

EVOLUTION OF ISLAMIC BANKING AND FINANCE TOWARDS HALAL DEVELOPMENT IN MALAYSIA



**UNIVERSITI
MALAYSIA
KELANTAN**



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PREFACE

Islamic finance and halal industry are two Islamic sectors that provide important services to the community. However, the highlight of the literature found studies linking Islamic finance and the halal industry is very minimal. Naturally these two industries are very significant to the people of Islam. The Islamic financial industry provides banking services and finance for individuals and businesses. Meanwhile, the halal industry produces goods and services based on Shariah to Muslims. Since the role of these two industries is so significant in the daily life of a Muslim, and the government's aspiration towards becoming the Halal Hub of the World, then these two industries should cooperate with each other to increase the level of Shariah compliance and subsequently produce the best goods and services for Muslims based on Sharia as a whole. Halal industry has a very important responsibility to ensure its value chain includes independent financial financing from riba. Therefore, this paper mediates the important role of Islamic finance for development of the halal industry in Malaysia.

All in all, the FKP Undergraduate Colloquium 2023 was very successful. The editors would like to express their gratitude to all participants and the committees that have helped in ensuring the smooth sailing of making the colloquium into a reality.

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Evolution of Islamic Banking and Finance Towards Halal Development in Malaysia

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FACTOR INFLUENCING INTENTION ON INVESTMENT IN SHARIAH COMPLIANCE GOLD SAVINGS AMONG UNDERGRADUATE STUDENTS IN UMK PENGKALAN CHEPA

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Abstract:

In this era of globalisation, people intend to invest in Shariah compliance gold savings more than financial investment. This is due to the fact that the value of the currency will drop and reduce regardless of time, meanwhile, the value of gold savings will increase over time. The main objective of this study is to determine the relationship between perceived usefulness, perceived ease of use, knowledge, and financial condition with the intention on investment in Shariah compliance gold savings among undergraduate students in UMK Pengkalan Chepa. It is also to identify the factors influencing the investment in Shariah compliance gold savings among undergraduate students in UMK Pengkalan Chepa. A total of 361 respondents were collected. Reliability and Validity Tests, Descriptive Analysis, Pearson Correlation Analysis, Multiple Linear Regression Analysis, and Data Analysis were carried out by using SPSS tools. The result shows that there is a significant correlation between perceived usefulness, perceived ease of use, and knowledge with the investment in Shariah compliance gold savings. Meanwhile, the financial condition does not have a significant correlation with the investment in Shariah compliance gold savings. In a nutshell, the findings of this study proved that perceived usefulness, perceived ease of use, and knowledge are a factor influencing intention on investment in Shariah compliance gold savings among undergraduate students in UMK Pengkalan Chepa, while the financial condition is not influencing the dependent variable. This research has implications for individuals, businesses, and financial institutions. The students and the community can save more gold for future use by investing in Shariah compliance gold savings rather than wasting it on useless things or investments that do not comply with Shariah.

Keywords: *Influencing intention on investment in Shariah compliance gold savings, perceived usefulness, perceived ease of use, knowledge, financial condition.*

1 Introduction

In the millennium age, different forms of funding were developed by the business sector and made available to society. There is an investing idea called gold investment between the different financial products accessible today (Mas' ad et al., 2018). Introducing fiat money into the industry has given rise to a new element of gold in terms of sale and purchase. Gold becoming one means for people to retain and means

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for people to retain and build their money in the market from the early part of the gold sale and purchase operations. Then the more esteem of the rank, the greater you possess (Nordin et al., 2018).

In Malaysia, there are three kinds of gold investing platforms. The first step is to engage in actual gold. This sort of gold investing website is comparable to reselling an object. Physical gold includes gold bars, gold coins, and jewellery. As a result, gold investors who purchase and own real gold via a financial company, goldsmith store, or gold provider. Secondly, over the gold account. The gold account at financial firms is called a Gold Investment Account (GIA) or, alternatively, a Gold Savings Account (GSA). To assure a Shariah gold fund item, an investor should check for a little italic character at the different stages of the product name (e.g. Muamalat Gold-i). The third gold investing portal in Malaysia is based on blockchain technology. Blockchain is the most recent method for gold investment or accumulation. HelloGold is a well-known blockchain for gold investing in Malaysia. HelloGold provided an internet site for gold savings that was approved as a Shariah-compliant service via a phone app (Juisin, 2021).

Currently, the majority of financial institutions offer gold funding to the general public, often known as a Gold Investment Account. Maybank Berhad, via its Maybank Gold Investment Account (MGIA), Kuwait Finance House, via its KFH Gold Account-I, CIMB Bank, via its Gold Investment Account (GIA), and a number of other financial institutions offer this form of funding. Despite this, there are still gold resources and capabilities that continue to operate using the classic, riba-based method. This type of gold investment technique is immediately rejected and prohibited by shariah law since it is not shariah-compliant and does not comply with the halal idea. (Mas' ad et al., 2018).

Malaysian business practice for gold investment may be divided into two categories: conventional and shariah. The traditional method of gold investing is available via the banking sector, goldsmith shops, and non-financial entities that provide gold investment advice. Meanwhile, a Shariah-compliant method of gold investing may be available through Islamic banks and non-financial institutions. Wherein the investing activities are closely supervised by Bank Negara Malaysia via the muamalah and shariah principles (Nordin et al., 2018).

The sale and buy process must be devoid of all riba', excessive gharar, and harshness. It was established that the transaction did not satisfy the syarak requirement if these types of elements were present. For a gold index fund to receive a Syariah compliance rating, the issuer, in this case a bank, must attest that every aspect of the business and activity must adhere to and correspond with Shariah principles. All transactions and trading commence with a shariah-compliant contract (akad) between the customer and the bank of the gold investment.

The contract's (sighah) is defined as Ijab, which means "offering," and Qabul, which means "acceptance." Either of these Ijab and Qabul are vital in every legally binding agreement since they will clarify whether the deal is legal or invalid from the standpoint of the syariat. From this action, they may definitely satisfy a deal, whether the contract is for cash, a loan, a postponement, or something else. The

words Ijab and Qabul can be used in a variety of contexts as long as they convey the sense of purchasing and selling, and the word Qabul must immediately follow the word Ijab (Mas' ad et al., 2018).

1.1 Research Objectives

The aims of this study are:

- I. To identify the relationship between perceived usefulness and intention on investment in shariah compliance gold saving.
- II. To identify the relationship between perceived ease of use and intention on investment in shariah compliance gold saving.
- III. To identify the relationship between knowledge and intention on investment in shariah compliance gold saving.
- IV. To identify the relationship between financial condition and intention on investment in shariah compliance gold saving.

2 Literature Review

2.1 Underpinning Theory

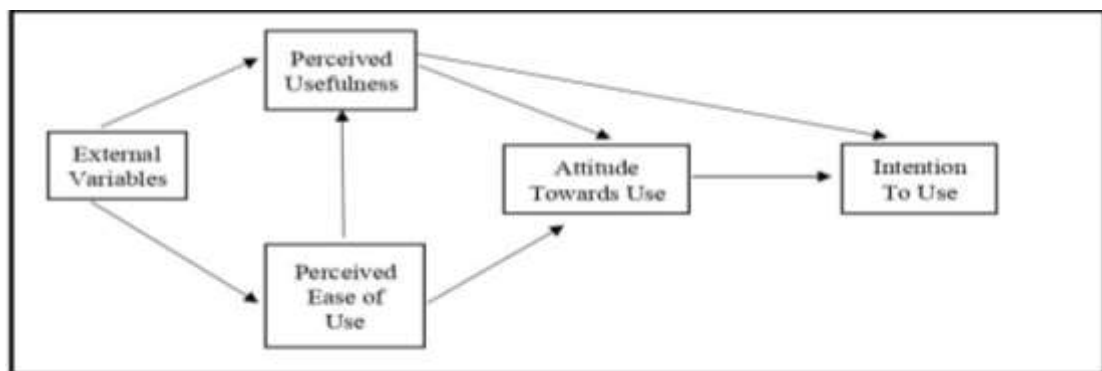


Figure 1: Technology Acceptance Model (TAM)

The theory associated with this research in our study is Technology Acceptance Model (TAM), which can provide the reader with an accurate picture. However, to build a Technology Acceptance Model (TAM) for the use of investment of gold savings in this study, several external factors were added, which are independent variables (perceived usefulness, perceived ease of use, knowledge and financial condition). The topic of this research study was related to the attitude of this theory, and it was discovered that attitude leads to a higher behavioural intention of using Islamic financing in Malaysia. According to the discussion, it is hoped that people with a positive attitude towards investment will be more likely to make gold investments based on the Sharia required by Islam. The Technology Acceptance Model (TAM) application is rapidly spreading and simple to understand. Therefore, this theory will be used by the researcher in this study because it is related to factors influencing the intention on investment in shariah compliance gold saving among undergraduate students in UMK Pengkalan Chepa.

2.2 Perceived Usefulness

Perceived usefulness is subjective, individuals believe that some technologies would be more valuable to them if they were put into practise at work (Davis, 1985). "This is consistent with the definition of useful: "capable of being employed usefully." People are often reinforced for solid performance in an organisational environment through increases, promotions, bonuses, and other benefits. The actual depiction

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of the Technology Acceptance Model (TAM) and the updated forms of TAM assume perceived utility to be the critical construct.

2.3 Perceived Ease of Use

As said by Nasri and Charfeddine, TAM is a framework used to study the acceptability of new innovation in a company (Sulistiowati, 2021). TAM's primary purpose is to anticipate the technological change among consumers and to reveal records management design flaws earlier than their widespread use (Kamal et al., 2020). Once users believe it is simple to read sustainability classifications and find them attractive in considering the overall conservation purchasing behaviour by explaining the context of aspects and symbolic meanings on the label, it is realistic to assume more use of sustainability labels and, as a result, more transactions of sustainable materials (Ma et al., 2017).

2.4 Knowledge

Neta, Pritchard, and Russell define the knowledge and explain why it is difficult to comprehend and produce widely recognized outcomes. Most hypotheses have been included in the fundamental rationalism and empiricism views. To summarise, both theories recognize that knowledge is about genuine belief, but they demonstrate different ways to seek truth and defend true belief. According to the Oxford Dictionary, knowledge is "the familiarity of consciousness, or understanding of a person or thing, such as a fact, information, description, or skill, received via experience or education by observing, discovering, or learning". A theoretical or practical grasp of a subject is referred to as knowledge. This can be achieved inferentially through a practical or explicit skill or competence, a theoretical comprehension of the subject, and adaptation to the formality or system.

2.5 Financial Condition

The RAE defines finance as commitments evaluated in response to the obligations of others. Nonetheless, among the several meanings it provides, we have the meaning of flow, things, which is how we are most familiar with it. Finance may be described as the component of the economy that studies the money market, capital, and the institutions that function in it, to develop strategies for appealing resources. On the meaning of financial independence, according to Robert Kiyosaki, who is currently a world-renowned personal finance figure, the definition of finance is when a person's passive income surpasses his operational expenditure. Active income is earned via active participation, such as through work with different forms of payment, such as wages, salaries, allowances, or bonuses, or even through a company with profits. Active income is earned only by actively participating in the investing process. For example, dividend income from stocks, rental property income, or bank fixed deposit profits.

2.6 Intention on Investment in Shariah Compliance Gold Savings

According to the previous study (Muhammad Aunurrochim Mas'ad, 2018). There are two types of gold investment instruments available which are the traditional system and the Muamalat Sharia-compliant system. However, there are two elements in the Muamalat instrument that have been required for the operation of Islamic banking organizations with the goal of operating gold investment accounts which are Bay' al-Sarf and Qard Al-Hasan. Bay' al-Sarf describes the conversion of money into gold. The gold account needs to use Bai As-Sarf, which is the point interaction with one monetary term toward another either identical or a different system. (Mohd Fahmi Ghazalia, 2015). Qardh al-Hassan is an investment loan in which the bank is only required to repay the merchandise or the exact amount of principal borrowed. The gold investment provides a secure asset class for shareholders in two ways: physical gold and gold accounts. Physical gold investing enables shareholders to expand their assets. Meanwhile, a gold account enables shareholders to deposit funds when gold rates are low and withdraw money at a revenue when gold prices are rising.

2.7 Hypotheses Statement

Four hypotheses of this research have been developed to study the relationship between the dependent variable, an investment in shariah compliance gold saving, and the independent variable, which are perceived ease of use, perceived usefulness, knowledge, and financial condition.

H1: There is a significant relationship between perceived usefulness and intention on investment in shariah compliance gold saving among undergraduate students in UMK Pengkalan Chepa.

H2: There is a significant relationship between perceived ease of use and intention on investment in shariah compliance gold saving among undergraduate students in UMK Pengkalan Chepa.

H3: There is a significant relationship between knowledge and intention on investment in shariah compliance gold saving among undergraduate students in UMK Pengkalan Chepa.

H4: There is a significant relationship between financial condition and intention on investment in shariah compliance gold saving among undergraduate students in UMK Pengkalan Chepa.

2.8 Conceptual Framework

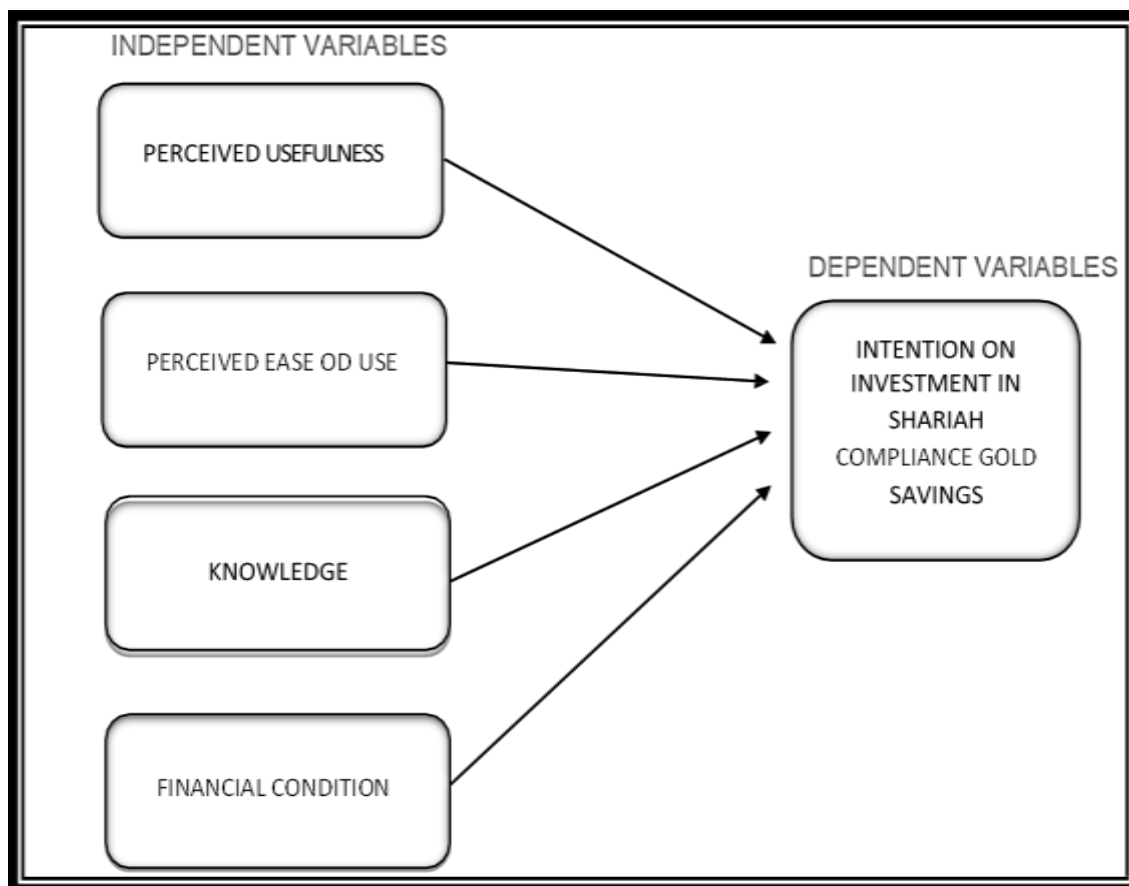


Figure 2: Conceptual Framework

2.9 Summary / Conclusion

As a recap, this section examined the research published on the previously examined parts. The suggested conceptual framework was built after carefully studying the available literature. All four independent factors (perceived usefulness, perceived ease of use, knowledge, and financial state) are analyzed in connection to the dependent variable (investment in shariah compliance gold savings). The researchers settled on these four factors as the most important in determining a person's propensity to invest in gold that complies with sharia law. In the next chapter, you'll learn about the many methods used to get to the bottom of this investigation.

3 Methodology

After a brief history of prior research on the themes covered in Chapter 2, this chapter outlined the methods employed in the study. Methods were developed to respond to the research question posed in Chapter 1 and accomplish the study's aims. The study plan, questionnaire development, survey execution, data collection, and SPSS analysis are all covered in detail in this chapter.

3.1 Research Design

The research design is the overarching scheme that guides the various research strategies employed by scholars. Essentially, the research design is the researcher's plan for bringing the study's many parts together in a way that makes sense. In addition, research design guarantees efficient problem-solving by researchers by creating data collection and measurement strategies throughout data processing. A well-thought-out research plan aims to help a researcher solve a research topic most systematically and openly feasible based on the data acquired.

3.2 Data Collection Methods

As a first step in research, data collection might influence the findings' effectiveness by reducing the possibility of mistakes occurring throughout a study. Quantitative data-collecting approaches, on either hand, come mainly from the positivist paradigm and prioritize observational data that are typically in amounts, with data collected through inferential and descriptive statistics. Data collection techniques are broadly classified into main and secondary data collection methods. For this study, primary data was collected using an online survey, often an online questionnaire. A survey is a procedure for which test subjects directly answer a questionnaire distributed and created by the researcher (Moises Jr, 2020). This questionnaire would be handed out randomly to undergraduate students at University Malaysia Kelantan, Pengkalan Chepa, to disseminate surveys through media platforms.

3.3 Sample Size

The primary purpose of a sample size clarification for these projects is to demonstrate how the obtained data will likely yield meaningful info supplied by the investigator's statistical intentions (Lakens, 2022). This study's sample size is estimated to be 361 students, representing the entire population of undergraduate students at the University Malaysia Kelantan, Pengkalan Chepa. This study used the table produced by Krejcie and Morgan (1970) to determine the sample size for the researchers to attain a proper sample size. According to KREJCIE and MORGAN's (1970) table, 6000 students have required 361 respondents as a minimum sample size for the population.

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Table 3.1: Determine the Sample Size of a Known Population

<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	100000	384

Note.—*N* is population size.
S is sample size.

3.4 Sampling Techniques

You may classify samples using either probability or non-probability methods. Each potential respondent has an equal chance of being chosen by researchers, which is what is meant by "probability," whereas "non-probability" is the exact opposite of "probability." The researchers in this study used a variety of non-probability sampling methods. Due to time and resource restrictions and the large sample size, this study will use convenience sampling. The UMK City Campus student who frequently purchases gold will be identified and asked to fill out an online survey. Researchers can more easily find their target respondents when they use convenience sampling. Respondents were selected in most cases because they were available during the research period.

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3.5 Research Instrument Development

In this study, the researcher chose to make a questionnaire as an instrument. To obtain the required data and information from the respondents should choose to use this approach. Through the selection of this method, feedback can be obtained directly from the respondents. In this study, data sources will be collected in a questionnaire to investigate the factors influencing the investment intentions of shariah-compliant gold savings among undergraduate students at UMK Pengkalan Chepa.

3.6 Procedure for Data Analysis

In this research, the Statistical Package for the Social Sciences (SPSS) will be used to analyze all sorts of data and run statistical tests. In other words, it is used to comprehend the research findings. The pros of using Statistical Package for the Social Sciences (SPSS) are the data tables can be displayed readily and quickly because information about each measurement is contained in a single row. It can also handle large amounts of data, and the researcher can import the data from other sources when organized as a database. This method analyzes, personalizes, and generates distinct patterns between different data variables. This study used four analysis types: reliability analysis, descriptive analysis, Pearson's correlation, and multiple linear regressions.

3.7 Reliability Analysis

Reliability measures a study's stability, accuracy, or consistency. It helps interpret statistical results and refers to the probability of obtaining the same effect with different samples. The researcher can also consider a test's ability to repeat research findings. The result should be the same when the same method is applied to the same model under the same conditions. While reliability is essential, more is needed. A test must be valid to be reliable.

3.7.1 *Descriptive Analysis*

A population's characteristics are outlined in descriptive studies. Data is gathered to address a wide range of "who," "when," and "how" queries regarding a specified set of people. Data will be analyzed using descriptive statistics, which include measures of central tendency (MCT) like mean, mode, and median, as well as other descriptive measures of quantity and distribution. Therefore, it was helpful in the survey's Section A, which is relevant to research to describe themselves.

3.7.2 *Pearson's Correlation*

Coefficient assesses the strength of a linear link between two variables. Typically, correlation analysis starts with a scatter diagram or other graphical depiction of the connection between data pairs. The correlation coefficient values vary from -1 to +1, with -1 representing an entirely negative linear correlation, 0 meaning no relationship, and +1 representing a total positive correlation. Positive correlation coefficient values suggest that one variable tends to rise or fall in tandem with another. Negative correlation coefficient values imply an association between a rise in one variable, and a reduction in another and vice versa. Values of the correlation coefficient around zero suggest a weak linear association between two variables, while values near -1 or +1 indicate a strong linear relationship.

3.7.3 *Multiple Linear Regressions*

Multiple linear regression is a statistical technique for determining the result of a dependent variable by using two or more independent variables. Because our research has numerous independent variables,

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namely perceived usefulness, perceived ease of use, knowledge, and funds, we use multiple linear regressions to examine the components. Consequently, several linear regressions will be utilized to forecast the factors impacting UMK Pengkalan Chepa undergraduates' propensity to engage in shariah-compliant gold savings.

4 Result and Discussion

4.1 Actual Reliability Test

SECTION C

Table 4.1: Reliability Coefficient for each Section of Questionnaire.

VARIABLES	NO OF ITEM	CRONBACH'S ALPHA	Internal Consistency
Perceived Usefulness	5	0.832	Good
Perceived Ease of Use	5	0.932	Excellent
Knowledge	5	0.949	Excellent
Financial Condition	5	0.757	Acceptable
Total Variables	25	0.931	Excellent

No of respondents (N) = 361

4.2 Demographic Profile of Respondents

Table 4.2: Respondents Demographic Profile

Respondents Profile	Classification	Frequency N = 361	PERCENTAGE (%)
Gender	Male	154	42.7
	Female	207	57.3
Age	19-20 years	111	30.7
	21-22 years	115	31.9
	23-34 years	119	33.0
	25 years and above	16	4.4

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Faculty	FHPK	116	32.1
	FKP	214	59.3
	FPV	31	8.6
Course	FPV	23	6.4
	SAA	8	2.2
	SAB	115	31.9
	SAE	13	3.6
	SAH	21	5.8
	SAK	34	9.4
	SAL	37	10.2
	SAP	50	13.9
	SAR	23	6.4
	SAW	37	10.2
Year	Year 1	116	32.1
	Year 2	45	12.5
	Year 3	67	18.6
	Year 4	133	36.8
Scholarship or Loan Recipients	Loan	233	64.5
	Scholarship	59	16.3
	Others	69	19.1
Year start investing in gold saving	2014-2015	10	2.8
	2016-2017	27	7.5
	2018-2019	50	13.9
	2020-2021	121	33.5
	Others	153	42.4

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The contextual profile of 361 respondents has been collected in this research. Table 4.2 consists of gender, age, faculty, course, Year, scholarship or loan, and Year started investing in the gold-saving respondents. There were 42.7% of male respondents with 154 students, and over 57.3% were 207 female students involved in this questionnaire. The percent that students who started to invest at the age of 19-20 years were 30.7% (N=111), 31.9% (N=115) at the age of 21-22 years, 33.0% (N=119) at the age of 23-22 years and 4.4% (N=16) at the age of 25 years and above.

The majority percentage of faculty respondents is FKP faculty with 59.3% (N=214), where 31.9% (N=115) respondents are from SAB courses, 10.2% (N=37) are from SAL, and 6.4% (N=23) from SAR courses, respectively, 9.4% (N=34) are from SAK, and the rest of 3.6% (N=13) are from SAE courses. At the same time, the minority is 8.6% (N=31) from FPV faculty, which is also from FPV courses. Meanwhile, the remaining 32.1% (N=116) are from FHPK faculty, while the highest 13.9% (N=50) are from SAP courses, the lowest is 5.8% (N=21) from SAH, and the rest, 10.2% (N=37) are from SAW courses. A significant percentage of this research is from fourth-year students, with 36.8% (N=133) respondents, while the minor 12.5% (N=45) are from second-year students. Lastly, an average percentage of a-year respondents are first-year students, with 32.1% (N=116) and 18.6% (N=67) being third-year students.

From the 361 respondents collected, 64.5% (N=233) stated they were getting a loan to finance their living while at university. Only 16.3% (N=59) respondents were getting a scholarship, and the rest, 19.1% (N=69) from other supports. Lastly, respondents stated that when they started investing in gold savings, the highest percentage, with 42.4% (N=153), were investing in other years. While the lowest rate of the data respondents is since 2014 – 2015, with 2.8% (N=10) and the rest 7.5% (N=27) since 2016 -2017, 13.9% (N=50) since 2018-2019, and 33.5% (N=121) since 2020-2021 started investing in gold saving.

4.3 Pearson Correlation

Pearson correlation is one of the correlation measures used to assess the linear nature of a relationship between two variables. The researchers used Pearson Correlation Coefficients to determine the significance of the relationship between the dependent variable (Intention on investment in syariah compliance gold saving among undergraduate students in UMK Pengkalan Chepa) and the independent variables (Perceived usefulness, Perceived ease of use, Knowledge, Financial condition).

Table 4.3 depicted the magnitude relationship of Pearson Correlation value, whereas table 4.4 displayed Pearson's Correlation Coefficient results, which were used to determine the hypotheses.

Table 4.3: Magnitude Relationship of Pearson Correlation Value

Pearson Correlation Value, r	Magnitude Relationship
0.01-0.09	Negligible
0.10-0.29	Low
0.30-0.49	Moderate
0.50-0.69	Substantial
0.70-0.90	High
1.0	Perfect

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Table 4.4: The Pearson Correlation Result

		Intention on investment in shariah compliance gold savings	Perceived usefulness	Perceived ease of use	Knowledge	Financial condition
Intention on investment in shariah compliance gold savings	Pearson Correlation	1	.549**	.561**	.540**	.439**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	361	361	361	361	361
Perceived usefulness	Pearson Correlation	.549**	1	.757**	.599**	.535**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	361	361	361	361	361
Perceived ease of use	Pearson Correlation	.561**	.757**	1	.567**	.556**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	361	361	361	361	361

4.4 Multiple Linear Regression

This study applied multiple linear regression to predict the outcome of intention on investment in shariah compliance gold saving based on the independent variables of perceived usefulness, perceived ease of use, knowledge, and financial condition.

Table 4.5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			
						F Change	df1	df2	Sig. F Change
1	.636 ^a	.404	.398	.62049	.404	60.406	4	356	.000

a. Predictors: (Constant), Financial condition, Knowledge, Perceived ease of use, Perceived usefulness

Table 4.5 explains the strength of the correlation between the model and the intention to invest in shariah-compliant gold savings. R indicates a multiple correlation coefficient of 0.636, where a high value means a strong relationship between variables. R Square demonstrates that 40.4% of the change in investment in shariah compliance gold savings can be explained by the differences in perceived usefulness, perceived ease of use, knowledge, and financial condition. The remaining 59.6% indicates no explanation between shariah-compliant gold investment and perceived usefulness, perceived ease of use, knowledge, and financial condition.

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Table 4.6: ANOVA

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	93.027	4	23.257	60.406	.000 ^b
	Residual	137.062	356	.385		
	Total	230.089	360			

a. Dependent Variable: Intention on investment in shariah compliance gold savings

b. Predictors: (Constant), Financial condition, Knowledge, Perceived ease of use, Perceived usefulness

The value of F is 60.406, and the p-value of 0.000 indicates significance below the alpha level of 0.05. This means a statistically significant difference exists between the dependent and independent variables. Therefore, perceived usefulness, perceived ease of use, knowledge, and financial condition accurately predict the percentage of UMK City Campus students who intend to invest in shariah-compliant gold savings.

Table 4.7: Coefficient
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error				Lower Bound	Upper Bound
		1	(Constant)	.763	.229		3.332	.001
	Perceived ease of use	.251	.068	.241	3.667	.000	.116	.385
	Perceived usefulness	.160	.065	.165	2.479	.014	.033	.288
	Knowledge	.319	.065	.263	4.877	.000	.190	.448
	Financial condition	.090	.056	.083	1.598	.111	-.021	.201

a. Dependent Variable: Intention on investment in shariah compliance gold savings

From table 4.7 above, the result shows that the P-value of perceived ease of use and knowledge is 0.000, which is the value is less than α (0.05). It indicates that perceived ease of use and knowledge influence investment in shariah compliance gold savings. In contrast, the P-values of perceived usefulness and financial condition are 0.014 and 0.111, respectively. It is explained that these variables are not significant factors towards the investment in shariah compliance gold saving because these variables are more effective than the P-value (0.05).

5 Future Research and Conclusion

The authors suggested the following lines of inquiry based on their findings. To begin with, future studies may benefit from a larger sample size to place greater emphasis on the topic of investment intent in Sharia-compliant gold savings. This is because the sample exclusively consists of students from the UMK City Campus. Because it is crucial to begin fostering knowledge and understanding so that individuals can effectively manage their financial and gold planning, future researchers should broaden the sample size by conducting a prospective study on all three campuses of University Malaysia Kelantan or among youth in Malaysia.

Additionally, the researcher provides several recommendations to enhance the study's findings. Scientists must plan to ensure they have enough time to complete their data collection at their preferred location. Allocating tasks and gathering all sample respondents within a set time frame required careful time management. Experts also advise selecting the most suitable respondent to complete the entire survey. Since the respondent will have time to read the question carefully and answer honestly, this method will yield valuable data for the researchers. The researchers can also schedule a time when the respondent is not busy with work to complete the survey. Their responses' emphasis will shift as a result. Therefore, the suggestion may need to be considered by future researchers to enhance the results of the study.

This research examines the relationship between four factors—likeliness of use, perceived ease of use, expertise, financial resources, and the intention to invest in Sharia-compliant gold savings. Since the price of gold is more stable and is much sought after as a commodity with anti-inflationary characteristics, a Gold Investment Account is a valuable tool for investing in enhancing property.

Muslims can invest in a Gold Investment Account that complies with shariah law. Due to the nature of gold as an excellent investment vehicle, this sort of investment is relatively risk-free. However, there is still a lack of satisfaction in people's awareness of gold investment in society, especially among Muslims. Most individuals would instead retain their savings in a bank account and put them into a gold investment plan. If the bank wants to attract more customers and get more individuals to sign up for its gold investment product, it needs to make an effort to promote it. With this arrangement, the bank and its customers will benefit. The former will have less trouble maintaining its operations, and the latter will earn more money from their savings and investment endeavors.

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Determinant For Customer Loyalty in Islamic Banking Products and Services in Kota Bharu, Kelantan

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Abstract:

The two (2) basic principles governed by the Islamic banking system are forbidden payments and collections of interest as well as mutual profit or loss sharing. All activities, such as gambling, interest, and speculation, are strictly prohibited in Islamic law. Due to the fierce competition between the Islamic banking industry and foreign and conventional banks, the offering of various products and services is much needed by the Islamic banking industry to attract customers who comply with Islamic law. Therefore, this study aims to determine the determinants for customer loyalty in Islamic banking products and services in Kota Bharu, Kelantan. The independent variables in this study are customer satisfaction, product quality, perceived value, and trust and commitment. This study uses online questionnaires with a target of 384 respondents of residents aged 18 years and above in Kota Bharu, Kelantan. The Statistical Package for Social Sciences (SPSS) version 27 was used for data analysis. The result concluded that there are significant correlations between customer satisfaction, product quality, perceived value and trust and commitment with customer loyalty in Islamic banking products and services. This study can help the industry improve and create better products and services to meet customers' needs. This study adds significant value by contributing to the body of knowledge in this field.

Keywords: Customer Loyalty, Customer Satisfaction, Product Quality, Perceived Value, Trust and Commitment

1 Introduction

Nowadays, the Islamic banking system has developed and is widely adopted worldwide. The banking system in Malaysia is divided into two, which are conventional banking and Islamic banking. Islamic banking is considered a financial concept that fully complies with Islamic "Shariah" law and has innovative and forward-looking financial engineering in which it offers practical and competitive banking, trade financing, investment, commercial, and real estate services (Lynn, 2001). Although in the early years, Islamic banking products and services were said to be less competitive than those offered by the existing conventional system, especially in terms of prices and service offerings, however, this is no longer valid nowadays due to the findings by Yahyaet (2017) which prove that banks involved in Islamic banking are competitive and comparable to conventional banks. Most Islamic banking must compete not only with conventional banks but also with other Islamic dual-banking systems. As a result, this matter has caused concern in most Islamic banking, where their competitiveness and survival depend solely on "customer loyalty" (Anhual Shaaque, 2009).

Due to the increasing competition in the banking sector, Islamic banking is facing problems in getting new customers and retaining their current customers. Nowadays, all Muslim or non-Muslim individuals have many options to choose the best quality products and services offered by the bank. Customers always want high-quality financial products and services, which will satisfy them and indirectly

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build their loyalty. Therefore, attracting and retaining new customers is the main objective of customer relations to help ensure that the organization is aligned with Shariah's objectives (Kartika, 2019).

Thus, this research reports the findings of a comprehensive study to determine the determinants for customer loyalty in Islamic banking products and services in Kota Bharu, Kelantan. Customer satisfaction, product quality, perceived value, and trust and commitment have been chosen to represent this research. The discovery of these determinants can not only overcome the competition between Islamic banking and conventional banking but also help the industry to create better products and services for customers. Through this research, the community will also have a better understanding of how Islamic Banking products and services can ensure their customers remain loyal. Thus, this study enables the measurement of the extent to which customers are loyal to their Islamic banking products and services in the Malaysian context. This study was conducted to see the empirical findings related to the research issue. In the framework model, the main determinants of customer loyalty are highlighted. Target respondents concentrated in Kota Bharu, Kelantan, were questioned through a well-designed and validated online questionnaire.

2 Literature Review

Customer Loyalty in Islamic Banking Products and Services

Customer loyalty is the outcome of a consistently pleasant experience and satisfaction with products or services. In the banking institution, Henrique & Matos (2015); Ladhari (2011); Amin (2011) has found that customers who consistently choose the same bank's products and services are deemed to have loyalty value. The number of transactions and the duration of the relationship in an Islamic context are typically used to gauge customer loyalty (Bakar et al., 2017; Hidayat et al., 2015). Customer loyalty to banking products and services has garnered the attention of marketers. This is because their profitability is highly related to the bank's ability to attract as well as retain customers over time (Kesidou et al., 2013). Therefore, customer loyalty programs need to be implemented by Islamic banking. Loyalty is demonstrated by customers through product repurchases when there are faced with attractive competitive alternatives that may motivate them to try a competitor's product and services; supporting and promoting the firm's products or services to other customers; giving large sums of money to the firm's product and service lines as well as offering truthful feedback to the firm regarding the performance of their products or services (Ganiyu et al, 2012).

Customer Satisfaction

According to Manik (2019), customer satisfaction can be known as the level of satisfaction with the performance of a product whether it fully complies with the customer's wants and needs or not. Lau and Cheung (2013), explained that fulfilling customer expectations will foster loyalty among customers. At the same time, Lau and Cheung (2013) said, it can increase the number of loyal customers and will reduce customer attrition or increase retention rates. In general, it can be said that satisfaction encourages loyalty. It is important that satisfaction be one of the main elements determining loyalty in this study. Chidambaram and Ramachandran (2012); Kheng et al (2010) have highlighted customer satisfaction and dissatisfaction are very important because it relates to the achievements of a company. If these matters are not taken seriously, it is possible that the company will experience problems in meeting the expectations of customers and the company.

Product Quality

Kishada & Wahab (2013) have explored that a product can be considered to have quality if the product can meet customer satisfaction which consequently generates customer value. Nonetheless, everyone has different tastes, which can lead to a subjective evaluation of a product's value, especially

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customers and potential consumers who have their own interpretations of a product's quality. Customers frequently pledge to repurchase their preferred products because of their high quality of the product. Mosavi & Ghaedi (2012) stated that having these customers promote the business and its products result in higher sales and a better reputation for the business. As a result, non-Muslims began to join Muslims in Islamic banking because of the good expansion.

