



**FACTORS OF ADOPTING ISLAMIC HOME
FINANCING: EMPIRICAL INVESTIGATION AMONG
CONSUMERS OF ISLAMIC BANKING IN MALAYSIA**

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Allahamduhillilah. . . .

***In the name of ALLAH, The Beneficient, The merciful,
Praise be to ALLAH, Lord of the Worlds, The Beneficient, The
merciful, Owner of the Day of Judgment;
Thee (alone) we worship; Thee (alone) we ask for help,
Show us the straight path, The path of those whom Thou hast
favoured; Not (the path) of those who earn Thine anger
Nor of those who go astray.***

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Abstract

Malaysia is the first country to implement comprehensive dual banking system. The progressing of Islamic Banking in our country is quite magnificent and fast. People regardless of races start to pay more attention to Islamic Banking services and products. In term of Islamic home financing product, the Islamic Bank has introduced a numbers of products such as Al Bai Bithaman Ajil (BBA) concept and Musyarakah Muntanaqisah Partnership (MMP). This study aims to examines and understand the factors that influence the awareness and adoption of the Islamic home financing offered by the Islamic banks toward the consumer. A quantitative method has been used in this research whereby 150 self-administered questionnaires have been distributed in various Islamic Banks in Johor Bahru. Multiple analytical techniques including factor analysis, coefficient correlation and regression analysis will be used to determine whether there are any significant relationships between consumer awareness, subjective norms, and roles play by Islamic bank, product and service features toward the adoption Islamic home financing among the banks customer. From this research, it's hoped that this study will help the Islamic banks to be more competitive by producing much better Islamic home financing product schemes as well as strengthen other areas for survival of the Islamic bank.

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Chapter One

1.0 Introductions

1.1 Introduction Overview

This chapter presents the background of the study, problem statement, research objectives, research questions, scope of study, and significance of study.

1.2 Background of study

The establishment of the Islamic bank in Malaysia started on 1983 and brings new landscapes toward the banking industry in this country. From only conventional banking system in this country toward the implement of dual banking system that caters the need of consumer. The Islamic banks emerges and play an important role in giving services and offered wide variety of products toward the people regardless of Muslim or non-Muslim in order to provide another alternative in financing for them. Rising of this Islamic banking industry bring bejeweled scenery toward our industry that help improve the financial industry and our economy. Other continents such as European country also start to focus on promoting Islamic financial system and banking in their economic system.