



اُونِيُوَرَسِيْتِي تِيكْنُولُوْجِي مَارَا

UNIVERSITI TEKNOLOGI MARA  
CAWANGAN KELANTAN

**CUSTOMERS' PREFERENCES TOWARDS ISLAMIC BANKING:**

**A STUDY IN KELANTAN**

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LETTER OF TRANSMITTAL

20 MARCH 2005

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Dear Sir,

**SUBMISSION OF PROJECT PAPER (FIN 660)**

I, Wan Jasmini Bt Wan Ngah @ W.Yahya, ID Number 2002318405, hereby submit the project paper entitled "**Customers' Preferences Towards Islamic Banking: A Study in Kelantan**".

Hence, I hope that the research will meet your requirement. All your cooperation in assisting and viewing of this project paper is highly appreciated.

Thank you.

Yours faithfully,

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"In the name of Allah the Most Gracious, the Most Merciful"

Glory to Allah S.W.T, the Most Gracious, the Most Merciful and peace is upon His messenger Holy Prophet Muhammad S.A.W. All the worship belongs to Allah. I seek refuge to Allah from wickedness within and from the evils deeds. I also praise to Allah S.W.T for giving me courage, time and knowledge in completing this project paper.

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## ABSTRACT

This study is about customer preferences toward Islamic banking system in Kelantan. The purpose of this study is to find out the factors that influence the customer choice and their acceptance of Islamic banking. Numerous studies have been conducted in other countries but none to my knowledge was conducted in Kelantan. Those authors pointed out the influencing factors of customer preferences and the most significant are services offered, availability of the bank and also image of the bank itself. Primary data used in order to gather the information needed and secondary data also used as a guideline. Questionnaires been distributed to the selected respondents and this conducted in Machang. After all the primary data been analyzed, it is proven that services offered and image of the bank are significant to the customer preferences and have positive relationship in influencing customer preferences. In the other hand, the availability of the bank does not play an important role in this study and have a negative relationship to the customer preferences. This occur because of majority of customer stress on the services offered and the image of the bank itself but they do not feel that availability of the bank influence them. Based on the study, it is recommend that services offered by the bank should be improved and also the image of the Islamic bank. This is important because it can attract more bank customers especially Muslims prefer Islamic banking system in the future. Instead of that, the result shown that the major reason that customer did not choose Islamic banking because of they have less knowledge about Islamic banking.