Perceived Value

Based on Hamouda (2019), customer perceived value in the banking industry is defined as an appraisal of what the client gives and the benefits obtained in banking services. A high perceived value can help to strengthen the relationship with the bank customers. On the other hand, if people believe they have received less than they paid for, this is regarded as low value and they can be dissatisfied (Hamouda, 2019). The past research by Rahayu Y et al. (2020) shows that pricing, emotional value, Islamic physical qualities, and Islamic physical qualities are among the Muslim customer perceived value (MCPV) variables that directly affect customer loyalty. The customer's perceived value is really crucial and it's easy to estimate a customer's devotion to a business based on their actions (Makanyeza et al., 2015). Customers' impressions of the value they received from a bank may motivate them to buy the firm's products or services again. As a result, customer perceived value is related to customer loyalty in a good way (Sirdeshmukh et.al, 2002) and (Yang & Peterson, 2004).

Trust and Commitment

In Islam, trust is regarded as one of the most important personality attributes that Muslims should possess (Iqbal & Mirakhor, 2011). Customers' trust in Islamic banking transactions has some particular characteristics. In order to create trust, Islamic banking is required to maintain its obligations based on these standards. Affective commitment is based on the deeply devoted individual's affective or emotional relationship to the organization, such the client identification, client participation, and enjoys loyalty to the organization. Islamic banking must uphold its commitments, be truthful, and commit to developing bank trust relationships. The development, improvement, and practice of trust are all crucial parts of investing in a positive effective agreement between the customer (Ngoma & Ntale, 2019). Commitment has thus been identified as one of the most important variables influencing client loyalty, as it creates positive intents to preserve and strengthen a company connection and hence remain loyal (Ngoma & Ntale, 2019). In Islamic banking, the stronger the customer's intuitive commitment, the stronger the emotional connection with the customer and their bank.

3 Research Methodology

The researcher chooses to use a quantitative method in this study since the empirical evaluation is based on the measurement and numerical analysis. The researcher will collect primary data using an online survey, also known as an online questionnaire. All the questionnaires the researcher has prepared will be given to random residents aged 18 and above in Kota Bharu, Kelantan. Based on statistics data from the Malaysian Department of Statistics (2022), the total population of residents between the ages of 18 and above in Kota Bharu, Kelantan, is around 1,186,246 people. So, the target population for this study is 1,186,246. The target population is also a selected group of people the researcher wants to use as respondents in the main study. Therefore, this study will be conducted randomly among 384 residents aged 18 and above in Kota Bharu, Kelantan.

Besides, the researchers employed nominal and ordinal measurement scales in this study through the online questionnaire, consisting of three (3) sections: section A for the demographic profile of respondents and section B for the dependent variable, customer loyalty in Islamic banking products and services. Meanwhile, section C relates to independent variables: customer satisfaction, product quality, perceived

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value, trust, and commitment. The 5-point Likert scale, which strongly disagrees (1), disagrees (2), neutral (3), agree (4), and strongly agree (5), is used to determine how strongly the assertions agree or disagree of the respondent through the questionnaires. As a result, the Likert scale was employed to evaluate each item in Sections B and C of this questionnaire.

Next, the Statistical Package for Social Sciences (SPSS) will be utilized in this study to analyze and interpret the data. This method analyzes, customizes, and generates distinct patterns between different data variables. Reliability analysis is a type of data analysis used to interpret data, as is descriptive analysis, which helps to explain or constructively conclude data points so that forms can emerge that satisfy all of the data's conditions. In this study, the researcher will use the Spearman Correlation test to evaluate how closely two variables are related. Through this research methodology, the data collected and results will help the researcher identify the determinant for customer satisfaction, product quality, perceived value, and trust and commitment to customer loyalty in Islamic banking products and services in Kota Bharu, Kelantan.

4 Result

Table 4.2: Results of Frequency Analysis

Respondent profile	Frequency N=384	Percentage (%)
Gender		
Male	171	44.5
Female	213	55.5
Age		
18-24 years	184	47.9
26-33 years	118	30.7
34-41 years	56	14.6
42-49 years	17	4.4
50 years and above	9	2.3
Ethnicity		
Malay	317	82.6
Chinese	28	7.3
Indian	17	4.4
Others	22	5.7
Profession		
Government	56	14.6
Private sector	99	25.8
Self employed	49	12.8
Unemployed	31	8.1
Student	149	38.8
Islamic banking account ownership		
Yes	342	89.1
No	42	10.9
Use of any of Islamic banking products and services		
Yes	338	88
No	46	12

In this research, there are a total of 384 respondents have been gathered to answer the questionnaire that has been prepared. Part A in the questionnaire generates information on demographic profile variables

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of respondents such as gender, age, ethnicity, profession, Islamic banking account ownership, the use of any Islamic banking products and services, and frequency of using Islamic banking products and services. Most respondents were female (55.5%) followed by male (44.5%). The respondent's age between 18-24 years is higher (47.9%). As for the respondents' ethnicity, most were Malay (82.6%). In terms of respondent profession, students have the highest number which is 38.8%. Besides, the 384 respondents that were collected, stated that they have an Islamic Banking account (89.1%) while the remaining (10.9%) do not have an Islamic banking account. Lastly, respondents stated that they had used any of Islamic banking products and services (88%) while never using any product and services of Islamic banking (12%).

Validity and Reliability

According to George & Mallery (2016), Cronbach's Alpha result of 0.4 and below is measured as unacceptable, and values of 0.9 and above were indicated as excellent results. Increasing the value to 1 will increase the internal consistency and reliability of the item. In general, a score of more than 0.7 is usually good. However, it would be better if the result was higher than 0.9.

Table 4.9 Result of Reliability

Dependent Variables	Cronbach's Alpha	N of Items
Customer Loyalty	0.974	8
Independent Variables		
Customer Satisfaction	0.975	8
Product Quality	0.972	8
Perceived Value	0.973	8
Trust and Commitment	0.976	8

Cronbach's Alpha for the dependent variable of customer loyalty to Islamic banking products and services is 0.974 and for the independent variables (customer satisfaction = 0.975, product quality = 0.972, perceived value = 0.973, trust and commitment = 0.976). It is evident from the rules of thumb in Cronbach's Alpha Coefficient Range that 0.974, 0.975, 0.972, 0.973, and 0.976 have excellent consistency and stability. As a result, it is claimed that the test was trustworthy for conducting more analysis.

Table 4.15 Result of Normality Test

Tests of Normality						
	Kolmogorov-Smirnov			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Customer Loyalty	0.215	384	0	0.742	384	0
Customer Satisfaction	0.221	384	0	0.717	384	0
Product Quality	0.217	384	0	0.723	384	0
Perceived Value	0.217	384	0	0.723	384	0
Trust and Commitment	0.224	384	0	0.717	384	0

The researchers would use Pearson's Correlation in order to determine the study's hypothesis if the data were normally distributed. However, if the data were not normally distributed, the researchers would use Spearman's Correlation to compute the hypothesis.

Table 4.15 above shows the result of normality testing by using two methods which are Kolmogorov-Smirnova and Shapiro-Wilk. The significance level needs to be more than 0.05 in order to assess whether

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the data is normal. While the data is not typical if the significant value is less than 0.05. The normality test indicates that the significant value for all the variables, which are customer loyalty, customer satisfaction, product quality, perceived value, and trust and commitment, are < 0.001, which means it is less than 0.05. As a result, the researchers conclude that the normality testing using the Kolmogorov-Smirnova test indicates that all the variables do not follow the normal distribution and are classified as non-normal data.

Table 4.21: Result of Direct Hypothesis

Hypotheses	Sig. (1-tailed)	Correlation Coefficient	Alternative Hypotheses
H1: There is a positive relationship between customer satisfaction and customer loyalty in Islamic banking products and services	0	.756**	Accepted
H2: There is a positive relationship between product quality and customer loyalty in Islamic banking products and services	0	.814**	Accepted
H3: There is a positive relationship between perceived value and customer loyalty in Islamic banking products and services	0	0.801**	Accepted
H4: There is a positive relationship between trust and commitment and customer loyalty in Islamic banking products and services	0	0.817**	Accepted

According to the Spearman correlation table above, there is a significant relationship between the customer loyalty in Islamic banking and four independent variables (customer satisfaction, product quality, perceived value, trust and commitment). This can be proven through the value of the Spearman correlation coefficient which is 0.756, 0.814, 0.801, and 0.817 which means that both dependent and independent variables have a strong correlation. Furthermore, the p-value reached the level of 0.000 which is below 0.05 which means statistically significant. Therefore, H1, H2, H3, and H4 can be accepted.

5 Discussion and Conclusion

Implication of Study

There are a few significant implications for the research's overall findings that should be considered. Thus, the implications of this study have had an impact on Islamic financial institutions, Islamic banking, and individuals who use Islamic banking.

First, the research will have an impact on Islamic financial institutions. The Malaysian Shariah Advisory Council needs to ensure that Islamic banking products and services are not involved in any forbidden transactions such as gambling, "short-selling", the sale of debt, and so on. This is to avoid misunderstandings that lead to a negative perception of Islamic banking.

Second, the impact of Islamic banking where they should disclose related products and services provided in detail to be understood by existing customers, potential customers of Islamic banking, and public people as many individuals cannot distinguish between Islamic and conventional banking. Islamic banking needs to act quickly to ensure that their customers get shariah-compliant products and services and avoid any non-shariah-compliant. If so, Islamic banks will have a significant impact on the relationship between Islamic banking and customers, especially Muslim customers while increasing the level of customers' trust and encouraging them to commit and maintain their relationship with Islamic banking.

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Other than that, there are implications for Islamic banking users. Customer loyalty towards Islamic banking will easily develop if Islamic banking pays attention to every determinant of customer value which can lead to customer satisfaction.

Limitation of the Study

During this study, several limitations have been identified, which are limitations of the data collection method. Since this study focuses on collecting data from residents in Kota Bharu, Kelantan, the researchers needed more than a month to get 384 respondents. As some respondents refused to answer the questionnaire, the researcher had to find more respondents as they were not really devoted and supportive. In addition, the respondents were too busy that they could not spare time to answer the questionnaire and most of them have their own commitments such as studying and working. Besides that, some respondents need a better internet connection to enable them to access and answer the online questionnaire.

Next, limitations to grasping the questionnaire and how to answer the questions where the respondents might find it challenging to understand the question and provide truthful answers. Besides that, some of them refused to answer as they wanted to keep their thoughts in private. Last but not least, some of the respondents feel difficult and lazy to answer the entire question until the end as the questionnaire contains more than forty questions.

Recommendation

Based on this research, researchers have offered several recommendations for future research. Hence researchers should widen the sample size to emphasize Customer Loyalty to Islamic Banking Products and Services. Instead of concentrating solely on Kota Bharu, Kelantan, future researchers could expand their sample study by doing future research in all Kelantan cities. Next, the researchers need to improve the study result further by managing enough time in collecting data, which they should complete in less than a month to save time in conducting the research. Time management is essential to quickly organize a task and gather all the study respondents.

Additionally, the researchers recommend that future researchers pick the right respondent to complete the whole questionnaire that will be delivered. As a result, it will give future researchers an amazing result because the respondent can honestly answer the question while having enough time to read it accurately. Future researchers must also allow the responder ample time to complete the questionnaire in their leisure time so that they can concentrate on answering the questions. Last but not least, future researchers need to avoid asking respondents too many questions. That way, the respondents can answer calmly without feeling reluctant to continue answering the whole question.

Conclusion

Overall, the establishment of Islamic banking by Islamic Financial Institutions was intended to be a platform for the development process. The Islamic financial system may still be new when compared to conventional banking. Islamic banking facilitates the process of development, especially when all the existence of various products and services comply with Islamic shariah. Thus, it can indirectly meet the wishes and needs of customers and provide value to the well-being of the community who want to avoid things prohibited in Islam. Based on the research, customer satisfaction, product quality, perceived value, and trust and commitment prove customer loyalty to the products and services offered by Islamic banking where all the variables have a significant relationship.

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Study of Perception of Bitcoin Risks from an Islamic Perspective among SAB Students, University Malaysia Kelantan.

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Abstract:

To describe independent variables and dependent variables, the Theory of Planned Behaviour (TPB), Theory of Acceptance Model (TAM), Perceived Risk, and Mass Media Influence was used to undertake this study. The researcher gained more information and systematic in-depth knowledge about the perception of bitcoin risks. In this analysis, a quantitative data collection method was used because it focuses on creating answers to related problems by collecting data through questionnaires or surveys. A total of 205 students at the University Malaysia Kelantan (UMK) were tested using questionnaires and analyzed by using Spearman Correlation Statistic Package for Social Science (SPSS). The result indicates that all the elements have a significant relationship with University Malaysia Kelantan (UMK) students' perception. The implications and recommendations for future research of the study were discussed at the end of this paper.

Keywords: *Level of awareness, Student experience, Media social influence, Islamic perspective, Risk of Bitcoin*

1 Introduction

1.1 Background of Study

The evolution of currency changed from time to time starting in ancient times with the exchange of goods for shells, iron, and gold, silver, paper and many more. What is seen is considered valuable by society, so the matter is the currency that will be adopted. The now-famous Bitcoin is said to be simple and easy to adopt in digital sales transactions. It is an electronic currency that was created by someone named Satoshi Nakamoto in (2009)¹.

Bitcoin is a type of cryptocurrency and virtual currency that is not tied to an institution or any bank and is created with a bitcoin network that suits the needs and demands of bitcoin, through systematic based on exact mathematical calculations (Rahadi 2018)².

Students are frequently regarded as risk institutions associated with bitcoin risk because they are prone to investing for lucrative profits. As a result, students will suffer losses if they invest without understanding the risks associated with Bitcoin. Some of these students are aware and deeply understand the risks associated with

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bitcoin, which can be reduced by storing it in a 'cold wallet' and using 'anti-virus' software to protect the software from further hacking. They are, however, unaware that the problem of bitcoin price volatility can also affect market supply and demand, causing them to lose money (Atiqah, 2018).

1.2 Research Objective

This research aims to achieve the following objectives:

- 1.2.1 To investigate the effects of the level of awareness on the Perception of Bitcoin risk from an Islamic Perspective among SAB students, University Malaysia Kelantan students.
- 1.2.2 To examine the effects of the student experience on the perception of Bitcoin's risk from an Islamic Perspective among SAB students, University Malaysia Kelantan students.
- 1.2.3 To examine the effects of social media on the perception of Bitcoin's risk from an Islamic Perspective among SAB students, University Malaysia Kelantan students.

2 LITERATURE REVIEW

2.1 Perception of Bitcoin Risk from an Islamic Perspective

Perception is an image or shadow in the heart, mind, view, and impression for collection or acceptance from a person related to interpretation to represent and also understand the information or environment that is to be conveyed. Here, perception is for scrutiny related to the judgments made by others of the risk of bitcoin. The increase in cryptocurrency price affects the perception of the currency as an investment asset that can be trusted and has a valid value. In reality, this currency is mostly not supported by the government and its important features are similar to gold. People's perception of Bitcoin is a medium of exchange that equates it with currency (Baur, Dimpfl & Kuck, (2017).

Level of Awareness

The awareness about cryptocurrency is considered a key factor in using cryptocurrency. Sathye (1999) defines innovation awareness as understanding whether or not a customer is aware of the service itself and its benefits. It also explains that the low level of awareness is a determining factor in a customer's aversion and reluctance of using financial services over the Internet.

So, what makes people believe in bitcoin currency? They are confident in their capacity to trade this currency for goods, services, and investments, to put it simply (Pichler et al., 2018). As a result, a cryptocurrency's trustworthiness is a critical factor in determining its adoption as a global currency. The meantime, Similarly, Nurhisam (2017) examined Bitcoin from an Islamic perspective and discovered that it produces a number of evils (Madharrat), including the risk of counterfeiting, loss of confidence, and hyperinflation.

2.2 Student Experience

Experience refers to the information or abilities you gain from doing a particular job or activity for a long time. Each individual's experience with bitcoin should be highly positive, especially for students. This is because bitcoin is one of the most volatile cryptocurrency exchange operations. The lesson will also provide students with the knowledge necessary to determine how to use bitcoin correctly and to be aware of the risks they may face. Furthermore, the findings show that men and individuals with a college or university education are more likely to be aware of Bitcoin. Furthermore, unemployed people have a higher level of Bitcoin perception.

Alaeddin and Altounjy (2018) conducted research into the attitudes and intentions of Malaysia's generation "Z" to use cryptocurrencies and other blockchain-based technologies in their financial decisions. A total of 230 final-year students from the University of Kuala Lumpur Business School were included in the study. The findings show that generation "Z's" intentions to utilize cryptocurrency and associated innovations are influenced by their level of awareness and trust. Accordingly, to Fosso Wamba et al. (2020), the biggest practical Bitcoin issues are user perception and understanding; in other words, difficulty comprehending how the system and its infrastructure work and then accepting to embrace it. As a result, pupils' prior expertise with bitcoin is crucial.

2.3 Social Media Influence

Since bitcoin is still relatively new and there is a perceived lack of perception and knowledge of its capabilities, potential investors will typically seek advice and recommendations on whether to invest in it from their social networks. This is especially significant because traditional financial advisors and brokers would almost never recommend Bitcoin over traditional financial assets (CNBC, 2018). It's worth noting that social media is becoming increasingly important in the context of the general public, especially the Muslim community because there are serious concerns about Bitcoin investments and Islamic business rules. Furthermore, the ease of use of Bitcoin is critical because it employs blockchain technology, which is still considered a breakthrough in computer science.

3 Hypotheses Statement

A new framework in Figure 2.1 is formulated based on the perception of bitcoin risk from an Islamic perspective among SAB students, at the University Malaysia Kelantan. There are three (3) hypotheses shown below:

H1: There is a positive relationship between the level of awareness and Perception of Bitcoin risk from an Islamic Perspective among SAB, the University of Malaysia Kelantan's Students.

H2: There is a positive relationship between student experience and Perception of Bitcoin risk from an Islamic Perspective among SAB, University of Malaysia Kelantan's Students.

H3: There is a positive relationship between social media influence and Perception of Bitcoin risk from an Islamic Perspective among SAB, the University of Malaysia Kelantan's Students.

4 Research Framework

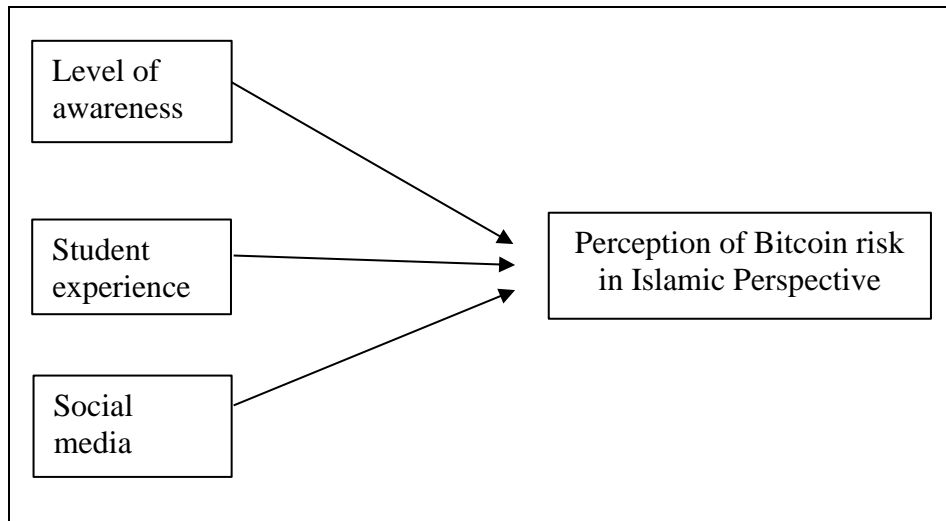


Figure 1: Research Framework for Study of Perception of Bitcoin Risks from an Islamic Perspective among SAB Students, University Malaysia Kelantan.

5 Methodology

This research used the primary data source, an online questionnaire, to gain a deeper understanding of respondents' opinions to achieve the objectives of this research use primary data as data to be collected to study the perception of Bitcoin Risk from an Islamic Perspective among SAB students, University Malaysia Kelantan. Researchers chose the questionnaire as the data source over the primary data because it could be obtained effectively and quickly. It can also save costs while improving the quality of the data collected. This in turn will help the researcher identify issues and see whether questions based on observations have been answered or not.

The data collection method, i.e., questionnaires, was the lowest cost incurred because there were no personal interviews or travel costs. Since we are more focused on remote data collection, we chose to create a questionnaire in the form of Google form as the data collection method for our survey. Therefore, we will distribute a link to the Google form as a questionnaire to SAB students of University Malaysia Kelantan, who answer the questionnaire voluntarily. Our survey-related questionnaires have no student limit as we provide an open opportunity to any student who wishes to be one of the respondents of our study. We expected a long time in anticipation, two weeks before we finished receiving respondents. While distributing this questionnaire, we hope that respondents will be able to answer the questions that we will discuss sincerely and relevantly in line with their knowledge of the risk perception of bitcoin.

According to the University Malaysia Kelantan database, the total number of students in the Faculty of Entrepreneurship & Business (FKP) 3,495. Students from Islamic Banking and Finance costs were selected in our research population and the total is 801 students. Therefore, 801 students will be the target population for this

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study. The sample size is the number of people selected from the general to reflect the entire population in a study. Improper sample size, too large or too small, will affect the quality and accuracy of the study. Table 1 shows that M is for the population and S is for the sample. However, if the population is 801 students, the sample would be around 260-265. For that, we set 261 as our sample number.

The most crucial aspect of every study is data analysis. Data analysis is a summary of the information that will be gathered. In fact, it also entails the analysis and interpretation of data to establish a pattern, link, or trend using analytical and logical reasoning. Data analysis is also defined as the process of analyzing, organizing, changing, and transforming data to obtain meaningful information. Furthermore, it is critical to ensure that the data analysis is carried out responsibly. Aside from that, there are other processes that must be followed when doing a research experiment. In this study, the researchers will collect statistical data using the Statistical Analysis for the Social Science (SPSS) Statistic at version twenty-eight.

6 Result and Discussion

6.1 Pre-Testing of Instrument 9 (Pilot Test)

To make sure that the questionnaire can be used for the research, a pilot test was conducted to test the validity and reliability of the questionnaire. Researchers distributed questionnaires for a pilot test through Google Forms and collected 205 responses to be used in the pilot test as data.

Table 1: Result of Reliability Test for Independent Variable and Dependent Variable

Variables	Cronbach Alpha	Number of items
Perception of Bitcoin risk in Islamic	912	4
Level of awareness	849	4
Student experience	849	4
Social media influence	849	4

According to Table 1 shows that the value of each section of the questionnaire is acceptable because it is more 0.800 of Cronbach Alpha. Cronbach alpha for all variables which is the level of awareness, student experience, and social media influence at sections C, D, and E in the questionnaire. As a result, the questionnaire is reliable and can be used in this research because the total value of Cronbach Alpha for all variables is 0.849 which is in the range of high correlation that is excellent and acceptable.

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6.1.2 Demographic Profile of Respondents

In this study, there are five questions were asked under the respondents' demographic section such as gender, age, year of study, race, status, education level, and awareness of bitcoin. This section discussed the basic analysis of the demographic profile of 205 respondents who answered the question through the google form that has been distributed. Next, the frequency and percentage for every demographic profile of respondents were demonstrated through tables and simplified charts.

Table 2: Gender of respondents

	Frequency	Percent (%)	Valid Percent (%)	Cumulative Percent (%)
MALE	67	32.7	32.7	32.7
FEMALE	138	67.3	67.3	100.0
Total	205	100.0	100.0	

Table 3: Age of respondents

	Frequency	Percent (%)	Valid Percent (%)	Cumulative Percent (%)
18 - 20	39	19.0	19.0	19.0
	135	65.9	65.9	84.9
21 - 23	28	13.7	13.7	98.5
24 - 26				
>=27	3	1.5	1.5	100.0
Total	205	100.0	100.0	

Table 4: Year of study of respondents

	Frequency	Percent	Valid Percent	Cumulative
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		(%)	(%)	Percent (%)
1	32	15.6	15.6	15.6
2	40	19.5	19.5	35.1
3	31	15.1	15.1	50.2
4	102	49.8	49.8	100.0
Total	205	100.0	100.0	

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Table 5: Race of respondents

	Frequenc y	Perce nt (%)	Valid Perce nt (%)	Cumulati ve Percent (%)
MALAY	177	86.3	86.3	86.3
CHINES E	12	5.9	5.9	92.2
INDIAN	12	5.9	5.9	98.0
OTHER	4	2.0	2.0	100.0
Total	205	100.0	100.0	

Table 6: Status of respondents

	Frequenc y	Perce nt (%)	Valid Percent (%)	Cumulati ve Percent (%)
SINGLE	195	95.1	95.1	95.1
MARRIED	10	4.9	4.9	100.0
Total	205	100.0	100.0	

Table 7: Education Level of respondents

	Frequenc y	Perce nt (%)	Valid Perce nt (%)	Cumulati ve Percent (%)
DIPLOMA	23	11.2	11.2	11.2
STPM	133	64.9	64.9	76.1
MATRIC	35	17.1	17.1	93.2
A-LEVEL	9	4.4	4.4	97.6
OTHER	5	2.4	2.4	100.0
Total	205	100.0	100.0	

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6.2 Reliability Test

This section discussed the reliability of this research's questionnaire that represent variable, the dependent variable, the perception of Bitcoin risk in Islamic Perspective and independent variables, which are a level of awareness, student experience, social media influence. In the section, Cronbach's Alpha of every question for each variable and section was analyzed and presented.

Table 8: Summary of Reliability

VARIABLES	NO OF ITEM	CRONBACH'S ALPHA	RELATIONSHIP
Level of Awareness (IV 1)	4	849	Acceptable
Student Experience (IV 2)	4	849	Acceptable
Social Media Influence (IV 3)	4	849	Acceptable
Perception of Bitcoin risk in Islamic Perspective (DV)	4	912	Acceptable

6.3 Normality Test

Variable	Skewness	Kurtosis	Result
Aware of Bitcoin	-0.108	0.076	Normal distributed
Level of Awareness	-0.062	0.114	Normal distributed
Student Experience	-0.066	0.074	Normal distributed
Social Media Influence	-0.138	0.141	Normal distributed

Table 9: Result of Normality Test

Normality testing was applied in this study to determine a sample whether the sample was normally distributed or not. If the data were normally distributed, this study will be using Spearman’s Correlation to identify the hypotheses and if the data were not normally distributed, this study will be using Spearman’s Correlation to compute the hypotheses.

6.4 Hypotheses Testing (Spearman Correlations Analysis)

The results of the correlation coefficient analysis indicated that independent variables in which sense of awareness, experience, and social media influence a correlation relationship with perception of bitcoin risk from an Islamic perspective among SAB Students University Malaysia Kelantan. The finding of the correlation between independent and dependent variables is summarized and presented in each table in the hypothesis result.

6.4.2 Level of awareness

H₀: There is no significant relationship between the level of awareness that influences the perception of bitcoin risks from an Islamic perspective among sab students, University Malaysia Kelantan.

H₁: There is a significant relationship between the level of awareness that influences the perception of bitcoin risks from an Islamic perspective among sab students, University Malaysia Kelantan.

Correlations

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			Perception of Bitcoin risk from an Islamic Perspective	Level of Awareness
Spearman's rho	Perception of Bitcoin Risk from an Islamic Perspective	Correlation Coefficient	1.000	.507**
		Sig. (2-tailed)	.	.000
		N	205	205
	Level of Awareness	Correlation Coefficient	.507**	1.000
		Sig. (2-tailed)	.000	.
		N	205	205

Table 10: The Spearman’s Correlation between level of awareness that influences the perception of bitcoin risks from an Islamic perspective among SAB students

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6.4.3 Student Experience

H₀: There is no significant relationship between student experience that influences the perception of bitcoin risks from an Islamic perspective among SAB students, University Malaysia Kelantan.

H₁: There is a significant relationship between student experience that influences the perception of bitcoin risks from an Islamic perspective among SAB students, University Malaysia Kelantan.

Correlations				
			Perception of Bitcoin risk in Islamic Perspective	Student Experience
Spearman's rho	Perception of Bitcoin risk from an Islamic Perspective	Correlation	1.000	.505**
		Coefficient		
		Sig. (2-tailed)	.	.000
	Student Experience	N	205	205
		Correlation	.505**	1.000
		Coefficient		
	Sig. (2-tailed)	.000	.	
	N	205	205	

Table 11: The Spearman's Correlation between student experience that influences the perception of bitcoin risks from an Islamic perspective among SAB students

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6.4.4 Media Social Experience

Ho: There is no significant relationship between social media influence that influences the perception of bitcoin risks in Islamic perspective among SAB students, University Malaysia Kelantan.

H1: There is a significant relationship between social media influence influences the perception of bitcoin risks from an Islamic perspective among SAB students, University Malaysia Kelantan.

Correlations				
			Perception of Bitcoin risk in Islamic Perspective	Media Social Influence
Spearman's rho	Perception of Bitcoin risk from an Islamic Perspective	Correlation Coefficient	1.000	.565**
		Sig. (2-tailed)	.	.000
		N	205	205
	Media Social Influence	Correlation Coefficient	.565**	1.000
		Sig. (2-tailed)	.000	.
		N	205	205

Table 12: The Spearman's Correlation between media social influence that influencing the perception of bitcoin risks from an Islamic perspective among SAB students

7 Discussion and Conclusion

7.1 Implication of the Study

This study aimed to understand the perception of bitcoin risk in Islamic perspective among SAB students of the University of Malaysia Kelantan (UMK). This study has implications for undergraduate students or investors and for the government.

Following this research, students and investors should have a better understanding of what they need to know before using or investing in bitcoin cryptocurrency. As previously stated, every investor should be aware of the risks associated with bitcoin. Because of its flaws and virtues. If investors don't understand how to use bitcoin, its weakness works against them rather than for them. It can also help investors avoid fraud, cybercrime, and other problems.

Bitcoin is a digital currency that can be transferred from one account to another without the involvement of a third party. This means users can send bitcoin without the assistance of a central bank, financial institution, or government body. As a result, many people regard it as a sophisticated financial system. Despite its many benefits, bitcoin has a negative impact on the government, including loss of control due to decentralization, increased cybercrime, a threat to central bank business, and others. As a result, the government should play an important role in raising community awareness of the risks associated with bitcoin. This is also because, from an Islamic perspective, bitcoin is not a currency from the Shariah point of view that is subject to al-Sarf law.

7.2 Limitations of the study

The quantitative research method, which is the focus of this research, is complete research that must face certain limitations. These are some of the constraints we encountered while conducting this research. To begin with, this study only focuses on Islamic banking and finance bachelor's degree students with honors (SAB) at the University Malaysia Kelantan's city campus. However, there are some challenges for this study, such as respondents avoiding the proper questionnaire and being less interested in answering the distributed form.

Finally, the variables are a limitation of this study. This study focuses solely on three independent variables: level of awareness, student experience, and social media influence. According to previous research and information, these three variables have a significant impact on the perception of Bitcoin risk from an Islamic Perspective. Their ability to investigate in relation to other aspects of the study is limited. It also happens when these researchers use convenience sampling as their sample size. This lack of control can skew the sample and research findings, limiting the study's generalizability.

7.3 Recommendations of the study

The researcher suggests that this study incorporate qualitative research methods to obtain accurate responses from respondents through face-to-face interviews. During the interview, the researcher can ask open-ended questions and explain the questionnaire questions. Not only that, but it is possible that the respondent's answer is honest and true, that the respondent answers it well, and that all the questions can be completed and resolved immediately. This is because respondents can provide information and opinions based on their experiences with bitcoin currency. As a result, future researchers may need to consider recommendations to improve the study's results. The last suggestion is related to the addition of variables. This current study has three factors that influence the perception of bitcoin risk. Therefore, there must be various variables that may not be focused on by current researchers. Nevertheless, researchers in the future can use different variables to get various new findings in this kind of research.

7.4 Conclusion

This present study explores the Perception of Bitcoin Risks from an Islamic Perspective among SAB students, at the University Malaysia Kelantan (UMK). In this study, there are independent variables which are level of awareness, student experience, and social media influence were included to examine the relationship with the perception of bitcoin risk from an Islamic perspective. As mentioned in chapter 3, 205 respondents were chosen from the SAB students in UMK to analyze their perceptions of bitcoin risk by distributing questionnaires through Google Forms.

Furthermore, in chapter 4, there is an analysis of the findings from the questionnaire. Descriptive analysis, reliability testing, and Spearman's correlation analysis were used to interpret the result. The final results show that level of awareness, student experience, and social media influence has a significant relationship with the perception of bitcoin risk from an Islamic perspective among SAB students at the University Malaysia Kelantan.

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**The Factors That Influence Customers Satisfaction of Online Transaction in
Islamic Banking System among UMK City Campus Students**

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Abstract:

Most people are more comfortable using online transactions when making purchases because it is conventional shopping which is usually associated with anxiety, congestion, traffic jams, limited time, parking, etc. In addition, online transaction systems have also played a major role in e-commerce and are used to carry out various transactions. Therefore, the purpose of this paper is to find out what factors affect customer satisfaction with online transactions in the Islamic banking system. The theoretical foundation is discussed and chapter one will explain the inception and evolution of internet transactions in Islamic banking. Furthermore, this chapter discusses the significance and objectives of the investigation, as well as the research questions, problem statement, and limitations of the study, the backdrop of the study, the structure of the study, and the operational field of study. The second chapter will outline previous research that has been drawn from books, articles, journals, and other sources in order to examine any gaps in the literature that have not yet been investigated. This chapter will also go into detail about studies that have been done on how UMK City Campus students feel about online transactions using Islamic banking systems. A survey questionnaire was used in the study department to examine various customer viewpoints on online payments.

Keywords Customer satisfaction, Service quality, Web design, and content, Security, and privacy, Convenience and Speed

1.0 INTRODUCTION

1.1 Background

Specifically, newly advanced and carried out technology is transforming people's way of life and consumption behavior, which has a big impact on the character of enterprises' customer connections. This is due to the evolution of today's tech-savvy virtual purchasers' expectations, who anticipate delivering virtual solutions through their banking (Sreejesh, Anusre, & Mitra, 2016). E-trade is a form of online commerce that enables customers to quickly acquire goods from vendors via the internet while utilizing web browsers (Bhagat, 2015). Due to the internet's rapid growth, consumers are now able to conduct online shopping and even e-commerce transactions (Wang et al., 2015). E-commerce is a form of online trade that lets customers purchase products directly from vendors using web browsers (Bhagat, 2015).

Islamic banking technology was introduced in the last decade of the 20th century, but the concept is not new. The Islamic banking system (IBS) was created as a result of the need for a financial organization for Muslim clients who might want to fulfill their requests and aspirations. Due to the fact that traditional banking is entirely based on a hobby-based device, which is against Islamic Shari'ah regulations, this is not permitted. Therefore, Muslims seek out institutions that provide them with a financial platform that is compliant with Islam.

Online shopping is still developing in Malaysia. Therefore, the number of customers who routinely conduct online shopping has been increasing every year. , Customers should have relevant information to gain access to the online platform for purchasing goods more easily (Muda et al., 2016). Customer satisfaction is essential to the success of any business, whether it operates online or in physical locations. As a result, the study explores and concentrates on the connection between online design and content, security and privacy, convenience, and speed.

1.2 Research Objective

This research aims to achieve the following objectives:

1. To determine the relationship between service quality and customer satisfaction in the Islamic banking system
2. To describe the relationship between web design and content and customer satisfaction in the Islamic banking system
3. To identify the relationship between security and privacy and customer satisfaction in the Islamic banking system
4. To study the relationship between convenience and customer satisfaction in the Islamic banking system
5. To find out the relationship between speed and customer satisfaction in the Islamic banking system.
6. To test the most important factors influencing customer satisfaction with online transactions among UMK students.

