

**A STUDY ON DETERMINANTS OF CUSTOMER'S INTENTION TO USE i-ASLAH**

**By**

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## ABSTRAK

Tujuan kajian ini adalah untuk mengkaji faktor-faktor yang boleh mempengaruhi niat pelanggan untuk menggunakan i-Aslah, di Bank Rakyat Pasir Mas. Selain itu, ia juga bertujuan untuk mengenal pasti apakah faktor yang paling mempengaruhi pelanggan untuk menggunakan pembiayaan peribadi i-Aslah. Beberapa faktor iaitu kadar faedah, pengaruh sosial dan imej korporat telah dikenalpasti sebagai faktor yang berpotensi untuk mempengaruhi pelanggan menggunakan i-Aslah. Sampel terdiri daripada 100 orang pelanggan Bank Rakyat di Pasir Mas dan data yang diperolehi adalah melalui kajian soal selidik. Penyelidik telah berjaya mendapatkan kesemua maklum balas. Data yang diperolehi telah diuji pada kekerapan, analisis kebolehpercayaan, korelasi dan analisis regresi. Kajian mendapati bahawa ketiga-tiga faktor iaitu kadar faedah, pengaruh sosial dan imej korporat adalah saling berkait. Faktor yang paling mempengaruhi pelanggan untuk menggunakan i-Aslah adalah imej korporat. Batasan kajian ini adalah fokus yang sempit terhadap pelanggan iaitu hanya dari satu cawangan. Walaubagaimanapun, hasil kajian ini memberikan cadangan yang boleh membantu pihak pengurusan Bank Rakyat untuk meningkatkan imej dan reputasi mereka. Bank-bank perlu memberi tumpuan kepada kualiti perkhidmatan yang mereka berikan kepada pelanggan untuk mengekalkan pelanggan sedia ada dan untuk menarik pelanggan baru.

**Katakunci:** pembiayaan peribadi, niat pelanggan, kadar faedah, pengaruh sosial, imej korporat.

## **ABSTRACT**

The aim of this study was to examine the factors that can influence customers' intention to use i-Aslah, in case of Bank Rakyat, Pasir Mas. Besides, it was also conducted to identify what is the most preferred factor that influences customers' intention to use i-Aslah personal financing at Bank Rakyat Pasir Mas. A number of variables which are interest rate, social influence and corporate image have been examined as potential factors influencing customer's intention to use i-Aslah. The sample comprised of 100 customers of Bank Rakyat Pasir Mas and the data were obtained through a questionnaire. The researcher manages to get 100% response rate. The data collected was then tested on its frequency, reliability analysis, correlation and regression analysis. The study found that all the three variables interest rate, social influence and corporate image to be significant. The most important factor in influencing the intention to use i-Aslah is social influence. The limitation of the study is the narrow focus of the survey on the customers from only 1 branch. Despite of the limitations, the findings of this study provide recommendations which can help the management of Bank Rakyat to improve their image and reputation. The bank needs to focus on the quality of the services they are rendering to clients in order to retain their current customers and to attract new customers.

**Keywords:** personal financing, customer intention, interest rate, social influence, corporate image.

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# **CHAPTER 1**

## **INTRODUCTION**

### **1.0 Introduction**

According to Investopedia.com (retrieved, 2014) islamic banking is a banking system that is based on the *Shariah*, ideology of Islamic law and steered by Islamic economics. Furthermore, the collection and payment of interest, sharing of profit and loss, collecting interest is not acceptable under Islamic law.

Islamic financial sector introduces Islamic banking as a component to generate the growth of economic, beside Islamic capital market, takaful (Islamic insurance) and mutual fund. The earliest Islamic bank in Malaysia was in 1983. In 1993, some of the financial organizations started to use the Islamic Banking Scheme (IBS banks) to propose Islamic banking products and services. The funds and activities transactions that come from the Islamic banking have been separated from the conventional banking by IBS banks (Sudin Haron, 1999).

### **1.1 Background of the Study**

Shariah Committees has been established by all Islamic and IBS banks. Its function is to lead them to Shariah matters and to check what is in line with Shariah. This is to guarantee the standardization in views and practices. The members of the Shariah Committees and the Shariah Advisory Council are academicians and Shariah experts in Islamic banking and finance (Sudin Haron, 1999).

The emergence of Islamic banking had eliminated the roles of *riba*, (*usury* or interest), *maisir* (gambling) and *gharar* (uncertainty) which were employed by traditional banking system. On the other hand, Islamic banks can generate on *halal* activities, promoting profit loss sharing, quest for justice, ethical and sanctify contract (Mohd. Bakir Mansor, 2008).

In the modern world, Islamic Banking can promote the relevance of Islamic values, rule and way of life to the other banking and related commerce affairs. It is also to encourage investment companies to be engaged in such business activities that are acceptable and lead by *Shariah*. This can avoid the Islamic societies and communities from doing the activities that are forbidden in Islam. Hence the Islamic bank is expected to run according to shariah principles, mobilize and utilize the financial resources for the sake of Muslims (Sudin Haron, 1999).

Bank activities can be divided into two types which are traditional and non-traditional. Banking traditional refers to activities that based on offering loans and accepting deposits (Moshirian, F. & Van der Lean, 1998). Banking non-traditional refers to activities that offer fee producing starting from underwriting activities up to the cash management, trading income and custodial services (Shahida, Abdul Ghafar Ismail & Sanep, 2005).

Personal financing facility was introduced to assist individuals in dealing with financial needs such as make advance payments car or home, paying the costs of home renovations and other financial needs. In the case of loans financing, there is an increasing trend shown by Islamic banks compared to conventional banks where RM416 billion was given by conventional system while RM21 billion was extended

by Islamic banking system (Norafifah Ahmad &Sudin Haron, 2000). Islamic banks handout improved from 5% to 11.2%.

### **1.1.1 Company Background**

In September 1954 Bank Kerjasama Rakyat Malaysia Bhd was operated under the Cooperative Ordinance 1948. In order to help the development of the cooperative movement, the cooperative bank has built their own associations to provide financial services to the affiliates. Later on, 11 of the bank associations decided to unite and set up the Apex Bank (Apex Bank). The name then was amended to Bank Kerjasama Rakyat Malaysia Berhad or now is recognized by people as Bank Rakyat on 6 January 1973 (Bank Rakyat Online, retrieved on 13th September 2013). In 1989, it has been classified under the Ministry of Finance and Ministry of Land and Co-operative Development (Bank Rakyat Online, retrieved on 13th September 2013).

The bank is allowed to operate in Sabah and Sarawak after The Cooperative Act was reviewed again in 1993. Starting from 8 May 1993, it becomes a syariah co-operative bank where islamic banking products have been introduced at several divisions. According to Radziah (2002), Bank Rakyat has become the third bank in Malaysia to propose a total Islamic banking products and officially, on 15 February 2002, Bank Rakyat and another several companies were placed under the management of Central Bank of Malaysia.

On 27 March 2004, it was controlled by the Ministry of Entrepreneur and Cooperative Development. Later on, Bank Rakyat has been placed under the Ministry of Finance then later under the Ministry of Domestic Trade, Co-operatives and Consumerism after the cabinet has been restructured. To date, Bank Rakyat has 136 branches, which

operates as an Islamic cooperative bank and offer variety of Islamic banking facilities to its customers (Radziah, 2012).

Bank Kerjasama Rakyat (M) Bhd. in Pasir Mas started its operation on September 2001. It is now located at Eastern Region, at PT315 & 316, Wisma Majlis Daerah Pasir Mas, Jalan Pasir Pekan, 17000 Pasir Mas, Kelantan. The Pasir Mas branch manager is Mr Shapidi. Besides offering personal loan product, Pasir Mas branch also provides Ar-Rahnu, Western Union, Saving, Fixed Deposit and also Utilities Bill Payment.

Their vision is 'Bank Rakyat Your Choice Bank' with the mission is to help improve the economic of their customers by providing financing facilities such as transportation, housing, production, business activities, agriculture and marketing at an affordable rate. Its objective is to charge a reasonable profit rate that is not burden and pay dividend in a satisfactory profit to its members. The main function of Bank Rakyat is to accepts deposits, provide financing and good dividend returns to its customers. Effective marketing efforts has become one of their marketing strategy in order to widen and penetrate the market (Bank Rakyat Online, retrieved on 13th September 2013).

As a matter of fact, the Islamic Banking is applicable to all citizen, without judging their races and religions. To this extent, Islamic banking will grow and develop the country's economy. An expeditious expansion of clients' demands. Bank Rakyat has initiated numerous products to manage with the clients' demand. They have several types of savings account.

An interesting fact about Personal Financing *i-Aslah* is, it is a rebranding product of *Aslah* Personal Financing-I (Ministry of Education) that was launched in 2007, which was generally known as *Mudarris* Personal Loan. Now, *i-Aslah* is provided exclusively for government workers as the goal. Presently, there are a great deal of personal financing since the world is leaped by a high Islamic banking development. This is because personal financing are the solution to all kinds of financial needs and make a right approach to choose secure, suitable and satisfy loan are important to customer. The need is only of going through some of these financing plans and understand the terms and conditions thereupon for secured personal financing. Figure 1.1 and 1.2 below shows the profit rate and package offerd by Bank Rakyat (Bank Rakyat Online, retrieved on 13th September 2013).

Table 1.1  
*Profit Rate*

YEARS		FLOATING RATE		FIXED RATE	
		WITH TAKAFUL	WITHOUT TAKAFUL	WITH TAKAFUL	WITHOUT TAKAFUL
Until 3 Years	Fixed rate	2.46% - 2.37%	2.51% - 2.42%	3.3%	3.35%
	Effective rate	KAP - 2.1%	KAP - 2%	-	-
Above 3 to 10 years	Fixed rate	3.20% - 3.35%	4.05% - 4.31%	3.85%	4.20%
	Effective rate	KAP - 0.60%	KAP + 1.00%	-	-
Current KAP		6.60%			
Ceiling rate		KAP + 4%	KAP + 4%		

*Source:* Bank Rakyat Online, retrieved on 13th September 2013

Table 1.2  
*I-Aslah Package*



## PACKAGE

ASLAH MEGA	ASLAH PLUS	ASLAH PRIMA
<ul style="list-style-type: none"><li>• offers rates as low as 2.42%</li><li>• Excluded from Protection Takaful (DTT)</li><li>• Required to take Takaful (DTT)</li></ul>	<ul style="list-style-type: none"><li>• offer more attractive rates and save for the long-term financing</li><li>• Required to take Takaful (DTT)</li></ul>	<ul style="list-style-type: none"><li>• If you are government employees and plans to explain the financing of the Bank or other Financial Institutions and need fast cash up to RM200, 000.</li><li>• Personal Financing i-Aslah PRIMA is the most appropriate choice</li><li>• Government Employees Only Recurrent funding (overlap) personal finance facilities in other financial institutions</li><li>• Required to take the Takaful (DTT)</li></ul>

Source: Bank Rakyat Online, retrieved on 13th September 2013

To obtain this financing, the customer needs to go through an approval process. It takes to seat down with a lender representative and discusses the customers the customer's financial situation. After that, the lender representative will make recommendation to the customer. When customer agrees on the amount and structure, the customer completes the application and the customer provides pay slip of income. An application process will end with the customer's approval and customers have make an asset and purchase agreement known as 'aqad' to complete the personal financing. The concept for this financing is *shariah* concept (*Tawarruq*).

### 1.2 Problem Statement

In 2008, due to the world economic crisis, Malaysia economic has turned into recession and it effect banking sector where a high level of NPLs in a banking

system poses a systematic risk and causing some pressure on local bank (Malaysian Business, 2009).

