

**FACTORS THAT INFLUENCE CONSUMER TO CHOOSE ISLAMIC  
HOUSE FINANCING IN HONG LEONG BANK BERHAD**

**A thesis submitted to the College of Business  
in partial fulfilment of the requirements for the degree  
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## ABSTRACT

Islamic House financing has been introduced and implemented in Hong Leong Bank Berhad since 1999. However, we do not know how far justification level of consumer acceptance and perception of this Islamic product. This study deals with several factors namely level of perceived awareness, understanding and perception towards consumer purchase decision on Islamic house financing product in Hong Leong Bank Berhad. To see how far that Islamic house financing product can be fully accepted by consumer in Hong Leong Bank, quantitative method has been used in this research. 200 questionnaires have been distributed to the respondent in Hong Leong Bank however the researcher only received 100 questionnaire answers from the respondent fully intact. Researcher found that these three factors namely level of perceived awareness, understanding and perception has strong relationship that influenced consumer towards customer purchaser decision on Islamic house financing in Hong Leong Bank.

In order to achieve this research objective, researcher used F-Test (whole analysis), T-Test (partial analysis) and Pearson Correlation. Through F-Test, it can be identified that factors of level perceived awareness, understanding and perception has a positive significant that influenced consumer to choose Islamic house financing product in Hong Leong Bank Berhad. Through T-Test, factors of independent variables that influenced customer purchase decision can be identified and measured. Pearson Correlation is used to identify positive significant relationship between independent variables and dependent variable.

From this research, Hong Leong Bank can identify what are the factors that influenced customer to choose Islamic house financing. Based on data analysis received from the respondents who used Islamic house financing, it can be identified that overall factors of

level perceived awareness, understanding and perception gives positive significant influence to consumer's decision to choose Islamic house financing in Hong Leong Bank.

## ABSTRAK

Pembentangan perumahan secara Islam telah mula diperkenalkan di Hong Leong Bank Berhad semenjak 1999. Namun sejauhmanakah tahap penerimaan dan persepsi pelanggan terhadap produk ini. Kajian ini mengupas beberapa faktor iaitu tahap kepekaan, pemahaman dan persepsi pelanggan dalam mempengaruhi keputusan pelanggan terhadap produk pembiayaan perumahan secara Islam di Hong Leong Bank Berhad. Untuk melihat sejauh mana produk pembiayaan perumahan secara Islam ini dapat diterima oleh pelanggan Hong Leong Bank Berhad, kaedah kuantitatif telah digunakan dalam kajian ini. Sebanyak 200 borang soal selidik telah diedarkan kepada pelanggan HLB tetapi penyelidik hanya mendapat 100 sahaja borang kaji selidik yang dikembalikan secara sempurna. Dapatan kajian ini mendapati ketiga-tiga faktor iaitu kepekaan, pemahaman dan persepsi mempunyai perhubungan yang baik dan saling mempengaruhi dengan keputusan pelanggan memilih sistem pembiayaan perumahan secara Islam di HLB. Bagi mencapai objektif kajian, Penyelidik menggunakan F-Test(keseluruhan analisis), T-Test (sebahagian analisis) dan sebahagian lagi menggunakan Korelasi Pearson. Melalui F-Test, didapati bahawa faktor-faktor kepekaan, pemahaman dan persepsi mempunyai signifikannya mempengaruhi keputusan pelanggan memilih sistem perumahan secara Islam. Melalui T-Test, pengaruh terhadap setiap pemboleh ubah terhadap keputusan pelanggan dapat dikenalpasti dan diukur. Manakala Korelasi Pearson mengenalpasti pengaruh signifikasi perhubungan yang positif diantara pemboleh ubah dengan keputusan pelanggan.

Dapatan juga dapat menjelaskan kepada pihak Hong Leong Bank Berhad faktor-faktor yang mempengaruhi keputusan pelanggan memilih sistem pembiayaan perumahan secara Islam. Berdasarkan analisis data yang diperolehi dari responden-responden yang menggunakan

sistem perumahan secara Islam, didapati bahawa keseluruhan faktor-faktor kepekaan, pemahaman dan persepsi secara positif dan signifikannya mempengaruhi keputusan pelanggan.

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## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1. Introduction**

This chapter presents the background of the study, problem statement, previous research, research objective, scope of study, justification of research and significant and contribution of the study.

#### **1.2. Background of the study**

Home financing is a Shari'ah-based financing facility to finance the purchase of all types of residential properties including bungalow, semi-detached houses, double storey houses, terrace houses, flats, apartments and condominiums.  
([www.hongleong.com.my](http://www.hongleong.com.my))

Looking back at why lending with interest is not allowed for Muslim, Islamic Banking (IB) products especially Islamic home financing in Malaysia are mostly structured on buy and sell basis. Thus most of Islamic home financing involve purchase and subsequent sale of asset at certain fixed price. As we all know that Islamic home financing did not involve usury which means there are no interest charges in paying back the house financing at the end of the maturity period. We only have to pay back the price that has been agreed upon agreement by both parties

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