2.0 LITERATURE REVIEW

2.1 Customer Satisfaction

Customer satisfaction is a gauge of how well a company's goods, services, and overall customer experience live up to customer expectations. Bashir (2013) states that fields such as marketing, consumer research, economic psychology, and general welfare and economics are well-known and important concepts in customer satisfaction. Contentment is a sensation that arises from the process of analyzing what has been received versus what was expected, which includes the purchase choice itself as well as the requirements and wants to be related

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to the purchase (Armstrong & Kotler, 1996; Oliver, 1997). The greater contentment necessitates a better grasp of what satisfaction is and how it should be handled. The studies on customer satisfaction are not only focused on the banking industry but also explore many sectors (Ati et al., 2020). To measure customer satisfaction, Goodman et al. (1995) introduced three indicators namely: (i) feeling happy, (ii) satisfaction with service, and (iii) satisfaction with the system. In banking, customers question themselves about the level of service provided and decide on repurchase behavior after using the service (Ati et al., 2020)

2.2 Service Quality

The level of service quality that a company provides is evaluated in relation to the expectations of its customer. Borgave et al. (2016) stated service quality is explained as the differentiation of customer expectations from service performance. The exceptional extent of service quality is crucial for service providers, especially in the aspect of competing with each other (Yoo & Park, 2007; Bharati & Berg, 2005; Kemp, 2005). According to Akhtar and Zaheer (2014), the quality of Islamic banking services is becoming increasingly crucial as the bank expands globally by offering a wide range of products and services to compete with traditional banking. Othman, et. al. (2001) stated that service quality is important for banks to apply service quality to customers based on Islamic programs to improve the way services are provided. Amin and Isa, (2008) stated that the relationship between service quality as seen by customers and their extent of satisfaction with the Islamic banking system should consist of six elements (compliance, assurance, reliability, tangible, empathy, and responsiveness).

To evaluate service quality, the SERVQUAL scale can be used (Khan & Fasih, 2014). The SERVQUAL scale has five elements that can measure the quality of service before and after it is used. Specifically, tangibility (visible rudiments of service alike as structures, spots, and tools), responsiveness (how quickly service providers respond to customer queries or amenability for service providers to help customers and give engender services), reliability (the capability for a service provider to convince the customer of dependable and right service, assurance (the position of knowledge showed by a service provider when conveying its services and their capability to stir faith and confidence) and empathy (capacity of a service provider to pay attention to particular consumer wants). The quality of service positively influences customer satisfaction (Kaura et al., 2012) and that is why service quality is of vital importance to customer satisfaction.

2.3 Web Design and Content

Customer satisfaction can be improved through systematic information management. It is important for industries to design superior websites to deliver their services and gain customer satisfaction (Kidane & Sharma, 2016). Ahmad and Al- Zu'bi (2011) stated that the importance of web design will be represented in the customer satisfaction position and web design is an essential rudiment to attract the operation of internet banking. Therefore, it will have a significant positive effect on customer satisfaction. Web-based technologies provide convenience to people and organizations to establish strong customer relationships and generate customer value through collaboration and social networking (Sharma & Baoku, 2013; Sigala, 2009). Website content can include text, images, layouts, and any other elements that can stimulate user satisfaction (Fazli & Nor, 2010). To support customer demand for the use of online banking for online transactions, online banking needs to deliver functions that are acceptable to customers throughout the customer decision-making process (Liang & Lai, 2002).

The quality of website design with attractive features is able to attract customers to use it for the online transaction process. "Consumers' willingness to visit again is more than

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their own motivation to reuse” (Liang & Lai, 2002; Trong et al., 2014). Customers will create unique results with plain information in the online banking system. Usability is one of the important features that need to be taken into account for designing and styling an excellent website. Therefore, website design and content in the Islamic banking system have a direct influence on consumer satisfaction and can have a positive impact on the perception of consumer satisfaction, especially in online transactions.

2.4 Security and Privacy

Privacy is the right of people to decide how and under what circumstances their personal information is preserved and utilized. Chiou et al. (1999) claim that an online retailer's commitment to privacy includes safeguarding the personal information, online activities, and credit data of its customers. One of the antecedents of customers' online trust in a website and purchase intent is privacy. Security reflects opinions about how data transmission and storage techniques and payment methods can be trusted (Kolsaker & Payne, 2002). The subjective possibility that customers believe their personal and financial information will not be seen, stored, and altered by unauthorized parties during transit and storage in a manner consistent with their confident expectations is known as perceived security. When you download a new smartphone app, you are prompted to read and accept its privacy policy. Security and privacy are interdependent although any level of control you may have over the use of your personal information is referred to as privacy.

Customer personal information, the organization's payment service, and the system's effectiveness will all be strongly protected by security. According to Meskaran et al. (2013), security is not merely a technological difficulty but also includes human and organizational dimensions. In this technological age, practically everyone communicates, shops online, and pays with their smartphones. According to the study, 60% of consumers believe that using mobile payments poses a financial and personal security risk (Chin et al., 2012). Phishing is the act of duping a computer user into divulging personal information, credit card information, usernames, and passwords (Kirlappos & Sasse, 2012). It resulted in the user disclosing financial information to a scam site, financial losses, and identity theft. Shari'ah law serves as the foundation for Islamic banking, where it offers Muslims the chance to do banking in a way that complies with Shari'ah law. Social justice, trust, and Shari'ah serve as the cornerstones of this system. Islamic banking promotes risk-taking and balances the weights of the parties involved, as opposed to making money from money and placing pressure on only one party. It can be observed that Islamic banking does not allow the customer to feel upset about sharing personal information if there is fraud in the consumer. However, if the bank or the seller takes care of security and privacy, the customer does not have to feel sad about sharing personal information.

2.5 Convenience

Convenience is a critical component of delivering a positive customer experience. It influences how customers decide what to buy, what services to use, where to go, and with whom to do business. The ease of transaction is a factor in deciding whether or not to shop; the more convenience provided, the more loyal customers will utilize it. The phrase "transaction ease" refers to "the speed and convenience with which a user can execute a transaction" (Benoit et al., 2017). Convenience can be said to be an effort required to complete a transaction while reducing the amount of time (Jiang et al., 2013). A simple payment process, uninterrupted processing, transaction confirmation, multiple options, and price inconsistencies characterize convenient online transactions (Jiang et al., 2013); (Reimers & Chao, 2014).

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Consumers who want to make transactions in the banking area must visit its branch, which requires time, effort, and money. Customers also need to wait in line for banking services. Additionally, users are only permitted to execute transactions within specific banking hours (Shankar & Kumari, 2016). Comparatively, users of internet banking can complete transactions with just a few clicks whenever they want and from any place (Wolfenbarger & Gilly, 2001). Users can also plan transactions for the future and are able to conduct many transactions simultaneously and quickly using online banking platforms (Shankar, Jebarajakirthy, et al., 2020). Furthermore, customers can contact customer service via a toll-free number, live chat, or email if a transaction fails or they run into issues.

2.6 Speed

The banking business has been greatly impacted by technological advancements. It allows customers to complete transactions in the shortest time possible (Tarhini et al., 2015). Payment processing speed is the amount of time it takes to receive a response from the payment gateway after making an API call. The entire transaction is usually completed in a matter of seconds. It is the length of time needed for the system to finish a transaction. Increased transaction speeds, improved customer satisfaction, and increased system availability and faster processes. Similar to this, there is some sort of transaction speed involved when we use our credit card details to make online payments. Banking services, such as mobile banking, which was introduced by Deutsche Bank in 1999, have improved over time due to the spread of the internet and ease of access to online facilities.

At the same time, the speed, availability, and accessibility of fast payments may appeal to those involved in unlawful operations who need to obtain funds quickly. Their capacity to do so is contingent on payment service providers, operators, and authorities' ability to notice and respond to suspicious activity. The ability to settle time-sensitive payments at a sufficient pace and whenever required is the most obvious benefit of quick payments. If a consumer must provide evidence of purchase to the seller before engaging in another activity (due to reasons such as counterparty risk or liquidity limits for end users), rapid payments can expedite the process and reduce the time it takes to complete it.

3.0 METHODOLOGY

This study focuses on how to effectively manage various research difficulties in a relatively logical manner by combining important research parts using the technique and method framework. Sekaran et al. (2016) defined a research design as a framework or plan for gathering, evaluating, and analyzing data in order to address the study objectives. The relationship between the independent variable (service quality, web design, and content, security, and privacy, convenience, and speed) and the dependent variable is examined and understood in this more objective study (customer satisfaction). This study used the quantitative method to gather all of the pertinent information.

As a result, a sampling process was used in this study, and a simple random sample was chosen. Simple random sampling is a type of probability sampling in which researchers randomly select some members of a population. Everyone in the population has the same chance of being selected. Bryman (1992) defined research procedures as the use of a variety of data collection techniques to obtain a high level of validity and reliability. This study will also gather data from primary sources. Since it is simpler and easier to obtain, researchers have chosen the questionnaire approach as a source of primary data. The questionnaire method will be classified into numerous components and easily examined. Furthermore, it is capable of dealing with a wide range of problems and queries on the subject in a very efficient manner, with the possibility of a fast response rate. Frequently, surveys are created in such a

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way that the responses to the questions are marked, and the marks are totally intended to obtain an overall degree of the respondents' attitudes and assessments.

The target population for drawing generalized conclusions is a specific group of people of interest to the researcher. This study focuses on undergraduate students who are still enrolled at UMK to determine which characteristics influence consumer satisfaction with online transactions in the Islamic banking system. This will only comprise the UMK campus in Kota, which is located in Pengkalan Chepa, Kota Bharu. UMK Campus Kota has a total student population of 4,733 students (U.M.K., 2022).

The research has changed to use a structured questionnaire as one of its data collection techniques. Sekaran et al. changed to using a structured questionnaire as one of their data collection techniques. Sekaran et al. (2016) claim that questionnaires are frequently used to gather enormous amounts of quantitative data. They can be given out to responders in person, online, or through the mail. Although questionnaires are typically less expensive and difficult than interviews and observations, the probability of non-response and non-response errors is significantly higher. The University Malaysia Kelantan's 20- to 40-year-old students will receive the questionnaire. The method requires a significant amount of time and effort. The information will be individually gathered after the respondent completes the questionnaire.

To carry out this research, online questionnaires were created to meet the study's objectives, which are to learn about the University Malaysia Kelantan Kota campus students' perspectives on the elements that influence customer satisfaction with online transactions using the Islamic Banking system. Questions derived from prior research papers in this study's survey are broken into three parts: part A (demographics), part B (dependent variable), and part C (independent variable). Each interior is thoroughly explained. These sections use the five Likert scales in the questionnaire structure.

In addition, the acquired data will be analyzed using the Social Sciences Statistical System (SPSS) software. The data from this study will be analyzed using descriptive statistics, a reliability test, Pearson correlation, and regression analysis.

4.0 RESULT AND DISCUSSION

4.1 Pre-Testing of the Instrument (Pilot Test)

A pilot test was organized to evaluate the survey's reliability and validity in order to confirm that it may be used for the research. The researcher used Google Forms to appropriate surveys for the pilot test and collected 100 respondents as information.

Table 1: Results of Reliability Test for Dependent Variable and Independent Variable

Variables	Cronbach Alpha	Number of Item
Customer Satisfaction	.955	5
Service Quality	.801	5
Web Design and Content	.948	5
Security and Privacy	.905	5
Convenience	.958	5
Speed	.855	5

According to Table 1, each survey component's value is sufficient because it exceeds 0.700 according to Cronbach Alpha. Convenience has a Cronbach Alpha value of 0.958, which is the highest, while Service Quality has a Cronbach Alpha value of 0.801, which is the lowest. Convenience is the fourth independent variable in the survey and has the most

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noticeable Cronbach Alpha value. Given that the absolute value of Cronbach Alpha for all criteria is 0.958, which is in a high Convenience spectrum and is impressive and pleasing, the survey is therefore reliable and may be used in this assessment.

4.2 Demographic Profile of Respondents

In this study, five questions were asked under the respondents' demographic section such as gender, age, faculty, years of study, and product purchased. This section discussed the basic analysis of the demographic profile of 309 respondents who answered the question through the google form that has been distributed. Next, the frequency and percentage for every demographic profile of respondents were demonstrated through tables and simplified charts.

Table 2: Data of questioner gender

GENDER					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	101	32.7	32.7	32.7
	Female	208	67.3	67.3	100.0
	Total	309	100.0	100.0	

Table 3: Data of questioner age

AGE					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-21 years	44	14.2	14.2	14.2
	22-23 years	222	71.8	71.8	86.1
	24 years	24	7.8	7.8	93.9
	25 years and above	19	6.1	6.1	100.0
	Total	309	100.0	100.0	

Table 4: Data of questioner faculty

Faculty					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	FKP	189	61.2	61.2	61.2
	FHPK	107	34.6	34.6	95.8
	FVM	13	4.2	4.2	100.0
	Total	309	100.0	100.0	

Table 5: Data of questioner years of study

Years of Study					
		Frequency	Percent	Valid Percent	Cumulative Percent

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Valid	1	21	6.8	6.8	6.8
	2	39	12.6	12.6	19.4
	3	60	19.4	19.4	38.8
	4	189	61.2	61.2	100.0
	Total	309	100.0	100.0	

Table 6: Data of questioner product purchased

Product Purchased					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Fashion and apparel	98	31.7	31.7	31.7
	Digital product	51	16.5	16.5	48.2
	Ticket (cinema and travel)	36	11.7	11.7	59.9
	Cosmetic product	63	20.4	20.4	80.3
	Other	61	19.7	19.7	100.0
	Total	309	100.0	100.0	

4.3 Reliability Test

This section discussed the reliability of this research questionnaire that represents the dependent variable, customer satisfaction, and independent variable, which are a service quality, web design and content, security and privacy, convenience, and speed. In this section, Cronbach of Reliability of every question for each variable and section was analyzed and presented.

Table 7: Summary of Reliability

Study Instruments	Number Of Item	Cronbach's Alpha	Relationship
Customer Satisfaction	5	0.940	Acceptable
Service Quality	5	0.844	Acceptable
Web Design And Content	5	0.948	Acceptable
Security And Privacy	5	0.916	Acceptable
Convenience	5	0.944	Acceptable
Speed	5	0.884	Acceptable

4.4 Normality Test

Table 8: Test of Normality

	Kolmogorov-Smirnov			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Customer Satisfaction	.188	309	.000	.795	309	.000
Service Quality	.144	309	.000	.902	309	.000
Web Design and Content	.173	309	.000	.842	309	.000
Security and Privacy	.167	309	.000	.850	309	.000
Convenience	.196	309	.000	.802	309	.000
Speed	.150	309	.000	.893	309	.000

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The table above shows that the findings for the dependent variable and the independent variable are not typical. This is because data is considered normal if the Sig. Shapiro-Wilk Test value is larger than 0.05. If the value is less than 0.05, the data deviates significantly from a normal distribution. The results demonstrate that all of the dependent and independent variables are less than 0.05. One of the reasons why the data for this questionnaire is out of the ordinary is that all UMK students have Islamic banking accounts but are unaware of the distinction between conventional banks and Islamic banking.

4.5 Hypotheses Testing

Findings of the correlation between independent and dependent variables are summarized and presented in each table in hypothetical results.

4.5.1 Service Quality

H0: There is no significant positive relationship between customer satisfaction and service quality.

H1: There is a significant positive relationship between customer satisfaction and service quality.

Table 9: The Pearson's Correlation between Customer Satisfaction and Service Quality

Correlation		Customer Satisfaction	Service Quality
Customer Satisfaction	Pearson Correlation	1	.684**
	Sig. (2-Tailed)	.	.000
	N	309	309
Service Quality	Pearson Correlation	.684**	1
	Sig. (2-Tailed)	.000	.
	N	309	309

4.5.2 Web Design and Content

H0: There is no significant positive relationship between customer satisfaction and web design and content.

H2: There is a significant positive relationship between customer satisfaction and web design and content.

Table 10: The Pearson's Correlation between Customer Satisfaction and Web Design and Content

Correlation		Customer Satisfaction	Web Design and Content
Customer Satisfaction	Pearson Correlation	1	.773**
	Sig. (2-Tailed)	.	.000
	N	309	309
Web Design and Content	Pearson Correlation	.773**	1

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	Sig. (2-Tailed)	.000	.
	N	309	309

4.5.3 Security and Privacy

H0: There is no significant positive relationship between customer satisfaction and security and privacy.

H3: There is a significant positive relationship between customer satisfaction and security and privacy.

Table 11: The Pearson's Correlation between Customer Satisfaction and Security and Privacy

Correlation			
		Customer Satisfaction	Security and Privacy
Customer Satisfaction	Pearson Correlation	1	.735**
	Sig. (2-Tailed)	.	.000
	N	309	309
Security and Privacy	Pearson Correlation	.735**	1
	Sig. (2-Tailed)	.000	.
	N	309	309

4.5.4 Convenience

H0: There is no significant positive relationship between customer satisfaction and convenience.

H4: There is a significant positive relationship between customer satisfaction and convenience.

Table 12: The Pearson's Correlation between Customer Satisfaction and Convenience

Correlation			
		Customer Satisfaction	Convenience
Customer Satisfaction	Pearson Correlation	1	.708**
	Sig. (2-Tailed)	.	.000
	N	309	309
Convenience	Pearson Correlation	.708**	1
	Sig. (2-Tailed)	.000	.
	N	309	309

4.5.5 Speed

H0: There is no significant positive relationship between customer satisfaction and speed.

H5: There is a significant positive relationship between customer satisfaction and speed.

Table 13: The Pearson's Correlation between Customer Satisfaction and Speed

Correlation			

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		Customer Satisfaction	Speed
Customer Satisfaction	Pearson Correlation	1	.661**
	Sig. (2-Tailed)	.	.000
	N	309	309
Speed	Pearson Correlation	.661**	1
	Sig. (2-Tailed)	.000	.
	N	309	309

4.6 Multiple Regression

Table 14: Model Summary Result of Multiple Regression

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.816 ^a	.666	.660	.48880
a. Predictors: (Constant), Mean Speed, Mean Service Quality, Mean Convenience, Mean Web Design and Content, Mean Security and Privacy				
b. Dependent Variable: Mean Customer Satisfaction				

Table 15: ANOVA Result of Multiple Regression

ANOVA^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	144.309	5	28.862	120.797	.000 ^b
	Residual	72.395	303	.239		
	Total	216.704	308			
a. Dependent Variable: Mean Customer Satisfaction						
b. Predictors: (Constant), Mean Speed, Mean Service Quality, Mean Convenience, Mean Web Design and Content, Mean Security and Privacy						

Based on table 4.22 and 4.23, the findings demonstrate that an active and positive response to relationship satisfaction with the dependent variable, which is defined within the study, was influenced by the independent variable. The five (5) given factors web design and content, security, and privacy, convenience and speed are hypothesized to be able to predict consumer satisfaction in the Islamic banking system. This hypothesis was tested using multiple regression and the findings showed a significant effect on customer satisfaction in the Islamic banking system with five predictors accounting for a total of 66.6% of the variance in customer satisfaction in the Islamic banking system ($F=120.797$, $p<000$). The p-value from the ANOVA table is less than 0.001, which means that at least one of the five

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variables: service quality, web design and content, security and privacy, convenience, and speed can be used to customer satisfaction in the Islamic banking system.

Table 16: Coefficients Result in the It of Multiple Regression

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.435	.165		2.647	.009
	Mean Service Quality	.196	.057	.179	3.451	.001
	Mean Web Design and Content	.355	.062	.360	5.696	.000
	Mean Security and Privacy	.218	.064	.218	3.420	.001
	Mean Convenience	.115	.061	.116	1.884	.060
	Mean Speed	.038	.060	.035	.632	.528

a. Dependent Variable: Mean Customer Satisfaction

Based on the distinct contributions of the predictors, the results demonstrate that customer satisfaction in the Islamic banking system is positively coefficient by service quality ($\beta=.179, t=3.451, p=.001$), web design and content ($\beta=.360, t=5.696, p=.000$), security and privacy ($\beta=.218, t=3.420, p=.001$), conveniences ($\beta=.116, t=1.884, p=.060$), and speed ($\beta=.035, t=.632, p=.528$). The p-value for convenience and speed are 0.060 and 0.528 respectively, which is more than 0.05. Thus, convenience and speed is not a significant predictor of customer satisfaction in the Islamic banking system. The p-value for service quality, web design, content, and security, and privacy is less than 0.001 (<0.05). Hence, it is a significant predictor. So, the most important factors influencing customer satisfaction with online transactions among UMK students are a web design and content.

5.0 DISCUSSION AND CONCLUSION

5.1 Implications of the study

The findings of this research can be used to describe the variables that affect customers' happiness with online purchases. As a result, after performing a broad discovery evaluation, some of the major implications should be explored in this study. Firms can generate income from online transactions by operating it. According to the study's findings, customers using the Islamic banking system's online transactions for purchases should be aware of the service quality, web design, and content, security and privacy, convenience, and speed. Additionally, the customer must be aware of the needs of users based on their demographics, such as gender, age, faculty, years of study, and the products they have purchased.

Through the application of this research, customer fraud in buying and selling could be decreased. Therefore, the use of online transactions can help the nation's economy grow. Bank Negara Malaysia (BNM) intends to increase the number of e-payment transactions per

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person from 44 to 200 over the next ten years while reducing the number of annual checks by more than half, from 207 million to 100 million.

5.2 Limitations of the study

The researcher's efforts to complete this investigation were hampered by the restrictions of the study. In this study, the researcher has limitations in selecting respondents, which are only focused on University Malaysia Kelantan students. Not all respondents who wished to respond to the question accepted or opened the link to the survey the researcher gave. The study's scope was restricted to University Malaysia Kelantan students on the city campus; therefore, the opinions represented in this article may not represent the opinions of all internet customers. Not every person who wanted to answer the question clicked on or opened the researcher's link to the survey. Due to their attitude, it will be tough for the researcher to collect information from respondents, which will accidentally make it harder for them to complete this project or study by the deadline or according to plan.

Lastly, the study's limitations are due to the fact that the researcher only uses a Google Forms questionnaire for data collection methods. This makes it impossible for the researcher to know if the data provided by the 309 respondents is accurate or not. The researchers were unaware of whether the respondents' responses represented their genuine thoughts or opinions or whether they were simply voluntary responses.

5.3 Recommendations of the study

After completing this study, an important factor that encourages students to make online purchases is their initial confidence in a website's capacity to offer the products or services they need. In order to increase the number of customers they receive through their websites and improve the user experience, researchers can assist online retailers. The use of cutting-edge technology to address the operational and analytical challenges that this sector faces can safeguard the future of online transactions. Frictionless corporate onboarding and quick money access through virtual cards and mobile wallets will make digital payments easier to use and more prevalent. Regardless of how big or small the payment transaction is, identity management, and encryption must be employed to prevent hackers from accessing client payment information. By merging the checkout and shopping experiences on the same page, effective digital payments may be made.

5.4 Conclusion

The purpose of this research is to examine the factors that influence how satisfied UMK City Campus students are with online transactions made using the Islamic banking system. All of the independent variables used in this study's analysis, including service quality, web and design content, security and privacy, convenience, and speed, had a favorable and significant relationship with the satisfaction levels of University Malaysia Kelantan students who use online transactions in the Islamic banking system, the analysis's findings showed.

The study's 309 respondents were obtained through an online questionnaire survey. The overall test score ranged from 0.884 to 0.948, which is considered to be good and is a sign that the study was successful. All tests for service quality, website design and content, security and privacy, ease, and speed reliability were a complete success. The study's shortcomings may enable researchers to offer further suggestions for raising research quality.

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**A Comparative Study on Knowledge Attitude and Readiness to Comply with
Shariah Law Towards Islamic Banking Product and Services Among Students of
Different Races in Universiti Malaysia Kelantan**

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Abstract:

The purpose of this study is to determine a comparative study on knowledge, attitude, and readiness to comply with Shariah law towards Islamic banking product and services among students of different races in Universiti Malaysia Kelantan (UMK). Moreover, this study examines the comparison between the null and alternative hypotheses pertaining towards Islamic banking product and services for the four races groups and their knowledge, attitude, and readiness to comply with Shariah law. In this study, the theory of Planned Behaviour (TPB) was used. This study employs a quantitative methodology by surveying 358 students of different races in UMK. The data was analysed using the Kruskal-Wallis test. The result shows that there was a significant difference between all variables and Islamic banking product and services for the four race groups.

Keywords: Attitude, Islamic banking, Knowledge, Readiness to comply with Shariah law, Theory of Planned Behaviour (TPB)

1. Introduction

In the last three decades, Islamic banking (IB) has been recognised as one of the industries with the most rapid growth (Dusuki & Abdullah, 2007) has gained considerable acceptability in both Islamic and non-Islamic nations (Iqbal et al., 2007). Islamic banking is a type of banking that is based on Islamic law and how it works, what it does, and how it is set up. Mitr-Ghamr Islamic Savings Bank in Egypt is the first Islamic bank to open on the African continent. Since the first Islamic bank was opened in Egypt, and it was a successful bank, Islamic banking has rapidly grown. Malaysia is a Muslim country with a moderate view of Islam. It has made great progress in creating an Islamic banking system. Many analysts think that the country's Islamic banking business is one of the most advanced Islamic financial markets in the world. The country has been working to grow and improve such a business.

The Islamic banking system also tries to make sure that wealth is shared and used fairly, in line with the Islamic paradigm and its pure principles. It also tries to make Muslim societies stronger and more united. On the other hand, Islamic banking and finance has quickly grown its market share among non-Muslims around the world because of its strong principles. This shows that the bank is trying to make religious ideas into a real market, which goes against what most people think. Eventually, it will be necessary to emphasise that non-Muslims have less knowledge and grasp of Islamic banking products and services. This is the level of knowledge or familiarity Muslims had with Islamic finance and Shariah principles. This is because the Islamic banking system derives from Shariah perspectives and adheres to Shariah's rules, which are based on the Quran and Sunnah. Therefore, non-Muslims are unfamiliar with the Sharia and its basic

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principles (Hussain et al., 2015). When it comes to performance, the assets of Islamic banks are growing faster than the assets of conventional banks. Even though a lot of non-Muslims know about Islamic banking, a lot of them still do not know much about it. Non-Muslim customers in Malaysia don't know how Islamic banking will change in the future, even though most customers think Islamic banking will take over the Malaysian banking market.

Also, Kaakeh et al., (2018) found that a person's attitude, religious motivation, and knowledge were the most important things in deciding if they would use Islamic banking or not. (Hossain et al., 2017) also used a quantitative method to study how non-Muslims see Islamic banking. They found that non-Muslims have a positive view of Islamic banking, which is in line with how well Islamic banking is received. Research also shows that non-Muslims who live in countries that are not part of the Islamic world don't understand Islamic banking very well (Mbawuni & Nimako, 2018).

Malaysia's economy and Islamic banking have transformed the banking industry. This made the customer want better financial services. Conventional and Islamic financial institutions have grown in recent years. This gives Muslims and non-Muslims many banking options. Instead, customers have many options before buying. This problem also affects Islamic banking products and services. These products compete with Islamic and traditional banking products. Islamic banks must consider their image and performance, transaction speed, delivery system, ease of banking, and product variety to retain Muslims and non-Muslims. Non-Muslims don't understand Islamic banking. Based on their knowledge, non-Muslim customers don't know if Islamic banking will improve general banking services. The authority has made many positive predictions, such as that Malaysia will be the world's Islamic financial capital, but most respondents aren't sure if Islamic banking products will work. Islamic banking news may be scarce. Islamic banking product changes are rarely discussed (Abdul Aziz et al., 2012). Islamic banks should then attract non-Muslims and explain their system. Islamic financial issues are interconnected. Without clear information, people would not understand Islamic banking's benefits. which appears to be based on the Quran and Sunnah, strong legal sources.

As a result, the purpose of this study is to make a comparative study on knowledge, attitude, and readiness to comply with Shariah law towards Islamic banking products and services among students of different races in Universiti Malaysia Kelantan. The following supporting objectives are established:

- i. To compare the knowledge of Islamic banking product and services among students of different races in Universiti Malaysia Kelantan (UMK).
- ii. To compare the attitude towards Islamic banking product and services among students of different races in Universiti Malaysia Kelantan (UMK).
- iii. To compare the readiness to comply with Shariah law towards product and services among students of different races in Universiti Malaysia Kelantan (UMK).

2. Literature Review

2.1. The Theory of Planned Behaviour (TPB)

The Theory of Planned Behaviour (TPB) was founded in 1980 as the Theory of Reasoned Action (TRA) to predict an individual's intention to perform a specific behaviour at a specific time and place. It explained all self-controllable behaviours. Behavioural intention drives this model. Beliefs about the probability that a behaviour will produce the desired outcome and subjective assessments of its risks and benefits influence behaviour intentions. The TPB asserts behaviour depends on intention and ability (behavioural control). It distinguishes behavioural, normative, and control beliefs. The TPB's six constructs measure an individual's behavioural control.

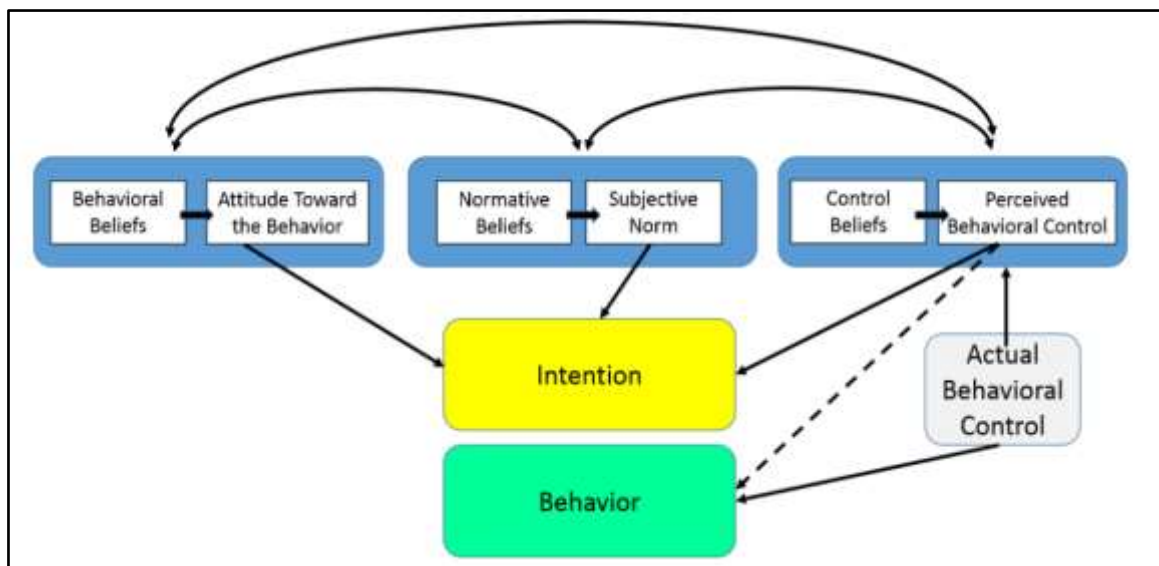


Figure 1: Theory of Planned Behaviour

Source: (Boston University School of Public Health, 2019)

Perceived behavioural control predicts behavioural intention, according to research (Teo & Lee, 2010). Respecting one's control in decision-making is important because people usually decide. Alam & Sayuti, (2011), investigate whether buying halal food supports the TPB model. All TPB predictors are statistically significant, confirming the simplicity of the theory in halal food shopping.

2.2. Knowledge of Islamic banking

Prior studies have identified that even with the most basic concepts of Islamic banking, most Ghanaian customers have a low degree of understanding about Islamic banking in Ghana. Based on Conteh & Hassan, (2021), the majority of respondents from Australia, a non-Islamic developed country, chose to buy Islamic banking products, however they lacked the knowledge of how Islamic banking operates to do so efficiently. It is clear from this study that Muslims have a better understanding of Islamic banking than non-Muslims. According to studies, non-Muslims in countries other than those in the Islamic world have a particularly low level of understanding with Islamic Banking as referred to by Shinkafi et al., (2020). It may differ in the context of Malaysia due to religious differences, such as Malaysia is a Muslim country and Ghana is a non-Muslim country.

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H1₀: The knowledge on Islamic banking product and services for the four races groups are equal.

H1_a: The knowledge on Islamic banking product and services for the four races groups are different.

2.3. Attitude towards Islamic banking

Attitude is frequently cited as a strong predictor of purchase intent referred to (Yu & Lee, 2019). According to Ajetunmobi et al., (2018), Christians were said to be against the introduction of Islamic Banking in many Nigerian states because they thought Islamic banking was only for Muslims. People's views on Islamic banking can change over time as they learn more about Islamic Banking and get more experience with Islamic banking services in Ghana. Attitudes and perceptions of Muslims and non-Muslims in Malaysia were examined (Belwal & Al Maqbali, 2019). In comparison to non-Muslim consumers, he discovered that Malaysian Muslims were more supportive and had a more positive opinion of Islamic banking. Attitudes regarding Islamic banking are changeable and can change overtime as consumers get more knowledge, information, and hands-on experience with Islamic Banking services in Malaysia.

H2₀: The attitude towards Islamic banking product and services for the four races groups are equal.

H2_a: The attitude towards Islamic banking product and services for the four races groups are different.

2.4. Readiness to comply with Shariah law

The number of non-Muslim clients purchasing Islamic items has increased in recent years, as the Sharia principle has engendered customer loyalty. By virtue of their Islamic origin, Sharia-compliant Islamic products can be distinguished from ordinary products offered by other banks. Previous researchers have identified a positive correlation between non-Muslim clients' opinions regarding Islamic banking and their use of Islamic banking services (Omar & Ferdous, 2020). based on the results of a questionnaire they conducted. With products such as takaful and home financing, Islamic products have piqued the interest of Indian and Chinese customers. Even though Malaysia is a multi-religious nation, most customers feel that Sharia compliance is primarily beneficial to Muslim customers, which is incorrect. Previous studies who examined the adoption of Islamic Home Financing among Muslim and non-Muslim customers within the context of Islamic home financing Bai' Bithamin Ajil contradicted this statement. In conclusion, the study proved that non-Muslims who are satisfied with Bai' Bithamin Ajil can have their demands satisfied (Razak et al., 2008).

H3₀: The readiness to comply with Shariah law towards Islamic banking product and services for the four races groups are equal.

H3_a: The readiness to comply with Shariah law towards Islamic banking product and services for the four races groups are different.

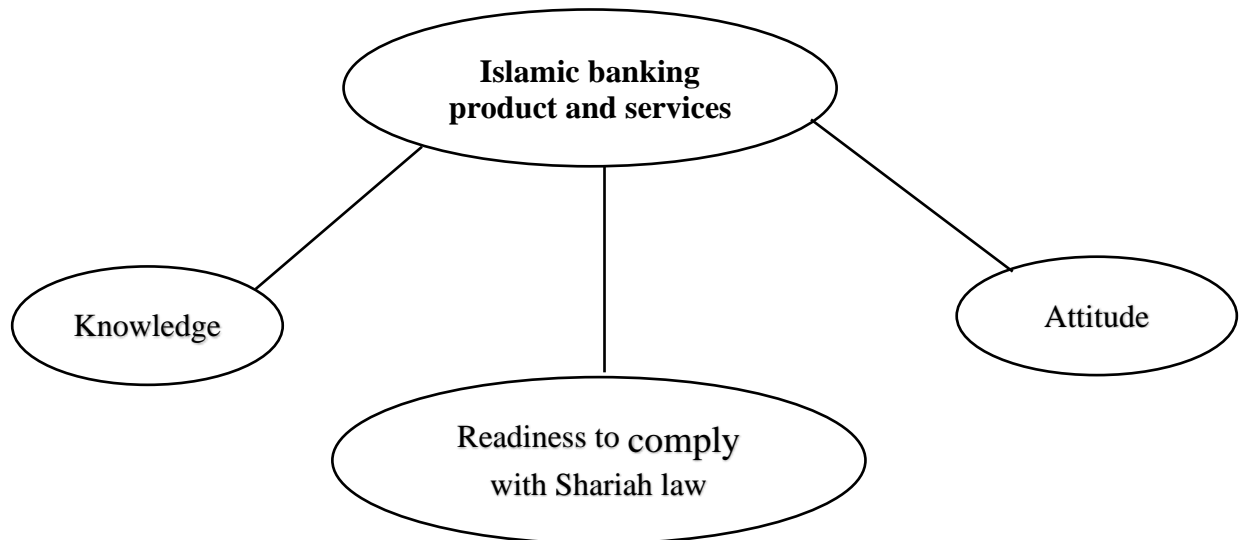


Figure 2: Conceptual Framework

3. Methodology

This study used quantitative research because it is more objective in examining and comprehending the comparative study on knowledge, attitude, and readiness to comply with Shariah law towards Islamic banking product and services among students of different races in UMK. The usage of an online questionnaire will be beneficial in the collection of data. Samples, instrumentation, data processing and analysis, and scope were mentioned in the description. This is a crucial component since the researchers must collect data to obtain a reliable result. Primary data and secondary data are the two main sources of information used in this study. The questionnaire served as the source of primary data. Several questions were asked for each variable. Primary data, or information obtained from original sources, was used in this study. In other words, the data is assembled and collected specifically for the purpose at hand (Zikmund, 2010). Furthermore, this is a direct data link and conversation with a representative sample of individuals. In this instance, there are several techniques for collecting primary data, including interviews, telephone interviews, e-mail, face-to-face interviews, and surveys. Due to cost and time constraints, this study relied on questionnaires because the sample size was enormous and alternative methods, such as telephone interviews, face-to-face interviews, and e-mail, were not feasible. As a result, the self-administered questionnaire was the most appropriate and perfect method of data collection.