Starting July 2013, Bank Negara Malaysia (BNM) rolls out new measures which include shortening the maximum tenure of personal loans to 10 years and property to 35 years, prudent stance of debt service ratio on clients' credit assessments as well as prohibit the offering of pre-approved of personal financing products. Before this, the repayment period is up to 15 years and Congress of Unions of Employees in the Public and Civil Services (Cuepacs) has pleaded for the appeal to the Government to review it back. In response to this, Governor Tan Sri Zeti Akhtar (2013) mentioned that 10 years is considered the highest in the world for a personal loan because in other countries, it takes just about 6 years to repay back loan.

According to Kaynak et al. (1992) and Hull (2002), the banking industry is very aggressive because banks are not just only competing with each other but also they have to face and compete with other financial institutions. The reason being that most bank products development can easily be duplicate the only way they can distinguish themselves is by looking at the basis of quality and price. Consequently, banks can use customers' retention in order to obtain a prudent advantage.

Nowadays, it has a high competition in financial industry especially Bank Kerjasama Rakyat (Bank Rakyat) has to face in order to penetrate the market. Bank Rakyat has to compete not only with their branches, but also with other financial institutions such as Bank Islam Malaysia Berhad (BIMB), Bank Simpanan Nasional (BSN), Agro Bank and many more. In 2011, *i-Aslah* personal financing scheme has become one of the

Bank Rakyat's favourite new product where customers' can apply for a loan up to RM200,000 with a repayment back period of 20 years. Bank Rakyat Pasir Mas is the first branch of Bank Rakyat which has exceeded its target for the *i-Aslah* financing scheme in giving out financing totalling more than RM31 million. However, based on interview conducted in September 2013 with Mr Shapidi, a Branch Manager of Bank Rakyat Pasir Mas, the number of customer applying for the product has decreased due to the new policy issued by BNM.

Many people obtain financing to fulfill their needs and wants and by Bank Rakyat offering the financing scheme. But when the financing becomes non-performing and no action has been taken, it may lead to the worst condition. Due to this, it is very relevant to scrutinize the determinants of the purpose to use *i-Aslah* by customers.

### **1.3 Research Questions**

The study will try to answer and analyze the following questions:

Is there any significant relationship between interest rate of toward customers' intention to use *i-Aslah* personal financing?

Is there any significant relationship between social influences toward customers' intention to use *i-Aslah* personal financing?

### **1.4 Research Objectives**

Through this study, the researcher has designed a few research objectives which hopefully can be achieved after the study is completed. This is to identify the determinants of customer intention to use the main product offered by Bank Rakyat.

- i. To determine the relationship between social influence toward intention to use i-Aslah personal financing.
- ii. To determine the relationship between corporate image toward intention to use i-Aslah personal financing.
- iii. To identify the factors that can influence customer's intention to use i-Aslah personal financing.

The study is timely and relevant because nowadays, there is a high competition among the banks in offering loan. It is significant because it will provide insights into the factors that influence customer's intention to choose i-Aslah. Thus, the results of this study will not only benefit the banking industry.

This study can be the basis for future plans and right strategy by the bank with regard to the necessary actions in order to overcome the problem so that the sales of i-Aslah could be better than before. As for the customers, this is a good opportunity for them to demonstrate their feeling and mark the objection against their frustration towards the services promoted by Bank Rakyat.

Besides, it also can be a theoretical model for future researchers where it will provide them the comparison in terms of the facts needed during their respective time and usability.

## **1.6 Terms of Preference**

### **Islamic Banking**

Banking activity that has practised the Islamic transactions law and guidance (*Sharia'h*) to run their business. (Dusuki and Abdullah, 2007)

### **Loan**

When a lender gives money and repays the borrowed credit along with interest, at a predetermined data in the future. (<http://glossary.econguru.com/economic-term/loans>)

### **Interest Rate**

Amount charged, expressed as a percentage of principal, by a lender to a borrower for the use of assets. (Marini and Giancarlo, 1991)

### **Social Influence**

One's consciousness that those who are important to her or him should or should not do the behavior in question (Fishbein and Ajzen, 1975).

### **Corporate Image**

The manners in company's activities, and its product or services are perceived by outsiders. (Barich and Kotler, 1991).

## **1.7 Organization of Study**

Study has been broke down into five sections. The first part discussed the previous studies related to the interest rate, social influence, corporate image and the customers' intention. The third chapter constructs the theoretical framework, development of hypotheses, research methodology including techniques. This is followed by the fourth chapter which presents an analysis and discussion of the results. Finally, the fifth chapter concludes with discussion, recommendations and implications of this study.

## **1.8 Conclusion**

The explanations above reveal that the products and services can give alternative to users for them to choose variety of services offered by Islamic banks. This can increase the Islamic financial contribution and thus, help Malaysia government to achieve banking market share of 20% by the year 2015.

## **CHAPTER 2**

### **2.0 Introduction**

Since last decades, numerous studies have been conducted in the customer acceptance area. This the literature. In this section, it consists of intention to use as dependent variables, and interest rate, social influence and corporate image as the independent variables.

### **2.1 Interest Rate**

The market economy is highly influenced by interest rate. Interest rate can be defined as charges inflicted upon any amount being lent from lender to borrower. From lender's point of view, this inflicted charge (interest rate) is seen as premium received after a period of time stated (Amonoo et al., 2003) as it is also seen as opportunity lending cost for the amount being lent (Wright & Vincenzo, 2009; ACCA, 2003) or price to be paid as a charge of using the loan funds (Meyers, 2009) as the process of lending involves risk and incidental works. This interest is also seen as a projected profit upon the amount lent in a period of time agreed by both parties- the lender and the borrower respectively. (ACCA, 2003)

From the borrower's angle, interest rate can be seen as the cost capital at the time of obtaining a loan (Amonoo et al, 2003) which has to be paid to financial institutions where the money is borrowed from (Crowley, 2007) over an amount borrowed which is expressed through the percentage of the amount given. (Todaro, 1992)

Interest rate is a reflection of real time GDP and inflation as it is measured and outlined according to these two conditions. Illustrating this, better economic condition will lead to more demand for credit as the condition will call for more projects to be developed as they are seen to be profitable thus interest rates will meet with changes according to the conditions. (Kasyap et al., 1993)

Based on the above definitions, interest rate can be defined as a rate charged or paid for the use of fund given in advance. It is also projected and expected calculated by dividing the amount of interest by the principal amount. Refer Appendix II to see the interest rate charged on i-Aslah personal financing.

David. C (1990) listed five types of interest rates which are personal loan rates, bank base rates, deposit rates, house purchase loan rates, and interbank interest rates. These rates vary



and change in response to both borrower's and lender's expectations on prospect price change with guidelines outlined by the financial institutions acting the lender. Fluctuations of interest rates will directly influent the personal financial decisions and the consumer itself. Increasing of interest rates make saving positively more interesting and borrowing display much more expensive. (Cossart, 2003) Decreasing of interest rates have the negative relationship. As a result, the influence of an interest rate fluctuations will liase on whether you are a borrower or an investor.

Besides location, interest rates are determined based on competitiveness. (Laroche & Taylor, 1988) Customers usually choose banks with low interest rate on loans but provide better rate for savings (Kensington et al., 1996) as well as good loan availability and approval topped up with respectable fund safety and good customer service. (Javalgi et al., 1989; Kazeh & Decker 1993) Other factors, for example easy access factor and easy parking (Kaynak & Kucukemiroglu, 1992), also help in drawing customers in.

The increase in interest rates lead to borrowing being more expensive and in the case of real estate price, this situation causes negative influence as the demand for mortgages dampens. (Cossart, 2003; Stieglitz & Weiss, 1994)

Egbe, J. (2013) said, in Nigeria on the impact of interest rate on borrowing and lending activities among commercial banks has concluded that lower interest rate tends to increase the demand for borrowing and economic growth. The lower the interest rate, the higher the profit expectation and vice versa. Borrowers must take note that a high interest rate on lending has contributed to the bank failure in higher-risk segments of the credit market. . It was motivated by the high cost of mobilizing funds since both bank and borrower involved in moral hazard.

The percentage of interest rates has a massive influence on a borrower's capability to payback the amount borrowed. Studies by, Thordsen and Nathan (1999), in situation the lender offers low interest rates , potential customer are willing to make finance because they hold as it definately the payback will be easy. If interest rates are expensive, people are quite refuse to borrow because payback on their financing will increased. Few customers may even think it hard to contardict on the existing and previous financing, plus if interest rates moving faster than the increment in its salary. If interest rates proceed continuingly high for a long term, the risk of default payment on their financing will be also high.

The link between interest rates and financing payback is in line with business growth and performance. (Apunyo, 2011) Higher interest rates, due to lack of entrepreneurial skills were seen as the big example that have a direction with the financing payback among Equity Bank financing clients.

However, it is discovered that Islamic banking performance that practices duality brings forth benefits to customers in whatever the condition of the interest rates be it on the hike or the decrease. (Saiful Azhar and Mohd Affandi, 2003) Based on Raymond and Rose (2007), fluctuations in interest rate are being subjected to the values of assets and liabilities of financial institutions.

A recent study by Jahiruddin et al (2011) found that high interest on loans are not the main contributing factor for customer to borrow and unable to make repayments on time. In the study, they used survey data and in-depth interviews with women whose circumstances had borrowed loan.

According to Rajan (2005), higher interest rates are charged to high risk borrowers to reduce risks and also increasing banks' overall exposure. Banks have provided more interest for their depositors due to the arising in short term interest rates. Instead of that, banks are not able to escalate their lending rates as quickly enough due to their balance sheet, on the asset side they have to stand losses as the result of maturity transformation.

As we can see from the most study, we can conclude that Fluctuations of interest rates will directly influence the personal financial decisions and the consumer itself. Increasing of interest rates leads to saving to be on the positive side and more interesting while borrowing would seem as much more expensive. Decreasing of interest rates has a negative relationship. As a result, the influence of an interest rate fluctuations will depend on whether you are a borrower or an investor. Thus, it is of interest to study how interest rate influence the consumer to use i-Aslah. More specifically, in this study the effects of interest rate on customer's intention to use i-Aslah are examined.

## **2.2 Social Influence**

From Fishbein and Ajzen (1975) perspectives, social influence is referring to a subjective norm or normative pressure – “one's perception that those who are important to her or him should or should not perform the behavior in question.”

Recommendations and influence of others for example neighbours and family members' advice are important factors in the selection of bank to deal with and this apply to both male and female clients. (Mokhlis, 2009; Tan & Chua, 1986) In Asian country, referral and advices from relatives and friends are crucial for them to select a bank to safeguard their money. (Chua, 1981) Even though younger generation is seen to be more independent in making up their mind of their bank of preference, it is still found out that other's say still influence their

decision making in choosing banks. (Almossawi, 2001) Phuong and Har (2000) mentioned that recommendations from family members and friends have twice the effect on them over service quality in choosing banks. However, their eyes will always fall onto banks which have good reputation and stand out among others in term of popularity (Almossawi, 2001; Haque, Osman & Ismail, 2009) which implies that banks public relations and marketing also play important role in gaining recognition by customers nowadays.

Other factors influencing the decision of choosing a bank as mentioned by Al-Ajmi et al (2009) would be the social responsibility, Islamic religious belief, and pricing.

In USA, many studies had been done on the factors that affect customers' bank selection. The influencing factors for choosing banks are the customer service (friendliness) and recommendations bank service quality, fund safety, operation hour and the size of que (Phuong and Har, 2000) This is contrasting with a research done less significant for clients in choosing their preferred commercial bank.

Apart from the factors mentioned above, another interesting factor arose from Shevlin and Graeber's (2001) findings. They found out most prominent factor in bank selection in Texas.

It seems that social factors such as an advice from friends, neighbours and family members are more important in deciding the customer's intention to take loan from bank. Thus, it is of interest to study how social factors influence the consumer to use i-Aslah. More specifically, in this study the effects of social influence on customer's intention to use i-Aslah are examined.

