



**A STUDY ON CONSUMER AWARENESS AND PERCEPTION
OF CONSUMER DEPOSIT PRODUCTS OFFER BY BANK
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OCTOBER 2007

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ABSTRACT

The objective of this study is to identify the awareness level on consumer on Consumer Deposit Product of Bank Islam by using 17 general questions, and 5 variables of positioning by modifying “A Customer-Based Brand Equity Framework” by Kevin Lane Keller(1993) and “The Brand Awareness Pyramid” by David A. Aaker (1991).

Besides the awareness level, this study also will examine on the perception of consumer towards the Consumer Deposit Product of Bank Islam by using the modified SERQUAL model by Parasuraman (1998) & Valarie A. Zeithaml (1988). The third objective is to identify the preferred media channel to deliver information of the Consumer Deposit Product.

The findings of this research show that the respondents are more attracted to the Consumer Deposit Product at other banks. They also are interested to learn more on the Consumer Deposit Product of Bank Islam. The respondents have a good perception on the uniqueness of Bank Islam’s product and services. But they are slightly disagree on the empathy of Bank Islam system and thus prefer to use services of other bank that provide similar facilities.

The recommendation for Bank Islam is to keep in view on their website due to the fast movement of global activities and preference of the respondent on the usage of internet. In addition, communication becoming more important in delivering information and build relationship with consumers.

1. INTRODUCTION

Over the last few decades, the Malaysian banking sector had played a leading role in indirect financing, although experiencing similar issues of other Asian countries suffering from financial crises. The activities of state-directed loan policies, competition, and prudential regulations of banking institutions are monitored by Bank Negara Malaysia, as to maintain economic healthy growth.

The Malaysian banking system comprises monetary and nonmonetary institutions. The monetary institution are the central bank, Bank Negara Malaysia (BNM), and the commercial banks (including Bank Islam). The nonmonetary institutions fall into two groups. The first group is supervised by BNM: finance companies, merchant banks, discount houses, foreign banks representative offices, and offshore banks in the International Offshore Financial Centre in Labuan. The second group under supervision of various government departments and agencies includes development finance institutions, provident and pension funds, insurance companies, and other financial intermediaries. The insurance industry was brought under the supervision of BNM from 1 May 1988.

As of the end of 1997, the licensed banking system consists of 35 commercial banks, of which 22 are domestic banks and 13 are foreign-controlled (44 percent of total financial system assets), 39 finance companies (14 percent), 12 merchant banks (4 percent), 7 discount houses (2 percent), and money and exchange brokers. Among these banking institutions (BIs), only commercial banks can accept demand deposits from the public or engage in foreign exchange operations. Hire-purchase lending is the exclusive business of the finance companies and constitutes their main line of business; while merchant banks concentrate on investment banking.

The government are encouraging Malaysian citizen to make plans their consumption pattern. People are advised to make saving in various financial institution and spent only on necessary needs. There are various consumer deposit product available in commercial

2. LITERATURE REVIEW

2.1 Characteristic of Service

Banking sector is offering both products and services to various types of consumers. In making sales, banking sector stress more on providing detail services to their client, despite building relationship for constant benefits. Researchers have made many definitions on the concept of services. For instance, the term “service” (singular) and “services” (plural) are said not entirely synonymous. While service and services share common trait such as intangibility and perishability (cf. Parasuraman *et al.*, 1985; Zeithaml *et al.*, 1985), they also differ in a fundamental way. Services are “intangible product” that a supplier markets to its customers. While marketing intangible product effectively poses unique challenges and requires a different mind set than does the marketing of tangible products (cf. Shostack 1977), both intangible and tangible products are core offering that call for traditional marketing activities such as pricing and promotion. In contrast, service is basically a supplement that accompanies the core offering, regardless of whether the core is tangible or intangible.

Carol F. Surprenant & Michael R. Salomon (1987) describes the needs for good service. It is a major concern of all service organizations, often translated as more personalized service, leading to contest to determine which service outlet can be the friendliest to the customer. There appears to be consensus among service providers that personal service is something their customers want, but little consensus about just what personal service means. In many cases it seems to mean a smile, eye contact, and friendly greeting. In other cases it means offering to customize the basic service to suit the customer’s needs or taste. It may mean spending time with the customer, or it may mean offering advice, making small talk, or taking a personal interest in the customer.

2.2 Significant of Service Quality

Early writings (Gronroos, 1982; Lehtinen and Lehtinen, 1982; Lewis and Booms, 1983; Sasser *et al.*, 1978) have suggested that service quality stems from a comparison of what customers feel a seller should offer (i.e. their expectations) with the seller’s actual service