A population is a collection of people who share at least one attribute that sets them apart from other people (Khan et al., 2006). In general, "population" refers to the entire group of participants that are the focus of a certain study topic (Sekaran, 2003). In this research, the target population is students from the Faculty of Entrepreneurship & Business in Universiti Malaysia Kelantan, who belong to the 3,514 total students. This study's sample size is typical of the entire population. Subjects constitute a subset of the population. It is impossible to do frequent study on every member of a population if the research is undertaken by humans, as there are simply too many of them. According to Krejcie and Morgan, (1970), the sample size would be around 346 students.

Table 1: A Sample Size of Krejcie & Morgan (1970)

Source: (Krejcie & Morgan, 1970)

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<i>Table for Determining Sample Size of a Known Population</i>									
N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	100000	384
<i>Note: N is Population Size; S is Sample Size</i>					<i>Source: Krejcie & Morgan, 1970</i>				

Purposive sampling is based on the researcher's assessment of who will provide the most useful information for the objectives studied. The person performing the research must target individuals who share the same viewpoint and are willing to share the necessary information (Etikan & Bala, 2017). The primary objective of purposive sampling is to concentrate on characteristics of a population that are of interest to answer your research questions most effectively. The sample is not representative of the population, but qualitative and mixed methods researchers do not view this as a limitation. Rather, it is a choice whose purpose differs according to the type of purposive sampling technique employed. For instance, in homogeneous sampling, units are selected based on their similar qualities, since the researcher is interested in such characteristics. In contrast, critical case sampling is widely employed in research to determine the existence of the phenomenon of interest Rai et al., (2015). Therefore, by using simple purposive sampling, every student of Faculty of Entrepreneurship and Business has the same opportunity to be selected as study respondents.

Analysing data and identifying each component of a data collection using analytical and logical reasoning is data analysis. The Statistical Package for the Social Sciences (SPSS) will be employed to analyse and interpret the data gathered for this investigation. Frequency analysis, reliability and validity tests, descriptive research, and correlation analysis were among the four steps of data collection in this study. SPSS, which stands for Statistical Package for the Social Sciences, was used to produce, and analyse the data that was obtained. The analysis of the data was performed in two stages. The first step of the study is to perform a descriptive statistical analysis to investigate the data before

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moving on to the next phase of the process, which is the application of descriptive statistics to the evaluation of the data. It is going to be determined for each response what the mean values are, as well as the average scores and comparative scores for each of the scales. These findings will serve as the foundation for the investigation that is to follow. Along with accurate system operations, the researcher computed the overall averages, standard deviations, and skewness among the data (scores involved with people), respectively, for each factor. The data was transformed after that had been completed. Cronbach's alpha was used to assess the validity of the content.

Descriptive statistics are used to assess the contributions of each of the determinants of perception on Islamic banking products and services to the variation. Additionally, descriptive statistics are utilised to manage certain variables while simultaneously evaluating the statistical impacts of the others. Descriptive statistics are used throughout this study to investigate the demographic data collected from the survey. These statistics include gender, age, race, course, and semester, all of which are verified by the descriptive statistical analysis. The first step of the statistical procedure will involve the manipulation of the data in the phases that follow. Raw scores, average scores, and relative scores will be created for each response on each of the scales. These scores will be compared to one another. This information will serve as the foundation for the upcoming evaluation.

In this study, the acceptability and validity of the questionnaire were determined using reliability analysis. As a direct consequence of this, the questionnaire for the survey was sent out to several students attending Universiti Malaysia Kelantan. To evaluate the dependability of the study, Cronbach's alpha was applied. Cronbach Alpha is one of the reliabilities analyses that SPSS performs. There are two different kinds of alpha versions used in the reliability analysis, and those are normal and standard. The normal version is being used to measure the variables of this study, but the alpha normal version is often used when items are scaled to give a single score for that scale. This study's variables were measured using the normal version. The number of 6 is acceptable for reliability, if the reliability result of your questionnaire is greater than 6, then your questionnaire is deemed to be "reliable." In addition, the replies to the question were graded based on a Likert scale that ranged from "strongly agree" to "strongly disagree," with a total possible score of 5. Examine the factors to determine whether the questionnaire may be considered "reliable." As a direct consequence of this, Cronbach's alpha was able to provide reliable measurements of the variables that were relevant in this investigation. It has been hypothesised that additional research could benefit from the statistics.

The Kruskal Wallis test is the non-parametric alternative to the one-way ANOVA. Nonparametric means that the test doesn't assume your data comes from a particular distribution. The H test is used when the assumptions for ANOVA are not met (like the assumption of normality). It is sometimes called the one-way ANOVA on ranks, as the ranks of the data values are used in the test rather than the actual data points. This study contains three variables. The variables are knowledge of Islamic banking, attitude toward Islamic banking, and readiness to comply with Shariah law. Kruskal-Wallis analysis is used to determine whether the medians of two or more groups are different. Like most statistical tests, you calculate a test statistic and compare it to a distribution cut-off point. The test statistic used in this test is called the H statistic.

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4. Finding and Discussion

4.1. Demographic Profile

A total of 358 responses were successfully obtained from the questionnaire that the researcher shared through google form to Universiti Malaysia Kelantan (UMK) students from the Faculty of Entrepreneurship and Business (FKP). The discussion of the respondent's profile is as follows:

Table 2: Demographic Profile Data

	Frequency	Percentage (%)
AGE		
18 – 20 years old	87	24.3%
21 – 23 years old	144	40.2%
24 – 26 years old	127	35.5%
GENDER		
Female	179	50%
Male	179	50%
RACE		
Malay	92	25.7%
Chinese	89	24.9%
Indian	89	24.9%
Others	88	24.6%
COURSE		
SAB	48	13.4%
SAL	85	23.7%
SAR	106	29.6%
SAK	96	26.8%
SAE	12	3.4%
SAA	11	3.1%
SEMESTER		
Semester 1	44	12.3%
Semester 2	15	4.2%
Semester 3	41	11.5%
Semester 4	49	13.7%
Semester 5	63	17.6%
Semester 6	58	16.2%
Semester 7	88	24.6%

The questionnaire has been distributed to 358 respondents of different age groups in this research. There are three age groups, which are: 18–20 years old; 21–23 years old; and 24–26 years old. Table 2 shows 87 respondents, aged 18 to 20, accounting for 24.3% of the total. The highest percentage range of age is 21–23 years old (40.2%), which represents 144 respondents. While 35.5% of the 127 respondents are between the ages of 24 and 26, including both male and female participants, 358 questionnaires have been sent out. In table 2, the percentage and respondents' number for both genders are the same, which are 50% and 179 respondents. The questionnaires have been distributed to 358 respondents of different races, including Malay, Chinese, Indian, and others. According to Table 2, 25.7% of the 92 respondents are Malay. Furthermore, Chinese, and Indian

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respondents have the same number of respondents and percentage, which are 89 respondents and 24.9%. Others race for the remaining 24.6% of respondents. The courses that respondents took while enrolled in the faculty of entrepreneurship and business at Universiti Malaysia Kelantan are shown in table. All of these courses are available at this university: Bachelor of Business Administration (Islamic Banking and Finance) with honours (SAB), Bachelor of Entrepreneurship (Logistics and Distributive Trade) with honours (SAL), Bachelor of Entrepreneurship (Retailing) with honours (SAR), Bachelor of Entrepreneurship (Commerce) with honours (SAK), Bachelor of Entrepreneurship with honours (SAE), and Bachelor of Accounting. The highest percentage is 29.6% that represent 106 respondents from retailing course (SAR). Commerce course (SAK) is the second higher represent 96 respondents (26.8%). Moreover, logistic course (SAL) with 85 respondents (23.7%) while Islamic banking and finance course (SAB) with 48 respondents (13.4%). The second lower respondents which is 12 respondents (3.4%) from Entrepreneurship course and the lowest is from accounting course represent 11 respondents (3.1%). The semesters of the respondents are shown in the table. Most respondents were currently enrolled in a different semester. The highest percentage is 24.6%, which represents 88 respondents from semester 7. There are 58 respondents (16.2%) in semester 6, followed by respondents from semester 5, representing 63 respondents (17.6%). In Semester 4, there are 49 respondents (13.7%), while in Semester 3, there are 41 respondents (11.5%), and in Semester 1, there are 44 respondents (12.3%). The lowest percentage is 4.2%, representing 15 respondents from semester 2.

4.2. Descriptive Analysis

The mean, standard deviation, and variance for each variable were calculated in this part to fully explain the diversity and interrelationship of the variables, which illustrate how respondents reacted to the questionnaire. As a result, descriptive statistics were utilised to define and highlight the key aspects of the data set from the respondents' viewpoints on all variables, which are knowledge of Islamic banking, attitude towards Islamic banking, and readiness to comply with Shariah law.

Table 3: Average Score for Mean and Std. Deviation

	Mean	Std. Deviation
Knowledge of Islamic Banking		
KIB1: I know Islamic banking is based on interest – free banking concept.	4.54	.865
KIB2: I know Islamic banking is based on the principles of Islamic Shariah law.	4.62*	.752
KIB3: I know Islamic banking requires obeying Islamic Shariah law.	4.60	.748
KIB4: I know Islamic banking is different from conventional banks.	4.62*	.726
KIB5: I know Islamic banking is aims to promote fair distribution of economic resources.	4.54	.761
KIB6: Islamic banking does not permit taking unfair advantage of customers.	4.55	.804

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Attitude towards Islamic banking

AIB1: For me, Islamic banking is very beneficial.	4.56	.796
AIB2: For me, by choosing Islamic banking is a wise decision.	4.56	.775
AIB3: The idea of Islamic banking in Malaysia is a positive attitude.	4.57	.744
AIB4: In general, I have a positive attitude towards Islamic Banking in Malaysia.	4.56	.752

Readiness to comply with Shariah law

RCSL1: I am ready to comply with the Sharia law for Islamic banking.	4.54	.797
RCSL2: I will easily comply with Sharia principles of Islamic banking.	4.55	.821
RCSL3: I have no fears complying with Sharia law of Islamic banking.	4.51	.812

Note: *The highest mean

Table 3 depicts a descriptive analysis of Islamic banking knowledge. The mean value obtained from respondents' answers for knowledge of Islamic banking ranges from 4.54 to 4.62. Thus, this indicates that all faculty of entrepreneurship students at Universiti Malaysia Kelantan from various races, which are Malay, Chinese, Indian, and others, have a higher understanding of Islamic banking. On the other hand, a high response has been seen to the statement that respondents agree that Islamic banking is different from conventional banking and that Islamic banking is based on the principles of Islamic Shariah law. The attitude towards Islamic banking has a significant impact on students' races. The most concerning aspect of Malaysian attitudes toward Islamic banking is that the concept of Islamic banking is met with a positive attitude, which is ranked highest (mean and standard deviation = 4.57 and 0.744, respectively). Furthermore, other influential factors are that Islamic banking is very beneficial (mean and standard deviation: 4.56; 0.796), Islamic banking is a wise decision (mean and standard deviation: 4.56; 0.775), and I have a positive attitude towards Islamic banking in Malaysia (mean and standard deviation: 4.56; 0.752), which shows the same mean and the respondents strongly agree with the statements that Islamic banking convinces students of various races about their products and services. The most concerning factor in readiness is that I will easily comply with Shariah principles, which are ranked highest (mean and standard deviation = 4.55 and 0.821, respectively). The second most influential factor is whether Islamic banking is ready to comply with Shariah law (mean and standard deviation = 4.55 and 0.797, respectively). I have no fears complying with Shariah law (mean and standard deviation = 4.51 and 0.812). Most of the respondents show an agreeable response to their readiness to comply with Shariah law factors, indicating that Islamic banking is prohibited by riba' (interest), which shows high interest and ranks as the highest factor in the variable. In contrast, customers do not simply think that Islamic banking is for their religious obligations because they believe it can be used by many religions and races in Malaysia.

4.3. Reliability Test

One of the most crucial aspects to take into consideration when assessing a measurement tool is reliability. It is crucial that questionnaires used as part of a research project are reliable to increase the precision of an evaluation. The Cronbach's alpha rule is utilised

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in reliability analysis, which is used to evaluate the degree of precision of research studies. Presented below is the reliability test for the actual data, which includes the variables.

Table 4: Reliability Test

	No. of Item	Cronbach's Alpha	Level of Reliability
Knowledge of Islamic banking	6	0.940	Excellent
Attitude towards Islamic banking	4	0.934	Excellent
Readiness to comply with Shariah law	3	0.948	Excellent

The Cronbach's alpha of the first variable, knowledge of Islamic banking, is 0.940. It has been shown that 94% of the questions used in this study to test the variable are reliable. Since this number is higher than the coefficient alpha of 0.90, it is considered to have an excellent level of reliability. The Cronbach's alpha of the first variable, attitude towards Islamic banking, is 0.934. It has been shown that 93.4% of the questions used in this study to test the variable are reliable. Since this number is higher than the coefficient alpha of 0.90, it is considered to have an excellent level of reliability. The Cronbach's alpha of the first variable, knowledge of Islamic banking, is 0.948. It has been shown that 94.8% of the questions used in this study to test the variable are reliable. Since this number is higher than the coefficient alpha of 0.90, it is considered to have an excellent level of reliability.

4.4. Normality Test

The Kolmogorov–Smirnov test is a widely used non-parametric test for comparing two samples and can also be used to quantify the distance between an empirical distribution function of the sample and the cumulative distribution function of a reference distribution. In general, the Kolmogorov–Smirnov test is less powerful for testing normality than the Shapiro–Wilk test Yang & Berdine, (2021). The Shapiro-Wilk test tests whether the outcome data, a random sample from the entire population, came from a normally distributed population.

Table 5: Test of Normality: Kolmogorov-Smirnov^a and Shapiro-Wilk Test

Variables	Kolmogorov-Smirnov^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig
Knowledge of Islamic Banking	.269	358	.000	.641	358	.000
Attitude towards Islamic Banking	.266	358	.000	.656	358	.000
Readiness to comply with Shariah law	.277	358	.000	.653	358	.000

Based on the Kolmogorov-Smirnov test and the Shapiro-Wilk test shown in Table 5, when the value of p is greater than 0.05, it will be considered a normal data distribution.

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Meanwhile, if the value of p is smaller than 0.05, it is considered an abnormal data distribution. A Kolmogorov-Smirnova test significant value of $p = .000$ for knowledge of Islamic banking, attitude toward Islamic banking, and willingness to follow Shariah law is considered abnormal. Similarly, the significant value ($p = .000$) of the Shapiro-Wilk test for knowledge of Islamic banking, attitude toward Islamic banking, and readiness to comply with Shariah law is deemed abnormal. As you can see in the table above, all the p values in this test are 0.000, which is considered abnormal. All the variables in this normality test have results that are indicative of an abnormal data distribution.

4.5. Kruskal-Wallis Test

The Kruskal-Wallis test is the non-parametric equivalent to the analysis of variance (ANOVA). This test determines whether groups have the same mean on ranks; rather than using the data values themselves, a rank is assigned to each data point, and those ranks are used to determine if the data in each group comes from the same distribution. This test determines whether the groups have the same median. To assess whether any of the differences between the medians are statistically significant, compare the p -value to your significance level. According to the null hypothesis, the population medians are all equal. Typically, a significance level (or alpha) of 0.05 works well. A significance level of 0.05 indicates a 5% chance of concluding that there is a difference when there is none.

Table 6: Kruskal-Wallis Test Statistics

	Kruskal-Wallis H	df	Asymp. Sig.
Knowledge of Islamic banking	87.484	3	< 0.001
Attitude towards Islamic banking	76.078	3	< 0.001
Readiness to comply with Shariah law	81.462	3	< 0.001

a. Kruskal Wallis Test

b. Grouping Variable: Race

Table 7: Kruskal-Wallis Test: Median

Race	Median		
	Knowledge of Islamic banking	Attitude towards Islamic banking	Readiness to comply with Shariah law
Malay	4.83	5.00	5.00
Chinese	5.00	5.00	5.00
Indian	5.00	4.75	5.00
Others	4.50	4.50	4.33
Total	4.83	5.00	5.00

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The Kruskal-Wallis test revealed a statistically significant difference in knowledge of Islamic banking between races (3, N = 358): 87.48, $p < 0.001$. The median knowledge of Islamic banking for Chinese and Indians is the same, which is MD = 5.00 in comparison to MD = 4.83 for Malay and MD = 4.50 for others. The Kruskal-Wallis test revealed a statistically significant difference in attitude towards Islamic banking between races (3, N = 358): 76.08, $p < 0.001$. In comparison to Indians (MD = 4.75) and Others (MD = 4.50), the median attitude toward Chinese and Malay is the same (MD = 5.00). The Kruskal-Wallis test revealed a statistically significant difference in readiness to comply with Shariah law between races (3, N = 358): 81.46, $p < 0.001$. In comparison to Others (MD = 4.33), the median attitude toward Chinese, Indian, and Malay is the same (MD = 5.00).

4.6. Hypotheses

Table 8: Hypotheses

Variables	Hypotheses	Statement	Results
Knowledge of Islamic banking	$H1_0$	The knowledge on Islamic banking product and services for the four races groups are equal.	$H1_a$ accepted
	$H1_a$	The knowledge on Islamic banking product and services for the four races groups are different.	
Attitude towards Islamic banking	$H2_0$	The attitude towards Islamic banking product and services for the four races groups are equal.	$H2_a$ accepted
	$H2_a$	The attitude towards Islamic banking product and services for the four races groups are different.	
Readiness to comply with Shariah law	$H3_0$	The readiness to comply with Shariah law towards Islamic banking product and services for the four races groups are equal.	$H3_a$ accepted
	$H3_a$	The readiness to comply with Shariah law towards Islamic banking product and services for the four races groups are different.	

The result shows there was a significant difference in the knowledge on Islamic banking product and services for the four races groups among UMK students. This study rejected null hypothesis $H1_0$ and accepted alternate hypothesis $H1_a$ because the p -value = < 0.001 , which is less than the significance level = 0.05. In addition, respondents' ratings of knowledge indicated the highest mean value, which is 4.58. This variable is consistent with those of Ganesan et al., (2020), who mentioned that the understandings of non-

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Muslim respondents about Islamic concepts are at a moderate level. Because Islamic banking in Malaysia has been established for more than 30 years and most of the population is Muslim, it is no surprise that their level of understanding is at an acceptable level. According to Wan Ahmad et al., (2019), non-Muslims with more education and a better understanding of Islamic banking products and services have no problem working with Islamic banks for their financial needs. This is because Islamic banks are easy to get to, offer integrated value-added services, inspire confidence, and could help them grow financially. As a result, it reflects the knowledge of students of different races about Islamic banking product and services.

The result shows there was a significant difference in attitude towards Islamic banking product and services for the four races groups among UMK students. This study rejected null hypothesis H_{20} and accepted alternate hypothesis H_{2a} because the p -value = < 0.001 , which is less than the significance level = 0.05 . In addition, respondents' ratings of knowledge indicated the highest mean value, which is 4.56. Like what Wan Ahmad et al., (2019) discovered the attitudes of non-Muslims toward Islam have changed over time. In its early years in Malaysia, non-Muslims were hesitant to use Islamic banking because it was exclusive to Muslims. There were significant differences between their knowledge of Islamic banking services and their satisfaction with them compared to other Muslims. Because of this, you can tell how people of different races feel about Islamic bank products and services. The variable in this study is consistent with those of Hoque et al., (2022), namely, a consumer's attitude toward a product depends on how satisfied they are with it, which influences whether they will purchase the product again in the future. Because of this, it is possible to determine customers' attitudes based on how they feel about various things, such as Islamic banking products and services. Supported by Ganesan et al., (2020), Islamic banking has discovered that a positive attitude and a subjective norm can be effective marketing tools. The top management of Islamic banks must go above and beyond current initiatives to promote their products and knowledge about them through all possible media, including social media, schools, universities, offices, and other stakeholders. In Malaysia, it will also be useful for promoting Islamic banking products to all races.

The result shows there was a significant difference in the readiness to comply with Shariah law towards Islamic banking product and services for the four races groups among UMK students. This study rejected null hypothesis H_{30} and accepted alternate hypothesis H_{3a} because the p - value = < 0.001 , which is less than the significance level = 0.05 . In addition, respondents' ratings of knowledge indicated the highest mean value, which is 4.53. This is proven by Abdul Hadi & Muwazir, (2020), Durkheim's theory says that ethnicity is a big part of group cohesion and morality. This is clear when you look at how different ethnic groups practise their religious beliefs. According to Omar & Ferdous, (2020), they found that in recent years, the number of non - Muslim customers purchasing Islamic products has increased, as the Shariah principle has fostered customer loyalty. Shariah-compliant Islamic products can be distinguished from conventional products offered by other banks by virtue of their Islamic origin. Previous research has found a connection between non-Muslim clients' attitudes toward Islamic banking and their use of Islamic banking services. According to Aminah Osman, (2021), Malaysians benefit greatly from the Islamic banking system because most of the population is Muslim, despite their diverse ethnic backgrounds and religious beliefs. In Malaysia, people of all religions and races, especially students and young adults, are gaining a deeper

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understanding of Islamic banking. Additionally, they are increasingly willing to utilise Islamic banking products and services.

5. Conclusion

According to the findings of this study, there is a significant difference between the races of students in terms of knowledge, attitude, and readiness to comply with Shariah law in Islamic banking. This research had been completed with integrity and a great deal of commitment. By directing this research, it also complied with all applicable regulations. Research sample size is crucial. A significant difference between variables is more likely with a larger sample. The sample mean is more likely to match the population mean. This study's findings are closer to reality, according to the researchers. This study's sample is small compared to our research sample. Thus, the results are more likely to differ from the actual results. Future research goals must be proportional to sample size. Other research methods can achieve this goal besides the questionnaire. Interviews, street access, and home visits are suggested.

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The Study of Factors Influencing The Preference Among Public University Students In Malaysia Towards Islamic Banking

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Abstract:

The purpose of this study is to examine the relationship between the most influential factors of the preference among public university students in Malaysia towards Islamic banking, in addition to reviewing previous studies that concluded perceived religiosity has a strong relationship with an individual's intention and attitude. Moreover, this study examines the inverse relationship between the null and alternative hypotheses pertaining to the preferences of students and Islamic banking service quality, reputation, attitude, and religiosity. This study employs a quantitative methodology by surveying 384 students from 20 types of Malaysian public universities. The correlation coefficient will be used to analyze the data. According to the findings, the service quality and bank's reputation provided by Islamic banks are the primary factors that have a strong relationship to students' preference for Islamic banking. On the other hand, attitude and religiosity were least significantly correlated with the preference of public university students for Islamic banking.

Keywords: Islamic Banking, Preference, Theory of Planned Behavior (TPB), University Students.

Introduction

The Islamic banking industry has experienced phenomenal growth, particularly since the early 2000s, becoming one of the most competitive and lucrative subsets of the global banking industry in recent years. In order to preserve their market position, the vast majority of Malaysian banks now provide Islamic banking products and services. In light of this, Islamic banks must put the needs of their customers first and do everything in their power to meet those needs by providing the highest quality service (Rahmayati, 2021). Thus, since Malaysia is a multiracial nation, Islamic banks must serve the financial needs of both Muslim and non-Muslim communities in order to be profitable (Zainordin et al., 2016).

It is commonly believed that the customer's preferences may shift from time to time as a consequence of the fact that conventional offerings are superior in terms of returns and benefits (Bitar et al., 2020). Customers' preferences for Islamic banking must be measured in order to ascertain whether the majority of individuals hold positive or negative opinions. In relation to that, the possibility exists that achieving a high level of service quality will lead to an increase in customer satisfaction. It is inevitable that Islamic banks will be required to comprehend their customers' perspectives regarding the operations of their organizations, particularly the quality of the services they provide. This is essential for enhancing customer satisfaction and, ultimately, their loyalty.

Furthermore, if a person's mindset is such that they view conventional banks as their best banking option, it is unlikely that they will ever choose to use an Islamic bank instead, unless these mindsets are addressed and changed. For instance, media-induced intense sensitization has the capacity to alter one's perspective (Bananuka et al., 2019). In accordance with the purpose of this study, which is to identify the relationship between factors that influence (attitude, bank's reputation, religiosity, and service quality) and the preference for Islamic banking. It can also identify the characteristics of young people (students at public universities) who are likely to become loyal customers of Islamic banks in the near future.

Literature Review

Theory of Planned Behavior

This study adopted the theoretical framework from a well-known theory called The Theory of Planned Behavior (TPB) that was established by Icek Ajzen (1991). The theory identifies three fundamental components, namely attitude, subjective norm, and perceived behavioral control, which collectively influence an individual's behavioral intention. It can also be used to refer to the assessment of a consumer's preference in response to some external stimulus. For instance, a study by Jaffar and Musa (2016) utilized the TPB and found that religious obligation was the greatest effect on attitude towards Islamic banking adoption among non-users. In that case, the non-users' likes and dislikes are reflected by their attitudes.

Consumers have the ability to determine the subjective norms that will play a significant role in the decision-making process (Ham & Frajman Ivković, 2015). Individuals are more likely to engage in a particular behavior when they possess both the ability and the motivation to do so, as opposed to when they possess only one of these factors or neither (Nayanajith & Damunupola, 2020). In accordance with the TPB, the process of establishing a perceived behavioral regulation precedes the crucial step of producing intention. Thus, it is able to exert some control over certain aspects that can influence their actions.

Consequently, with reference to the previously presented underpinning theory, the purpose of this study is to identify the key factors influencing the preference of customers, specifically Malaysian public university students, towards Islamic banking. This is accomplished by extending three new factors besides attitudes, namely the bank's reputation, religiosity, and service quality. In addition, a demographic analysis has also been added to this study to back up the most important factors that have been found in this research.

Preferences towards Islamic Banking

Customers' preferences for Islamic banking have been thoroughly researched in countries such as Indonesia, Nigeria, and Libya, among others. Farooq et al. (2019) investigated and clarified the preferences of prospective customers of the Islamic Bank of North East Nigeria, who are primarily university students. According to the findings, the preference for Islamic banking in North East Nigeria is driven by Shariah-compliant, quality service and Islamic financial products offered by Islamic banks, as well as convenience and religious motivation. It is similar to a study in Libya, conducted by Ashour et al. (2020), which discovered that religiosity is the most influential factor on customer preference for Islamic banks, accounting for 49.8 percent of the change in customer preferences for Islamic banks. In this case, Islamic banks prioritize providing their customers with an interest-free banking system, as well as high-quality services and Shariah-compliant products, as an important selling point to prospective customers.

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The study by Dawami (2020) investigates the most influential factors on a Malaysian consumer's preference for Islamic banking products and services. It also examines previous research indicating that an individual's perceived religiosity has a significant impact on their intentions and attitudes. The study revealed that the attitude of Islamic banks and the quality of the services they provide have the greatest impact on how customers perceive Islamic banking. Customers, on the other hand, did not consider the bank's image or religiosity when deciding whether or not to use its products and services. Isnurhadi et al. (2021) also discovered, in terms of preferences, that customers cared most about the friendliness of the staff, the bank's adherence to shari'ah law, and the speed and effectiveness of the service.

Attitudes

The Islamic banking industry is currently most concerned with the public's attitudes. The TPB defines an attitude as the influence of a person's positive or negative feelings on that person's decision to behave in a particular manner (Fishbein & Ajzen, 1975). According to Muslichah and Sanusi (2019), the attitude of a person is one of the most influential internal factors on the customers' decision-making. Additionally, the studies by Amin et al. (2017) and Husin and Rahman (2016) support the notion that a consumer's attitude toward a product depends on how satisfied they are with it, which influences whether or not they will purchase the product again in the future. Because of this, it is possible to determine customers' attitudes based on how they feel about various things, such as Islamic banking products and services.

Numerous studies on Islamic banking have concluded that customer attitudes are one of the most influential factors in determining how individuals feel about Islamic banking. For instance, Kaakeh et al. (2019) discovered that customers' attitudes have a direct impact on whether or not they desire to use Islamic banks. Albaity and Rahman (2019) also discovered that customers' attitudes, knowledge, and reputation have a significant impact on whether or not they choose Islamic banks. In addition, Sabirzyanov (2016) employed the TPB to examine how customers felt about Islamic finance, where the results demonstrated that awareness had a substantial effect on attitudes.

H_a There is a relationship between attitude and the public university students' preferences for Islamic banking.

Bank's Reputation

The bank's reputation is essential for gaining the trust and confidence of prospective partners and customers. The appearance of a bank's products and services can influence how customers perceive them. Majid and Sahebeh (2016) discovered that a corporate's image is affected by factors such as its name, architecture, variety of products and services, protocol, ideology, and the quality of customers' impressions of the employees. Reputation plays a significant role in a bank's expansion into new demographics, including those who prefer Islamic banking (Abd Ghani et al., 2017).

According to Souiden and Rani (2016), the reputation of a bank is the most important factor in a customer's decision to use it over another. As a general rule, customers choose Islamic banks based on their level of recognition. In addition, previous empirical studies have examined this issue. For instance, in the study by Albaity and Rahman (2019), the result shows there is a strong correlation between the reputation of Islamic banks as corporate images and whether or not customers want to use them. Additionally, Kaakeh et al. (2019) stated that customers' actions towards Islamic banking in the UAE were directly influenced by how they perceived it.

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H_a There is a relationship between the bank's reputation and the public university students' preferences for Islamic banking.

Religiosity

Religion is an integral part of Islam because it guides and organizes the lives of its adherents. It is believed there will be a strong connection between religion and the attitude and subjective norm components, so it views religion as a significant factor in preferences (Ashour et al., 2020). According to Aminah et al. (2021), Malaysians benefit greatly from the Islamic banking system because the majority of people are Muslims, despite the fact that they come from numerous ethnic groups and follow numerous religions. Considering Shariah finance combines Islamic economic concepts and contemporary lending standards, it can also provide its products and services to both Muslims and non-Muslims (Shahril & Romle, 2017). Regardless of religion, users who utilize Islamic banking products and services are likely to share similar preferences.

In Malaysia, individuals of all religions and races, particularly students and young adults, are becoming increasingly knowledgeable about Islamic banking. They are also increasingly willing to use beneficial Islamic banking and finance products and services. As a result, all financial transactions in Islamic banking are required to be supported by straightforward efficiency in order to guarantee the satisfaction of customers who are Muslim as well as customers who are not Muslim (Shahril & Romle, 2017).

H_a There is a relationship between religiosity and the public university students' preferences for Islamic banking.

Service Quality

According to Zouari and Abdelhedi (2021), because the banking industry is constantly evolving, service quality is likely to become increasingly significant. The highly competitive nature of the financial market necessitates that banks, particularly Islamic banks, frequently reevaluate their services in response to fluctuating customer preferences regarding service quality. Customers will be satisfied with Islamic banking because it provides superior service. This will maintain customer loyalty towards the bank. In the banking industry, this entails capturing technology-based capabilities that enable new methods of communicating with customers and delivering services that will make them happier (Dootson et al., 2016). As a result, Dootson et al. (2016) concluded that technological advancements in the banking industry will almost certainly result in a significant shift in how banks market themselves.

People are increasingly of the opinion that Islamic banks can gain a competitive edge on the market by enhancing the quality of their services (Aminah et al., 2021). In terms of service quality, for instance, Islamic banking has adopted the six components of the CHARTER model: compliance, assurance, reliability, tangible, empathy, and responsiveness (Abu & Tatic, 2018). This model of service quality has a significant impact on the satisfaction of Islamic banking customers in Kuwait and Saudi Arabia (Lone et al., 2017). Consequently, the two dimensions of service quality, namely empathy and assurance, have a substantial effect on customer satisfaction in Islamic banks (Wright, 2020). Moreover, a number of researchers have also discovered that customer preferences have become one of the most sought-after qualities. Customers are more concerned with the banks' adherence to Shariah and the quality of their service than with their profits (Ongera & Ndede, 2019).

H_a There is a relationship between service quality and the public university students' preferences for Islamic banking.

Research Framework

The research framework for this study is developed based on the development of hypotheses described previously. As a result, four independent variables and one dependent variable were utilized in this study, with Malaysian public universities students' preferences serving as the dependent variable. Students' preferences were the dependent variable, while attitudes, bank's reputation, religiosity, and service quality were independent variables. Figure 1 below depicts the conceptual framework of the study.

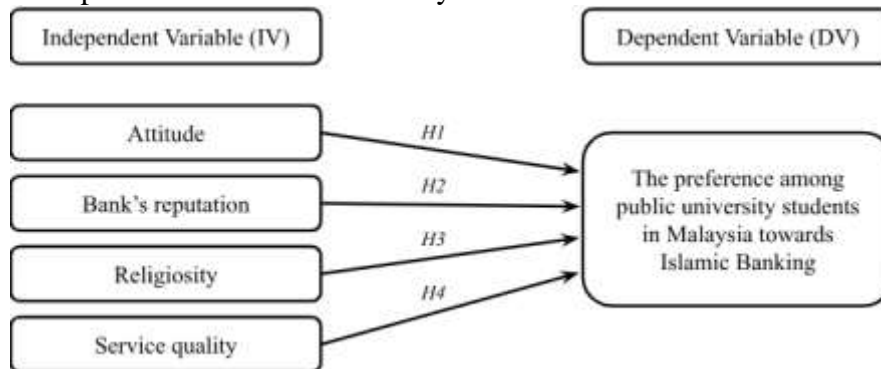


Figure 1: The Conceptual Framework.

Research Methodology

3.1 Sample and Data Collection

The study employs a quantitative approach. By using the quantitative method, the researchers easily gain and clarify much information from the respondents. The sampling size is public university students in Malaysia who were selected to answer the questionnaire. It employs a questionnaire created in Google Form using an online method to make it easier for respondents to respond and the researchers to collect data from them. Therefore, according to the most recent data from DOSM, the total number of students at public universities is 584,576, so the targeted population will consist of 584,576 students. Besides, by using Krejcie and Morgan's reference table, it can be used to determine the sample size for a study. In that case, 384 is the total sample size for a population.

In this study, however, it employs simple random sampling, a type of probability sampling in which the researcher selects a subset of participants from the population at random. This method is the simplest of the probability sampling methods because it only involves a single random selection and requires minimal population information in advance. After using simple random sampling, snowball sampling was used to collect the data. Snowball is a technique that was created by respondents using random sample suggestions. Snowball is a type of non-probability sampling technique, and snowball sampling consists of selecting participants in order to find more individuals for the sample group. The purpose of this method is to obtain responses from the targeted circle.

Survey Design, and Data Analysis Methods

In this study, the main method will be a questionnaire. The questions in Section A are all about the respondent's background information, such as gender, age, race, religion, level of

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education, university, income level, and whether or not they use Islamic banks. Then in section B of the questionnaire, there are four parts, each with a minimum of two questions, used to measure the dependent variable, which is the respondents' preference for Islamic banks, and the other questions are based on four independent variables, which are the factors that influence preference, namely attitude, bank's reputation, religiosity, and service quality. The questionnaire will therefore use nominal, interval, and ratio measurement scales. Also, each of the questions in Section B of the questionnaires were graded using an interval scale with a 5-point Likert scale.

Before collecting data, a pilot study can help determine the protocol's dependability, potential issues, and the usefulness and efficiency of the chosen method. After all of the actual data had been gathered, they were entered into the Statistical Package for the Social Sciences (SPSS) software so that it could be analyzed and the hypotheses could be tested. At first, a descriptive analysis can assist researchers in examining factors that influence, which will bring the conclusions of this research. This then leads to determining an instrument's dependability, as it examines the consistency of the entire scale. In addition, normality must be assumed before inferential analysis can proceed. Finally, correlations between variables can be measured using a variety of different coefficients. This study utilized the Pearson Correlation Coefficient.

Result and Discussion

The Demographic Analysis

Table 1: The Demographic Analysis.