## **2.3 Corporate Image**

What comes into mind when the name of an organization is heard is considered an image. It represents products characteristics (Flavian et al., 2004). Referring to Barich and Kotler (1991), the mind of public overall impression about a firm can be describes as a corporate image. It depends on the company itself on how they promote or market their company, so that their customer can easily capture their company's in customer's mind. It is agreed by of comparisons by customers on the Image acts as a filter to the perceived quality of a firm by customers (Kang & James, 2004). It is the result of "Fast and efficient service, friendliness of bank personnel, confidentiality, and transaction speed" as points relating to their satisfaction in doing business with Malaysian Islamic banks continuously affects the level of customer satisfaction. Three main problem leading (Colgate & Hedge, 2008). They found that bank which can provide a service is the most important to them. Otherwise they may switch to another bank. Also, complaints are often received on services failure and may stay silent when they decide to exit the bank.

Both studies by Maddern et al. (2007) and Cicic et al. (2004) concluded that incompetence bank staff and lack of courtesy has become the main reasons of why customers move or migrate to other banks. Furthermore, it shows that customers always want a competent staff with highly knowledgeable as well as friendly and courteous. Mylonakis et al. (1998) has done a research investigating 811 customers in the banking industry in the greater Athens where they were asked to identify the factors that urban saving accounts holders consider in choosing bank in the Hellenic bank market. They found that interest rates and fees, location, products and services quality, facilities, branch environment, bank reputations, facilities, information and personnel contacts, services and after service satisfaction are the most important criteria of bank selections. It showed that advertising criteria does not influence bank customers of Greece at all on their bank selection.

According Carolyn et al (1996) that most crucial factor influencing customer choice are involving reputation of service and price. Bank reputation is related to customers' satisfaction in where it escalates due to the rise in customers' satisfaction. (Bontis et al., 2007; Anderson & Sullivan, 1993; Almosawi, 2001)

Erol et al. (1990) found out that the prominent reason influencing customers' decision in Holstius and Kaynak (1995) and Haron et al. (1994). The latest investigation is once again, it shows that confidentiality, customer service, bank's staff friendliness and service quality were the factors affecting customer decision in selecting bank. According to Baker & Crompton (2000) and Zeithaml & Bitner (2000), it was found that service quality directly affects the organizations' profits due to the nature relating to customer retention and customer loyalty.

Image and customer loyalty are highly interrelated (Le Blanc & Nguyen, 1998). All the factors leading to a good image are due to customer satisfaction which leads to customer loyalty. These factors are namely good customer service practice, interest rates, and friendly loan service and availability (Decker, 1993; Yue & Tom, 1995). These then lead to recommendation to others (Zineldin, 1996).

Other factors reflecting good image projection would be convenience of location, services (use of technology), and operating hours.

Understanding these factors above would be of a great assistance to Islamic banks to improve their customer base – to retain existing and attract new customers.

## **2.4 Intention of Use**

Emphasizing on the relationship between attitude and behaviour, the (TRA) was developed in 1967 by Icek Ajzen and Martin Fishbein. This theory explains human action where behaviour is directly motivated by intention. Stronger intention leading to the behaviour being highly performed (Ajzen & Fishbein, 1980).

Another theory developed by Ajzen in 1985, the Theory of Planned Behaviour (TPB) proposed a model to measure how actions are guided. This is done through behavioural forecasting with the behaviour being intentional.

Both Ajzen and Fishbein (1975) defined behaviour as actions which are observable. Behavioural intention is, on the other hand, defined as subject probability upon behaviour performance. The decision upon performing behaviour is up to the consideration of implication through rational and information analysis (Ajzen & Fishbein, 1989). Refer Appendix III to see the TPB diagram.

The theory was most probably to explain all attitudes on how people have the ability to comprehend self-control. The main element to this model is behavioral intent, behavioral intentions are influenced by the behaviour about the similarly that the attitude will have the projected result and the culmination of the subject of risks and make the result used for their own good.

Islamic banking is unique and dynamic as it constitutes a segment which traditional banking marketing rules may not apply. The choice for using Islamic banking for Muslims is to invest as well as to fulfil their religious obligations as it is called upon for Muslims to follow the Shariah law even in financial management.

It is allowed in Malaysia for this is known as dual-window concept. Thus concept enables a bank to operate both conventional banking and Islamic banking services under the same

bank. This is due to both also share some similarities in providing namely based on behavioural strategy by Ajzen and Fishbein (1975), banks can identify appropriate marketing strategy by investigating and analysing information on customer behaviour in order to retain and attract customers. The competitiveness in this industry makes the importance of identifying factors of customers to choose a banking institution becomes prominent (Grady & Spencer, 1990; Holstius & Kaynack, 1995).

Good image of banks leads to clients feeling secured. This feeling influence their choice of banking institution (Almossari, 2001). Secured feeling reflects confidence in doing business with the institution (Mokhlis, 2002)

Technology also plays a major role in choosing banks nowadays. This is due to young generations finding it more convenient to make transactions through technology as opposed to the traditional method and they are keen on choosing those being the leader in technology in banking industry (Gerard & Cunningham, 2001; Kaynak & Harcas, 2005). This has lead to previous factors such as hospitality, premise condition, and location becoming less prominent (Almossawi, 2001) as the world is now at the fingertips.

Younger generations are important to the banking world as they are first time account holders with the prospect of becoming profitable clients in the future (Hinson et al., 2009). Therefore, it is really important to understand this segment

Competition arises due to banking organizations offering the same products to the same segment of customers (Aregbeyen, 2011). Direct and indirect competition cause banks to offer new products, technology and service as options for their customers to choose. The most observable one is the reduction in the price of the products. Strategies in play depend on



customers' behaviour and preference. Generally and rationally, products with the least cost and the best benefits are best preferred.

This chapter reviewed interest rate, social influence, corporate image and intention to use i-Aslah. Various sources are pooled together for the reason to give better understanding about the area of the study.

## **CHAPTER 3**

### **3.0 Introduction**

Previous sections, the questionnaire development, the sample and population, data collection, research design and procedures, and measurement and formulation of variables. Finally, the data analyses used to test the hypotheses of this study are also discussed.

### **3.1 Research Framework**

The theoretical framework to the customers' intention to use (dependent variable). In making an important decision in life such as the intention to use i-Aslah, a customer definitely need to figure out the interest rate charged to them so that in the future, they will be able to pay back the financing. Also, they need to look at some guidance from those surrounding him/her, or in other words, be influenced by these people. The referents here can be anyone from parents, family, relatives, friends, teachers and others. Despite the opinion of the referents, another factor that underlies is the corporate image. This includes reputation and dependability of the bank, friendly and

pleasing manners of staff, interesting advertisement and availability of financing and provision of services.

Customers decision on choosing the financial service providers by looking at the limitation of the quality, fast service, and staff communication skills among others. Based on the analysis in literature review, it was spotted that interest rate, social influence and corporate image are the main components that determine the customer happiness. Therefore, based on these elements theoretical framework of this research has been built. Figure 3.1 outlined the research model that integrates the utmost using i-Aslah.

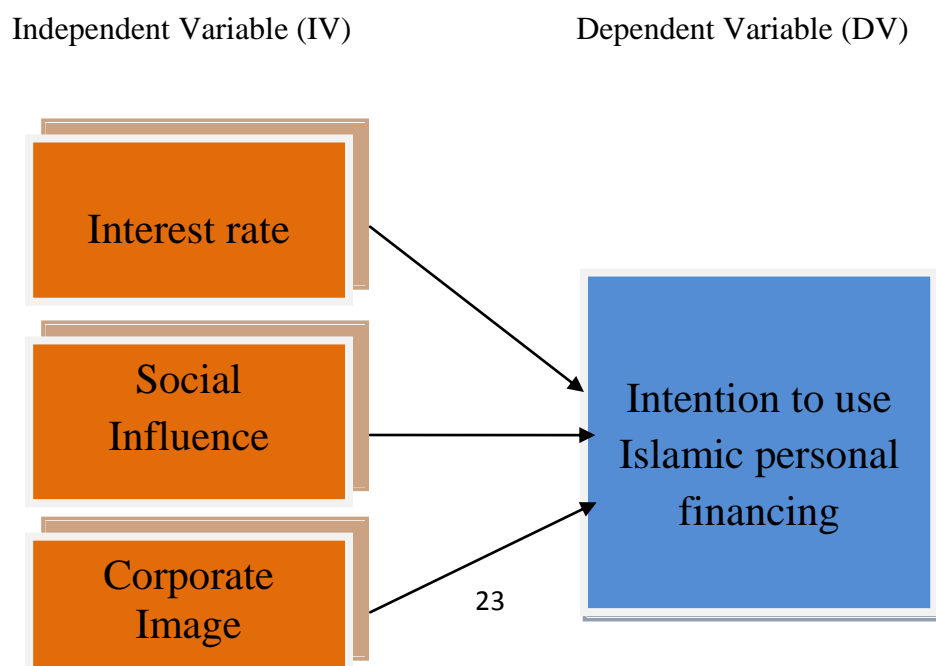


Figure 3.1  
*Research Framework*

The research framework above represents the dependent variable and independent variable to the study. This research is trying to show the possible link of the independent variables that could affect the dependent variables or the customer intention to apply for Islamic personal loan in Bank Rakyat. Independent variables consist of interest rate, social influence and corporate image. This study treats these three constructs separately to examine the determinants of customer's intention to use i-Aslah.

## **3.2 Hypotheses Development**

Hypothesis is carried out .This study has some hypothesis to prove which are:

### **3.2.1 Interest rate and intention to use**

According to Hoff et al(1990),interest tariff can be interpreted as the premium received by the lender after a certain period of time. According to Stieglitz & Weiss (1981) and Besley (1994), excessive interest rates negatively influence the request for

credit because only limited borrowers with high risky projects may have their demand fulfilled. They claimed that high interest rate inspires unfriendly selection of loan seekers.

Research by Laroche and Taylor (1988) has shown that other than location, another factor of bank choice is economical interest rates. While variations in rates, either savings or borrowings, are likely to be very little between competing banks, customers are affected that they are getting economical rates on savings or loans because of the pay off their financial state. However, a recent study by Jahiruddin et al (2011) proved that high interest on loans are not the main contributing factor for customer to borrow and unable to make repayments on time. In the study, they used survey data and in-depth interviews with women whose circumstances had borrowed loan. Based on the previous studies, this study predicts that the interest rate will influence the customers' intention to use i-Aslah. In addition this study will be conducted in our local context. As such,

### **Hypothesis 1**

H<sub>0</sub>:Toward customer's intention to use i-Aslah personal financing.

H<sub>1</sub>:There is a significant positive relationship between interest rate of customers toward customer's intention to use i-Aslah personal financing.

### **3.2.2 Social influence and intention to use.**

A study carried out by Chua (1981) on bank selection norm by Asian customers concluded that social elements like family and friends' suggestions have a foremost

impact on decisions for selecting a bank to manage their finance. Based on the previous studies, this study predicts that the social influence is the determinants of the customers' intention to use i-Aslah. In addition this study will be conducted in our local context. As such, the following hypothesis is proposed.

### **3.3 Research Design**

It will show the details procedure in acquiring the data and also the plan to interpret the research problem. This research was conducted market characteristics and to determine consumer behavior.

Data collection is an important element of any type of research study. Flawed data collection can affect the findings of a research and eventually steered to invalid results. Data collection in this research is obtained from the questionnaires given to costumers. The questionnaires given consist of nominal and ordinal scale questions (Likert Scale). With the Likert scale, (Zikmund, 2007) points out the respondents demonstrate their target by checking how strongly they agree or disagree with carefully constructed statements, ranging from very positive to very negative attitudes towards some object. As to the number of scale points, there is no clear rule indicating an ideal number. Many researcher recognize that five-point and seven-point Likert scale have been widely used to measure responses (Malhotra, 2007; Aaker et al., 2000; & Sekaran, 2003). A seven-point Likert scale was adopted for this study.

