

UNIVERSITI TEKNOLOGI MARA

**USING THE THEORY OF PLANNED
BEHAVIOR AND RELIGION NORM TO
ASSESS CUSTOMER BEHAVIORAL
INTENTION TO ADOPT ISLAMIC
BANKING SERVICES IN MALAYSIA**

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AUTHOR'S DECLARATION

I declare that the work in this academic writing 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 acknowledges as referenced work. This academic writing has not been submitted to any 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 Under Graduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

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ABSTRACT

Malaysia is one of the world's countries with multi-racial society such as Malay, Indian and Chinese. The multi-racial society contributes to the different perception and acceptance of Islamic banking system among citizen. Due to that, the market share of Islamic banking in Malaysia has not exceeded the market share of conventional banking. The latest report regarding total deposit in year 2017 and 2018 increases 10.3% amounting to RM640 billion starting in the year 2017. This figure represents 33.4% total deposits in the banking system. The reflects that 66.6% of total deposits originates from the conventional banking system. Thus, conventional banking still leading in the Malaysian banking sector. The quest to attract many customers is a major challenge to Islamic banking in Malaysia. The aim of this study is to determine the behavioral intention of Malaysian customers to adopt Islamic banking services and to determine whether religion affect the behavioral intention of customers to adopt Islamic banking services in Malaysia. An extended Theory of Planned Behavior (TPB) model was tested in this study. The hypothesized paths in the structural model influencing individual's intention to adopt Islamic banking and financial services were: positive attitude, positive subjective norms, perceived behavioral control and addition religion variable on Islamic banking selection among customers. 149 working respondents from 150 total Malaysian respondents answered the questionnaire completely. The data were analyzed using IBM SPSS Statistics Version 20. The final finding showed that attitude and religion shows positive significant relationship with behavioral intention to adopt Islamic banking services in Malaysia. This shows that attitude and religion are the most influential factors in the selection of Islamic banking among customers in Malaysia. The study also showed that attitude is the most significant factor in influencing customers' behavioral intention.

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