Descriptions	Frequency	Percentage	Descriptions	Frequency	Percentage
Gender			Type of University		
Male	146	38.0	UM; UiTM	43*2	11.2*2
Female	238	62.0	UMK	41	10.7
Age			USM	35	9.1
≤ 20	51	13.3	UUM; UPM	29*2	7.6*2
21 - 22	90	23.4	UKM	23	6
23 - 24	178	46.4	UPSI	22	5.7
≥ 25	65	16.9	UIAM	20	5.2
Race			UMT; UTM	15*2	3.9*2
Malay	258	67.2	UTeM; UTHM; UMS	10*3	2.6*3
Chinese	62	16.1	UMP; UNIMAS	9*2	2.3*2
Indian	51	13.3	UniMAP; USIM	6*2	1.6*2
Others	13	3.4	UniSZA	5	1.3
Religion			UPNM	4	1
Islam	266	69.3	Islamic bank Experience		
Buddha	47	12.2	I have	292	76.0
Hindu	41	10.7	I haven't	92	24.0
Christian	30	7.8	Islamic bank Account		
Level of Education			Yes	303	78.9
Diploma & Equivalent	86	22.4	No	81	21.1
Bachelor's Degree	250	65.1			
Master's Degree	29	7.6			
PhD	9	2.3			

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Based on Table 1, this research only used a few demographic variables to test the descriptive analyses of the profiles of 384 respondents. In this descriptive analysis, gender is the first demographic variable that the researchers looked at. This analysis shows that 38.0% of the respondents were male, or 146, and 62.0% were female, or 238. The respondents' age is the second type of information the researchers looked at. Based on the information gathered, the results show that 46.4% of respondents are between the ages of 23 and 24. This means that 178 respondents are in this age range. While 23.4% of respondents are between the ages of 21 and 22, which is only 90 respondents out of the total respondents. After that, 65 respondents who were 25 or older and 51 respondents who were 20 or younger made up 16.9% and 13.3%, respectively.

The third demographic variable was race. The majority of respondents were Malay, which represents 67.2% or 258 respondents, while Chinese respondents only occupied 16.1% or 62 respondents out of 384 respondents. In addition, Indians (51 respondents; 13.3%), and other races (13 respondents; 3.4%) took part in this study. The fourth demographic variable was religion. The majority of respondents were Islam, which represented 69.3% or 266 respondents, while Chinese respondents only occupied 12.2% or 47 respondents out of 384 respondents. Additionally, Hindu (41 respondents; 10.7%), and Christian (30 respondents; 7.8%) took part in this study. Besides, none of them are from other religions.

The fifth demographic variable was respondents' level of education. The majority of respondents were bachelor's degree holders (250 respondents; 65.1%), while the second was diploma and equivalent (86 respondents; 22.4%). In addition, a master's degree (29 respondents; 7.6%), a professional certificate (10 respondents; 2.6%), and PhD holders (9 respondents; 2.3%) took part in this study. The sixth demographic variable was university type. The majority of respondents were from UM and UiTM, which both represented 11.2% or 43 respondents, while UMK respondents only occupied 10.7% or 41 respondents out of 384 respondents. There are more, such as: USM (35 respondents; 9.1%); UPM and UUM (29 respondents; 7.6%); UKM (23 respondents; 6%); UPSI (22 respondents; 5.7%); UTM and UMT (15 respondents; 3.9%); UMS, UTHM and UTeM (10 respondents; 2.6%); UNIMAS and UMP (9 respondents; 2.3%); USIM and UniMAP (6 respondents; 1.6%); UniSZA (5 respondents; 1.3%); and at last is UPNM (4 respondents; 1%).

The seventh demographic variable tested was whether the respondents experience doing financial transactions in Islamic banks or not. There are 292 respondents which occupy the highest percentage have experienced financial transactions in Islamic banks, which represent 76.0%. While the minority of 92 respondents which represents 24.0% haven't experienced financial transactions in Islamic banks. The final demographic variable tested was either they have an account with Islamic banking or not by respondents. The majority of 303 respondents out of 384 responded that they have which represent 78.9%, while 81 respondents or 21.1% are not having any account at the Islamic Banking.

Validity and Reliability Test

Table 2: Validity and Reliability Test.

No.	Variables	Cronbach's Alpha	No of Items	Level of Reliability
1.	Preferences	0.964	6	Excellent
2.	Attitude	0.958	5	Excellent

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3. Service Quality	0.950	5	Excellent
4. Bank's Reputation	0.954	5	Excellent
5. Religiosity	0.962	5	Excellent

Table 2 shows reliability analysis that has been performed on the 384 questionnaires distributed. This is to ensure the reliability and consistency of the variables. Based on the result above, the alpha value of preferences is 0.964, attitude is 0.958, service quality is 0.950, bank's reputation is 0.954, and religiosity is 0.962. As a result, all variables are excellently reliable ($\alpha \geq 0.9$).

Normality Test

Table 3: The Normality Test.

No.	Variables	Mean	Skewness		Kurtosis	
			Statistics	Std. Error	Statistics	Std. Error
1.	Preferences	4.152	-0.959	0.125	0.361	0.248
2.	Attitude	4.140	-0.995	0.125	0.670	0.248
3.	Service Quality	4.115	-0.837	0.125	0.149	0.248
4.	Bank's Reputation	4.158	-0.972	0.125	0.385	0.248
5.	Religiosity	4.278	-1.142	0.125	0.417	0.248

Table 3 displays the results of the dependent variable, which is preferences, and the independent variables, which are attitude, service quality, bank reputation, and religiosity. The distribution of the results appears to be approximately normal. The value must fall somewhere between -2 and 2, and as a result, the sample's data distribution is considered to be normally distributed. The table also reveals that the skewness value for preferences is -0.959 and the kurtosis value is 0.361. The skewness of the independent variables attitude, service quality, bank reputation, and religiosity is -0.995, -0.837, -0.972, and -1.142 respectively. In contrast, the kurtosis for these variables is 0.670, 0.149, 0.385, and 0.417 respectively.

Pearson Correlation Coefficient Analysis

Table 4: The Pearson Correlation Coefficient Analysis.

Variables	Items	P	AT	SQ	BR	R
Preferences (P)	Pearson Correlation	1	0.886**	0.907**	0.997**	0.871**
	Sig. (2-tailed)		<.001	<.001	<.001	<.001
	N	384	384	384	384	384
Attitude (AT)	Pearson Correlation	0.886**	1	0.900**	0.888**	0.871**
	Sig. (2-tailed)	<.001		<.001	<.001	<.001
	N	384	384	384	384	384
Service Quality (SQ)	Pearson Correlation	0.907**	0.900**	1	0.908**	0.839**
	Sig. (2-tailed)	<.001	<.001		<.001	<.001
	N	384	384	384	384	384
Bank's Reputation (BR)	Pearson Correlation	0.997*	0.888**	0.908**	1	0.877**
	Sig. (2-tailed)	<.001	<.001	<.001		<.001
	N	384	384	384	384	384
Religiosity (R)	Pearson Correlation	0.871**	0.871**	0.839**	0.877**	1
	Sig. (2-tailed)	<.001	<.001	<.001	<.001	

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Based on Table 5, between all of the factors (attitude, bank's reputation, religiosity, and service quality) and preference, p-value/ sig.value = 0.001, $\alpha = 0.01$. In this case, the alternative hypothesis is accepted and the null hypothesis is rejected since p-value < α (p-value = 0.001 < 0.01 alpha value). It can be concluded that there is a relationship between all of the factors (attitude, bank's reputation, religiosity, and service quality) and the public university students' preferences for Islamic banking.

Conclusion

To conclude, university students are looking for more benefits than banks can offer. If Islamic banks can achieve this goal, those students will be more preferable to use the products and services offered by Islamic banks. As a result, Islamic banks should strive to provide better returns to their customers in order to increase the number of students who use their services as banking customers. Thus, university students are interested in the facilities and services that a bank can provide. A university student may become a loyal customer of Islamic banks if these banks can provide service quality that is superior to those provided by their competitors. In that case, Islamic banks should have spent more time and resources developing and researching new facilities and services. Islamic banks can improve their customers' behaviors among university students by lowering the perceived risk associated with using their products and services. To get there, they need to cut down on the risky bets that banks are making. On top of that, Shariah-compliant products and services should now be the primary focus of Islamic banks. Even non-muslim students choose Islamic banking for that reason.

Limitation and Recommendation for Future Study

There are 20 public universities that have been provided with questionnaires to fill out. Nevertheless, the responses from some of the university students are significantly lower than what was anticipated. Therefore, the students from Universiti Malaya (UM) and Universiti Teknologi MARA (UiTM) are the primary sources of respondents for this research. Because of this circumstance, the accuracy and reliability of this research have been reduced, as the target group for this study should be Malaysian university students who are studying not only in public universities but also in private universities. However, prior to conducting the research, the target population of respondents must be specified in detail. Ensure that a respondent is accessible and readily available before selecting them for the study.

In addition, the researchers did not know who the exact respondent was because the questionnaires had been sent to the representative of each university. As a result of the screening process, the total number of usable questionnaires has been reduced to only 384, which is the sample size that has been determined to be appropriate for this research based on the referenced table of sample size. According to this number, the sample size for this research is relatively small, and as a result, the final result will be less reliable in this particular instance. In that case, the larger the sample size, the greater the likelihood of discovering a significant difference between the independent variables. Future research must have a larger sample size proportional to the number of research objectives. In addition to the questionnaire, there are other research methods that can be used to achieve this objective. Interviews, street access, and home visits are examples of the suggested methods.

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Moreover, the respondents must have adequate knowledge of the chosen topic. In consequence, the opinions of respondents with basic knowledge will be more valuable to the researchers than those of respondents with no basic knowledge at all. The questionnaire's questions are also crucial for receiving useful data from respondents. Because of this, questions need to be framed in a way that is clear and uncomplicated so that respondents can easily respond. The researchers have standardized the questions so that respondents are not confused by any ambiguity and are able to give their honest opinions. Finally, since this variable may have an effect on the development of Islamic banking, it is vital that the researchers distinguish between Islamic financial institutions. Therefore, it is recommended that future researchers conduct their own studies along this line of inquiry. One of the Islamic banks will be the focus of the study, and data will be collected on how students from various universities, not only in Malaysia.

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Developing Shariah Screening Methodologies For Cryptocurrency

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Abstract:

Cryptocurrency is determined by the fact that it represents a fundamental component of a completely new model of financial relationships - Digital Finance. The characteristics of cryptocurrencies are that they have no intrinsic value, have no physical form because they exist only virtually through internet systems and networks, and the supply is not offered by any national bank. Therefore, the existence of such awareness has caused the community to think about or perceive the legitimacy of the use of crypto whether it is permissible (halal) or prohibited (haram). This research is purposed to discover the concept of cryptocurrency according to the Islamic perspective, the law of cryptocurrency based on the Islamic perspective, and what methods are used to measure Shariah-compliant status in cryptocurrency. To answer these questions, the researcher used qualitative research methods such as descriptive and exploratory research; its resources are taken from secondary sources related to cryptocurrency. This paper uses thematic analysis, ATLAS.ti software programme, and triangulation to make the data more reliable and valid. The result shows that cryptocurrency as money is prohibited (haram) since it violates Shariah, yet cryptocurrencies are also deserving of being used as money (halal) because they satisfy the requirements for exchange transactions in addition to other criteria, such as mal (property) and user benefits but there is still no specific method to determine if this cryptocurrency is halal or haram.

Keywords: *Cryptocurrency, Islamic Perspective, Sharia Compliance, Islamic Finance.*

Introduction

The word “crypto” refers to the encryption or cryptography that the instrument is built on and then added to a blockchain database. The “currency” here refers to the recognition of the instrument as a medium of exchange amongst its users. According to (Ashford, 2023) Cryptocurrency is decentralized digital money that’s based on blockchain technology. At its core, cryptocurrency is typically decentralized digital money designed to be used over the internet. In Shariah, the fundamental requirement for a counter value or consideration is that it has the preservative of faith (*deen*), life (*nafs*), lineage (*nasl*), intellect (*‘aql*), and wealth (*mal*). There are two views where it is *haram* or acceptable according to the views of scholars.

The first view, the Fatwa Center of Palestine (Abu-Bakar, 2017) also issued a fatwa with regard to cryptocurrency. The fatwa claims that cryptocurrency is *haram* and prohibited because the issuer of bitcoin is unknown, and neither a government nor a central authority is behind it. The second view, cryptocurrency is permissible in principle. This view can be analyzed in light of our previous discussion with regard to both the criteria and definition of

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property (*mal*) and money. In other words, everything is permissible unless we found it clearly contradictory to Shariah 3 principles. Therefore, the existence of such awareness has caused the community to think about or perceive the legitimacy of the use of crypto whether it is *halal* or illegal. Due to such speculation, the acceptance of the use of this crypto is often viewed negatively because the society that is less knowledgeable and informed on this issue has made its own impression that 4 this crypto is illegal.

First of all, we need to know how this issue can arise, how it can be said to be illegal, and whether the use of crypto is an illegal thing according to Islamic law. As a result, we have three research goals for this study, one of which is to identify the concept of cryptocurrency according to an Islamic perspective, another is to analyse the law of cryptocurrency based on an Islamic perspective, and the third is to develop methods of measuring Shariah-compliant status in cryptocurrency. To answer these questions, the researcher used qualitative research methods such as descriptive and exploratory research; its resources are taken from secondary sources related to cryptocurrency. This paper uses thematic analysis, ATLAS.ti software programme, and triangulation to make the data more reliable and valid.

It highlights that cryptocurrency as money is prohibited (*haram*) since it violates Shariah, yet cryptocurrencies are also deserving of being used as money (*halal*) because they satisfy the requirements for exchange transactions in addition to other criteria, such as *mal* (property) and user benefits but there is still no specific method to determine if this cryptocurrency is *halal* or *haram*. In short, the research on developing Shariah screening methodologies for cryptocurrency is a relatively new area of research and it is anticipated that this work will make a significant contribution to the development of that subject. There is a diversity of opinion among scholars of Islamic law and Shariah over the question of whether or not this practice is allowed (*halal*) (*haram*). Therefore, this research article states the introduction of this study, literature review, research method, research findings, acknowledgment, and conclusion based on this research.

Literature Review

In the literature review of this study, there are three themes that are guided by the objectives of the study. These themes include the concept of cryptocurrency in Islamic perspective, the law of cryptocurrency based on Islamic perspective, and methods of measuring Shariah compliant status. Each of these themes will be discussed in this section.

The Concept of Cryptocurrency in Islamic Perspective

Islamic finance derives its principles from Shariah, which is based on Al-Quran and As-Sunnah. The main determining feature in applying Shariah to the financing structure is that transactions should be based on tangible assets and not involve interest (*riba*). Shariah principles also prohibit uncertainty (*gharar*), speculation or excessive uncertainty (*maysir*) and gambling (*qimar*). Meera (2018) defines the concept of cryptocurrency as a digital currency that uses some advanced cryptography technology to ensure withdrawals, transfers, and a historical chronological transaction record. From a Shariah perspective, a cryptocurrency can be considered as *mal* (property) because of desire and savings. However, it cannot be considered as *thamaniyyah* (monetary value), as it still requires the value of the fiat currency to determine the value of the cryptocurrency.

Law of Cryptocurrency based on Islamic Perspective

There are various opinions and views from scholars about cryptocurrency laws based on an Islamic perspective, whether it is legal or illegal in its implementation (Abubakar et al., 2018). Based on the article by Abubakar et al. (2018), it is stated that cryptocurrency is illegal or prohibited based on an Islamic perspective. Cryptocurrencies do not have a central control system, supervision, or legal authority, and they are not supported by any government or official financial institution of the country. Cryptocurrency transactions are likely to have illegal elements such as uncertainty (*gharar*) and gambling (*maysir*). Based on article by Abubakar et al. (2019), cryptocurrency does not deserve to be considered a commodity because it does not have an intrinsic value that can be beneficial and can be redeemed like gold. However, there are also some scholars who have a different opinion and believe that cryptocurrencies deserve to be considered money and legal under Islamic law. They also believe that cryptocurrencies, which are implemented based on an Islamic perspective, are better than fiat currencies.

Methods of Measuring Shariah Compliant Status

Referring to Asif (2018), Islamic law provides a specific set of conditions that must qualify an asset as *halal*. Among the conditions is the prohibition of certain acts such as *riba* (interest), illegal industry, *gharar* (uncertainty), and *maysir* (gambling). The prohibition statement is based on high speculation, easy to use for criminal activities, and not published by any government (Naim, 2018). Cryptocurrencies can be considered *halal*, which is Shariah-compliant, by fulfilling the three properties of money, namely the medium of exchange, unit of account and value savings. Several Islamic guidelines must be adhered to make the trading of cryptocurrencies Shariah compliant. Among the methods in determining the Shariah-compliant status is referring to its characteristics which is first, the negative publicity that cryptocurrencies are easily used for illegal activities. Second, cryptocurrency is intangible and only available on the internet. Third, cryptocurrency does not have a central authority to monitor and audit its systems. Fourth, cryptocurrency transactions are open to speculation which is excessive *gharar* and lastly, cryptocurrency is not backed by anything.

Research Gap

A research gap is a question or problem that has not been answered by any existing study or research in your field (Elyse Wolf, 2021). There are several other issues or content that have not been studied and described related to crypto. It is related to the issue of measuring the level of legitimacy of the use of crypto from the Islamic point of view which is also not accepted by Sharia scholars because they say that the existence of speculation such as crypto does not have a central authority to monitor the system, instead it destroys central bank and government control to monitor and controlling the monetary system resulted in such financial suppression non-existent (Shaykh, 2018). It will cause the Islamic or Shariah finance to not be able to know the source of the digital money, whether it is from a halal or haram source and whether there is an agreement in financial matters in terms of Shariah that has been set based on Islam.

Research Framework

Based on literature review, a research framework in Figure 1 formed in order to developing Shariah screening methodologies for Cryptocurrency. The main objective of this study is to identify the status of Shariah compliance in cryptocurrency. As a result of this, Shariah compliance screening for cryptocurrencies will be developed through this study.

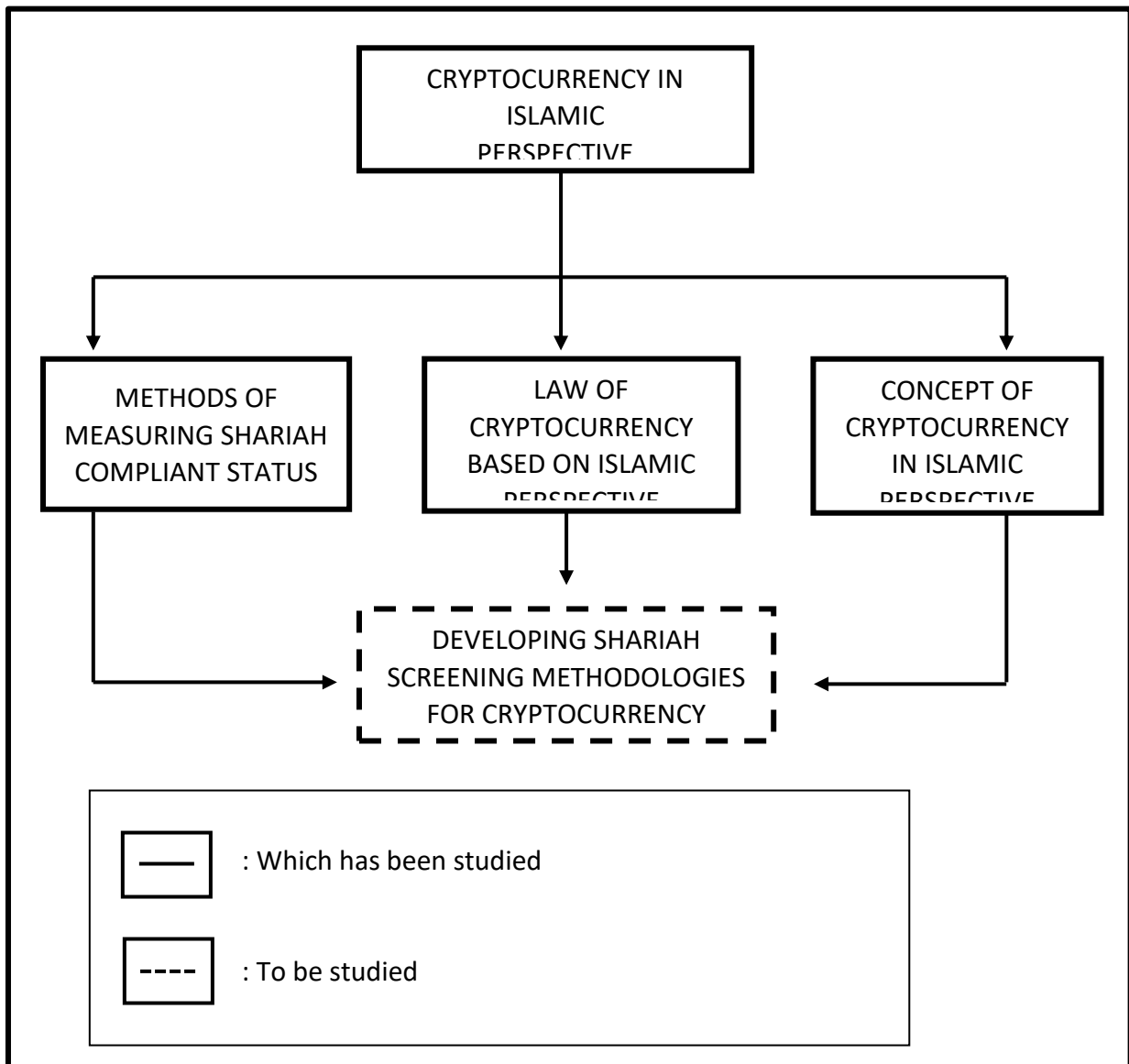


Figure 1: Conceptual Framework of Developing Shariah Screening Methodologies for Cryptocurrency

Research Method

This research seeks to establish Shariah screening approaches for identifying the Shariah compliance status of cryptocurrencies from an Islamic viewpoint. In order to attain its objectives, this study employs qualitative research methods and procedures employed in earlier studies for data collection.

1.1 Research Design

In this study, the researchers use the qualitative method. So then, the type of research paradigm will be interpretive research as its category of the method is qualitative. For this study, the type of qualitative method that researchers use is record keeping. This method allows researchers to use existing reliable documents or articles and journals as data sources. It includes descriptive research, which focuses on answering the questions of how, what, when, and where if research problems, rather than why. Next is exploratory research, where researchers use this exploratory research is to familiarize themselves with existing phenomena

and gain new insights about them to form more accurate problems.

1.2 Data Collection Method

This study uses a qualitative approach through secondary data. Based on the objectives of the study, the main secondary data used for this study is the Qur'an. The Qur'an is the most accurate source in explaining the interpretation of Allah in more detail when seeking information about laws, regulations and prohibitions based on the Islamic perspective. Next, in this study, we use data from Hadith which is used by many scholars to get answers to questions and solve a problem related to Sharia-based laws. The third source's a source that has been published either as a printed source or an electronic source. Among them are reference books, scientific journals, articles and literature review articles. In addition, journals or documents related to law and law based on Islam can also be taken as information for research conducted because they contain the views of scholars and fatwas.

1.3 Data Analysis Method

The use of thematic analysis makes it feasible to discover, organise, and gain insight into patterns of meaning (themes) that are included within a dataset. Through the use of thematic analysis, one is able to zero in on a particular aspect of a phenomenon or investigate the significance of the data as a whole. Due to the fact that theme analysis may be implemented in a variety of ways, it can be utilised to investigate a wide variety of research problems and themes. Next, ATLAS.ti software programme has been proven to be an essential tool for data analysis in numerous investigations. As a Windows-based application, Atlas.ti is now more user-friendly as a qualitative data analysis (QDA) tool. ATLAS.ti helps people test their hypotheses by coming up with ideas that suggest a conceptual structure that fits with the data. It does this by encouraging links between codes to make higher-ordered categories and classes.

1.4 Reliability and Validity of Data

In this qualitative research, the researcher uses triangulation to make the data more reliable and valid. The researcher used two types of triangulation in this study which are method triangulation and data source triangulation. First, the researcher uses method triangulation or from the point of view of method selection. The methods are descriptive research and exploratory research. Second, the researcher used triangulation from the point of view of the data source. The researcher used secondary data to achieve the objectives of the study. Among the secondary data used are the Quran, Hadith, and sources that have been published, such as books, scientific journals, articles, and literature review articles. Researchers also used triangulation from the same data source, which is documentation. Collecting data from this document is content analysis, a systematic research method to analyze text documents.

Findings and Discussion

1.1 Theme 1: The Concept of Cryptocurrency in Islamic Perspective

Referring to Al-Khalifa (2022) regarding the concept of cryptocurrency in Islamic perspective, cryptocurrency is money and a medium of exchange in Shariah. Also, digital assets with material properties are attached to them (Wijaya, 2019). Shariah principles and any form of payment can be considered money if it is considered a cryptocurrency with no intrinsic value and is accepted as a medium of exchange. The same view as Santoso et al. (2021), who concluded that cryptocurrency could be categorized as a flexible and stable digital currency exchange medium because it is more stable than fiat money. From a Shariah perspective,

cryptocurrencies can be considered *mal* (property) due to desire and savings. Majid et al. (2022) stated that cryptocurrency is a digital or virtual currency in which transactions can only be carried out through the internet network. The concept of cryptocurrency in the Islamic perspective is analogous to exchanging gold with gold and silver with silver.

Hamin (2020) identified that the concept of cryptocurrency from an Islamic perspective is included in the *haram li ghairihi* criteria. *Haram li ghairihi* is everything that is *halal* but becomes *haram* due to other things. Contrary to Abubakar et al. (2018) opinion, cryptocurrency is a type of digital money that is not an official currency and is not regulated by the government. In its community, cryptocurrencies are accepted as payment. Any digital money the Shariah accepts must be a monetary commodity and a measure of value (Meera, 2018). A study similar to Yonifia (2021) discusses cryptocurrency, a digital currency not controlled by the government and not an official currency.

1.2 Theme 2: The Law of Cryptocurrency based on Islamic Perspective

Based on the article by Abubakar et al. (2018), it is stated that cryptocurrency is illegal or prohibited based on an Islamic perspective. Cryptocurrencies are not generally accepted as currencies, and they go against the essential characteristics of currencies. This is because it is not issued by any government or country, and the government has no legal authority over cryptocurrencies. Cryptocurrency transactions are likely to have illegal elements such as uncertainty (*gharar*) and gambling (*maysir*). If a transaction contains an element of *gharar*, then it will indirectly be related to an element of gambling (*maysir*). According to Abu Bakar et al. (2017) cryptocurrency has an element of uncertainty (*gharar*) because each account holder is anonymous, so it is difficult to track the account holder in case of suspicious activities. This is also presented by Muhammad (2017), who states that cryptocurrency does not have a physical form, rather it only exists in a digital network and has no intrinsic value. Its production is also not issued by any government or authoritative body.

However, there are also some scholars who have a different opinion and believe that cryptocurrencies deserve to be considered money and legal under Islamic law. In this matter, there are some scholars who consider cryptocurrencies as *mal* (property). Based on Abu-Bakar (2017), cryptocurrency is considered as a property allowed in trade and can be used as legal currency, however, it must be approved by the government to qualify as legal currency. According to Adam (2018) believes that cryptocurrency is worthy of being used as money because it satisfies the characteristics of exchange transactions as well as other requirements, such as *mal* (property) and user benefits.

1.3 Theme 3: Methods of Measuring Shariah Compliant Status

This research found that some scholars considered cryptocurrency *halal* (permissible) and others *haram* (prohibited). As long as they follow Shariah law, *halal* cryptocurrencies can be used as money, commodities, or even physical goods, according to Billah (2019). This model must also eliminate *gharar* by requiring full disclosure from all parties and actions. In line with The Shariah Bureau (2018), cryptocurrencies and tokens can be used as money if they meet the conditions of exchange transactions, *maal*, *manfa'ah*, *haqq*, and *dayn* (liability). According to Darul Iftaa' Misriyyah (2018), this cryptocurrency has elements of ignorance, *gharar*, and transaction manipulation that are difficult to control. They said it is *haram* because cryptocurrency is not a widely accepted payment method.

Referring to Muntada al-Iqtisad al-Islam (2018) states that the use of cryptocurrency

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like bitcoin as a means of payment is a *Mutaqawwin* currency and property. In fact, it has also been rejected that cryptocurrency has an element of *gharar* (uncertainty) because of its unstable value. The authors Bakar et al. (2017) outline three situations in which cryptocurrency does not meet the definition of money. (a)It does not really mean anything, (b)its owner is a mystery,and (c)its value fluctuates wildly. In the same vein, Meera (2018) argued that "Islamic" currency should have some sort of asset backing. Furthermore, according to the Grand Mufti, cryptocurrency is harmful to individuals, communities, and institutions because it can be used by those with less information, through fraud or deceit, and because it operates outside of the control of a governing body.

In conclusion, the characteristics or forms of currency are not explained in detail in al-Quran and al-Sunnah. Both only refer to the currency that existed and was widespread at the time, namely dinar and dirham. However, it has laid down general policies and guidelines related to the use of currency in dealings with other people. Therefore, based on the discussion above, the method of measuring the Shariah compliant status of the cryptocurrency is still under study and it can be accepted if every condition given by Islam regarding the cryptocurrency can be followed. The discussion above can be illustrated through the network view in Figure 3.1

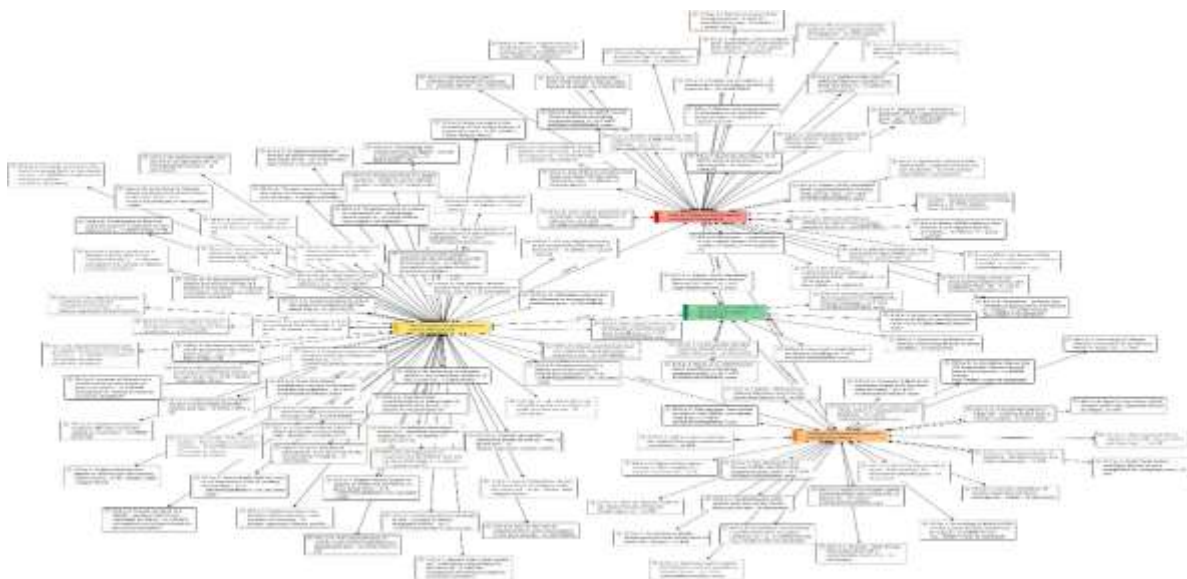


Figure 2: A Network View of Developing Shariah Screening Methodologies for Cryptocurrency

Based on the view of the network, there are four main codes in the view of the ATLAS.ti network, namely the concept of cryptocurrency in Islamic perspective, the law of cryptocurrency based on Islamic perspective, methods of measuring Shariah compliance status in cryptocurrency and the characteristics of money according to Islamic perspective. Based on the straight lines found in the network view, the straight lines between the codes show a strong relationship between each other. In addition, the view of the network also shows that the law of cryptocurrency based on Islamic perspective, method of measuring Shariah compliance status and characteristics are part of the concept of cryptocurrency in Islamic perspective. Meanwhile, characteristics of money according to Islamic perspective and law of cryptocurrency based on Islamic perspective are associated with method of measuring Shariah compliance status.

Conclusion

The purpose of this study was to develop Shariah screening methodologies in determining the status of cryptocurrency in Islamic perspectives. According to the results of this research, academics are still debating whether or not this cryptocurrency has a legal standing in the eyes of Islam. According to some experts, this cryptocurrency can be used for purchases and sales without violating Islamic law. Meanwhile, some academics have argued that the cryptocurrency is invalid under Islamic law due to the presence of aspects of usury and uncertainty in its monetary worth. Despite its shortcomings, this research demonstrates that, from an Islamic perspective, the status of this cryptocurrency is highly essential since it contributes to the development of the economy and the country. As the world evolves and grows more complex, this cryptocurrency gains traction and users. Several nations have used this cryptocurrency as a means of trade and payment. There is a growing trend among the general people to use this cryptocurrency as an investment vehicle. Therefore, the researcher proposes that future studies broaden its scope to examine the general public's familiarity with this cryptocurrency from an Islamic perspective. Further, the researcher wishes that the next study is successful in demonstrating that this cryptocurrency may be fully acknowledged as one of the official currencies by employing a specific way in assessing the Shariah compliance status of this cryptocurrency from an Islamic perspective. In addition, the study employs qualitative techniques like thematic analysis, with all data gleaned from secondary sources such as scholarly works, the Qur'an, and the Hadith. Therefore, a quantitative approach will likely be taken in the next study, with a questionnaire distributed to the general public to gauge their level of awareness of the Shariah compliance status of cryptocurrencies from an Islamic perspective.

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A Study on The Awareness of The Islamic Banking System Among UMK Student

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Abstract:

The study from statistics released by Bank Negara Malaysia in 2012 found that conventional bank deposits are still high compared to the number of Islamic bank deposits. Although the Islamic banking system has been improving over the years, competing with conventional banks is still not sufficient. Thus, this situation has made it clear to us that the majority of banking consumers still do not practice or may still be unaware of the Islamic banking system, particularly among university students. The main objective of this study is to examine the relationship between knowledge, background, education status, and product quality at the level of awareness of the Islamic banking system among students at UMK. A total of 364 questionnaires were collected using Google Forms. Data analysis was carried out using SPSS tools containing the Reliability and Validity Test, Descriptive Testing, Pearson Correlation Analysis, and Multiple Linear Regression Analysis. The result shows a significant correlation between knowledge, background, education status, and product quality with the awareness of the Islamic banking system. In conclusion, the findings of this study prove that knowledge, background, the status of education, and product quality are the awareness of the Islamic banking system among UMK students. This study has implications for students and Islamic banking institutions. Islamic banking can run various campaigns such as collaborating with the university where all students have to use the Islamic banking system in every transaction.

Keywords: awareness of the Islamic banking system, knowledge, background, educational status, product quality

1 Introduction

The Islamic banking system is a financial system designed to comply with the main principles of Sharia: Islamic law. According to (Kamal Khir, 2008), Islamic banking was an abstract concept until the middle of the 20th century. However, this situation is changing where Islamic banking now has a complete system and discipline until now, Islamic banking is growing rapidly with an estimate of more than 250 Islamic banks operating in more than 75 countries. According to (Kamal Khir, 2008) also, Islamic

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banking in Malaysia began to gain a foothold with the establishment of Bank Islam Malaysia Berhad (BIMB) in 1983. The increase in the Muslim population and the recognition of Islamic values has caused a greater demand for the products and services of the Islamic banking system. In addition, according to (Abdullah, 2007), in their study, explained that one of the aspirations of the Malaysian government is to have a strong Islamic banking system. This is evidence that the Malaysian government supports the improvement of Islamic banking performance and encourages compliance with Islamic or Shariah laws in carrying out daily financial activities.

Statistics released by Bank Negara Malaysia in 2012 have found that the amount of conventional bank deposits is still high compared to the number of Islamic bank deposits. Although the Islamic banking system has improved, it is still not enough to compete with conventional banks. Thus, this situation has explained to us that the majority of banking users still do not practice or may still not know about the Islamic banking system, especially among university students.

Based on information from (The Star, 2014), by 2020, BNM's target is to achieve 40% of the market share of the local financial industry from Islamic banking. Therefore, to achieve the target or goal, Islamic banking needs to consider customer factors including students who can contribute to the sudden increase in the Islamic banking market.

Through a study conducted by (Musse), there is a situation where it often occurs in non-Muslims and young people with shallow knowledge. This is observed through many factors where in the basic principles of Islamic banking itself too many Arabic terms and words are used and this situation makes it difficult for them to understand the system used.

