



**FACTORS INFLUENCE CUSTOMER PREFERENCES
ON ISLAMIC BANKING SYSTEM IN WILAYAH
PERSEKUTUAN KUALA LUMPUR, MALAYSIA**

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**BACHELOR OF BUSINESS ADMINISTRATION
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KAMPUS BANDARAYA MELAKA**

APRIL 2011

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**Submitted in Partial Fulfillment
of the Requirement for the
Bachelor of Business Administration
(Hons) Finance**

**FACULTY OF BUSINESS MANAGEMENT
UiTM, BANDAR MELAKA**

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“DECLARATION OF ORIGINAL WORK”

I, Rabiatul Adawiyah Binti Mat Jadi, (I/C Number: 891204-05-5452)

Hereby, declared that,

- This work has not been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree or any other degrees.
- This project paper is the result of my independent work and investigation, except where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature: _____

Date: _____

LETTER OF SUBMISSION

April 2011

The Head of Program
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Faculty of Business Management
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Dear Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “**FACTORS INFLUENCE CUSTOMER PREFERENCES ON ISLAMIC BANKING SYSTEM IN WILAYAH PERSEKUTUAN KUALA LUMPUR**” to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely,

RABIATUL ADAWIYAH MAT JADI

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ABSTRACT

The purpose of this study is to investigate the level of customer preferences on Islamic banking system in Kuala Lumpur. This study analyzes and identifies the level and also the relationship of customer preferences toward social and religious perspective, quality of services, confidence and transparency in Islamic banking system. Then, this study also determines the major factor that is reflecting the customer preferences on Islamic banking system. This study done based on the descriptive study as to provide insights and understanding on the factors that influence customer preferences on Islamic banking. This study also uses a sample of 95 respondents in Kuala Lumpur, comprising Muslim and non-Muslim customers. The theoretical framework is modified from Ahasanul Haque et al (2009). The findings of this study show that that the level of customer preferences is moderate and customer preferences has positive and significant relationship with all the variables which are social and religious perspective, quality of services, confidence and transparency in Islamic banking system. Moreover, it also indicates that the most important factor that influences customer preferences on Islamic banking system is social and religious perspective. The major limitation of the paper relates to the size of the sample of respondents and the time constraint.