Unit of analysis of this study is an individual who answers the questionnaire that will be given to them randomly. For this research, the researcher use simple random sampling method. According to (Zikmund, 2007) the process is simple because it requires only one stage of sample selection and is drawn by a random procedure from a sampling frame (Malhotra, 2007 ). Furthermore, simple random sampling has many features. For example, it is comprehensible and the sample result may be inferred to the target population.

### **3.4. Measurement of Variables**

For primary data, this will be gathered directly by using survey of questionnaires. The precisely.

Questionnaire is a form which are completed and returned by respondents. It is the questionnaires to the public. Questionnaire was chosen in the research because it is an appropriate way since respondents gave their feed back by himself and confidentially. Besides, it is also an economic medium that is useful where literacy rates are high and respondents are helpful. Questionnaires approach.

#### **3.4.1 Questionnaire design**

The questionnaire of questions. Section A captures demographic profile of the respondent which includes gender, age, profession, monthly income, qualification as well as their experience in purchasing personal financing. It is a close-ended question design that limits respondents with a list of answer choices box that applies.

Section B, C and D are measured two of the variables, social influence and customer intention were adapted from past research done by Amin, Rahman, Sondoh & Hwa (2012). While the variables for corporate image and interest rate were self developed. Five items were used to measure each variables. Table 3.1 below presents the summary of section of questionnaire, types of variables, and sources.

Table 3.1

*Summary of section of questionnaire, types of variables, and sources.*

<b>Section of questionnaire</b>	<b>Variables</b>	<b>Sources</b>
Section B	Interest Rate (5 items)	self developed
Section C	Social Influence (5 items)	Amin, Rahman, Sondoh & Hwa (2012)
Section D	Corporate Image (5 items)	self developed
Section E	Customers' intention to use (5 items)	Amin, Rahman, Sondoh & Hwa (2012)

100 questionnaires were distributed in this research..The customers' were required to complete the questionnaire that had been provided and the questionnaires were given to the Branch Manager, Mr Shapidi who was asked to give out the questionnaires to their customers. Thus, 100% response rate was achieved and analysis is done by utilizing 100 return questionnaires.

To establish the possible practical of the questionnaire and whether further alteration is required prior to carry out the survey, the questionnaire was pilot tested. A pilot study can be the pre-testing or 'trying out' of a particular research tool (Baker, 1994). The rationale questionnaires were distributed to 30 respondents as a sample group.

They were asked to complete the questionnaire. The test found no serious problems. Besides, respondents are not likely to refuse to answer, as the question has met the research objectives and could complete answering within an average time of seven to ten minutes.

The population of this study includes those Bank Rakyat users in area Pasir Mas, no matter whether they had experience in purchasing the product in Bank Rakyat or not, at least they intend to dealing with this bank. Pasir Mas is selected as the researcher intends to investigate the intention of the customers from the rural area. Besides, as mentioned in the problem statement earlier, Bank Rakyat at Pasir Mas is the first branch of Bank Rakyat which has exceeded its target for the I-Aslah but then the product has decreased in 2013. So, this area is chosen because it has significant impact on the customers' intention to use i-Aslah that researcher want to study. Thus, the researcher intends to investigate the reasons for the declining number of customers applying i-Aslah.

### **3.5.2 Sample**

Customers who visit Bank Rakyat situated at Pasir Mas area, whether they have experience on dealing with Bank Rakyat, never using Islamic personal financing but have knowledge about this product, regular customers of Bank Rakyat or have never been a customer of the product from Bank Rakyat at all but have knowledge about However, only 100 customers' were selected as a sample size.

## **3.6 Techniques of Data Analysis**



Data from the field was carefully categorized, based on clarity, completeness, accuracy and consistence to ensure reliability. A statistical technique is chosen 22.0 on collected data to gather meaningful explanation and conclusion to give findings and solutions. SPSS Statistics is a software package used for statistical analysis.

The particulars in questionnaire will be keyed in and coded in appropriate way and analysis using the SPSS. Also, SPSS version 22.0 were used to run several test such as descriptive, frequencies distribution was used as a criterion for tests of significant. The coefficients also show the magnitude and direction of relationship between two variables. A coefficient of correlation ( $r$ ) shows how much and in what direction the two variables move together. For Coefficient of Determination ( $R^2$ ), it determines the explanatory power of the equation. It controls how much change in the dependent variable in relation to the independent variables.

### **3.6.5 Regression Analysis**

This technique used to set up an equation to establish the relationship between dependent with some independent variables. The regression assumed that the dependent predicative link to independent variable.

By using the SPSS, the frequency distribution technique will be used to analyze the respondent's bankground. To test whether the questionnaire is reliable or not, this

study will use the Reliability Analysis technique. From the analysis, all questions regarding interest rate, social influence, corporate image and customer's intention to use were acceptable or not.

## **CHAPTER 4**

### **FINDINGS AND INTERPRETATION OF DATA**

#### **4.0 Introduction**

This chapter represents the research results based on methodology discussed in Chapter 3. The researcher obtains the findings and data analysis of the study which were analyzed using Statistical Package for Social Science (SPSS) version 22. The findings were grouped into several parts which comprise frequencies distribution analysis, reliability analysis, correlation analysis, and regression analysis.

#### **4.1 Response Rate**

A total of 100 customers' of Bank Rakyat Pasir Mas were asked to complete the questionnaire. From this amount, all customers' responded, represents 100 percent response rate.

#### **4.2 Descriptives Statistics**

Descriptives computes univariate statistics, such as mean, standard deviation, minimum, and maximum for numeric variables and displayed in a single table for better correlation. Descriptives are an efficient means of computing summary

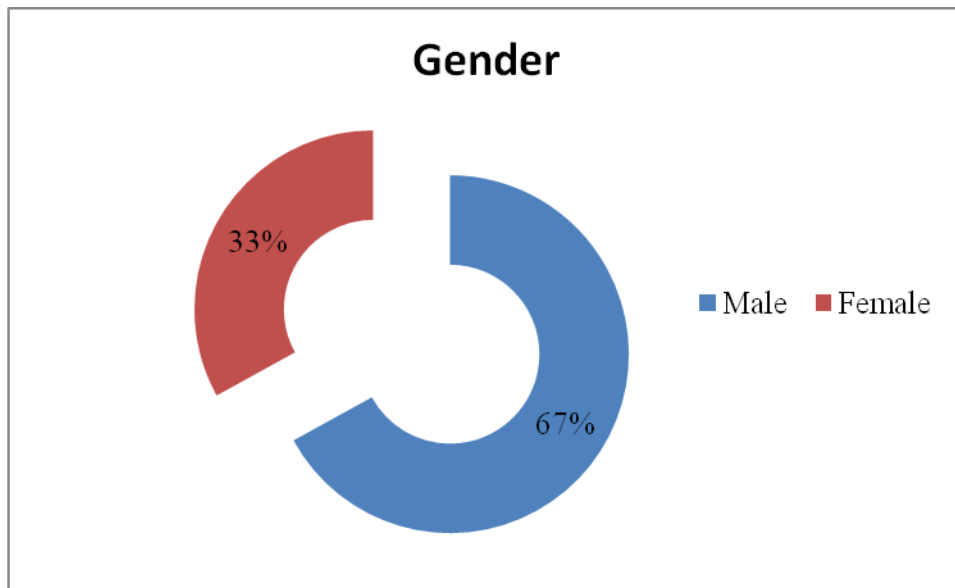
statistics for continuous variables. Almost all statistics provided in descriptives can be obtained from other procedures such as Frequencies, Means, and Examine.

The purpose of descriptive analysis is to acknowledge respondent's variation in their ideas and views when answering the items in questionnaire. The scale measurement used is seven point Likert scales. The most important factors that customers' of Bank Rakyat Pasir Mas consider in their intention to use i-Aslah have highest mean values.

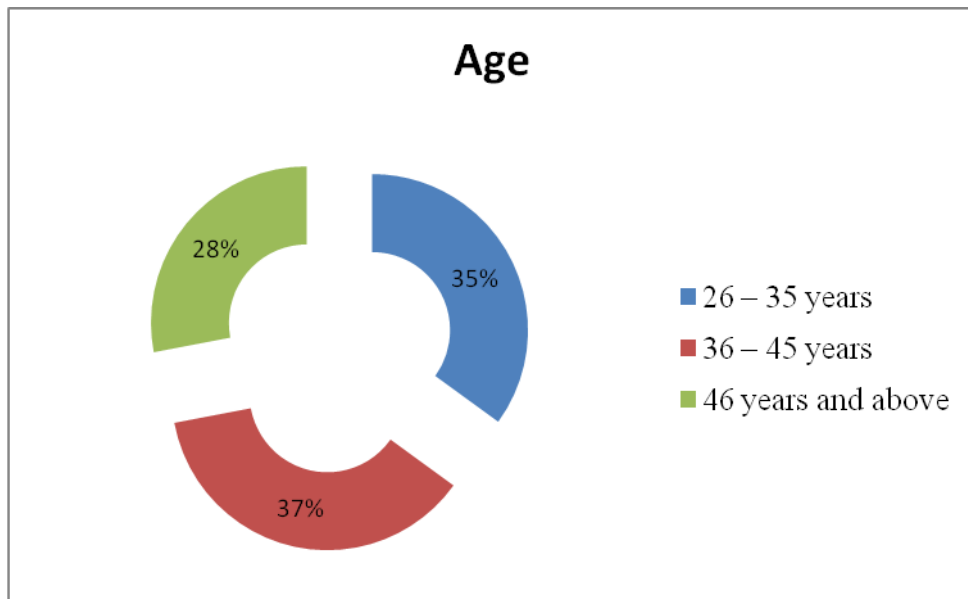
As we can see from table 4.1 above, the items with the highest mean values interest rate (4.42), followed by social influence (4.38) and corporate image (4.26), are the most important factors with regard to their mean values. This means most of the respondents consider all the variables before they decide to choose the factors that influence customer's intention to use i-Aslah, case of Bank Rakyat Pasir Mas.

#### **4.3 Frequency analysis**

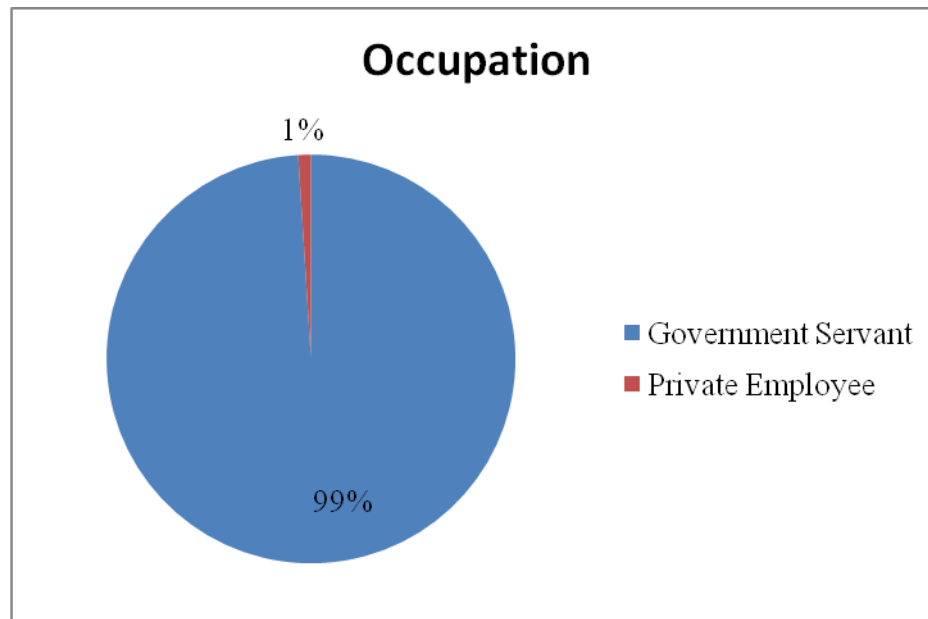
Demographic profile basically indicates the overall background of respondents. Demographic factors are used to know. For frequency analysis, the researcher employs this approach to inspect Section A from the questionnaires which is respondents' profiles and demographic variable.