A study conducted by (De Run, 2008) shows that the higher a person's level of education, the more opinions differ in understanding Islamic banking products and services. Each education obtained will not be the same as the others. Even so, there is no significant influence between the perception and understanding of the Islamic banking system.

Specifically, the purpose of this research is to examine the relationship between knowledge, background, educational status, and product quality on the level of awareness of the Islamic banking system among UMK students.

The research question highlighted in this study is to find out if there is a relationship between knowledge, background, educational status, and product quality on the level of awareness of the Islamic banking system among UMK students.

2 Literature Review

This literature review aims to give the reader an overview of the study of the level of awareness of the Islamic banking system. This chapter also provides an overview of past studies on awareness and knowledge sharing. It also presents a case study research framework, which is the main emphasis of the research discussed in this paper.

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Awareness of the Islamic banking system should be nurtured from an early age so that they become accustomed to products and services that are not based on *riba gharar*, gambling, and fraud.

A study by Faiz (2010) shows the importance of the Islamic banking system in credit risk, which outlines Syariah guidelines and responsibilities. This is because Islamic banking does not allow usury and elements of oppression that only benefit one side. Islamic banking has better credibility compared to conventional banks in the aspect of resilience to the fall of the global financial crisis. According to Abdullah, (2013) The Islamic banking system is a financial system that offers products and services designed to comply with the main principles of Syariah Islam and its discipline.

This literature review can help researchers in identifying some researchers to identify some factors that potentially influence the level of awareness among students of the University of Malaysia Kelantan and have a better understanding of the Islamic banking system. In addition, the Islamic banking system can grow faster if accepted by Muslim students and supported by demand from non-Muslim students. Therefore, this study looks at the extent to which the level of awareness of students at the University of Malaysia Kelantan about the Islamic banking system will determine the development of Islamic banking in the future when they work or do business.

21 Underpinning Theory

This strategy aimed a knowledge of how students generate and modify meaning through their social actions, interactions, and reactions toward this awareness of the Islamic banking system. For this research study, the topics related to the attitude of this application and found that the attitude leads to a greater level of awareness will lead to an increase in the use of Islamic banking products.

According to Fauzi, Abdullah, Basik, and Muhammad, (2016), by use of the *mudarabah* principle the Islamic banking system is not only profit-motivated but also considers religious factors which outline justice in profit sharing. In offering products and services, the Islamic banking system prioritizes something *halal* and good to ensure the safety of its users. Therefore, researchers will use the theory in this study because this theory is related to the topic of awareness of the Islamic banking system among UMK students.

22 Previous Studies

2.2.1 Knowledge

Islamic banking is founded on Shariah law, whereas conventional banking is centered on the idea of maximizing profits and loans. The study's results showed that Islamic banks outperform regular banks in terms of cost efficiency based on suggestions by Shahid et al (2010). According to Cloud, (2009), a comparison Islamic Banking system and conventional banking in Pakistan show that conventional banks are at a declining level due to the financial crisis globally Islamic banking has emerged as a system of strong finance and high innovation while conventional banking only maintains consistent growth such as assets, financing, profits, and efficiency.

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2.2.2 Background

In line with the findings by Mahamad and Tahir (2010), background factors also play an important role in using the Islamic banking system. This makes them less interested in using it as there are no examples to follow from family members. Their family members always invest in fixed savings accounts at conventional banks and choose banks that offer lucrative interest rates on savings.

2.2.3 Educational Status

Interpreting these results, Khattak and Rehman, (2010) suggested in a study conducted in Pakistan, it was found that there is a significant relationship between academic qualifications and awareness of the differences in Islamic banking products. Their study also shows that most customers who use the 25 Islamic banking system have a high level of education.

2.2.4 Product Quality

The product holds significance for the company since without it, it would be unable to conduct any business at all. Customers will purchase a product if they believe it to be suitable, hence for product marketing to be effective, the product must be tailored to the wants or needs of the customer. In other words, the development of products is better tailored to market demands or consumer preferences. According to Kotler and Armstrong, (2015) is everything that can be offered to the market to get attention, bought, used, or consumed that can satisfy wants or needs.

23 Hypotheses Statement

The four hypotheses of research will be developed to study the relationship between dependent variables, the level of UMK student awareness of the Islamic banking system, and the four independent variables namely knowledge, background, educational status, and product quality. While the dependent variables for this study are the level of UMK students' awareness of the Islamic banking system.

H1: There is a positive and significant relationship between knowledge and the level of awareness of the Islamic banking system among University Malaysia Kelantan Students.

H2: There is a positive and significant relationship between background and the level of awareness of the Islamic banking system among University Malaysia Kelantan Students.

H3: There is a positive and significant relationship between educational status and the level of awareness of the Islamic banking system among University Malaysia Kelantan Students.

H4: There is a positive and significant relationship between product quality and the level of awareness of the Islamic banking system among University Malaysia Kelantan Students.

24 Conceptual Framework

Figure 1.1: This study will look at the variable DV, which will be influenced by the variables iv1 (H1), iv2 (H2), iv3 (H3), as specified in the framework below.

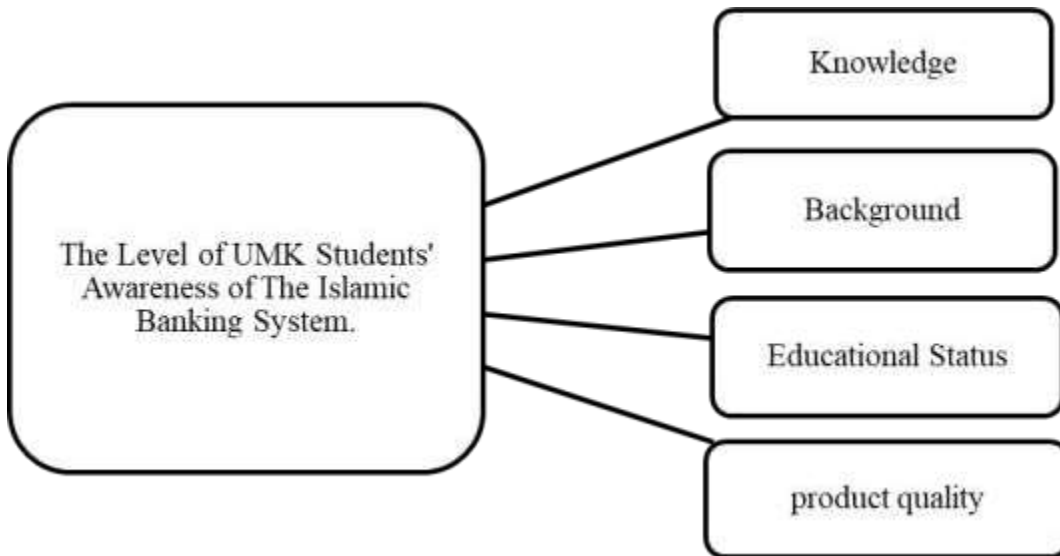


Figure 1.1: Framework for the Investigation of The Level of UMK Students' Awareness of The Islamic Banking System.

3 Research Methodology

This study uses a quantitative type design where the data collection method used is a questionnaire. According to (MShahrulnizam, 2017), the questionnaire is a set of questions in written form. It is a tool specifically designed to collect information for analysis purposes that can answer various research questions. The primary data method was used to study the knowledge, background, level of education, and product quality of awareness of the Islamic banking system through a questionnaire. In addition, readings from internet access and reference books are also used to obtain secondary data.

This study was conducted at all three branches of University Malaysia Kelantan, namely at the Kota Campus, Bachok Campus, and Jeli Campus. The population of this study is 6805 students studying at University Malaysia Kelantan. A total of 364 students were selected to be the sample of this study to represent the UMK student population consisting of various faculties and streams. This sample size is determined by referring to the Krejcie and Morgan (1970) sample size determination table.

This study uses a survey instrument adapted from previous studies. Therefore, the questionnaire in this study has been modified and improved according to suitability and in line with the requirements of the study. There are three sections in this research questionnaire:

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1. Section A: About the respondent's information.
2. Section B: Regarding the level of respondents' awareness of the Islamic banking system
3. Section C: Measuring respondents' knowledge, background, education level, and product quality

In this study, nominal variables and interval variables were used for the questionnaire. The nominal scale will be used in Section A, while the interval scale is used in Section B and Section C. For the interval scale, this study uses a five-point Likert scale, where respondents have to choose answers based on ranking such as 1= strongly disagree, 2= no agree, 3= neutral, 4= agree, and 5= strongly agree.

Based on the study, the quantitative data that has been collected will be calculated and analyzed using the software Statistical Package for the Social Science (SPSS). Descriptive and inferential methods are used, and all the findings that have been analyzed are displayed in the form of tables where they show percentages, frequencies, means, and also standard deviations.

4 Research Finding

4.1 Result of Frequency Analysis

Table 1: Frequency Analysis

Characteristic	Frequency	Percentage
Gender		
Female	258	70.9
Male	106	29.1
Age		
20 years old and below	58	15.9
21-22 years old	111	30.5
23-24 years old	166	45.6
25 years old and above	29	8.0
Races		
Bumiputra	2	.5
Chinese	25	6.9
Indian	20	5.5
Malay	315	86.5
Siam	1	0.3
Somali	1	0.3
Campus		
Bachok	32	8.8
Jeli	13	3.6
Kota	319	87.6
Faculty		
FBKT	2	0.5
FHPK	66	18.1

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FIAT	10	2.7
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FKP	247	67.9
FPV	8	2.2
FTKW	30	8.2
JSD	1	0.3
Level of education		
Bachelor	357	98.1
Diploma	1	0.3
Master's	5	1.4
PHD	1	0.3
I am aware of Islamic banking		
Strongly Disagree	1	0.3
Disagree	7	1.9
Uncertain	7	1.9
Agree	196	53.8
Strongly Agree	153	42.0
I am aware that Islamic banking is based on shariah.		
Strongly Disagree	3	0.8
Disagree	8	2.2
Uncertain	26	7.1
Agree	187	51.4
Strongly Agree	140	38.5
I am aware of the instruments used in the financing system offered by Bank Islam.		
Strongly Disagree	5	1.4
Disagree	33	9.1
Uncertain	94	25.8
Agree	133	36.5
Strongly Agree	99	27.2
If I keep my money in an Islamic bank, I am more confident that my money will not be invested in unethical transactions such as gambling and so on.		
Strongly Disagree	4	1.1
Disagree	16	4.4
Uncertain	81	22.3
Agree	131	36.0
Strongly Agree	132	36.3

Table 1 above shows the gender distribution where the majority of respondents were female at 70.9% (n=258) while the rest is male at 29.1% (n=106). Besides that, the highest number of respondents were from age of 45.6% (n= 166), the second highest is 21-22 years old with 30.5% (n = 111), the third is 20 years old and below with 15.9% (n = 58), and the last is 25 years old and above with 8.0% (n = 29).

Most of the respondents were Malay with 86.5% (n = 315), the second highest in Chinese at 6.9% (n = 25), the third Indian at 5.5% (n =20), and Others from Bumiputra

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at 0.5% (n = 2), Siam with 0.3% (n = 1) and Somali with 0.3% (n = 1). Moreover, the majority of the respondents were from campus Kota with 87.64% (n = 319), the second highest is campus Bachok with 8.8% (n = 32), and the last from campus Jeli with 3.6% (n = 13).

Table 1 also shows the majority for the faculty distribution among the respondents, the highest number of respondents were from FKP with 67.9% (n = 247), the second highest is FHPK with 18.1% (n = 66), the third is FTKW with 8.2% (n = 30), and for next is FIAT with 2.7% (n = 10), after that FPV with 2.2% (n = 8) and another FBKT with 0.5% (n = 2) and lastly JSD with 0.3% (n = 1). Besides that, for the Level of Education distribution among the respondents, the highest number of respondents were from Bachelor with 98.08% (n = 357), the second highest is Masters with 1.4% (n = 5), the last from Diploma and PHD with same 0.3% (n = 1).

The table above shows the distribution of awareness of the Islamic banking system among 364 respondents. For “I am aware of Islamic banking” showed that respondents highly agreed which is 53.8% (n = 196), the second highest answered were strongly agree with 42% (n = 153) respondents, while disagree and uncertain with the same value respondent 1.9% (n = 7) and last for strongly disagree 0.3% (n = 1) respondent. Next, “I am aware that Islamic banking is based on Shariah” showed that respondent was highly agreed with which is 51.4% (n = 187), the second highest answered were strongly agree with 38.5% (n = 140) respondents, the third highest were uncertain with 7.1% (n = 26), while the second last were disagree with 2.2% (n = 8) and last for strongly disagree 0.8% (n = 3) respondents.

Other than that, “I am aware of the instruments used in the financing system offered by Bank Islam” showed that respondents highly agreed which is 36.5% (n = 133), the second highest answered were strongly agree with 27.2% (n = 99) respondents, the third highest were uncertain with 25.8% (n = 94), while the second last was disagreed with 29.1% (n = 33) and last for strongly disagree 1.4% (n = 5) respondents. Lastly, “If I keep my money in an Islamic bank, I am more certain and confident that my money will not be invested in unethical transactions such as gambling and so on” showed that respondents highly strongly agreed which is 36.3% (n = 132), second highest answered were agree with 36.0% (n = 131) respondents, the third highest were uncertain with 22.3% (n = 81), while the second last was disagreed with 4.4% (n = 16) and last for strongly disagree 1.1% (n = 4) respondents.

42 Result of Descriptive Analysis

Table 2: Descriptive Analysis

Variable	Items	Mean score	Standard Deviation
Knowledge	I know that Islamic banking does not involve in Riba (interest)	4.28	0.691
	I know that Islamic banking returns are based on sales, leases, and partnership profits.	3.82	0.907
	I know about the differences between the	3.91	0.830

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	conventional banking system and the Islamic banking system.		
	I know that Islamic banking can only invest in businesses that are not prohibited by Islam alone.	4.00	0.836
Background	I have ample exposure to Islamic banking through the people around me.	3.67	1.153
	I gained experience with Islamic banking products while I was still studying.	3.69	1.153
	My friends helped me understand the Islamic banking system in more detail.	3.57	1.177
	Many of my family members use the services of the Islamic banking system.	3.43	1.304
Status of Education	My course reveals a lot about the Islamic banking system.	3.57	1.473
	My course helped me in understanding the Islamic banking system.	3.55	1.470
	I feel that the Islamic banking system is better than the conventional banking system.	4.02	0.939
	As a student, I prefer to use the Islamic banking system.	3.99	0.980
Product Quality	Islamic banking products are more attractive than conventional banks.	3.99	0.801
	Islamic banks provide more advantages than conventional bank.	3.91	0.827
	Islamic banks provide sufficient information on their products.	3.84	0.870
	I have no doubts of the Islamic banking products.	4.12	0.867

Table 2 shows the frequency, mean and standard deviation for the items used to measure the knowledge. There were four questions measured with the highest mean of 4.28 for item CK1 on the statement “I know that Islamic banking does not involve Riba (interest)”. There is a total of 91.2% (n = 332) respondents who strongly agree and agree on item CK1. Otherwise, the lowest mean 3.82 was for item CK2. There is a total of 35.2% (n = 128) of respondents who are uncertain, disagree, and strongly disagree, with the statement “I know that Islamic banking returns are based on sales, leases, and partnership profits”. The mean values for the other two items for CK3 and CK4 were 3.91 and 4.00 respectively.

Table 2 also shows the frequency, mean and standard deviation for the items used to measure the background. There were four questions measured with the highest mean of 3.67 for item CB2 on the statement “I have gained experience on Islamic banking products while I was still studying”. There is a total of 66.2% (n = 241) of respondents who strongly agree and agree on item CB2. Otherwise, the lowest mean of 3.43 was for item CB4. There is a total of 48.4% (n = 124) respondents who are uncertain, disagree, and strongly disagree, with the statement “Many of my family

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members use the system of Islamic banking system”. The mean values for the other two items for CB1 and CB3 were 3.67 and 4.57 respectively.

Next, the frequency, mean, and standard deviation for the items used to measure the status of education. There were four questions measured with the highest mean of 4.02 for item CS3 on the statement “I feel that the Islamic banking system is better than the conventional system”. There is a total of 75.2% (n = 274) of respondents who strongly agree and agree on item CS3. Otherwise, the lowest mean 3.55 was for item CS2. There is a total of 37.9% (n = 138) respondents who are uncertain, disagree, and strongly disagree, with the statement “My course helped me in understanding the Islamic banking system”. The mean values for the other two items for CS1 and CB4 were 3.57 and 3.99 respectively.

Lastly, the table shows the frequency, mean and standard deviation for the items used to measure product quality. There were four questions measured with the highest mean of 4.12 for item CP4 on the statement “I have no doubts of the Islamic banking products”. There is a total of 76.1% (n = 277) of respondents who strongly agree and agree on item CP4. Otherwise, the lowest mean 3.84 was for item CP3. There is a total of 35.2% (n = 128) respondents who are uncertain, disagree and strongly disagree, on the statement “Islamic banks provide sufficient information on their products”. The mean values for the other two items for CP1 and CP2 were 3.99 and 3.91 respectively.

4.3 Result of Reliability Analysis

Table 3: Reliability Analysis

Variables	Cronbach's Alpha	No of Items	Level of Reliability
Knowledge	0.893	4	Good
Background	0.947	4	Excellent
Status of Education	0.926	4	Excellent
Product Quality	0.926	4	Excellent

Table 3 shows that Cronbach's Alpha values of the questionnaire were above a very good reliability level of 0.60, with a value range of 0.893 to 0.947. Knowledge has been shown to have good reliability with 4 items (a = 0.893). The background shows to have excellent reliability with 4 items (a = 0.947). After that, the Status of education and product quality also showed excellent reliability with 4 items (a = 0.926). To summarize, based on the table, we can conclude that all the items in this study are consistent and reliable.

44 Result of Pearson Correlation Coefficient Analysis

Table 4: Pearson Correlation Analysis

Hypothesis	P- Value	Result (supported/ not supported)
H ₁ : Knowledge has positive relationship with level of awareness of the Islamic banking system among University Malaysia Kelantan students	0.824	H ₁ : accepted
H ₂ : Background has positive relationship with level of awareness of the Islamic banking system among University Malaysia Kelantan students	0.817	H ₂ : accepted
H ₃ : Status of education has positive relationship with level of awareness of the Islamic banking system among University Malaysia Kelantan students	0.800	H ₃ : accepted
H ₄ : Product quality has positive relationship with level of awareness of the Islamic banking system among University Malaysia Kelantan students	0.807	H ₄ : accepted

Table 4 shows that knowledge and level of awareness of the Islamic banking system were significantly correlated at $r = 0.824$, $p > 0.00$. Also, background, the result shows that there was a statically significant correlation at $r = 0.817$, $p > 0.00$. Next, the status of education result shows that there was a statically significant correlation at $r = 0.800$, $p > 0.00$. And also, product quality and level of awareness of the Islamic banking shows that there was a statically significant correlation at $r = 0.807$, $p > 0.00$. According to the results, all the hypotheses were supported at a 0.01 significant level.

5 Conclusion

In summary, the purpose of this study is to find out the factors that influence the awareness of the Islamic banking system among UMK students. In order to test this thesis, several tests were conducted on the data collected from the survey. The findings indicate that knowledge, background, educational status, and product quality as independent variables in this study, have a significant relationship with the awareness of the Islamic banking system among UMK student. Furthermore, based on the Pearson Correlation test results, it is possible to conclude that the four independent variables have a strong relationship with the awareness of the Islamic banking system among UMK student. The following independent T-test examples shows that the gender of Malaysians has no bearing on UMK students' awareness of Islamic banking and finance. On the other hand, the one-way ANOVA test results revealed a statistically significant difference between the dependent and independent variables. The desire for awareness of Islamic banking and finance among UMK students will increase, which can be formulated as knowledge, background, educational status, and product quality. In conclusion, this study has a positive impact on future researchers. The findings of this study can also increase the number of Islamic banking users among UMK students.

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The Perception to Use Islamic Crowdfunding as a Platform to Start a Business Among Undergraduates Student in UMK

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Abstract:

The world is changing rapidly, especially in terms of technology. Islamic Fintech is a new technology that improves the completeness, efficiency, and cost-effectiveness of financial services. Islamic fintech is classified into several categories. For the purposes of this study, we will concentrate on one of the categories of Islamic financial technology services, namely Islamic crowdfunding. Islamic Crowdfunding has emerged as one of the preferred mechanisms for start-ups and small enterprises to raise money that comply with Shariah principles. As a result, the purpose of this study is to determine the relationship between perceived usefulness, perceived ease of use, financial accessibility, Islamic platform, information and use of social media with the perception to use Islamic crowdfunding among undergraduates' students in UMK as a platform to start a business. A total of 361 responses were obtained using a survey questionnaire. SPSS tools were used to conduct reliability and normality tests, descriptive analysis, multiple linear regression analysis, and Pearson correlation analysis. Furthermore, this study is also associated with the technology acceptance model (TAM). In a nutshell, the findings of this study found that all hypotheses which are perceived usefulness, perceived ease of use, financial accessibility, Islamic platform, information on crowdfunding and use of social media were found to be significant. This study has implications for undergraduates' students UMK, start-up business, and Islamic crowdfunding platform. The students can take the opportunity to use the Islamic crowdfunding platform to raise funding to start a business instead of making loans from banks that have long and strict procedures

Keywords: Perception to use Islamic crowdfunding, perceived usefulness, perceived ease of use, financial accessibility, Islamic platform, information and use of social media, technology acceptance model.

1 Introduction

Islamic fintech industry in Malaysia is growing rapidly. Islamic Fintech can be defined as one of type financial technology. Islamic fintech follows Shariah principles and prohibits income from interest, loans, and non-Shariah compliant business. For this study, we will focus on one of the categories of Islamic financial technology services, namely Islamic crowdfunding. Islamic crowdfunding also collects funds from friends, family, consumers, and investors. With the availability of Islamic crowdfunding platforms, small company entrepreneurs that just want to start a business and have their own business plan might find opportunities. This is because bank loans for business start-

ups are relatively tough to obtain because they require a strong business plan to avoid excessive risk. Fortunately, according to new delivery mechanisms such as online crowdfunding platforms, start-ups, SMEs, and MMEs now also have online access to a large pool of investors. Islamic crowdfunding is a shariah compliant digital platform. This study purposed to identify the perception to use Islamic crowdfunding as a platform to start a business among undergraduates' students in UMK. This survey was carried out to study the effects of perceived usefulness, perceived ease of use, financial accessibility, Islamic platform, information on crowdfunding and use of social media towards the perception to use Islamic crowdfunding platform. This paper is organized by section of literature review, conceptual framework, research method, and on results and discussion which is on descriptive analysis, validity, reliability, normality analysis, and hypothesis testing.

2 Literature Review

2.1 Technology Acceptance Model (TAM)

The study involving a theory is also used as a focus. In this study, modifications have been made on the Technology Acceptance Model (TAM), which was developed by Davis (1989). The Technology Acceptance Model (TAM) is a more appropriate and profitable theory to use to define innovative technologies such as Islamic Crowdfunding. Furthermore, this theory is well known due to its simple, easy and more focus on the voluntary acceptance of individuals. This is because, according to Kazaure et. al., 2021, if the user feels the technology is easy to use and provides benefits then the user will tend to use the technology. The main point in this research is to focus on the perception of Islamic Crowdfunding. This shows that this theory was created based on 2 main constructs namely perceived ease of use (PEOU) and perceived usefulness (PU). It asserts that these ideas have the ability to impact users' behavioural (BI) to actually apply that idea or framework, either directly or indirectly (Rahman et. al., 2020). Furthermore, there is another variable which is financial accessibility, Islamic platform, information on crowdfunding and use of social media used to study whether there is an impact towards the perception to use Islamic crowdfunding platform using this theory to (Kazaure et. al., 2021).

2.2 Perceived Usefulness and The Perception to Use Islamic Crowdfunding Platform

Perceived usefulness of crowdfunding is the degree to which a person feels that using a proposed model or system would improve his or her performance (Rahman et al., 2020). Guirado et al. (2018) has identified Perceived Usefulness as one of the elements that will influence a person's decision to use crowdfunding. Davis et al. (1989) prescribes PU as an individual's belief that employing a particular technology would boost his or her productivity.

Hypothesis 1 (H1): There is a significantly positive relationship between perceived usefulness with the perception to use Islamic crowdfunding among undergraduates' students in UMK as a platform to start a business

2.3 Perceived Ease of Use and The Perception to Use Islamic Crowdfunding Platform

Assuming young business visionaries see that an Islamic crowdfunding model is not difficult to utilize, not so perplexing but rather more open, the probability of Islamic crowdfunding being acknowledged is higher. A concentrate by Thaker (2016) uncovered that apparent usability has elite execution in foreseeing the expectation of tolerating an Islamic crowdfunding model, but it showed up as a more significant variable. It shows that the easier it is to understand the model, the greater the pull among SMEs to partake in it. Research by Carter et al. (2011) showed that residents' self-reasonability, or feelings about how they could deal with their specific abilities to execute e-record programs, impacted their means to use the system self-reasonability, or feelings about how they could deal with their specific abilities to execute e-record programs, impacted their means to use the system.

Hypothesis 2 (H2): There is a significantly positive relationship between perceived ease of use with the perception to use Islamic crowdfunding among undergraduates' students in UMK as a platform to start a business

2.4 Financial Accessibility and The Perception to Use Islamic Crowdfunding Platform

Salim et al. (2021) defined financial accessibility as young entrepreneurs' incapacity to obtain finance provided by financial institutions. According to research by (Estrin et al., 2018), one of the main reasons why business owners choose crowdfunding over traditional financial institutions is the difficulties in obtaining finance. Therefore, "Financing Accessibility" is one of the factors included in this study that may affect young entrepreneurs' inclination to embrace crowdfunding as a substitute financing channel. From the research by (Hasan et al., 2018), financial accessibility has a substantial impact on an entrepreneur's willingness to take part in crowdfunding. Small and medium-sized businesses (SMEs) in Malaysia are likely to find the Islamic Crowdfunding-Small and Medium Enterprises (ICSMEs) Model to be a viable model that may alleviate or reduce the limitation of financial accessibility (Mohd, 2018).

Hypothesis 3 (H3): There is a significantly positive relationship between financial accessibility with the perception to use Islamic crowdfunding among undergraduates' students in UMK as a platform to start a business

2.5 Islamic Platform and The Perception to Use Islamic Crowdfunding Platform

The platform in this scenario lays the groundwork for successful object code execution. Briefly, Islamic Crowdfunding is one of the Shariah compliant platforms where the financial principles used are different from the conventional crowdfunding model. Furthermore, in order to verify that this model is shariah compliant, crowdfunding must be conducted without the use of prohibited items in Islam. In the study of Dzuljastri et al. (2021), Islamic Crowdfunding is one of the alternative financings to the SME sector

as it is a platform that adheres to Shariah principles and uses the concept of fairness.

As a result, Islamic crowdfunding should be formed and marketed because it is not only a religious brand, but it can also give a variety of models based on Shariah contracts, just like other Islamic finance segments.

Hypothesis 4 (H4): There is a significantly positive relationship between Islamic platform with the perception to use Islamic crowdfunding among undergraduates' students in UMK as a platform to start a business

2.6 Information on Crowdfunding Platform and The Perception to Use Islamic Crowdfunding Platform

Information is comprehensive, analyzed, and contains structured data. It gives data context and makes decision-making easier. Because the distribution of information about crowdfunding will influence how entrepreneurs could be seen, information on crowdfunding is crucial. According to a previous study of Kazaure et al. (2021), the awareness of the Islamic crowdfunding model between SMEs will be determined by the information about it. The use of information about Islamic crowdfunding is justified by the recognition in previous research that information about a new conception is a crucial factor in determining whether an individual would adapt it. Additionally, information about crowdfunding plays a big role in influencing people's decision to invest in crowdfunding in a certain country. Lastly, crowdfunding information plays a crucial role in determining undergraduate students' perception to use crowdfunding as their start-up business model.

Hypothesis 5 (H5): There is a significantly positive relationship between Information on Crowdfunding with the perception to use Islamic crowdfunding among undergraduates' students in UMK as a platform to start a business

2.7 Use of Social Media and The Perception to Use Islamic Crowdfunding Platform

According to Choy & Schlagwein (2016), points out that social networking is used by crowdfunding to generate more income internationally. Furthermore, previous research found that people can only participate in crowdfunding activities if they are actively using social media. Acknowledging the importance of social media and information in the crowdfunding market is crucial for fundraisers in the sector. The use of social media as a study variable is justified by the finding in prior research that it directly affects people's behavioural intention to accept technology innovations. Thus, for crowdfunding to be efficient and effective, people need to be active on social media, since this is what makes it successful in any nation (Wang et al., 2018). Besides, the hypothesis can state as follow:

Hypothesis 6 (H6): There is a significant relationship between the use of social media towards the perception to use Islamic crowdfunding among undergraduates' students in UMK as a platform to start a business.

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As a result, the conceptual framework for this study may be illustrated as in Figure 2.0 using the hypotheses H1 through H6 that were developed.

This framework was adapted from a research conducted by Salim et.al (2021). The independent variables analyzed in this research include perceived usefulness, perceived ease of use, financial accessibility, Islamic platform, information on crowdfunding, and use of social media. The dependent variable studied is the perception to use Islamic Crowdfunding platform and this research was conducted among undergraduate students at UMK Pengkalan Chepa. According to the framework below, independent variables for perceived usefulness, perceived ease of use, financial accessibility and Islamic platform, as well as independent variable, perception to use Islamic Crowdfunding platform, were adopted from a study by Salim et.al (2021). Whereas independent variables for information on crowdfunding and use of social media was adopted from research by Kazaure et.al (2021).

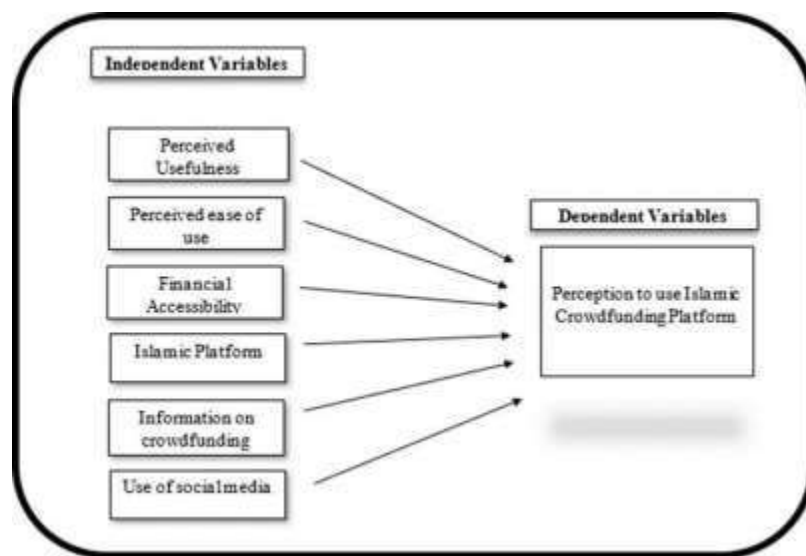


Figure 2: Conceptual Framework

(Source: adapted from a research conducted by Salim et.al (2021)).

3 Research Method

The purpose of this research study is to know the perception of undergraduate students in UMK about using Islamic crowdfunding as a platform to start a business, as well as to know their opinion about Islamic crowdfunding and if they plan to use it to make a business after they graduate. This study uses quantitative data to analyze the relationship between perceived usefulness, perceived ease of use, financial accessibility, Islamic platform, information about crowdfunding and use of social media with the perception to use Islamic crowdfunding. The data collection approach for this study will be using primary data, quantitative data, and the method of asking which is by questionnaire and survey using a digital platform which is google form. Furthermore, this research uses non-probability sampling which is convenience sampling. For this research, the researchers are also undergraduate students and want to know about the perception of other students in the same field using Islamic crowdfunding to start a business. The population size refers to the entire number of persons in the population, whereas N refers

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to the total number of undergraduate students in UMK Pengkalan Chepa is 6236 students. The sample size from the population represents 361 students. This data was analyzed using IBM SPSS Statistics software for descriptive, validity, reliability, and normality analysis.

4 Results and Discussion

4.1. Descriptive Analysis

Descriptive analysis or descriptive statistics are used to describe and summarize data. It was originally used to convey quantitative descriptions in a controlled manner. In research studies, it enables researchers to measure intelligently by simplifying large amounts of data simply and easily. There were 361 respondents obtained from this study. The data shows the demographic profile of respondents, consisting of gender, age, race, faculty, year of study, and respondents familiar with Islamic Crowdfunding towards the perception of using Islamic crowdfunding.

There were 155 (42.9%) male respondents meanwhile 206 (57.1%) represented female respondents. It shows that female respondents are higher than male respondents in this research. Next, Age is divided into five categories. The first highest number of respondents is from the age group 22-24 years old which is 248 (68.7%) meanwhile the lowest frequency of respondents is 4 (1.1%) from the age group 28 years and above. For religion, Muslim is the highest of respondents which is 344 (95.3%) meanwhile the lowest is Buddhist 1 (0.3%). The highest race of respondents is Malay which is 336 (93.1%). For Chinese and Indian there were 18 (5.0%) and 7 (1.9%) respondents respectively.

Moreover, the most frequency of answering this question is the FKP course which is 251 (69.5%) meanwhile the lowest frequency of answering this question is the JDS course with 7 (1.9%). Furthermore, Year 4 is the highest respondent which is 202 (56%), and year 1 is the lowest respondent which is 32 (8.9%). Lastly, there are many respondents familiar with Islamic Crowdfunding which is 227 (62.9%) and the respondents were not familiar with Islamic Crowdfunding which is 134 (37.1%).

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Table 4.1: Frequency of sample background

(Source: Developed by researcher based on the sample output from this study,2022)

Variables	Items	Frequency	Percent (%)
Gender	Male	155	42.9
	Female	206	57.1
Age	19-21 Years	87	24.1
	22-24 Years	248	68.7
	25-27 Years	22	6.1
	28 Years and above	4	1.1
Religion	Muslim	344	95.3
	Buddhist	1	.3
	Christian	8	2.2
	Hindu	7	1.9
	Other	1	.3
Race	Chinese	18	5.0
	Indian	7	1.9
Faculty	Malay	336	93.1
	FKP	251	69.5
	FHPK	90	24.9
	FPV	13	3.6
	JDS	7	1.9
Year of study	Year 1	32	8.9
	Year 2	69	19.1
	Year 3	58	16.1
	Year 4	202	56.0
Respondent familiar with Islamic Crowdfunding	Yes	227	62.9
	No	134	37.1

Table 4.2 the variables evaluated in the descriptive analysis consist of the dependent variable and the independent variable and provides the description of the mean and standard deviation. The mean value for each construct shows that Use of social media

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had the highest score of 4.1695 (SD=0.79851), indicating that this independent variable is the most significant contributor to the performance of perception to use Islamic Crowdfunding Platform, followed by Islamic Platform is 4.1568 (SD=0.76356). Independent variable with the lowest mean score, Information on Crowdfunding, had a score of 3.9080 (SD=0.81293).

Table 4.2 Descriptive analysis of the model
(Source: Developed by researcher based on the sample output from this study,2022)

Variables	Mean	Std. Deviation (SD)
PERCEPTION TO USE ISLAMIC CROWDFUNDING PLATFORM	3.7945	.89254
PERCEIVED USEFULNESS	3.9346	.82445
PERCEIVED EASE OF USE	3.9274	.83941
FINANCIAL ACCESSIBILITY	3.9939	.81504
ISLAMIC PLATFORM	4.1568	.76356
INFORMATION ON CROWDFUNDING	3.9080	.81293
USE OF SOCIAL MEDIA	4.1695	.79851

4.2 Validity, Reliability and Normality Analysis

Validity, reliability, and normality analysis were all used to examine each variable in this study. Reliability test is the level of a test's consistency and stability in measuring what it is designed to evaluate (ICA Chiang, 2015). After all the questions were answered by the respondents, the reliability test is used to summarize the overall picture of the data in this study by examining the Cronbach alpha value.

Table 4.3 Validity, Reliability and Normality of the model
(Source: Developed by researcher based on the sample output from this study,2022)

Variables	Cronbach'S Alpha	Skewness
Perception to use Islamic Crowdfunding	0.923	-0.788
Perceived Usefulness	0.991	-0.921
Perceived Ease of Use	0.987	-1.000
Financial accessibility	0.981	-0.923
Islamic Platform	0.958	-0.985
Information on crowdfunding	0.946	-0.796
Use of Social Media	0.982	-1.308

The table above shows that the highest value of Cronbach's Alpha is Perceived Usefulness (0.991) and followed by Perceived Ease of Use (0.987), Use of social media (0.982), Financial Accessibility (0.981), Islamic Platform (0.958), Information on Crowdfunding (0.946) and Perception to use Islamic Crowdfunding (0.923). All the Cronbach's Alpha is above 0.07 indicates that all the questionnaire data collected in this study can be used to support both the dependent variable and independent variable.

