



**BRAND PREFERENCE IN ISLAMIC BANKING ON YOUNG  
PEOPLE**

**A CASE STUDY IN SELANGOR AREA**

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## **ABSTRACT**

Malaysia is the nation who successfully adopts a dual banking system, where a full-fledged Islamic system operates side by side with the conventional banking system. The objective of the Malaysian government is to develop an Islamic banking system in parallel to the conventional system. Instead of encouraging the creation of Islamic bank, the government introduced what is the Islamic window. But unfortunately, youngsters are not well informed of the privilege they could receive from Islamic banks as university students have a clear need for bank accounts as they have fees, expenses and cash needs. The usefulness of a bank account is therefore pre-evident and Islamic banks need to focus on their brand image and the services they offer. Therefore, this study is to make sure that Islamic bank is able to focus on their brand image and the services they offer. Indeed, understanding bank selection from Muslim customer's perspective can provide useful information to banks' senior management to help them allocate resources and design products that promise to attract and better satisfy customers. A strong Islamic brand reputation as well as better financial and banking services is the main factors which influence the selection of a brand. The purpose of this paper is to test this within a positivistic empirical framework and amongst the younger generation in Selangor. One of the most important reflections of their positive attitude is that reputation and image factor are shown as important criteria in their banking selection decision. The design method used in this research paper is that the sample is based on 130 respondents in Shah Alam, Selangor. The study utilized five selection criteria based on previous research, personal experience and interview with bank officials and university students. The study also provides some insight into the younger generation's awareness of Islamic banking and the processes involved in the selection of their

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preferred brand. From the findings of the study, it would seem that whilst the brand preference is a major driver in the choice of Islamic are poorly understood. What are important are brand, ease of use and the quality of the customer interaction. In this paper, it investigates the factors the choice of young customers in selecting particular Islamic banks for their daily use and provides insights into cementing relationships with existing customers as well as how to gain new ones.

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