Based on the Figure 4.1, there are 67 of male's respondents with percentage of 67% and 33 of female's respondents with percentage of 33%. Therefore, most of the respondent for this study is male respondent compare to female respondent. Also, it shows that most of the respondents in this study are government servant with the total numbers of 99 with 99.0% and the other respondent is private sector with total number of 1 persons with 1%.



There are four categories of respondents' age. As we can see from Figure 4.2 above, we can see that majority of the respondents are from age 36 to 45 with the percentage of 37%, followed by the respondents ages from 26 to 35 with percentage of 35%. The respondents age 46 and above have least percentage with 28 % and there are no respondent below 25. The high percentage of respondents aged from 36 to 45 years is due to this level of age are self administered and willing to answer the questionnaire.



From Figure 4.3, 99% of the respondents are government servant while 1% comes from the private sector. It seems that government employee is more easier to apply for personal loan because they can repay monthly through salary deductions via Angkasa.

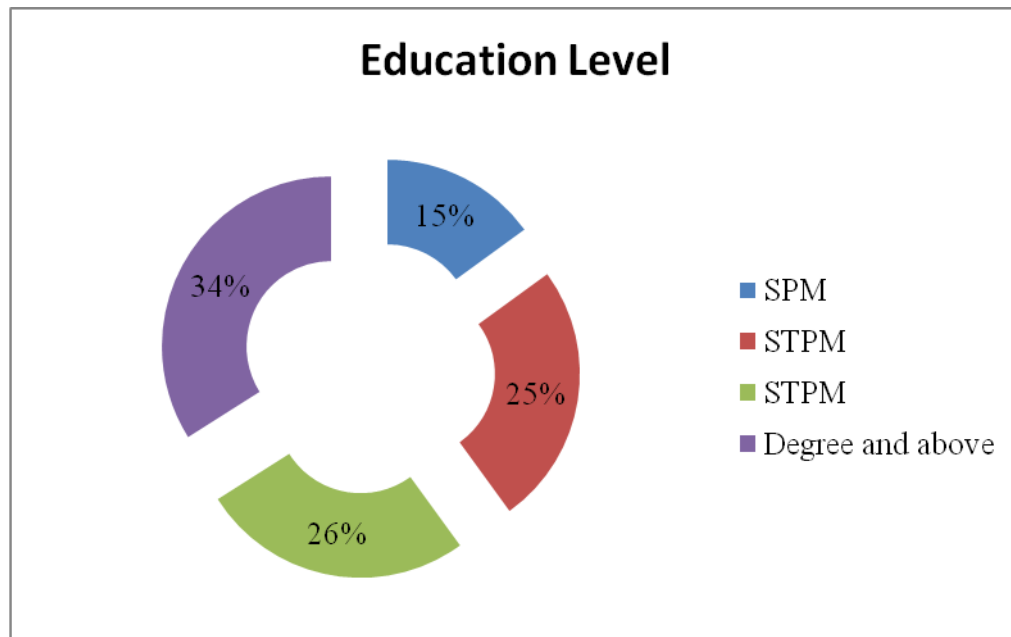
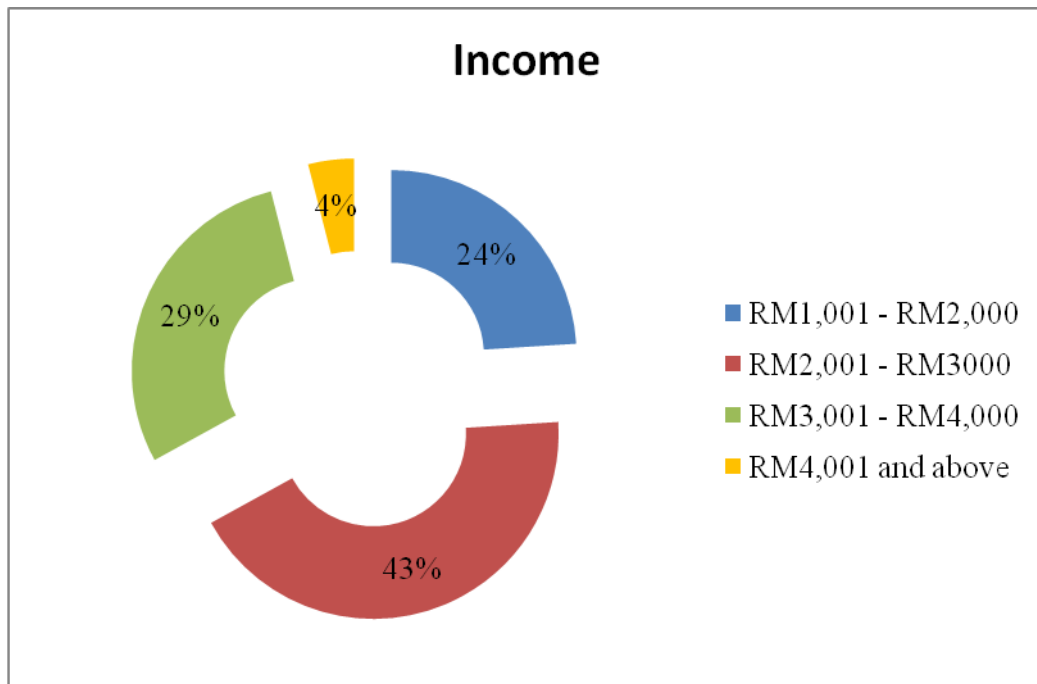
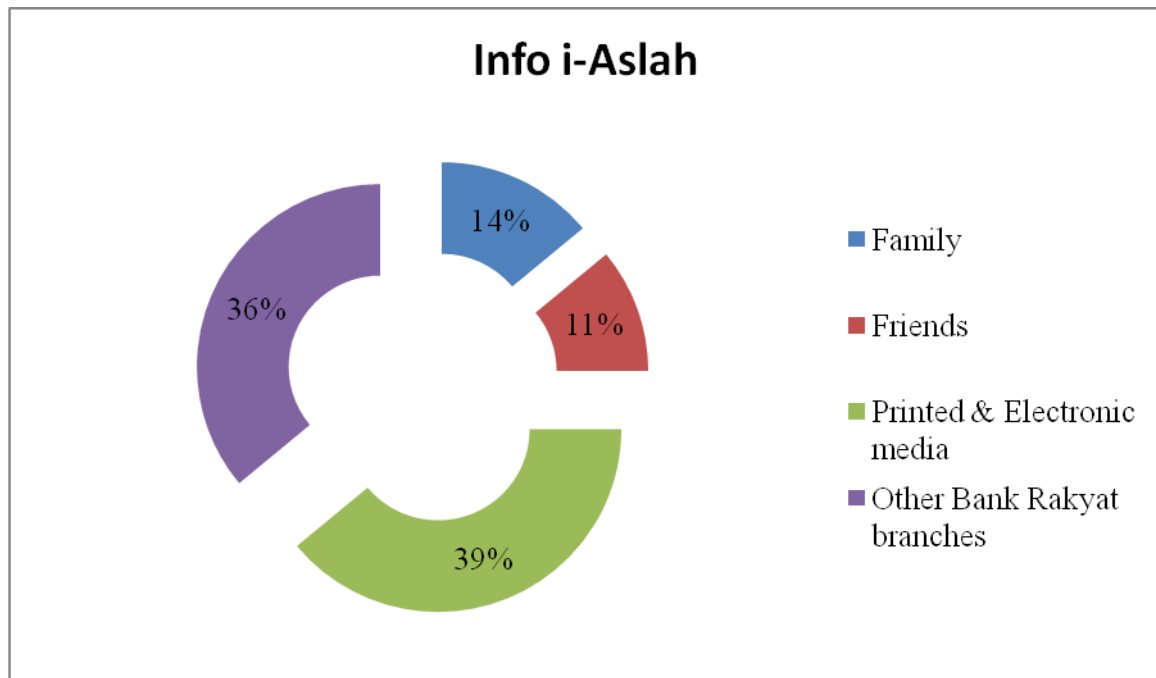


Figure 4.4 shows that the respondents come from a variety of education background. The highest educational level we can see that most of the respondents have the Bachelor educational level with the percentage of 34% which is 34 respondents followed by Diploma level of 26%. 40 of respondents have the educational level of SPM and STPM with the percentage of 15% and 25% respectively.

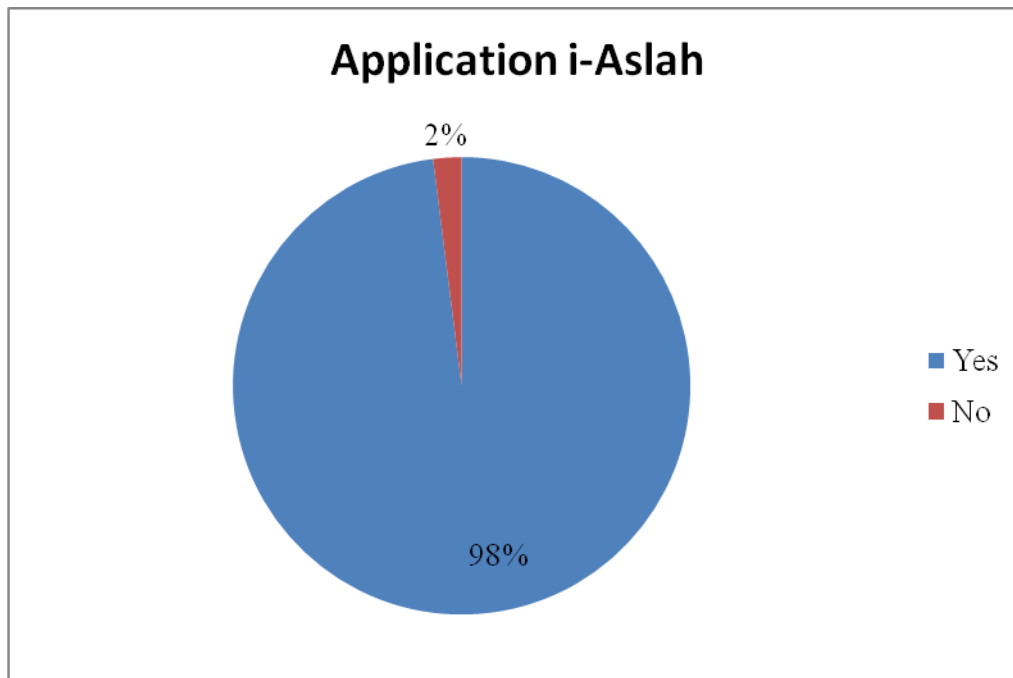


Furthermore, in Figure 4.5 it also shows that most of the respondents have an income from RM2001 to RM3000 with the percentage of 43%. Follow by 29 respondents which have an income from RM3001 to RM 4000. There are 24.0% of respondents have an income of RM1001 to RM2000 and the least respondents with percentage of 4.0% are respondent that have an income of RM4001 and above.