Then, for Normality analysis, the satisfied value for Skewness is -1.96 until +1.96. So, the Skewness value for all variables fulfilled the standard which Perception to use Islamic Crowdfunding (-0.788), Information on Crowdfunding (-0.796), Perceived Usefulness (-0.921), Financial Accessibility (-0.923), Islamic Platform (-0.985) and Perceived Ease of Use (-1.000). However, the Skewness value for Use of social media does not meet the skewness requirement when the value is (-1.308). However, the results in this research are regarded as normal because the majority of skewness values reached the predetermined values.

4.3 Pearson Correlation and Multiple Regression Analysis

Table 4.4 Pearson Correlation and Multiple Regression Analysis
(Source: Developed by researcher based on the sample output from this study,2022)

Independent Variables	Pearson Correlation	Conclusion	Multiple Regression	Conclusion
Perceived usefulness	0.790**	High positive correlation	0.000	Significant
Perceived ease of use	0.741**	High positive correlation	0.003	Significant

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Financial accessibility	0.539**	Low positive correlation	0.485	Not significant
Islamic platform	0.642**	Low positive correlation	0.746	Not significant
Information on crowdfunding	0.761**	High positive correlation	0.000	Significant
Use of social media	0.653**	Low positive correlation	0.402	Not significant

Based on the table above, the Pearson Correlation Analysis shows that all the independent variables, perceived usefulness, perceived ease of use, financial accessibility, Islamic platform, information on crowdfunding and use of social media have a relationship with dependent variable, the perception to use Islamic crowdfunding. Next, the Regression Analysis shows that the independent variables, perceived usefulness, perceived ease of use and information on crowdfunding are significant. These independent variables show that there is impact to the perception to use Islamic crowdfunding platform. Lastly, the Regression Analysis shows that dependent variables, financial accessibility, Islamic platform and use of social media are insignificant. These independent variables show that there is no impact to the perception to use Islamic crowdfunding platform.

4.4 Hypothesis Testing

The purpose of this study is to investigate the perception of using Islamic crowdfunding as a platform to start a business among undergraduate students in UMK within the sustainability context, consisting of perceived usefulness, perceived ease of use, financial accessibility, Islamic platform, information and use of social media. Correlation analysis was conducted for each indicator to investigate the relationship between the variables. Pearson correlation analysis was used to get the correlation coefficient using IBM SPSS Statistics. Table 4.4 shows the results of hypothesis testing on the relationship between perceived usefulness, perceived ease of use, financial accessibility, Islamic platform, information, and use of social media with the perception to use Islamic crowdfunding as a platform to start a business among undergraduate students at UMK.

Table 4.5: Hypothesis Testing
(Source: Developed by researcher based on the sample output from this study,2022)

iv. Pearson Correlation	Pe	Conclusion	Multiple Regression	v. Conclusion
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perceived usefulness towards the perception to use Islamic crowdfunding.

H2: There is a significant relationship between perceived ease of use towards the perception to use Islamic crowdfunding.	0.741**	High positive correlation	0.003	Significant
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H3: There is a significant relationship between financial accessibility towards the perception to use Islamic crowdfunding.	0.539**	Low positive correlation	0.485	Not significant
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H4: There is a significant relationship between Islamic platform towards the perception to use Islamic crowdfunding.	0.642**	Low positive correlation	0.746	Not significant
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H5: There is a significant relationship between information on crowdfunding towards the perception to use Islamic crowdfunding.	0.761**	High positive correlation	0.000	Significant
H6: There is a significant relationship between the use of social media towards the perception to use Islamic crowdfunding.	0.653**	Low positive correlation	0.402	Not significant

Notes: 1(Dependent variable is The Perception to Use Islamic Crowdfunding. 2) ***Correlation is significant at 0.01 levels (2-tailed)

H1 was supported by this study, the results show there is highly positive correlation ($r=0.790$, $p>0.5$). Regression analysis shows a significant result which is ($p=0.000$). This is similar to Thaker's (2016) study on SMEs' support of the Islamic crowdfunding platform, the results show there is a positive relationship between perceived usefulness with perception to use Islamic crowdfunding. Based on the previous study Guirado et al., 2018 has identified PU as one of the elements that will influence a person's decision to use crowdfunding. So, the UMK students believe that Islamic crowdfunding platform is useful for them to start a business. Moreover, this study validated the second hypothesis **H2**, which found a favorable association between perceived ease of use and perception to use Islamic crowdfunding. This result is similar to the previous study which perceived ease of use was discovered to have a significant impact on intention to use Islamic crowdfunding (Salim et.al, 2021). The results show there is a positive relationship between perceived ease of use and perception to use Islamic crowdfunding ($r=0.741$, $p>0.5$). The regression also shows a significant relationship towards the perception to use Islamic crowdfunding platform ($p=0.003$). Based on the previous study Thaker (2016) uncovered that apparent usability has elite execution in foreseeing the expectation of tolerating an Islamic crowdfunding model, but it showed up as amore significant variable. So, we believe it will be easy for UMK students to use Islamic Crowdfunding platform to start a business. Next, **H3** shows the similar patternof data, indicating that the connection between financial accessibility and the perception to use Islamic crowdfunding was validated by this study and indicated that there was a positiverelationship ($r=0.534$, $p>0.5$). Financial accessibility significantly influences an entrepreneur's intention to participate in crowdfunding, according to research by Hassan et al. (2018). The result for regression analysis shows that insignificant ($p=0.485$)between financial accessibility and the perception to use Islamic crowdfunding platform.

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Furthermore, this independent variable result shows contradict with the previous study (Salim et.al, 2021). Based on the previous study Salim et al., 2021 defined financial accessibility as young entrepreneurs' incapacity to obtain finance provided by financial institutions. Therefore, "Financing Accessibility" is one of the factors included in this study that may affect young entrepreneurs' intention to use crowdfunding as an alternative financing platform. As a result, we can conclude that UMK students believe it is difficult to obtain funds while using crowdfunding platforms to start a business.

This study supported the fourth hypothesis **H4**, according to data above, the outcome of the test against Islamic platform with perception to use Islamic crowdfunding platform. There is a positive relationship between Islamic platform towards the perception to use Islamic Crowdfunding Platform ($r=0.642$, $p>0.01$). The regression analysis shows the insignificant result ($p=0.746$) between Islamic platform and the perception to use Islamic crowdfunding platform. Furthermore, this independent variable result shows contradict with the previous study (Salim et.al, 2021). Based on the study of Dzuljastri et al., 2021, Islamic Crowdfunding is one of the alternative financings to the SME sector as it is a platform that adheres to Shariah principles and uses the concept of fairness. However, UMK students feel doubtful that Islamic crowdfunding platforms comply with shariah standards or not. Next, the fifth hypothesis was verified by this research **H5**, furthermore, there seems to be a positive and significant association between information on Crowdfunding towards the perception to use Islamic Crowdfunding Platform ($r=0.761$, $p>0.01$). Regression analysis shows the result significant between information about crowdfunding and the perception to use Islamic crowdfunding ($p=0.000$). This result similar to Kazaure et al. (2021) which is there is significant impact between information on crowdfunding and the perception to use Islamic crowdfunding platform. Based on Kazaure et al. (2021), it is a crucial component of the intention to use Islamic crowdfunding, suggesting that there is a strong correlation between knowledge of crowdfunding and the perception to use Islamic crowdfunding. Finally, **H6** the results show that there is a significant relationship between use of social media and perception to use Islamic crowdfunding ($r=0.653$, $p>0.01$). The regression analysis result is insignificant ($p=0.402$) between use of social media and the perception to use Islamic crowdfunding. Furthermore, this independent variable result shows contradict with the previous study (Kazaure et.al, 2021). Previous researchers found that (Carter, 2008; Abed et al., 2015; Wang et al., 2018), use of social media has an immediate effect on the perception to use Islamic crowdfunding platform.

Finally, this chapter described the relationship between independent variables and perceptions using Islamic crowdfunding. All relevant literature is discussed and discussed in terms of research to understand perceived usefulness, perceived ease of use, financial accessibility, Islamic platforms, information on crowdfunding, and the use of social media. The purpose of this review is to confirm the perception of using Islamic crowdfunding as a platform for starting business among UMK undergraduates. Based on this, a conceptual framework is built to check the relationship between the independent variable and the dependent variable. Literature reviews are completed as other scholars strive to identify and investigate research issues.

5 Conclusion

Based on the study that has been conducted, the aim of this study is to determine the perception of using Islamic crowdfunding as a platform to start a business among undergraduate students at UMK. The perception of an Islamic crowdfunding platform is influenced by perceived usefulness, perceived ease of use, financial accessibility, crowdfunding information, and use of social media. A total of 361 questionnaires were collected from the targeted respondents. What we can sum up is that the use of Islamic crowdfunding platforms plays a role in helping businesses start their businesses all over the place. We can also conclude that this study can help entrepreneurs by enhancing their knowledge of Islamic crowdfunding as a platform to start a business. This is evident from an analysis of undergraduate students' perceptions of using Islamic crowdfunding as a platform to start a business at UMK, which revealed positive effects where entrepreneurs acknowledged using Islamic crowdfunding for their businesses. This can be seen in the analysis conducted against the hypothesis in the areas of perceived usefulness, perceived ease of use, financial accessibility, Islamic platform, information on crowdfunding, and use of social media, which indicates a significant positive relationship with dependent variables, namely the perception to use an Islamic crowdfunding platform.

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Factors of Saving Intention in Islamic Banking Institutions Among University Students in Kelantan

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Abstract:

Islamic banks provide investment products and services to meet the needs of Muslim consumers, and university students are potential customers for these institutions. The purpose of this research is to investigate the factors of saving intention in Islamic banking institutions among university students in Kelantan. Qualitative research was used in this study. The information is gathered through primary sources like interviews and focus groups were students. This interview selected university students in Kelantan as participants in this study. There are 8 participants who will be selected to assist in providing information about this study. This research also was influenced by previous research to learn about the varied outcomes. This study demonstrates that financial literacy, religiosity, and parental recommendation have a positive and statistically significant effect on university students in Kelantan, Malaysia to save in Islamic banking institutions. To provide the best results, the finding of the factors of saving in Islamic banking institutions among university students in Kelantan has research limitations. The author finds that due to movement limits, the researchers were unable to complete a comprehensive study of university students in Malaysia but only in Kelantan. The researcher expects that after this, there will be a more accurate and in- depth examination of the variables of saving among Malaysian students studying Islamic banking. Practically, this study contributes to the understanding of the Islamic finance industry in Malaysia as a foundation for imagining, developing, and implementing appropriate methods to introduce Islamic banking to others. This study makes use of an improved Theory of Planned Behaviour (TPB) but also the Theory of Reasoned Action (TRA).

Keywords: *Islamic Banks, Saving Intention, University Students, Financial Literacy, Religiosity, and Parental Recommendation.*

1 Introduction

Islam forbids its people from committing and engaging in haram (unlawful) things and means of gaining it, such as Riba (interest), bribery, fraud, Maysir (gambling), theft, liquor selling, and prostitution. Savings are typically kept in a banking institution. Muslims must choose shariah-compliant banking or also known as Islamic banking institutions. In conformity with Islamic law, the Islamic Banking system will implement the practice of conducting financial transactions. The concept of Islamic banking is based on two main sources, namely the Quran and Hadith. Profit and loss sharing of financial resources, including the restriction on collecting and paying interest on lenders and investors, are among the defining characteristics of Islamic banking. This matter is very much emphasised in the Islamic banking system. Shariah must be followed in all Islamic banking transactions. Islamic law is based on the teachings of the Quran and guided by hadith. Every transaction in Islamic banking will be governed by the rules in muamalat fiqh. Islamic banks offer a wide range of financial products to

fulfil the demands of its consumers, particularly Muslims. (Peni & Faizah, 2020).

As time passes, many economic activities expand in tandem with the advancement of contemporary technology. All economic operations become limitless with time and place, and banking activities are no exception. Almost all contemporary economic activity makes use of banking services such as storage and lending. As the demand for financing has increased from year to year, the number of bank and non-bank financial institutions, both government-owned and private, has increased. People from all walks of life must have utilised good banking services in the form of loans and investment or savings (Mia & Maimun, 2018). Not least among these are Islamic financial institutions. Islamic banking has also established a position and a preference among the Malaysian people. According to Moody's Investors Service, Islamic banking institutions in Malaysia are one of the most advanced industries in the world. Investment Services Organisation mentioned that Islamic finance has risen faster than conventional financing during the last five years. "As of 31 December 2021, Shariah-compliant finance stood for 42.5 percent of overall financing in Malaysia," said Moody's Investors Service in a note. Islamic banking, according to Moody's Investors Service, benefits from a full Islamic financial ecosystem that includes Sukuk, Takaful, and Islamic funds (Mohd Zaky Zainuddin, 2022).

All university students, and particularly those in Kelantan, have the option between Islamic and conventional banking due to their diverse religious and cultural backgrounds. Muslim students will prefer banks that provide a shariah-compliant banking system even if they do not have extensive knowledge in Islamic banking system. Religion is one of the determining factors for individuals seeking the services of a Sharia Bank. Most people who use Islamic banking services do so because they have strong religious tendencies in their lives. The religious people will feel tranquillity as a result of their adherence to Shariah-compliant economic practices (Hariyanto & Bariyyatin, 2022). Many researchers, including Nugraheni and Widayani (2020) and Charag et al., (2019), have discovered a positive and significant effect of religiosity on saving in Islamic banks.

2 Problem statement

The issue that led to the existence of this study is when the savings deposit in the conventional banking system is higher than the savings deposit in Islamic banking system. As reported in Monthly Highlight and Statistics of Bank Negara Malaysia in latest update data, it shows total savings deposit in Malaysia banking system in August 2021 is RM 237503.0 million. From the total savings deposit, it indicates that the total deposit saving in the conventional banking system is RM 166 812.7 million. However, the total savings deposit in Islamic banking system is RM 70690.3 million. This result indicates that Islamic banking system in Malaysia is still lower than conventional although most of the Malaysians are Muslims. Perhaps most Malaysians do not have the awareness to save in Islamic banking which makes them still choose conventional banks over Islamic banks to open the savings account. Therefore, this research is required in order for Malaysians to clearly understand the concept of Islamic banking especially in saving accounts by obtaining the opinion of university students who have bank accounts regarding which factors to choose for this study between financial literacy, religiosity and parental

recommendation.

From the factors of saving intention in Islamic banking institutions identified among university students in Kelantan, this study is expected to provide awareness and exposure to the public to save in Islamic banking. If this study is not implemented, deposit savings in Islamic banking system will not be able to compete with the value of deposit savings in conventional banking while the majority of Malaysians are Muslims who are required to carry out savings activities in Islamic banking. As a result, this study will look more closely at factors of saving intention in Islamic banking institutions among university students in Kelantan.

According to Fernandez (2019), research gap is what problems and questions have not yet been identified by other researchers completely. The researchers of this study identified a few past studies which related to the saving intention in Islamic banking. Muslichah and Sanusi (2019) identify financial literacy and religiosity to identify the intention to use Islamic banking products. From a study by Hariyanto and Nafi'ah (2022), the authors identified factors such as religiosity, service quality and serving intention to find out Factors Affecting on Saving Intention in Islamic Banks in Indonesia. The study by Nugraheni and Widayani (2020) identified factors such as parental recommendation, location, profit sharing, religiosity, knowledge and financial information disclosure. However, from this study, the researchers choose and combine three factors which are financial literacy, religiosity and parental recommendation to be determined. Therefore, the three factors filled the gap of the lacking in past research.

3 Literature Review

Saving money is the most effective method of financial management for attaining life goals (Murniati et al., 2020). Individuals who achieve a certain level of income frequently start increasing their savings and progressively cutting back on their expenditures. When they approach retirement age, they frequently start spending the money that they have accumulated (Nguyen & Doan, 2020). Students with strong self-discipline may easily regulate their spending and desires, limiting their spending to necessities only. Banks should stress the importance of developing appropriate financial training courses capable of providing students with the needed skills for dealing with financial goods and services. There are many sorts of saving products and services that can compensate for a shortage of motivated individuals and pupils while also optimising the usage of available technology (Alshebami & Ali Seraj, 2021).

3.1 Underpinning theory

3.1.1 The Theory of Planned Behaviour (TPB)

The Theory of Planned Behavior (TPB) is one of the most popular theories used to examine human behaviour. According to Azjen (2006), TPB provides a strong conceptual basis for in-depth research on the complexities of human social behaviour. According to Zocchi (2013), TPB is used to analyse in detail the influential opinions of an individual's financial behaviour. In addition, Widyastuti et al. (2016) stated that behavioural intention is a stage that may lead to action, and they discovered that actual saving behaviour significantly influences saving intentions. Considering the validity of the TPB as a foundation for explaining human behaviour, numerous researchers have utilised it to investigate the relationship between financial literacy and individual saving behaviour. Thus, it is essential that research and development be conducted to assist individuals in adopting good financial behaviours. The motivation to preserve is generally present in people (Abrahamse & Steg, 2009).

3.1.2 The Theory of Reasoned Action (TRA)

Azjejn and Fishel developed a theory known as the Reasoned Theory of Action (TRA) for analysing an individual's intentions. Theory of Reasoned Action (TRA) is an intention-focused theory. According to TRA theory, Subjective Norms have a significant impact on behavioural intent (Fishbein et al, 1980). On a variety of behaviour-related dimensions, the idea of behavioural intention may be found. It could be interpreted in a variety of ways, thus researchers who are interested in financial behaviour have investigated the behavioural plans to purchase when it comes to Islamic financial goods (Newaz et al., 2016), the goal of saving money (Croy et al., 2010) and desire to utilise Islamic financing (Alam et al., 2012).

3.2 Factor of Saving Intention in Islamic Banking Institutions among University Students in Kelantan

3.2.1 Financial Literacy

The concepts of financial literacy, which are grounded in the Theory of Planned Behaviour (TPB), describe how a person intends to act. According to the Planned Behaviour Theory, an individual acts because they have an aim and a purpose to carry out a particular behaviour. TPB also emphasised that behavioural intention is a stage that may lead to action, and that actual saving behaviour has a substantial impact on saving intentions. Considering the validity of the TPB as a foundation for describing human behaviour, a number of studies employed it to investigate the relationship between financial literacy and individual saving behaviour (Peiris, 2021).

According to Dewi, Febrian, Effendi, Anwar, and Nidar (2020), financial literacy is the process of acquiring the financial knowledge necessary for making good financial decisions. This is supported by capabilities, expertise, consciousness, and positive financial management abilities in order to develop positive financial behaviour and

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attain financial objectives and goals. Financial literacy is a tool for improving and maintaining financial well-being, not an aim all on its own (Compen, De Witte, & Schelfhout, 2019). The Ministry of Education of Singapore emphasises that financial literacy education should begin at a young age by encouraging students to save and instilling prudent values (Xiao, 2020).

Individuals that are financially literate are more sensible in their financial decisions. This study demonstrates that members of the academic community routinely save money at financial institutions. Individuals were also shown to regularly save and give to charity. All of these conditions are discovered to be substantially influenced by financial literacy (Dewi et al., 2020). Financial literacy is associated with desired consumer borrowing and saving behaviours (Xiao, 2020). Some studies conducted in Malaysia discovered poor money management skills. The lack of financial literacy among university students is a problem. The majority of university students spend lavishly on their scholarships or student loans on things that have a non-academic purpose (Ab Rahman, Tajudin, & Tajuddin, 2018).

3.2.2 *Religiosity*

TRA investigates the connections between cognitive beliefs, emotions and attitudes, intentions to act, and actual behaviours in the context of voluntary human action (Fishbein & Ajzen, 2015). Intentions are determined by a person's comprehensive attitudes and beliefs about actions, as well as subjective norms that influence the eagerness and right or wrongness of a specific behaviour, as well as a person's ability to perform that behaviour, which is closely related to religiosity. Religion was the second theme for this research. Religion is an essential factor that shapes people's attitudes in life and defines their manner of living and engagement with Allah's instructions. A person who is religious can be seen through all aspects of their life behaviour that are influenced by religious teachings. Allport and Ross (1967) were starting to distinguish between intrinsic and extrinsic religiosity in the context of consumer behaviour. The Religious Orientation Scale (ROS) was created in the context of Christianity, then introduced as a measure of religiosity dimension. Other researchers, such as Edwards (1976) and Batson & Schoenrade (1991), have attempted to identify dimensions of religiosity. However, the majority of the scale has been defined based on the idea of Christianity. None of these dimensions incorporate the five pillars of Islam.

When discussing religious devotion in Islam, we are talking about more than just a religion, but also a way of life (Al-Din). A guide to religious living in Islam is based on the Islamic pillars, which are central to Islamic religiosity. Religiosity is a sociological phenomenon that describes how religion exists inside and is perceived by its followers. Warsiyah (2018) defines religiosity as the application of religion to religious human life (Mahgalena et al., 2021). Islam guides its people in many aspects of daily economic life, one of which is the practice of buying and selling. Islam instructs people on how to buy and sell in order to avoid Riba, Gharar, and Maysir (Saptasari and Aji, 2020). Islam, as a religion, regulates not only the relationship between man and his god but also the relationship between humans (Resty and Hidayat, 2021).

This study has significant theoretical value in that it contributes to a better understanding of the significance of religiosity as a contextual determinant of Muslim saving behaviour, and it could be a valuable resource for financial institutions in finding

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new chances for having to consider this minority group as a customer. The sub-theme of this research was three items which is religious awareness influences decision, trust to save in an Islamic banking and effect of transacting with a conventional usury-based. Satsios et al (2020) research found that the effect of religiosity on intention was significantly larger in the high religiosity group than in the lower religiosity group, indicating that the Muslim cultural tradition has little influence on the intention to save for the young and better educated. Young savers are an interesting collection of people to research because they attempt to form their identity and attitude depending on how they save and spend that money. Given prior research involving financial institutions, the current study might be seen as an effort to identify religion as a factor affecting personal saving behaviour in a community setting.

3.2.3 *Parental Recommendation*

Students need bank accounts so they may save money for personal expenses, sometimes for the first time in their life (Mokhlis et al., 2011). Receiving funds from their parents and paying tuition and other university expenses are among these Study of intention to save in Islamic banks 1449 activities. The demands and experiences of parents of students are often taken into account when choosing a bank. Parents will propose or promote a bank to their children if they have personal experience with the performance and service of that bank. Parents will be eager to advise their children on how to wisely spend and preserve this money since the money for students comes from their parents.

According to Ta and Har (2000), Awan and Bukhari (2011), recommendations from parents or friends have an impact on people's intents to open accounts with Islamic banks. Lewis (1982) asserts that students' savings decisions are impacted by their parents' knowledge and experience, whereas Blankson et al. (2009) demonstrate that parental endorsement has a positive effect on students' banking decisions in the United States and Ghana.

Young people may develop their financial attitudes, behaviours, and financial literacy skills via familial connections as well as observation and imitation of adult behaviour (Gudmundson & Danes, 2011). Parental assistance has been proven to predict better total savings in young people, and deliberate parental advice is essential for the development of financial abilities in children. Talking about money with young children may teach them a lot about it (Hanson & Olson, 2018). Parents are the primary source of information when it comes to financial literacy, and parental financial literacy education is favourably correlated with kids' financial well-being (Harrison et al. 2017).

However, parental recommendation is also supported by the Theory of planned behaviour or TPB which has three crucial factors, namely attitudes, subjective norms, and perceived behavioural control, which are key components in this model. Parental recommendation is closely related to subjective norms. Subjective norms are an individual's perception of social pressure from others who are important to him. This is supported by (Ajzen, 1992), the perception of a relative's or friend's expectations influences the specific action to be performed. This means that if an individual thinks the relevant people expect them to engage in one particular behaviour, they are more likely to commit that behaviour. Therefore, in order to secure future security, parental

recommendation is crucial for persuading students or children to save in Islamic banking institutions.

4 Data Collection

To gather the information required for the qualitative research approach in this research, primary data will be used with the interview. The researcher is focusing from the perspective of a Kelantan university student. The university student population in Kelantan will be the target response when asked about their intentions to save money in an Islamic banking institution in Kelantan. Additionally, all three experts namely Yin, Stake and Merriam agree that in order to accurately depict the complexity and scope of the research being studied, researchers must gather information from a number of sources.

Interviews with 8 participants chosen for their differences (Gudala et al., 2022). Therefore, 8 informants were interviewed for this study. According to Fusch and Ness (2015), data saturation cannot be assumed simply because resources have been depleted. Data saturation is about the depth of the data rather than the numbers themselves. Deductive reasoning is a theory testing process that begins with an established theory or generalisation and seeks to determine whether the theory applies to specific instances (Hyde, 2000). According to Pearse (2019), deductive qualitative research can be distinguished from other qualitative approaches. This is because the author obtained his research from other sources and applied it in the collection and analysis of data to form a new finding based on the theory studied. For this study, a deductive approach was used.

Inductive reasoning and deductive reasoning are two general approaches to reasoning that can result in the acquisition of new knowledge. Inductive reasoning is a theory-building process that begins with specific observations and seeks to establish generalisations about the phenomenon under investigation. Deductive reasoning is a theory testing process that begins with an established theory or generalisation and seeks to determine whether the theory applies to specific instances (Hyde, 2000). According to Pearse (2019), deductive qualitative research can be distinguished from other qualitative approaches. This is because, he obtained his research from other sources and applied it in the collection and analysis of data to form a new finding based on the theory studied. For this study, deductive approach was used.

5 Proposed Framework Result

This study finds out the factor of saving intention Islamic Banking Institutions among University Students in Kelantan. Figure 1 illustrates the findings obtained in the study. Based on the study that has been done, all the factors studied, namely financial literacy, religiosity and parental recommendation, influence saving intention at Islamic Banking Institutions among university students in Kelantan

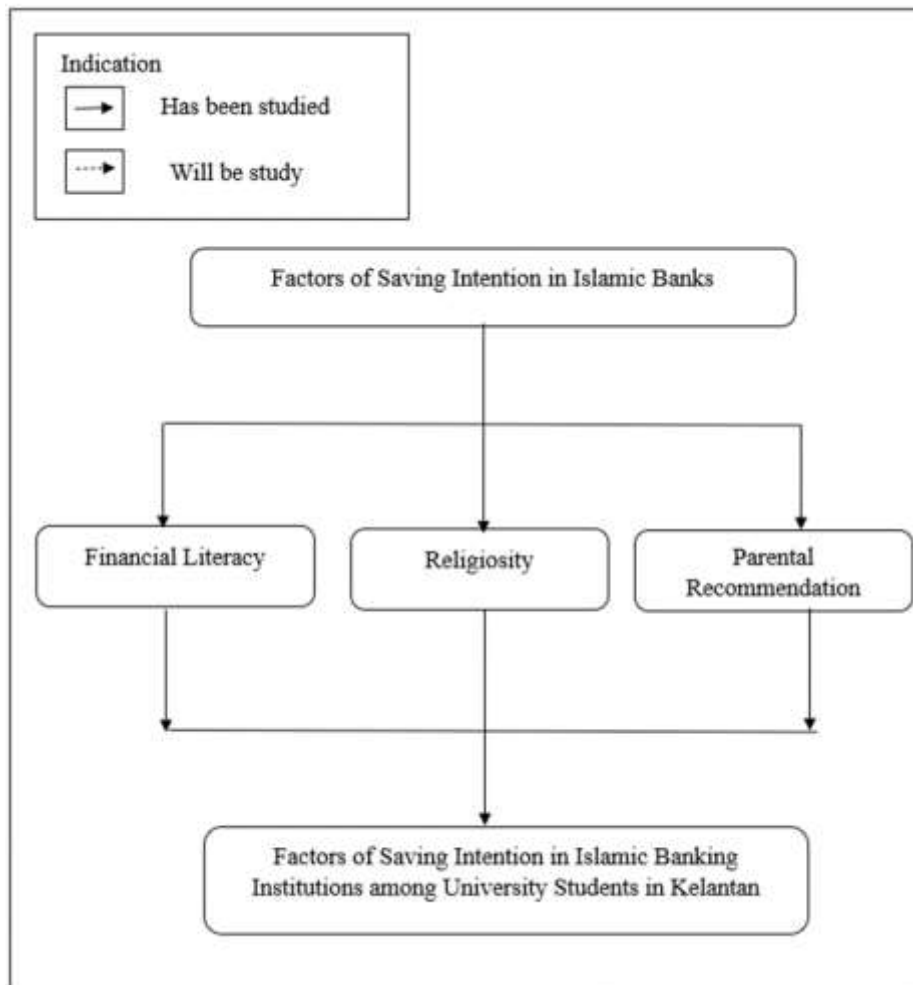


Figure 1: Factors of Saving Intention in Islamic Banking Institution among University Students in Kelantan

6 Acknowledgment

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Factors Influencing the Preference of Customers Toward Using the Products and Services of Islamic Banking in Malaysia

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ABSTRACT:

This research paper analyzes the factors influencing the preference of customers toward using the products and services of Islamic Banking in Malaysia. This study concentrated on the four independent variables and one dependent variable. Consumer desire for Islamic banking products and services is a dependent variable, whereas the attitude, image of bank, religion, and service quality are independent factors. A purposive sampling technique method was employed to collect the data from 384 respondents who use Islamic banking in Malaysia. Data was gathered through the questionnaire which was distributed through Whatsapp, Facebook, and Instagram. According to the Multiple Linear Regression (MLR) aided by Statistical Programmers for Social Sciences (SPSS), attitude and religiosity has a significant impact on Malaysian consumers' decisions to use Islamic banking products and services while the image of the bank and service quality did not significant. In conclusion, not all of the factors in this study affected the preferences of customers toward using the products and services of Islamic Banking in Malaysia.

Keyword: *Products and Services of Islamic Banking, Attitude, The Image of Bank, Religiosity and Service Quality*

1. Introduction

The Islamic financial system is designed to enable Muslims to conduct business in accordance with Shariah, which has societal repercussions that are closely tied to Islamic teachings. A banking system that abides by Shariah law is referred to as Islamic banking. The Islamic financial system first came into being in the 1960s or 1970s. The major objective of establishing Islamic banking is to satisfy Muslim needs for banking management where the Quran and Sunnah are used as the foundation for business practices.

At the Organization of Islamic Conference (OIC) Foreign Ministers, the Islamic Development Bank (IDB) was founded in 1973. Each nation's OIC members have joined the IDB and contributed to the growth of Islamic banking in OIC member nations. IDM is actively interested in utilising the monies to grow the Muslim community. Dubai Islamic Bank was founded in 1975, in 1977 followed by Faisal Bank of Sudan, in 1978 by Faisal Islamic Egyptian Bank and Islamic Bank Jordan, Islamic Bank of Bahran in 1979, and investment and development International Islamic Bank, Luxembourg, in 1980. Lembaga Tabung Haji (LTH), the country's first Islamic financial institution, was founded in Malaysia in 1963 [1]

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Since the establishment of the first Islamic bank in Malaysia, the Islamic banking sector has seen several changes and advancements, particularly in offering interest-free financial services to both Muslims and non-Muslims. Islamic banking in Malaysia has grown quickly over the past ten years, becoming a significant economic sector in the growth of the nation. The Islamic Finance Services Board (IFSB), which emphasises that the Malaysian Islamic banking sector has grown to be a well-known business globally, claims that this is the case. The national bank of Malaysia (2020) asserts that Islamic banking assets have in the past made surprising gains.

This study shows the factors which are attitude, the image of bank, religiosity and service quality influencing the preference of customers toward using the products and services of Islamic banking in Malaysia. This study focused on residents of Malaysia who are 15 until 65 years old and above who use products and services of Islamic banking. The purpose of this study is to know what the main factor that influencing the preference of customer toward using the products and services of Islamic banking in Malaysia.

1.1 Research Objectives

The main objective of the study is to identify the factors influencing the preference of customers toward using the products and services of Islamic banking in Malaysia. [RO1] To identify the attitude factor that affects the preference of customers toward using the products and services of Islamic banking in Malaysia. [RO2] To identify the image of the bank factor that affects the preference of customers toward using the products and services of Islamic banking in Malaysia. [RO3] To identify the religiosity factor that affects the preference of customers toward using the products and services of Islamic banking in Malaysia. [RO4] To identify service quality factor that affects the preference of customers toward using the products and services of Islamic banking in Malaysia.

2. Literature Review

2.1 Theoretical Framework

By extending four factors which are attitude, the bank's image, religion, and service quality, the objective of this study is to identify the primary factor impacting customers' preferences for adopting Islamic banking's products and services in Malaysia. Customers' use of Islamic banking's products and services is the dependent variable, and the factors influencing their preferences are the independent variables. This framework was taken from two distinct articles that discuss how gender and religion play a part in how customers choose to use Islamic banking's products and services and how they choose Islamic banking in a multicultural setting.

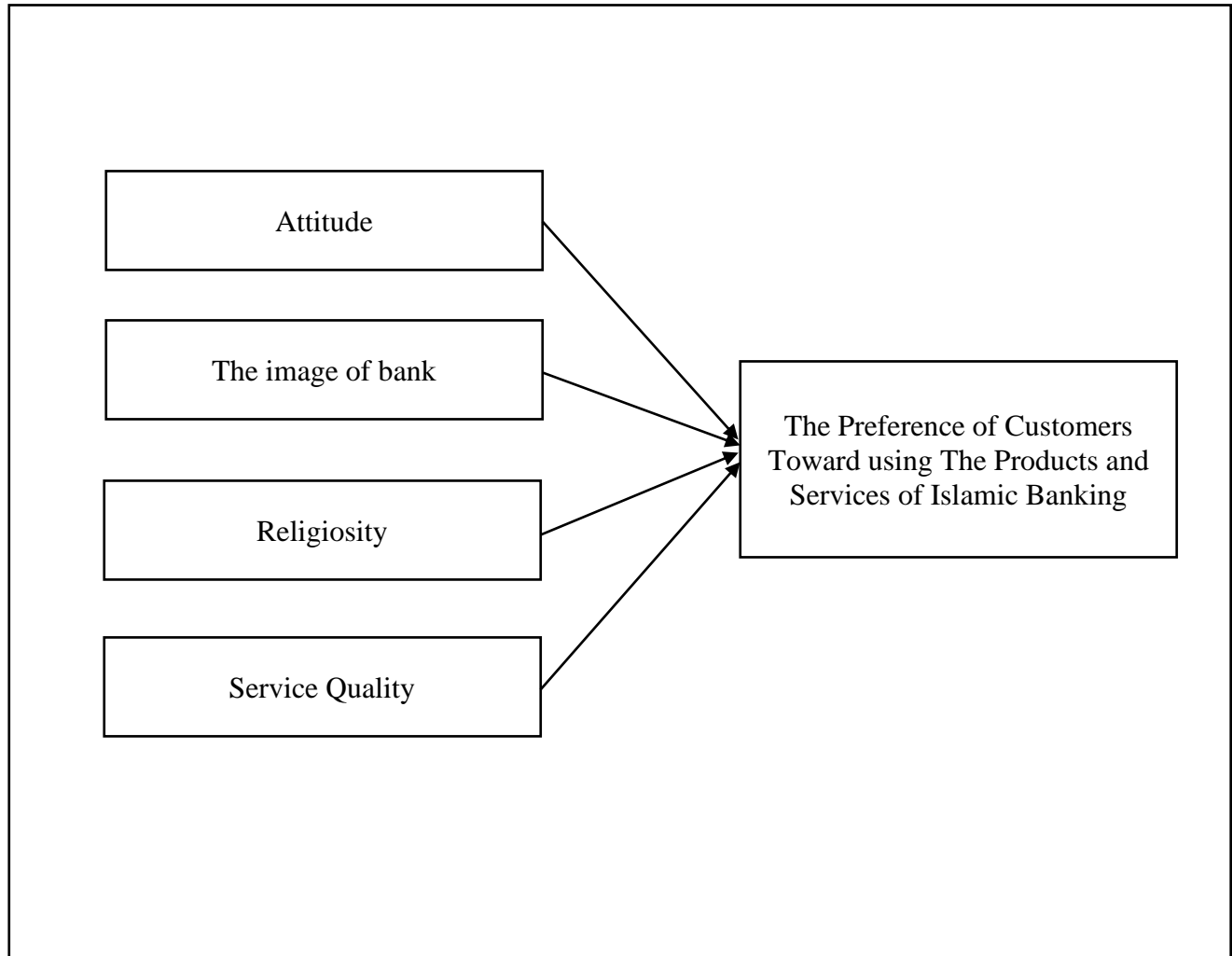


Figure 2.2: The Theoretical Framework for Factors Influencing the Preference of Customers Toward Using the Products and Services in Malaysia.

