



اَوْنِفُوْرَسِيْتِي تِي كِنُوْلُو كِي مَبَارَا
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**FACTOR THAT INFLUENCE CUSTOMERS
CHOOSE ISLAMIC PERSONAL FINANCING**

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ABSTRACT

Islamic banking and finance is an emerging global industry founded on Islamic ethical precepts. Just as in the case of conventional banks, Islamic banks are expected to offer products that consider the needs of their customers. The present study investigates the effects of the following factors which is attitude, social influence, religious obligation and pricing, on the intention to use Islamic personal financing. Data were collected through questionnaire and used SPSS 21.0 to analyze the data using regression analysis. The study found all factors to be significant in influencing the intention to use Islamic financing, namely, consumer attitude, religious obligation, social influence and pricing of Islamic financing.

Keywords: Islamic Banking, Islamic Finance

CHAPTER 1: INTRODUCTION

Overview of Personal Financing

Islamic financing products have evolved and matured to be comparable to and just as competitive as other conventional loan packages. With the escalating cost of living in Malaysia, the demand for personal loans shows an upward trend as well. The trend of personal loans is showed in Figure 1.1. There are various reasons for people to take out personal loans, but it is not impossible to know that some borrowers have absolutely no idea on how to use the loan as they only apply just for the sake of not losing out their peers. Nevertheless, there is still a big population of borrowers in our country who are in really need financial aid through bank loans. If you have several debts from credit cards, automobile loan, and other short term and they all have differing due dates for payments, it is undeniably inconvenient for you to pay each debt monthly.

Besides, some borrowers use the money for home refurbishment to enjoy a better comfort and lifestyle. Nowadays, the population of people who need medical service has expanded far and wide around the world, and of course, Malaysia is no exception. Take people who has a middle income earning group, the medical bills can be too hefty. Hence, taking out a personal loan serve as an option to pay off the healthcare expenses. Other than that, investment also one of the possible reasons people choose to apply for personal loans. As we all know, there is no such thing as having enough cash in hand. Normally, the reasons for investments can vary from setting up for future life such as married, business, education funds for children and also for retirement days. The list of reasons for applying personal loans can go on as long as you have a good financial planning.