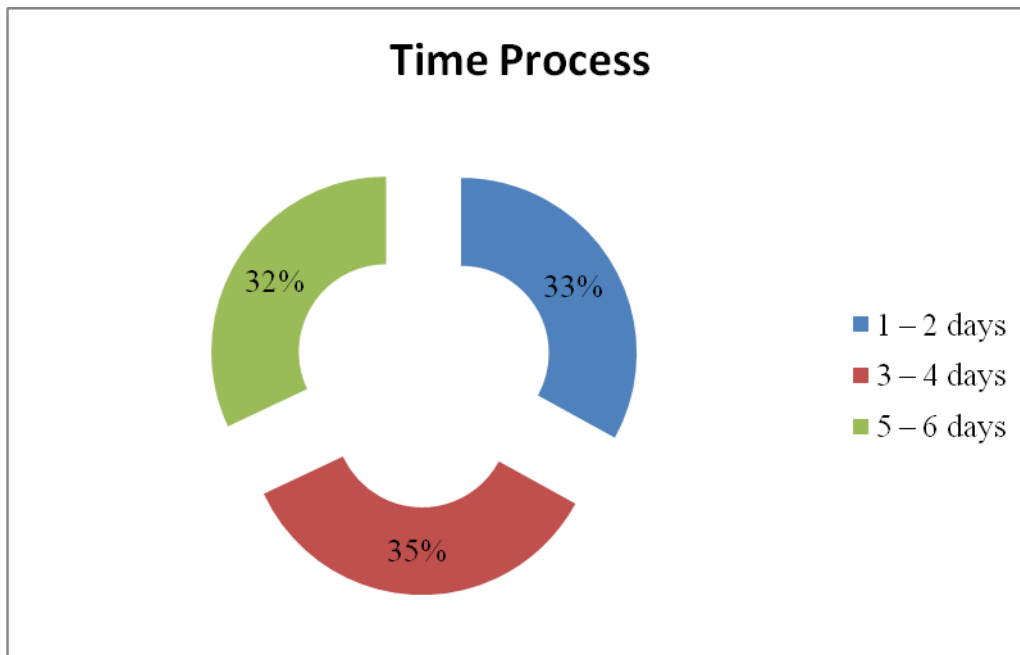




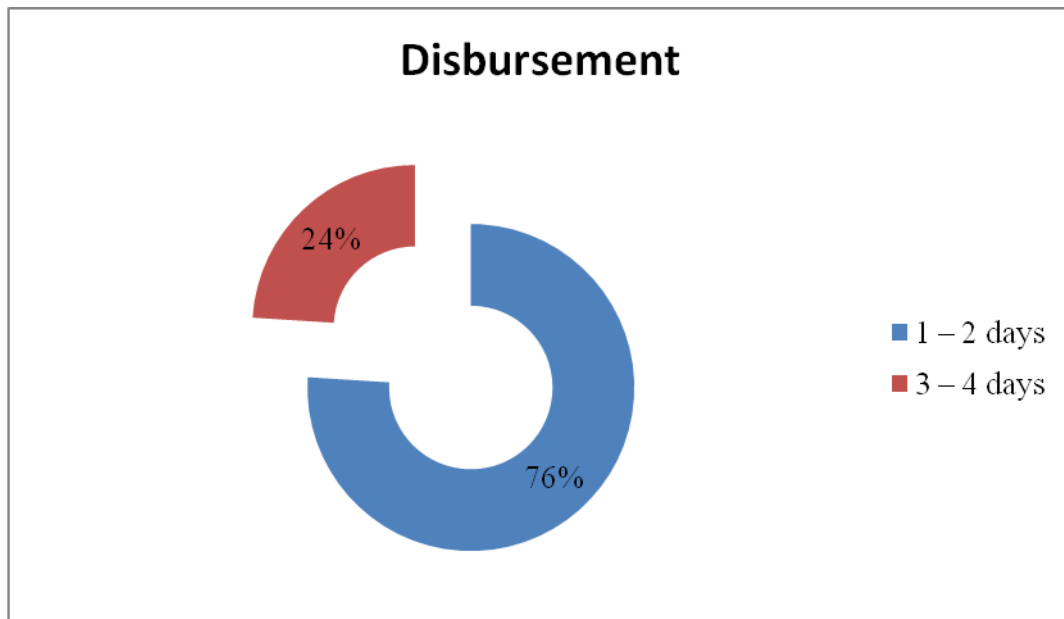
In Figure 4.6, 39% of the respondents obtain information about i-Aslah through printed & electronic media, followed by 36% from other bank rakyat branches and 14% from the family member. Information from friends become the lowest at 11%.



From this study we can see that most of the respondents with percentage of 98% have been applied the i-Aslah personal financing compare to 2 respondents with percentage of 2.0% have not applied the i-Aslah at Bank Rakyat. This is shown in Figure 4.7 above. So we can conclude that majority of the respondents have tried the i-Aslah personal financing from bank Rakyat Pasir Mas. It means that of the respondents are been familiar with i-Aslah.



In Figure 4.8, it shows that 35% of respondents agreed that the branch take a shorter time to process their financing between 3-4 days. Meanwhile, the second group respondents agreed between 1-2 days which contributes 33% of the total respondents. Then, the rest were 32 or 32.0% of respondents agreed in the range from 5 to 6 days.



Lastly in Figure 4.9, the disbursement of financing shows that 76 or 76.0% of respondents are agree within 1 to 2 days, bank will disburse their personal loan. The rest which is only 24 or 24.0% of respondents are not agreed.

## 4.2 Reliability analysis

Reliability test used to examine reliability or the relevance of the questions asked according to the variables. For this study, there are three independent variables and one dependent variable. Due to that, the researcher examines reliability for the three variables to discover whether each question is reliable or not.

The items that depict each individual factor were issued to reliability analysis. Reliability shows the extent to which the data are without bias or free from error. In other words, the data are parallel in measurement across time, and across the various items in the instruments (Sekaran, 2003). Reliability test is verified by testing both consistency and stability. The research uses Cronbach' Alpha to examine the uniformity level of question.

Cronbach's Alpha is a reliability coefficient that demonstrates how well the items in a set are positively correlated to one another. Determination of Cronbach's alpha coefficient of internal consistency is to proved that the items including factors produced a reliable scale. Cronbach's Alpha is computed in terms of the average inter correlations among the items. A higher score means a higher reliability, with a range from 0 to 1. If the Cronbach's Alpha is closer to 1, the internal consistency considered to be high. The generally agreed upon lower limit of Cronbach's alpha is 0.7 as mentioned by Nunnally and Bernstein (1994). According to Hair et al (2003) about the Rules of thumb about Cronbach's Alpha Coefficient Size such as:

Table below explains on the reliability test for each variables. The study performed reliability tests on four variables namely interest rate, social influence, corporate image and intention to use. Cronbach's Alpha can take values between 0 and 1. The variable is more reliable when the scale is close to 1. A coefficient of 0.9 or more indicates a high degree of reliability.

Based of questions regarding that factors are acceptable. 0.899 of coefficient alpha refer to excellent reliability. Thus the researcher concludes those questions about customer attraction are acceptable.

Cronbach's Alpha	N of Items
.635	5

Refer to % of questions regarding that factors are acceptable. For this factor, 0.635 of coefficient alpha refer to good reliability. Therefore, questions about social influences for this study are acceptable.

Cronbach's Alpha	N of Items
.822	5

According to Table 4.5, Cronbach's Alpha for corporate image that consists of five questions is 0.822. It means that 82.2% of the questions developed by researcher regarding corporate image are excellent reliability. Therefore, questionnaires about corporate image provided in this study are acceptable.

Cronbach's Alpha	N of Items
.795	5

According to Table 4.6, Cronbach's Alpha for intention to use that consists of five questions is 0.795. It means that 79.5% of the questions developed by researcher regarding intention to use are excellent reliability. Therefore, questionnaires about intention to use in this study are acceptable.

The results indicated that the Cronbach's alpha coefficients for the interest rate, social influence, corporate image and intention to use were .899, .635, .822 and .795 respectively. The reliability test shows that the responses are very good and

excellence (Hair et al., 2006). Thus, the researcher concludes those questions about interest rate, social influence, corporate image and intention to use are acceptable.

### **4.3 Hypothesis Testing**

#### **4.3.1 Correlation Coefficient Analysis**

In this section, the researcher employs the Pearson Correlation Coefficient, symbolized as  $r$ , to test the hypotheses in this study. It is because by using Pearson Correlation, it can measure the relationship between variables and can range -1.00 to +1.00. The hypothesis tested is that linear relationship exists between two variables, dependent and independent variable, as seen in the correlation coefficient ( $r$ ). Any positive  $r$  indicates a direct or positive relationship between two measured variables. Negative  $r$  indicates the vice versa.

For this study, the dependent variable is customer's intention to use i-Aslah and to measure their intention, it comes out with three independent variables such as the interest rate, social influence and the corporate image. The analysis can be interpreted as high, moderate and low correlation. The table 4.8 below shows the interpretation for value " $r$ " as being proposed by Guilford (1956).

The null hypothesis, however, states that no linear relationship exists between the two variables. As in all hypothesis tests, the goal is to reject the null hypothesis and accept



the alternative hypothesis. In other words, it is to decide that an effect, in this case a relationship exist

### **Hypothesis 1**

**H<sub>0</sub>** – There is no significant positive relationship between interest rate toward customers' intention to use i-Aslah personal financing.

**H<sub>1</sub>** - There is a significant relationship between interest rate toward customers' intention to use i-Aslah personal financing.

Based on the correlation coefficient test in the Table 4.9 above, it shows that interest rates was significantly and positively correlated with intention to use i-Aslah at Bank Rakyat Pasir Mas ( $p < 0.01$ ,  $r = 0.766$ ). Looking at the theory from Guilford's, this result have a high correlation. So, between interest rates and customers' intention to use i-Aslah at Bank Rakyat Pasir Mas has a strong relationship.

The conclusion for this finding indicates that the null hypothesis will be rejected. In other words, from this study there is still significant relationship exists between interest rate and customers' intention to use i-Aslah. From the result,  $0.000 < 0.05 =$  H<sub>1</sub> is Accepted. The hypothesis H<sub>1</sub> is accepted as there is a high correlation between two variables.

## **Hypothesis 2**

**H<sub>0</sub>** - There is no significant positive relationship between social influences toward customers' intention to use i-Aslah personal financing.

**H<sub>1</sub>** - There is a significant positive relationship between social influences toward customers' intention to use i-Aslah personal financing.

From the hypothesis testing based on the correlation coefficient test in the Table 4.9, it shows that social influences is positively associated with the customers' intention to use i-Aslah. It shows that there is a strong relationship between the social influence and customers' intention to use i-Aslah. The result of Pearson correlation is ( $p < 0.01$ ,  $r = 0.787$ ) which also indicates a high correlation.

The conclusion for this finding indicates that the null hypothesis will be rejected. In other words, from this study there is still significant relationship exists between social influences toward customers' intention to use i-Aslah personal financing. From the result,  $0.000 < 0.05 = H_1$  is Accepted. The hypothesis  $H_1$  is accepted as there is a high correlation relationship between two variables.

### **Hypothesis 3**

**H<sub>0</sub>** - There is no significant positive relationship between corporate image toward customers' intention to use i-Aslah personal financing.

**H<sub>1</sub>** - There is a significant positive relationship between corporate image toward customers' intention to use i-Aslah personal financing.

Lastly, by looking at the theory from Guilford's, this result shows that there is also high correlation or strong relationship, ( $p < 0.01$ ,  $r = 0.807$ ) between the corporate image and customer's intention to use i-Aslah. So, between corporate image and customer's intention to use i-Aslah at Bank Rakyat Pasir Mas has a strong relationship.

The conclusion for this finding indicates that the null hypothesis will be rejected. In other words, from this study there is still significant relationship exists between corporate image toward customers' intention to use i-Aslah personal financing. From the result,  $0.000 < 0.05 = H_1$  is Accepted. The hypothesis  $H_1$  is accepted as there is a high correlation relationship between two variables.

Table 4.10  
Summarize of Correlation analysis

<b>IVs</b>	<b>r value</b>	<b>Relationship</b>	<b>Degree of significant</b>	<b>Accept or Reject H<sub>0</sub></b>	<b>Types of Relationship</b>
<b>Interest Rate</b>	$r = 0.766$	High, Strong relationship	$0.000 < 0.05$	Ho rejected	<b>Positive</b>
<b>Social Influence</b>	$r = 0.787$	High, Strong relationship	$0.000 < 0.05$	Ho rejected	<b>Positive</b>
<b>Corporate Image</b>	$r = 0.807$	High, Strong relationship	$0.000 < 0.05$	Ho rejected	<b>Positive</b>

Thus, the results indicate that the interest rate, social influence and corporate image are highly predictive of the intention to choose i-Aslah. In addition, all of the relationships were positive, showing that the higher the interest rate, social influence and corporate image, the more likely the customers' intention to use i-Aslah.

