The acceptance of customers towards this scheme is moderately good. Thus, it is interesting to identify another factors contribute towards existence of repetitive customers of Ar-Rahnu scheme offer by MAIDAM. So, the researcher select a topic of the factors contribute towards existence of repetitive customers at Muassasah Ar-Rahnu MAIDAM. 200 sets of questionnaires had been distributed to the repetitive customers at MAR MAIDAM. Besides, the researcher also made own observations and interviews with the repetitive customers as well as MAIDAM officers itself in order to obtain more information and knowledge regarding this issue. The finding reveals that service quality is the major factor contribute towards existence of repetitive customers at MAR MAIDAM. It shows that the customers are almost absolutely satisfied with the quality of service provided which involve a good treatment by Muassasah officers towards their customer. The other factors which include in this study which are management, valuation system and locality also significantly and positively contribute towards the existence of repetitive customers at Muassasah Ar-Rahnu MAIDAM.

TABLE OF CONTENTS

CONTENTS	PAGE
ACKNOWLEDGEMENT	iii
TABLE OF CONTENTS	iv
LIST OF TABLES	viii
LIST OF FIGURE	ix
ABSTRACT	x
CHAPTER ONE	
1.0 INTRODUCTION	
1.1 Introduction of Study	1
1.2 Background of The Study	2
1.3 The Need for Ar-Rahnu	2
1.4 The Practices of Ar-Rahnu by MAIDAM	3
1.5 Problem Statement	6
1.6 Research Objectives	6
1.7 Scope of The Study	6
1.8 Significance of Study	
1.8.1 To Researcher	6
1.8.2 To MAIDAM	7
1.8.3 To Respondents	7
1.9 Limitation of Study	
1.9.1 Time Constraint	8
1.9.2 Financial Constraint	9
1.9.3 Information Accuracy	9
1.10 Definition of Key Terms	10
CHAPTER TWO	
2.0 LITERATURE REVIEW	
2.1 Introduction	13
2.2 Overview of Repetitive Transaction	14
2.3 Overview of Management	17
2.4 Overview of Service Quality	20

2.5 Overview of Valuation System	24
2.6 Overview of Locality	27
CHAPTER THREE	
3.0 RESEARCH METHODOLOGY AND DESIGN	
3.1 Theoretical Framework	31
3.2 Hypothesis Statement	32
3.3 Sampling Design	33
3.3.1 Population	34
3.3.2 Sampling Frame	34
3.3.3 Sampling Method	34
3.4 Data Collection Methods	35
3.5 Data Analysis	36
CHAPTER FOUR	
4.0 FINDINGS AND DATA ANALYSIS	
4.1 Introduction	39
4.2 Reliability Analysis	39
4.2.1 Conclusion of Reliability	41
4.3 Frequency Analysis	41
4.4 Hypothesis Testing	44
4.4.1 Introduction to Pearson Correlation Analysis	44
4.4.2 Correlation Coefficients	46
4.4.3 Conclusion of Hypotheses Testing	48
4.5 Regression Analysis	48
4.6 Analysis of Covariance (ANOVA)	52
4.7 Cross Tabulation Analysis	55
CHAPTER FIVE	
5.0 CONCLUSION AND RECOMMENDATIONS	
5.1 Introduction	58
5.2 The Objectives Summary	58
5.3 Recommendations	61