



**UNIVERSITI TEKNOLOGI MARA**

**FACTORS AFFECTING CONSUMER'S  
WILLINGNESS TO CHOOSE ISLAMIC  
MORTGAGE PRODUCT**

**NURSYAFEZA BINTI RAZALI  
2016647952**

Final Year Project Paper submitted in fulfillment  
of the requirements for the degree of  
**Bachelor of Business Administration  
(Islamic Banking)**

**Faculty of Business and Management**

**December 2018**

## ABSTRACT

Islamic mortgage or Islamic home financing is defined as a type of financing that is secured by real property and provides a schedule of payments of profit rate. For example, the profit rate charged by Islamic banks and the repayment of the principal to a bank. Islamic mortgage providers practice profit rate and the rate remain stable and will not fluctuate, even during inflation. However, buyers normally go to bank for a financing facility for home mortgage whether Islamic or Conventional. Thus, conventional home mortgage is interest based and forbidden in Islam. Accordingly, Islamic financial institutions have introduced number of Shariah compliant modes for home financing which is the al Bay Bithaman Ajil (BBA) and the Musharakah Mutanaqisah Partnership (MMP) contracts. The consumer preference for Islamic home financing plays a crucial role for Islamic banks due to ability to predict consumer demand on Islamic home financing products. The objective of this paper is to examine factors affecting consumer's willingness to choose Islamic mortgage product. It is specifically studies on Maybank, Tapah. In this research, it is empirically to examine the factors which including the demographic profile, affect, social factors, perceived risks, perceived financial benefit and facilitating conditions that influence consumer's willingness to choose Islamic mortgage product. The data is collect using the primary sources which is by distribute 120 set of questionnaires through Google form to consumer in Maybank, Tapah. The result will then be code and run using the Statistical package for Social Science (SPSS) version 22.

## **ACKNOWLEDGEMENT**

Firstly, I wish to thank God for giving me the opportunity to embark on my final year project and for completing this long and challenging journey successfully. My gratitude and thanks go to my supervisor Madam Rohanizan binti Md Lazan.

My appreciation goes to the coordinator final year project, Madam Zuraidah Binti Sipon and other lecturers who provided the facilities and assistance during sampling. Special thanks to my colleagues and friends for helping me with this project.

Finally, this thesis is dedicated to the loving memory of my very dear late father and mother for the vision and determination to educate me. This piece of victory is dedicated to both of you. Alhamdulillah.

## TABLE OF CONTENTS

	<b>Page</b>
<b>AUTHOR'S DECLARATION</b>	<b>ii</b>
<b>ABSTRACT</b>	<b>iii</b>
<b>ACKNOWLEDGEMENT</b>	<b>iv</b>
<b>TABLE OF CONTENT</b>	<b>v</b>
<b>LIST OF TABLES</b>	<b>vii</b>
<b>LIST OF FIGURES</b>	<b>viii</b>
<b>LIST OF SYMBOLS</b>	<b>ix</b>
<b>LIST OF ABBREVIATIONS</b>	<b>x</b>
<b>CHAPTER ONE INTRODUCTION</b>	
1.1 Introduction	1
1.2 Research Background	1
1.3 Problem Statement	3
1.4 Research Questions	6
1.5 Research Objectives	6
1.6 Significance of the Study	7
1.7 Scope of the Study	8
1.8 Limitation of the Study	8
1.9 Definition of Key Terms	9
1.10 Summary	10
<b>CHAPTER TWO LITERATURE REVIEW</b>	
2.1 Introduction	11
2.2 Literature on Affect	12
2.3 Literature on Social Factors	13
2.4 Literature on Perceived Financial Benefit	14
2.5 Literature on Facilitating Condition	15
2.6 Literature on Perceived Risks	15
2.7 Research Framework	16

2.8	Summary	16
-----	---------	----

### **CHAPTER THREE RESEARCH METHODOLOGY**

3.1	Introduction	17
3.2	Data Collection	18
3.3	Research Design	20
3.4	Hypotheses Statement	22
3.5	Research Methodology	23
3.6	Summary	27

### **CHAPTER FOUR RESULTS AND DISCUSSION**

4.1	Introduction	28
4.2	Analysis 1: Frequency Distribution Analysis	28
4.3	Analysis 2: Descriptive Distribution Analysis	30
4.4	Analysis 3: Reliability Analysis	34
4.5	Analysis 4: Correlation Coefficient Test	35
4.6	Analysis 5: Multiple Linear Regression	40
4.7	Summary	50

### **CHAPTER FIVE CONCLUSION AND RECOMMENDATION**

5.1	Introduction	51
5.2	Conclusion	51
5.3	Recommendation	54
5.4	Summary	55

<b>REFERENCES</b>	<b>56</b>
-------------------	-----------

<b>APPENDICES</b>	<b>59</b>
-------------------	-----------