### 4.3.2 Regression Analysis

Regression analysis was chosen as it is a proper approach for hypothesis testing and analyzing how independent variables can be used to predict a dependent variable. According to Malhotra (2007) Regression analysis is a powerful and flexible procedure for analyzing associative relationship between dependent variable and one or more independent variables. The analysis shows how much of the total variance in the dependent variable (customers' intention to use i-Aslah) is possible to explain by the independent variables such as the interest rate, social influence and corporate image. The researcher prefers regression analysis to inspect hypothesis because according to Malhotra et al., regression analysis can be used to determine whether the independent variables explain a significant variation in the dependent variable to find out whether the relationship exists or not.

Table 4.11  
*Summary of research model*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.832 <sup>a</sup>	.693	.683	.42057

a. Predictors: (Constant), MEAN\_C, MEAN\_IR, MEAN\_S

From the Table 4.11 above, the correlation of coefficient was determined the degree of association between the variables. Since the value of  $R = 0.832$ , means there is a high correlation between the variable because  $R$  value is more than 0.5.

Meanwhile, the value of  $R^2$  measured the dependent variable that can be explained by the changes in the independent variable. It shows the linear regression test of the model reveals that the R-square of the model is 0.693. This means the model explains 69.3% of the variance in the dependent variable; customers' intention to use i-Aslah was explained by interest rate, factor, social influence factor and corporate image factor. Meanwhile, the remaining 30.7% variation in customer's intention to use i-Aslah is explained by other variables, which not included in this model.

Table 4.12  
*Anova*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	38.259	3	12.753	72.098	.000 <sup>b</sup>
	Residual	16.981	96	.177		
	Total	55.240	99			

a. Dependent Variable: MEAN\_IT

b. Predictors: (Constant), MEAN\_C, MEAN\_IR, MEAN\_S

ANOVA usually compares three or more group (Huizingh, 2007). For ANOVA in table 4.12 above, F- value needs to be interpreted. F-value is equal to 72.098 where significant at the 0.000 level, ( $p < 0.05$ ). In the df (degree of freedom), the number of regression is 3 and the residual is 96. Also, the T-statistic examines whether there is a significant relationship between independent variable and dependent variable where;

Degree of freedom (df) =  $n - k - 1 = 100 - 3 - 1 = 96$  at  $\alpha = 0.05$

So, it shows that F-statistic value is equal to 21.361. The value of F-statistic, 72.098 is more than F-table which is only 2.70. The value of 2.70 is taken into consideration because it is the nearest value to the denominator of 96. Therefore the test is significant and can proceed to test each hypothesis. Variables will be tested by referring to coefficient table.

Table 4.13  
*Coefficients*

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.951	.275		3.462	.001
MEAN_IR	.176	.086	.237	2.052	.043
MEAN_S	.354	.128	.327	2.775	.007
MEAN_C	.286	.137	.314	2.095	.039

a. Dependent Variable: MEAN\_IT

From table 4.13 above, it was found that the social influence is the most important factor that contributes to the customers' intention to use i-Aslah in this study. This is because ( $\beta = 0.327$ ) value of social influence is the highest, followed by corporate image ( $\beta = 0.314$ ) and lastly the interest rate ( $\beta = 0.237$ ).

Interest Rate ( $\beta = 0.237$ ) and customer's intention to use i-Aslah have a positive relationship between each other. It can be seen from the value above where 0.237 represent the relationship between both variable. The relationship can be defined by when interest rate goes up 1%, then customers' intention to use i-Aslah also increases by 23.7% while other variables held constant.

Social Influence ( $\beta = 0.327$ ) factor and customers' intention to use i-Aslah have a positive relationship between each other. It can be seen from the value above 0.327 that represent the relationship between both variable. The relationship can be defined by when social influence goes up 1%, then customers' intention to use i-Aslah also increases by 32.7% while other variables held constant.

Corporate Image ( $\beta = 0.314$ ) and customers' intention to use i-Aslah have a positive relationship between each other. It can be seen from the value above 0.319 that represent the relationship between both variable. The relationship can be defined when corporate image goes up 1%, then customer's intention to use i-Aslah also increases by 31.40% while other variables held constant.

As we can see from the summarize of the results shown in Table 4.14, the interest rate, social influence and corporate image is significant towards customer's intention to use i-Aslah because  $p\text{-value} < 0.05$ . So the null hypothesis are rejected.

Table 4.14  
*Summary of Regression analysis*

<b>Variable</b>	<b>p-value</b>	<b>Sign</b>	<b>A</b>	<b>Relationship</b>	<b>Decision</b>
Interest Rate	0.043	<	0.05	Significant	Reject $H_0$
Social Influence	0.007	<	0.05	Significant	Reject $H_0$
Corporate Image	0.039	<	0.05	Significant	Reject $H_0$



#### 4.4 Interpretation of research objective

Table 4.15  
*Summary of Regression and Pearson Correlation*

Variables	Pearson Correlation	Regression	Status
Interest Rate	High correlation, strong relationship	Accepted $H_0$	Significant
Social Influence	High correlation, strong relationship	Rejected $H_0$	Significant
Corporate Image	High correlation, strong relationship	Rejected $H_0$	Significant

From the Table 4.15 above, the analysis shows that all the three independent variables; interest rate, social influence and corporate image factor have a relationship toward intention to use i-Aslah personal financing.

##### 4.4.1 Objective 1

**To determine the relationship between interest rate toward intention to use i-Aslah personal financing.**

The Cronbach's Alpha for interest rate is 0.899 and significance value is 0.043. This is supported by the Pearson Correlation analysis which indicates that  $r = 0.766$  that resulted interest rate had a high correlation with customer's intention to use and it has strong relationship. Since, the significant value is less 0.000 or less than 0.05, the interest rate is a significant predictor to customers' intention to use i-Aslah.

#### 4.4.2 Objective 2

**To determine the relationship between social influence toward intention to use i-Aslah personal financing.**

Cronbach's Alpha for social influences is 0.635 and significance value is at 0.007. This is supported by Pearson Correlation analysis which indicates that  $r = 0.787$  that resulted social influence factor have high correlation with customer's intention to use i-Aslah and it is a strong relationship. Since, the significant value is less 0.000 or less than 0.05, the social influences is a significant predictor to customers' intention to use i-Aslah.

#### 4.4.3 Objective 3

**To determine the relationship between corporate image toward intention to use i-Aslah personal financing.**

Cronbach's Alpha for corporate image is 0.822 and the significance value is 0.039. This is also supported by Pearson Correlation analysis which indicates that  $r = 0.807$  that resulted corporate image factor had a high correlation with customer's intention to use i-Aslah and it is definite a strong relationship

#### **4.4.4 Objective 4**

**To identify the most important use i-Aslah personal financing.**

For this study, the researcher can conclude that all the three factors interest rate, social influence and corporate image can influence customer's is the most important factor because it has the highest value of Beta which is (0.327). The second important factor is corporate image factor which is (0.314) followed by interest rate with the lowest value of Beta which is (0.237).

#### **4.5 Conclusion**

This chapter presents a detailed explanation of the findings of this study addition, comparison will be made with empirical results of corresponding hypothesis. The discussion will also cover the implication pertaining to the findings of this study. Some specific suggestions and recommendations are also offered whenever necessary. Apart from that, the order to extend the body of knowledge in this particular area.

## **CHAPTER 5**

### **5.0 Introduction**

This final chapter of discussions and conclusions consists of five sections. The first part briefs about, nowadays customers' intention to use i-Aslah and therefore can help Bank Rakyat to determine their strategies to attract and retain customers'. In analyzing the factors that influence customer's intention to use i-Aslah at Bank Rakyat Pasir Mas branch, this research focuses on three independent variables such as interest rate, social influence and corporate image factor while customers' intention to use i-Aslah as the dependent variable. The findings of the study reveal that interest rate, social influence and corporate image have a significant relationship towards customers' intention to use i-Aslah. Also, among the three independent variables.

#### **5.1.1 Interest Rate**

For the interest rate factor there is a significant to the customer's intention to use i-Aslah. The researcher finds that the objective was achieved. This result is positively related with previous finding that was said

#### **5.1.3 Corporate Image**

For the corporate image, there is a significant result to the customers' intention to use i-Aslah. It means corporate image factor can influence customers' intention to use. The finding shows that the objective had been achieved successfully. This result also consistence with

literature by Eunsang Yoon (1993) which said some goes to bank service, when the bank has good business reputation in society and good quality of management system it will contribute to the reliability among the customers.

## **5.2 Practical implications to the findings**

The study found that interest rate, social influence and corporate image influence customers' intention to use i-Aslah. As such, this provides a serious implication to Bank Rakyat to increase the demand for personal financing. Calza et al. (2003) and Nieto (2007). High interest rate can give impact to tangible costs because it can be the reason that can prevent people from lavish spending. In order to increase the demand for personal financing, it is suggested for Bank Rakyat to offer lower interest rate. Lending at low interest rate which is easily accessible can encourage people to spend more and live on debt. Also, different banks offer different interest rates and benefits. Bank Rakyat can offer benefits such as interest free months, or lower interest for existing customers.

Meanwhile, the results also indicated that social influence or the referent groups are important people to influence customers' to use i-Aslah. Hence, this study can guide the bank in promoting their personal financing where they promotion booth. The purpose is to disseminate relevant information on the role and function and a better understanding of the i-Aslah personal financing, not only to customers but also to parents, counsellors, teachers and the public. In today's competitive retail banking where most banks offer equally good packages of services, consumers may find it difficult to differentiate between banks. Consequently, as correctly pointed out by Reed (1976) realtors and potential customers'

fellow employees were important agents of initial bank choice because these people had early contact with the prospective patrons.

Also, the results indicated that corporate image can influence customers' to use i-Aslah. When bank has a good corporate image, they are able to make customers confident to choose Bank Rakyat as a financial institution in applying personal loan. By focusing to this factor, it can help the bank to ensure existing customers retain to them and keep using their product and services and at the same time able to attract new customers come to them.

### **5.3 Limitations**

Even though this study supports several theoretical works, there are several limitations that need to be acknowledged. These limitations may affect the interpretation of the results.

The first limitation noted is future research is recommended to replicate the study in other branch of Bank Rakyat or perhaps to the other Islamic or conventional banks in Malaysia or elsewhere.

The second limitation is the sample size is small the customers and bank in Kelantan.

Third, owing to the limited time for answering the questionnaires, the format of the questionnaires consists of only 20 questions. Therefore, the study may be not able to comprise all the questions in terms of the customers' intention to use i-Aslah.

The last limitation acknowledged is the accuracy or correctness of the information provided in response to the questionnaire cannot be validated or guaranteed. This is a common

drawback of using questionnaire survey. However, it is assumed that all respondents will answer truthfully without any prejudice may not necessarily reflect the views of others.

#### **5.4 Recommendations**

This research can be recommended to the future researchers who are interested in this related study where they can make this research as a guideline for his or her study. Future researcher must define the problems that probably will occur in the loan provided. The researcher need to define either there is another variable that reflect toward customer's intention to use.

#### **Conclusion**

In making a decision on whether to use i-Aslah or not, the results indicated that the factors which value most are the social influence. The roles and influences from key individuals around the students are undeniable. The results revealed that influence from other individuals such as family, teachers, advisor or counsellor has a greater impact on the customers' decision to use i-Aslah. Finally, it is hoped that the results could provide insight into the promotional strategies that must be made in order to attract more customers' to use i-Aslah.