2.2 Literature Review

2.2.1 Attitude

Based on the results of the previous study, the researcher [2] discovered attitude and service quality are the elements that greatly affect consumers' preferences for utilising Islamic banking's goods and services. The previous dimension of correlation analysis reveals that attitude and service quality have p-values of 0.011 and 0.009, respectively, meaning that the p-value is less than 0.05. For socioeconomic experts, particularly those working in the financial sector, public opinion has become a significant problem. When a company offers services or products, attitudes are what customers will notice the most. Consumer attitudes reveal their theoretical beliefs and considerations on a product or service, especially those related to Islamic banking. Customer perceptions directly affect their propensity to interact with Islamic banks [3]. Additionally, found

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in their research that customers' intentions to choose Islamic banks are significantly influenced by attitudes, awareness, and reputation [4].

2.2.2 The Image of the bank

When choosing a bank, it's crucial to consider both the bank's characteristics and reputation. Customers' preferences for Islamic Banking in the UAE products and services are directly impacted by the bank's reputation [3]. A customer's intention to use an Islamic bank is greatly influenced by the corporate reputation of Islamic banks [4]. Clients' perceptions of Islamic banking in the UAE are influenced by image [3]. The image is yet another essential element in fostering loyalty to an Islamic bank [5]. Functional quality and emotional quality are the two primary elements that make up an image [6], where functional quality refers to observable, measurable aspects and emotional quality to the psychological elements that are expressed by a customer's attitude toward and experience with a business organisation.

2.2.3 Religiosity

A person's decisions, including the choice of bank products and services, are significantly influenced by their religious understanding. Claims that consumers' expectations of a bank's compliance with Islamic principles affect their decision to use Islamic banking [7]. A person's dedication to their beliefs and practises is referred to as religiosity in the context of marketing [8]. Influencing their behaviour toward a particular brand of goods and services is crucial (Ali et al., 2019). As more Muslims have access to financial products and services based on Islamic law, demand for Islamic banks is rising. It keeps them away from conventional banks with interest-based payment schemes [9]. In a prior study, the researcher discovered that customers' preferences for Islamic Banking products and services are not significantly influenced by their religious affiliation. This is due to the fact that the dimension of the religiosity correlation analysis is 0.341, which is greater than 0.05.

2.2.4 Service quality.

Because customers typically behave logically and the current free markets, particularly in the financial sector, force all market participants to compete on both sides, service quality is another crucial factor in luring customers to Islamic Banking. Service quality, contentment, customer involvement, and religiosity are the outcomes of several studies demonstrating how Islamic Banking service quality affects consumer preferences and trustworthiness [10]. For this study, a survey of 335 customers of Islamic banks in West Sumatra, Indonesia, was carried out. In this work, data were analysed using covariance-based structural equation modelling and purposeful sampling. As a result, service quality has a favourable effect on client preferences.

3. Methodology

The researcher successfully collected 384 responses from residents of Malaysia who are 15 until 65 years old and above who are using the products and services of Islamic banking. The questionnaire disseminates surveys using social media platforms such as WhatsApp, Instagram, Facebook and so on. The questionnaires have been distributed using non-probability sampling which is purposive sampling. To ensure the validity of the data obtained, we will ask respondents whether they have an Islamic bank account or not. They will only be allowed to answer the

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questionnaire if they are Islamic Banking users. In this research, the researchers use two scale to measure the variable which are nominal and interval scale.

According to Table 1, 63.6% of the respondents were female and among those, most of the respondents using the products and services of Islamic banking are 21 until 40 years old which is 81.2 percent. Majority of the them (95.1%) from Malay race. 96.6% of the respondents were Muslim. The questionnaires received 250 responses from students, or 65.1% of the total. Regarding the experience using the Islamic banking, most of them using the products and services Islamic banking between 1 until 5 years which is 52.3%.

Table 1: Demographic Profile of the Respondents

N=384	Frequency	Percentage (%)
Gender		
Male	140	36.5
Female	244	63.6
Age (years old)		
Below 20	42	10.9
21–30	262	68.2
31–40	50	13.0
40– 50	17	4.4
51 and above	13	3.4
Marital Status		
Single	278	72.4
Married	97	25.3
Divorced	9	2.3
Race		
Malay	365	95.1
Chinese	14	3.6
Indian	5	1.3
Religion		
Muslim	371	96.6
Non-Muslim	13	3.4
Occupation		
Student	250	65.1
Government	65	16.9
Private Sector	45	11.7
Others	24	6.3
Experience with Islamic Banking		
Less than 1 year	58	15.1
Between 1 year and 5 years	201	52.3
More than 5 years	125	32.6

3.2 Research Questionnaire Design

The researcher create questionnaire based on previous study. A Likert scale with five possible responses from "strongly disagree" to "strongly agree" was employed. There are six sections in the questionnaires. Section A in questionnaire is about demographic which are gender, age, marital status, race, religion, occupation and experience with Islamic banking. Independent variable which

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are attitude factor, the image of bank factor, religiosity factor and service quality factor are covered in Section B until Section E. In the last Section, researcher cover the dependent variable.

The advantages of using online surveys which is questionnaire are cut cost and less time-consuming. These methods are easier to access by respondents. Respondents can access the questionnaire with their own gadgets and they also have the right to make choices. This method is efficient to collect the data from respondents. In addition, it will make it easier for researchers to spread the questionnaire.

4. Results and Discussion

4.1 Reliability Analysis

Reliability is concerned with measuring and producing quantitative data, such as interval and ratio statistics [11]. We utilise Cronbach's Alpha, a standard measure of instrument reliability, to calculate the reliability coefficient, which analyses the consistency of the entire scale using this dependability instrument and is the most generally used metric. Cronbach's alpha is a reliability coefficient that measures how well one set of items or variables correlates with another. This reliability test ensures that consistent findings will occur without bias and is an indicator of measurement dependability and achieving consistent measurements over time.

Table 2: Reliability Test

Variables	Cronbach's Alpha	No of Items	Level of Reliability
Attitude Factor	0.938	7	Excellent
The Image of the Bank	0.940	6	Excellent
Religiosity Factor	0.941	6	Excellent
Service Quality Factor	0.733	7	Acceptable
Preference	0.602	6	Questionable

Table 2 shows the value of Cronbach's alpha obtained for the variables are above 0.60 which is ranged from 0.602 to 0.941. Therefore, this indicated that the measurements for all variables for the pilot test are reliable in this study.

4.2 Multiple Linear Regression

The study objective is to identify the attitude factor, the image of the bank factor, the religiosity factor, and the service quality factor that affects the preference of customers toward using the products and services of Islamic banking in Malaysia. This study used multiple linear regression to test the effects of using the product and service of Islamic banking and the findings are discussed below. Using the Multiple linear regression analysis approach aided by SPSS Statistic 26, to identify

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the factor that affects the preferences of customers toward using the products and services of Islamic banking. The findings are discussed below.

Table 3: Result of Multiple Linear Regression

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.003	.214		4.691	.000
Attitude	.273	.098	.254	2.795	.005
Image of the Bank	.002	.109	.002	.022	.982
Religiosity	.575	.083	.481	6.902	.000
Service Quality	-.050	.062	-.053	-.807	.420

a. Dependent Variable: Using the Product and Service of Islamic Banking

Table 3 shows that attitude significantly influences the using the product and services of Islamic banking in Malaysia. Previous studies have confirmed the preference of customers towards using the product and services of Islamic banking [12]. The result shows that the respondent in this study looks at the cost and benefit of using Islamic banks which influences their attitude toward using the product and services of Islamic banking.

The image of the bank did not significantly influence the using the product and services of Islamic banking in Malaysia. It is supported by [12], who found that the Image of the bank is not significantly determining the customers' preference towards Islamic banking. Even if customers are aware of the reputation of the bank and the bank's sustainability, they might still be hesitant to use the products and services of Islamic banking.

Religiosity significantly influences the using the product and services of Islamic banking. Previous studies have found that religiosity has a positive effect on attitudes toward Islamic banking products [13]. The result showed that the majority of the respondents in this study are mostly Muslim and highly educated. This could be explained that the customers are knowledgeable about religious prohibition. Therefore, the result implied that the attitude factor influenced using the product and services of Islamic banking.

Lastly, table 3 shows that service quality did not significantly influence the use of the product and services of Islamic banking in Malaysia. However, Previous studies have found that the service quality of Islamic banks is affecting customers' loyalty and trust [10]. This could be explained that the respondent in this study does not look at accessibility and serviceability in Islamic banking, used as factors for customer preference in using the product and services of Islamic banking because Islamic banking institutions in Malaysia have grown rapidly at the global level which causes the quality of services not to be one of the factors that cause increased demand in the using the products and services of Islamic banking in Malaysia. Therefore, the result showed that not indicate that service quality factors influenced using the product and services of Islamic banking.

5. Conclusion

The study exhibited the factors influencing the preferences of the customers toward the product and services of Islamic banking. This study uses a sample of customers using an Islamic bank. This study was measured by the multiple regression method using a Statistical Package for Social Sciences (SPSS) to achieve the study's objective. The study pointed to the significant effect of attitude and religiosity on the preference of customers to use the product and services of Islamic banking. This is because attitude and religiosity are the most important things for people's lives in determining something. Furthermore, people know the principle and rules in Islam and they also know the benefits of using products and services of Islamic banking. On the other, the study pointed to the insignificant effect of the image of the bank and service quality towards the preference of customers to deal with Islamic banking.

Therefore, future researchers should make an in-depth study of the influencing factors of customers' preferences for using the products and services of Islamic banking. This is because it is influenced by more than four independent factors. Group influence, information availability, financial stability, and integrity all have an effect to use an Islamic bank. It is critical to provide excellent customer service.

6. Limitations of the Study

The scale used in the research is one of the limitations. Because this study employs the Likert Scale to capture respondents' impressions, bias may arise from respondents' tendency to reply to questions regardless of their real substance. In other words, each responder will have their own views and opinions that will impact their replies to the inquiry. As a result, it will fail to capture the respondent's genuine mindset.

Besides that, respondents of this study are from users of Islamic Banking from various ages, statuses, occupations and how long they have been using Islamic banking services and products plus the questionnaire also opened for Muslim and non-muslim users. It shows, possibility of the response result being different is higher. For example, results of this study may be different due to the part of religion in the questionnaire since it was also answered by non-Muslim respondents. The differences may occur at the part of religion.

Finally, as students, our major restriction would be time, as we had other responsibilities for other classes at the same time. As a result, time for detailed research is restricted, but researchers strive to give full information on the study.

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**Factor Influencing Customer's Perception Towards Islamic
Banking and Finance (IBF) Among Islamic Banking and Finance
Program (SAB) Students in Universiti Malaysia Kelantan (UMK)**

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Abstract

The Islamic Banking and Financial System is one activity that complies with Shariah or the laws allowed in Islam. However, positive or negative perceptions, especially from customers, play an essential role in determining the establishment of Islamic banking and finance. Therefore, this study was conducted to examine the factors that influence customer's perceptions towards Islamic Banking and Finance (IBF) among Islamic Banking and Finance program (SAB) students in University Malaysia Kelantan (UMK). The study found that the factors influencing customer's perception of IBF are social, religiosity, perceived risk, and perceived image. The approach used for this study is based on a quantitative method consisting of a questionnaire given online through Google forms to the respondents. This study's results show a positive relationship between social influence (0.796, $p=0.000$), religiosity (0.694, $p=0.000$), perceived risk (0.716, $p=0.000$), and perceived image (0.716, $p=0.000$) with customer's perception towards IBF among SAB students in UMK. This study adds to the body of knowledge in Islamic banking while imparting organizational knowledge through its suggestions. With an increased understanding of the factors influencing customer perceptions of products provided by IBF institutions, banks can introduce and sell their products more effectively to customers and increase their market share. It implies that Islamic banking executives should take all necessary measures to adopt marketing strategies and other initiatives to ensure that all clients of Islamic banks have the greatest possible awareness, comprehension, and favorable perception of the products and services provided by Islamic banking.

Keywords: *Customer's Perception, Perceived Image, Perceived Risk, Religiosity, Social Influence*

1. Introduction

Customer perception refers to a process requiring customers to gather product information. This process will act continuously so customers can interpret and build their opinions on specific products and services. Therefore, everything done by an institution will affect the perception of customers. At the same time, Thiruvekatraj and Vetrivel (2017) describe how a customer chooses, arranges, and interprets information inputs to construct a meaningful impression of a brand or a product.

Islamic Banking and Finance (IBF) is an institution that offers facilities and services like conventional banking. However, this bank is more specific to Muslims and conducts its operations based on the principles set out with Islamic law and known as *Shariah* law. Although it complies with Islamic rulings, Islamic banks still take care and focus on customer satisfaction and comfort (Mariadas and Murthy, 2017). This is because it involves a high perception by customers that the quality of products and services must meet Islam's demands. Accepting Muslim and non-Muslim customers to the product and services offered has allowed the banking industry to grow and achieve maximum development when this banking can meet the country's economic needs, which requires more innovative and efficient *Shariah*-based financing services in various shapes.

BNM (2016) has guided deposits using the *wadi'ah yad dhamanah* contract converted to a *qard* contract. In a *qard* contract, the bank is the borrower, while the lender is a known entity to the client. At the bank's discretion, grants or gifts may also be granted to consumers. Next, Islamic banking financing uses various *Shariah* contracts such as *murabahah*, *ijarah*, and *istisna*. The financing of sale and purchase contracts that generate debt (*dayn*) has used Islamic concepts such as *bai' al-inah* and *tawarruq*. As a result, Islamic banking obtains debt through the sale and buying agreements, and the profit realized comes from the profit rate expressed as the selling price.

In addition, the customer's *al-mudharabah* (investment) contract makes the investor the joint operator if there is a profit, and the investor bears the loss if there is a loss. This contract corresponds to *fiqh*, which states that "every return comes with risk." In other words, an investment that does not entail the parties forming a partnership. In Islam, the set return implied at the beginning of the investment deal is the usury of illicit proceeds.

Islamic banks' open nature has made them an essential and useful asset to society. The Islamic banking system that serves as a bank for all groups has caused this industry to become increasingly known and in high demand in the market. Although it is based on *Shariah* principles and is specially designed to meet the needs of Islamic finance, it also offers products and services to non-Muslims. The sign that non-Muslim clients trust Islamic banking more than Muslim customers do indicates that non-Muslim customers are embracing and using Islamic banking stated by (Laily Nurhayati et al., 2021). For this reason, Islamic banking and financial institutions are known as international institutions.

An Islamic banking system based on *Shariah* compliance is one of the essential requirements to help Muslim consumers to get a good and safe product or service. Islamic banking has made many efforts to maintain its position as an institution capable of meeting customer demand and developing the Islamic economy. The advantages and strengths found in the operation of the Islamic banking system have influenced customers to choose and use the products and services offered by Islamic banking. Therefore, this paper aims to examine the factors influencing the customer's perception towards

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Islamic Banking and Finance (IBF) among Islamic Banking and Finance program (SAB) students in Universiti Malaysia Kelantan (UMK).

2 2. Literature Review

2.2 Underpinning Theory

In this research, the researchers used the Theory of Planned Behaviour (TPB) to explain the factors that influence customer's perception towards IBF among SAB students in UMK. TPB was developed by Theory Reasoned Action (TRA) in 1985 with the presence of a new component besides attitude, subjectivenorms, and intention, that is, perceived control.

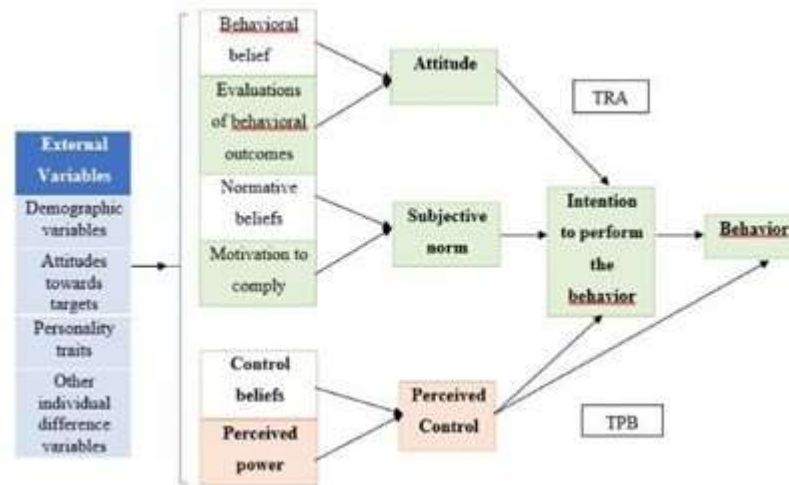


Figure 2.2: The Theory of Reasoned Actions and the Theory of Planned Behaviour

Perceived control describes how a person can control himself through perception. According to Munthe and Winario (2022), perception involves an individual's interpretation of the environment through his or her senses consisting of touch, sight, smell, hearing, and taste. Each interpretation differs according to a particular individual despite looking at the same thing. TPB is essential in looking at consumer behaviour towards Islamic banking products. The assessment of each customer is different, resulting in the need to understand the perception of each of them. Customer perceptions can influence the propensity to use the products and services offered by IBF. Allini et al. (2017) stated that perceived behavioural control is associated with perceptions of situational competence because it represents the perceived feasibility of performing a behaviour.

2.3 Dependent Variable

2.3.1 Customer's Perception towards IBF

According to Asy'ari (2021), perception is "the process initiated by the consumers' exposure and attention to stimuli and purpose marketing with consumer interpretation". Customers' perception analysis helps financial institutions to provide excellent products and services to appease their needs (Qaisar Ali., 2018). Islamic banks are banking systems that use Shariah-compliant as a guideline in their business transactions and provide customer financial services free of prohibited elements like interest (*riba*), uncertainty (*gharar*), and gambling (*maysir*). Islamic banks are less popular among Malaysians, Muslims, and non-Muslims than conventional banks. IBF must ensure that every product and service offered can influence the perception of customers in Malaysia who consist of various races and religions. Qaisar Ali (2018) has proposed that customer perception of service quality is influenced by comparing expectations (what they believe the service provider should offer) and service performance. Customers are satisfied when the perceived performance meets or surpasses their service expectations.

2.4 Independent variables

2.4.1 Social Influence

The social influence could be a fact of daily life. (Robert, 2015). Social influence also can be defined as interpersonal processes that change people's feelings, thoughts, or behaviours. Research by Robert (2015) says that social influence entails both intentional and unintentional attempts to trade the beliefs, attitudes, or behaviours of others. Subjective norms consider an individual's means to another individual's ideas of a particular behaviour. In other words, an individual's perception of the attitudes of others. Studies associated with using Islamic banking products often verify the role of a subjective norm or social influence (Nelson et al., 2017). Customer perception is often determined by their level of enjoyment with products or services, and customer satisfaction is sometimes described in terms of service quality and repair features provided (Mustika et al., 2020). Also, in the study by Mustika et al. (2020), prior research on Islamic banking products has mostly targeted corporate customers. The authors Majid (2017) find that, although the events within the USA created false impressions and misconceptions about Muslims, they significantly contributed to growth in and awareness of Islamic finance. Majid (2017) researched the attitude, knowledge, and perception towards Islamic banking from a personal customer, firm, and establishment view.

H1: There is a positive relationship between social influence and customer's perception towards IBF among SAB students in UMK.

2.4.2 Religiosity

According to Junaidi et al. (2021) state that religion refers to an individual's commitment to the beliefs and practices practiced. It shows that when an individual strongly believes in religion, their behaviour regarding specific products and services can be influenced. This study is supported by Janah et al. (2020), who believe that religion significantly influences customers' decisions to use Islamic banking. Meanwhile, Khurseed et al. (2021) stated that Shariah compliance influences customer perception of Islamic banking and finance. The level of consumer awareness of products and services in Islam can also influence the choice of Islamic banking (EIMassah et al., 2021).

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Customer perception is significant, especially customer perception of religion because it includes customers' awareness, impressions, and opinions about a product and services of an organization (Jibril et al., 2021). Practicing something good and halal can influence customer perceptions while Islamic banking functions based on Shariah which is the customer's choice because of its profitability, resilience, risk sharing, fairness, and ethical reasons (E-Massah and Abou-El-Sood, 2021). A recent study by Bashir et al. (2021) discovered that many consumers favor Islamic banking because it is a legitimate financial transaction in terms of Islam. This shows consumers choose and support Islamic banking because they believe in religion.

H2: There is a positive relationship between religiosity and customer's perception towards IBF among SAB students in UMK.

2.4.3 Perceived Risk

Risk is described as uncertainty about how a given behaviour may affect what people value, with a concentration on adverse or unfavorable outcomes. Customers try to reduce risk by minimizing their use of Islamic banking services. Charag et al. (2019) state risk is unavoidable in any commercial transaction. Nonetheless, risk perception rises when uncertainty is high or bad outcomes are expected. Another study by Charag et al. (2019) found that perceived risk influences customer behaviour intentions. As a result, customers' perception of the uncertainty of outcomes associated with their decision to utilize Islamic banking will impact their attitude and willingness to use it. Kaabachi et al. (2016) asserted that the uncertainty regarding Islamic banking services is associated in part with their newness and fundamental nature. In the context of Islamic banks, customers' perception of risk plays a significant role in their trade and investment decisions toward adopting Islamic banks' products and services (Albashir et al., 2017).

H3: There is a positive relationship between perceived risk and customer's perception towards IBF among SAB students in UMK.

2.4.4 Perceived Image

Saleh et al. (2017) state that corporate image is a perception customers store in their memory. In contrast, two studies on Islamic banking define the image as the company's physical nature and behaviour resulting from the perceptions of all customers (Suhartanto, 2019). Image is an essential intermediary between each bank and its customers. Building the trust and confidence of customers in doing business together comes from the image of an institution, and it is essential (Dawami, 2020). Charag et al. (2019) argue that the extent to which consumers perceive the use of a product or service can enhance image or status in social groups, known as perceived image. Bhatti et al. (2017) concluded that the perceived image by consumers could be helpful during the execution of financial transactions, reduce risk, and increase the intention to purchase the product. According to Ahmed (2019), a positive brand image can generate relationships that will help consumer retention. Images are a practical way to portray the corporate image in a business (Shabbir et al. 2018).

H4: There is a positive relationship between perceived image and customer's perception towards IBF among SAB students in UMK.

2.5 Conceptual Framework

Table 2.5 shows the conceptual framework for the study conducted, namely the factors influencing customer's perception towards IBF among SAB students in UMK. This study aims to determine whether independent variables (social influence, religiosity, perceived risk, and perceived image) can influence the dependent variable (customer's perception towards IBF). The resulting conceptual framework is below:

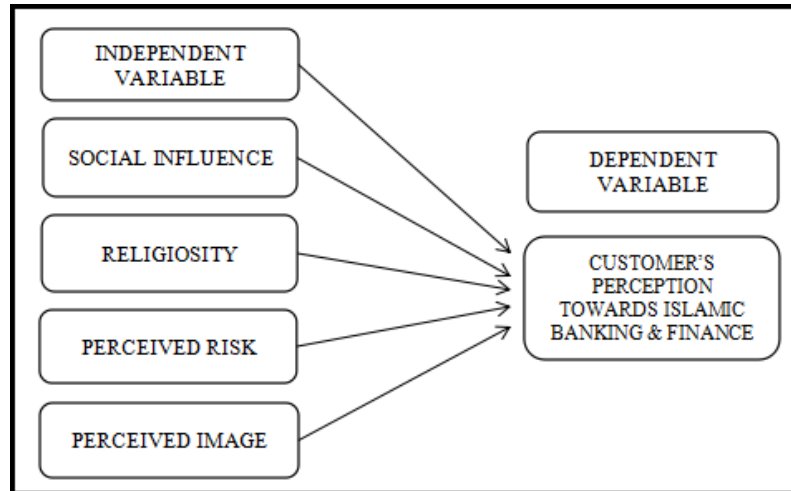


Figure 2.5: The Conceptual Framework for Factors Influencing Customer's Perception towards IBF among SAB Students in UMK.

3. Methodology

3.1 Research Design

1.

The research was conducted to study the component that influences consumer's perception towards IBF among SAB students in UMK. Hence, quantitative research is an appropriate and suitable research strategy. The researchers also used experimental research and numerical data from statistical tests to perform quantitative procedures. Moreover, quantitative research is one of the methods that can confirm hypotheses and test theories, and the data obtained can be calculated and compared.

3.2 Data Collection Method

To ensure the usefulness and accuracy of this study, data obtained from primary sources via survey questionnaires will be the significant source. As a result, this study's questionnaire is a self-administered questionnaire. This survey was distributed to respondents, who were SAB students from UMK, via an online Google form generated using social media platforms.

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3.3 Sampling Design

3.3.1 Study Population

The target population of this research is focused on SAB students in UMK. According to data obtained from the Majelis Perwakilan Pelajar (MPP) UMK of the Academic division, the number of students from the SAB program is 801 people, consisting of Year 1 to Year 4 students, in Semester 2021/2022.

3.3.2 Sampling Size

The sample for this study is SAB students. According to data obtained from the MPP UMK of the academic division, the total number of students is 801 students. The overall sample of 260 respondents, according to Krejcie and Morgan (1970), will be sufficient to represent the survey accurately. Because sampling influences the data's accuracy, the sample size is carefully chosen. Thus, the complete survey for this research will be from 260 respondents.

3.3.3 Sampling Technique

The researcher employed convenience sampling from a non-probability sampling strategy based on the quantitative analysis study. This is because this sampling method involves respondents who find it easy to answer the survey that the researchers will distribute. Furthermore, obtaining such respondents does not require any pattern, causing the researcher to use this method.

3.4 Research Instrument Development

Questionnaires will be used in collecting quantitative data. A questionnaire in the form of close-ended questions consists of multiple-choice and scaled questions, which will be distributed through a Google form. This study has three sections (Sections A, B, and C). Section A covers the respondents' demographic profile, which includes age, gender, nationality, race, student year, and type of bank used. Researchers used multiple-choice questions for this section. The dependent variable is discussed in Section B, customer's perceptions towards IBF. Section C is independent variables: social influence, perceived risk, religiosity, and perceived image. As for the variables section, researchers used a 5-point Likert scale.

3.5 Procedure for Data Collection and Analysis

The analysis process includes data collection based on its features, cleaning data, changing data, and modeling data to obtain important information from the data. Data has been obtained in a form others can easily understand, especially in descriptive, graphic, and plot forms. Collecting data was conducted through a questionnaire distributed to 260 SAB students in UMK on factors that influence customer's perceptions of IBF for the data analysis process to be implemented. Researchers will then analyze and insert data into the Social Sciences Statistical Package (SPSS) version 26 for more quality and accurate data. This is because SPSS is an effective statistical tool and is widely used among researchers worldwide. This research will use various studies, including descriptive analysis, pilot tests, and reliability obtained from using SPSS. Descriptive studies are critical in this research to identify respondents' demographics, such as mean, median, and mode. Subsequently,

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comparative and correlation tests are conducted using parametric and non-parametric statistical procedures. To compare the relationship between independent and dependent variables, correlation analysis of whether Spearman and Pearson will be used in this research study.

4. Finding and Discussion

4.1 Demographic Profile of Respondents

Table 4.1: Demographic Profile of Respondents

Items	Frequency (Respondent)	Percentage (%)
Age		
20 years old and below	58	22.3
21 years old	45	17.3
22 years old	57	21.9
23 years old	67	25.8
24 years old	15	5.8
25 years old and above	18	6.9
Total of Age	260	100
Gender		
Male	64	24.6
Female	196	75.4
Total of Gender	260	100
Nationality		
Malaysian	259	99.6
Non-Malaysian	1	0.4
Total of Nationality	260	100
Race		
Malay	253	97.3
Chinese	1	0.4
Indian	1	0.4
Others	5	1.9
Total of Race	260	100
Student year		
Year 1	70	26.9
Year 2	43	16.5
Year 3	48	18.5
Year 4	99	38.1
Total of Student Year	260	100

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Type of Bank Used		
Islamic Bank	164	63.1
Conventional Bank	8	3.1
Islamic Bank and Conventional Bank	88	22.8
Total of Type of Bank Used	260	100

Table 4.1 shows the respondents' demographic profile, age, gender, nationality, race, student year, and type of bank used. The frequency and percentage of respondents' profiles were out of 260 respondents responding to this questionnaire. Of the total respondents of age 20 years old and below, 58 respondents (22.3%), the age of 21 years old were 45 respondents (17.3%), 57 respondents (21.9%) were aged 22 years old, and 67 respondents (25.8%) were aged 23 years old, 15 respondents (5.8%) were aged 24 years old, and 18 respondents (18%) were aged 25 years old and above. The total gender of females was 196 respondents (75.4). Meanwhile, the number of males was 64 respondents (24.6%). For nationality, 259 respondents (99.6%) were Malaysian, while only 1 respondent (0.4%) was non-Malaysian. It showed that 253 respondents (97.3%) are Malay. For Chinese and Indian only 1 respondent (0.4%), 5 respondents (1.9%) are others. Then, the total number of students for year 1 is 70 respondents (26.9%), 43 respondents (16.5%) are year 2, 48 respondents (18.5%) are year 3 and 99 respondents (38.1%) are year 4. According to the type of bank used, 164 respondents (63.1%) are Islamic banks, 8 respondents (3.1%) are conventional banks. For Islamic and conventional banks, there are 88 respondents (33.8%).

4.2 Reliability Analysis

Table 4.2: Results for Reliability Analysis of The Items

Item Description	Number of Item	Cronbach's Alpha
Customers Perception towards IBF	8	0.918
Social Influence	8	0.932
Religiosity	8	0.951
Perceived Risk	8	0.941
Perceived Image	8	0.964

Table 4.2 displays the Cronbach's Alpha reliability test findings for each dependent and independent variable. The Cronbach's Alpha value for the dependent variable, which is the customer's perception towards IBF, is 0.918, shows that it meets the criteria of excellent consistency. The first value for an independent variable, social influence, with 0.932, shows that it meets the criteria of excellent consistency. The independent variables, religiosity, perceived risk, and perceived image, have Cronbach's Alpha values of 0.951, 0.941, and 0.964, respectively, and meet the criteria for excellent consistency. Therefore, the researchers found that the questionnaire results for the items are reliable and acceptable.

4.3 Normality Test

Table 4.3: Normality Test

	Test of Normality		
	Kolmogorov-Smirnov		
	Statistic	df	Sig.
Customer's perception towards IBF	0.129	260	0.000
Social influence	0.153	260	0.000
Religiosity	0.213	260	0.000
Perceived risk	0.147	260	0.000
Perceived image	0.184	260	0.000

Table 4.3 shows the table of normality tests. This is to determine whether or not the research data has a normal distribution. The researcher concentrated on the Kolmogorov-Smirnov approaches, looking at the significant value (p) to ensure this hypothesis was normal. If the p-value is more than 0.05 ($p > 0.05$) or less than 0.05 ($p < 0.05$), a significant value is indicated. The table of Kolmogorov-Smirnov above demonstrates that the p-value of the four hypotheses with 0.05 or less is insignificant based on the normality test. As a result of the hypothesized p-value of $p = 0.000$ ($p < 0.05$), hypotheses cease to be normal. As a result, the data acquired can be categorized as non-normality data, and the researcher tests their hypothesis using Spearman's test method.

4.4 Spearman Correlation

The researchers employed Spearman's correlation to analyze the relationship between dependent and independent variables in this study. This test aims to determine whether the correlation coefficient is statistically significant and to identify which hypothesis should be accepted and rejected.

Table 4.4: Summary for Spearman's Correlation Coefficient Analysis

Hypothesis Testing	Sig. (1-tailed)	Correlation	Alternative Hypothesis
There is a positive relationship between social influence and customers' perception towards IBF among SAB students in UMK.	0.000	0.796	Accepted
There is a positive relationship between religiosity and customers' perception towards IBF among SAB students in UMK.	0.000	0.694	Accepted

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There is a positive relationship between perceived risk and customers' perception towards IBF among SAB students in UMK.	0.000	0.716	Accepted
There is a positive relationship between perceived image and customers' perception towards IBF among SAB students in UMK.	0.000	0.677	Accepted

Table 4.4 above shows that the independent and dependent variables have a positive relationship. Both social influence and perceived risk have a highly positive relationship with customers' perception of IBF. Meanwhile, religiosity and perceived image have a moderate positive relationship with customers' perception of IBF. It can be concluded that all the independent variables, which are social influence, perceived risk, and perceived image, have a significant relationship with factors influencing customers' perception towards IBF among Islamic Banking and Finance (SAB) students. Thus, all the hypothesis testing is accepted.

4.5 Discussion

H1: There is a positive relationship between social influence and customer's perception towards IBF among SAB students in UMK. Table 4.4 in chapter 4 indicates that the alpha coefficient of social influence with customers' perception towards IBF is $r=0.796$, resulting in a positive connection and excellent stability according to the Cronbach alpha study (Taber, 2018). Bashir (2019) explained that social influence could shape the viewpoint of individuals or customers to Islamic banking.

H2: There is a positive relationship between religiosity and customer's perception towards IBF among SAB students in UMK. Table 4.4 in chapter 4 indicates that the alpha coefficient of religiosity with customers' perception towards IBF is $r= 0.694$, which has a positive connection and is quite reasonable according to the Cronbach alpha study (Taber, 2018). Previous studies using Islamic banking support this finding; religion affects customers because it is the most essential belief (Kaakeh et al., 2018).

H3: There is a positive relationship between perceived risk and customer's perception towards IBF among SAB students in UMK. The study by Charag et al. (2019) explained that perceived risk could affect customers' behavioural intentions in Islamic banking. In table 4.4 in chapter 4, the researchers summarize that the alpha coefficient for perceived risk and customers' perception towards IBF is $r = 0.716$, which has a positive connection and excellent stability according to the Cronbach alpha study (Taber, 2018).

H4: There is a positive relationship between perceived image between customer's perception towards IBF among SAB students in UMK. Table 4.4 shows that the alpha coefficient for perceived image and customers' perception towards IBF is $r= 0.677$, which has a positive connection and is quite reasonable according to the Cronbach alpha study (Taber, 2018). This the finding can support previous research where the perceived image is one of the valuable ways to describe an image in business (Shabbir et al., 2018).

5 Conclusion

To conclude, the research was conducted to determine factors influencing customer's perception towards IBF among students from the SAB program in UMK. To obtain this data, an online survey (Google Form) was distributed, and 260 respondents (SAB students) were involved in this research. Next, we, as the researchers, analyzed data using IBM SPSS Statistic version 26. We conducted the preliminary analysis, descriptive analysis, validity and reliability test, normality test, and hypothesis testing using the data system. The outcome of the reliability test found that values for each question distributed were excellent and acceptable for the variables used. Although the normality test shows that the distributed data are not normal, the hypothesis found that IV (social influence, religiosity, perceived risk, and perceived image) has a positive relationship and can influence DV, that is, customer's perception towards IBF among SAB students in UMK. So, all four hypotheses were accepted.

Next, the research is important to stakeholders of IBF, getting to know more further to make improvements on the system and governance to become better. The implication of this research can provide more detailed knowledge and information of the student, as the user of IBF, regarding its perception and knowledge about the IBF. Also, the implication is more for future researchers as they can use this research for guidance and reference to help their research.

As we conducted our research, we found limitations that occurred throughout this research. Among them are need for more data collection as the researchers only use online surveys as a data collection method. Next, this study's scope cover needed to be bigger, and researchers found it difficult to focus on the information received. Furthermore, this study needs to be narrower, and specific studies focus only on a small population at one university. Moreover, the researcher's constraint is in terms of the respondents themselves due to the respondents involving many SAB students from Year 4 compared to other years. Finally, the demographic variables in this study are limited to six variables; hence the researcher can include more demographics to broaden the study.

As for the recommendation study that will continue in the future, the researchers suggest that this project get help from relevant experts and organizations to obtain better quality research results. The researcher also suggested obtaining more data other than from Malay students to see the diversity of the study results.

Although there are areas for improvement in this study, such as this study needs to examine in more depth the services and products produced by IBF itself, the future researcher will be able to examine better is the hope from the researcher. A clear picture of the stakeholders can be provided for the IBF industry to manage this industry more efficiently and effectively. It can be an information source for new researchers to conduct thorough research on IBF.

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