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## **APPENDIX I**

### **QUESTIONNAIRE**

REF NO:

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#### **“DETERMINANTS OF CUSTOMER’S INTENTION TO USE I-ASLAH : CASE OF BANK RAKYAT”**

Dear respondents,

I’m Raja Attik Ariffuddin bin Raja Ariff, student of MSc (Finance) at present conducting a research on “Determinants of Customer’s Intention to Use i-Aslah” This research is conducted as part of subject fulfilment for my final year. I would appreciate if you would complete these questionnaires. All information and respondents identity will be kept strictly confidential and will be used for academic purpose only. Thank you for your time and cooperation.

*Kepada responden,*

*Saya, Raja Attik Ariffuddin bin Raja Ariff, pelajar tahun akhir MSc (Finance) sedang membuat satu kajian berkenaan dengan “Penentu Niat Pelanggan untuk Menggunakan i-Aslah”. Saya amat menghargai kerjasama yang diberikan kerana sudi meluangkan masa untuk menjawab soalan-soalan tentang kaji selidik berikut. Segala maklumat adalah sulit dan akan digunakan untuk tujuan akademik sahaja. Terima Kasih di atas kerjasama anda.*

Section A: Demographic / Maklumat Peribadi

Please complete this questionnaire as candidly as possible. Please tick (✓) in the column provided.

*Sila lengkapkan borang kajiselidik ini. Sila tandakan (✓) pada ruangan yang disediakan.*

1. Gender  
*Jantina*

☐

Male / *Lelaki*

☐

Female / *Perempuan*

2. Age  
*Umur*

☐

Below 25 years/ *Bawah 25 tahun*

☐

26 – 35 years / *26 – 35 tahun*

☐

36 – 45 years / *36 – 45 tahun*

☐

46 years and above / *46 tahun ke atas*

3. Profession  
*Pekerjaan*

☐

Government Servant / *Penjawat Awam*

☐

Private Employee / *Sektor Swasta*

4. Monthly Income  
*Pendapatan Bulanan*

☐

Less than RM 1,000 / *Bawah RM 1,000*

☐

RM 1,001 – RM 2,000 / *RM 1,001 – RM 2,000*

☐

RM 2,001 – RM 3,000 / *RM 2,001 – RM 3,000*

☐

RM 3,001 – RM 4,000 / *RM 3,001 – RM 4,000*

☐

RM 4,001 and above / *RM 4,001 dan ke atas*

5. The highest academic qualification  
*Kelayakan akademik tertinggi*

☐

SPM / *SPM*

☐

STPM / *STPM*

☐

Diploma / *Diploma*

☐

Bachelor and above / *Ijazah Sarjana Muda dan ke atas*

6. Where did you get information about personal financing i-Aslah?  
*Dari mana anda mendapat informasi tentang pembiayaan peribadi i-Aslah?*

☐

Family / *Keluarga*

☐

Friend / *Kawan*

☐

Printed & Electronic Media / *Media cetak & media elektronik*

☐

Other Bank Rakyat Branches / *Bank Rakyat Cawangan lain*

7. Have you ever apply for personal financing i-Aslah before?  
*Adakah anda pernah memohon pembiayaan peribadi i-Aslah sebelum ini?*

☐

Yes / *Ya*

☐

No / *Tidak*

8. How long branch take to process your financing?  
*Berapa lama bank mengambil masa untuk process pembiayaan anda?*

☐

1 – 2 days / *1 – 2 hari*

☐

5 – 6 days / *5 – 6 hari*

☐

3 – 4 days / *3 – 4 hari*

☐

7 – 8 days / *7 – 8 hari*

9. How long bank takes to disburse your financing?  
*Berapa lama bank mengambil masa untuk pengeluaran pembiayaan anda?*

☐

1 – 2 days / *1 – 2 hari*

☐

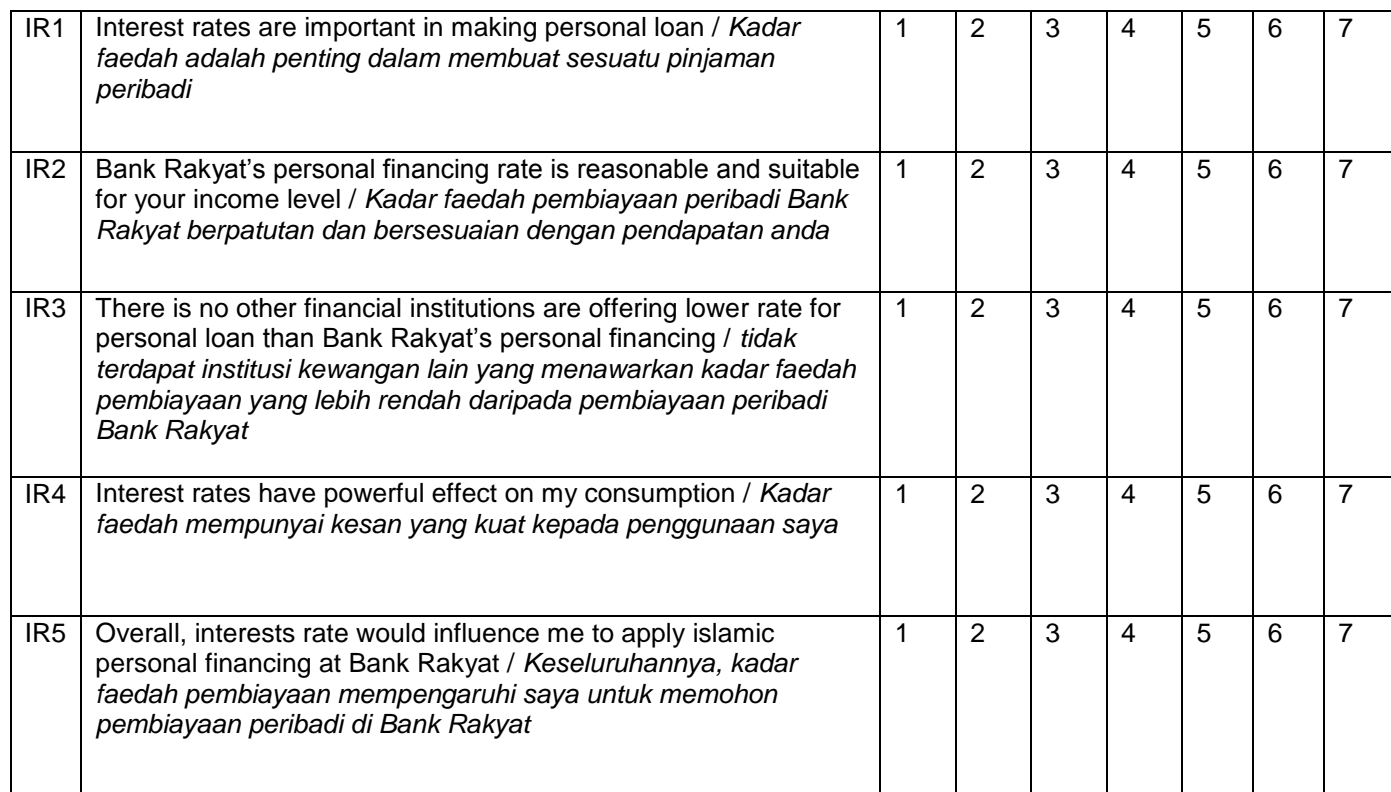
5 – 6 days / *5 – 6 hari*

☐

3 – 4 days / *3 – 4 hari*

☐

7 – 8 days / *7 – 8 hari*

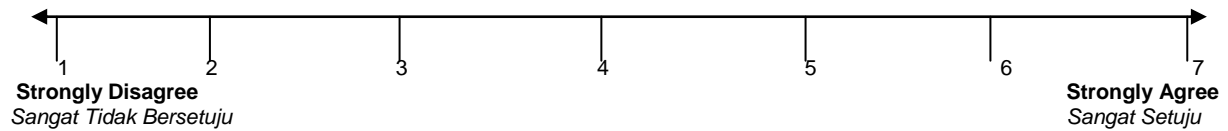


S1	Most people who are close to me think that I have to choose Islamic personal financing / <i>Kebanyakan orang yang rapat dengan saya berfikir bahawa saya perlu memilih pembiayaan peribadi Islam</i>	1	2	3	4	5	6	7
S2	It is expected by others that I should choose Islamic personal financing / <i>la dijangka oleh orang lain bahawa saya harus memilih pembiayaan peribadi Islam.</i>	1	2	3	4	5	6	7
S3	Most people who are important to me think that Islamic personal financing is useful / <i>Kebanyakan orang yang penting kepada saya berfikir bahawa pembiayaan peribadi Islam adalah berguna.</i>	1	2	3	4	5	6	7
S4	Most of people who are important to me think that Islamic personal financing is beneficial / <i>Kebanyakan orang yang penting kepada saya berfikir bahawa pembiayaan peribadi Islam adalah bermanfaat</i>	1	2	3	4	5	6	7
S5	Most people are assume me familiar with the need of Shariah / <i>Kebanyakan orang menganggap saya biasa dengan keperluan Syariah</i>	1	2	3	4	5	6	7

#### Section D: Corporate Image / *Imej Korporat*

Please indicate your responses by CIRCLE the number that best describe your answers. The scales of the responses are as below :-

*Sila nyatakan jawapan anda dengan BULATKAN bilangan yang terbaik menerangkan jawapan anda. Skala maklum balas adalah seperti berikut :-*

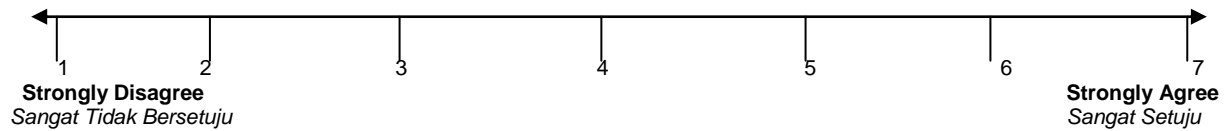


C1	Bank has good business reputation in society and good quality of management system / <i>Bank mempunyai reputasi perniagaan yang baik dikalangan masyarakat dan kualiti yang bagus dalam sistem pengurusan</i>	1	2	3	4	5	6	7
C2	Staff are customer friendly in promoting the product i-Aslah? / <i>Pekerja adalah mesra pelanggan dalam mempromosikan produk i-Aslah?</i>	1	2	3	4	5	6	7
C3	Staff are knowledgeable and experienced in their field / <i>Pekerja adalah berpengetahuan dan berpengalaman dalam bidang mereka</i>	1	2	3	4	5	6	7
C4	Bank has adequate staff qualities and always creates good relationship with the customer / <i>Bank mempunyai pekerja yang berkualiti dan sentiasa menjalin hubungan yang baik dengan pelanggan</i>	1	2	3	4	5	6	7
C5	As a bank who apply shariah compliance, I believe with Bank Rakyat products and procedure / <i>Sebagai sebuah bank yang berlandaskan syariah, saya percaya dengan produk dan prosedur Bank Rakyat</i>	1	2	3	4	5	6	7

#### Section E : Intention to Use / *Niat untuk Menggunakan*

Please indicate your responses by CIRCLE the number that best describe your answers. The scales of the responses are as below :-

*Sila nyatakan jawapan anda dengan BULATKAN bilangan yang terbaik menerangkan jawapan anda. Skala maklum balas adalah seperti berikut :-*



IT1	I am interested to use Islamic personal financing / <i>Saya berminat untuk menggunakan pembiayaan peribadi Islam.</i>	1	2	3	4	5	6	7
IT2	I am interested to use Islamic personal financing in the future / <i>Saya berminat untuk menggunakan pembiayaan peribadi Islam pada masa hadapan</i>	1	2	3	4	5	6	7
IT3	I will use Islamic personal financing someday / <i>Saya akan menggunakan pembiayaan peribadi Islam suatu hari nanti</i>	1	2	3	4	5	6	7
IT4	I like to use Islamic personal financing / <i>Saya suka menggunakan pembiayaan peribadi Islam</i>	1	2	3	4	5	6	7
IT5	I will definitely recommend Islamic personal financing to others / <i>Saya pasti akan mengesyorkan pembiayaan peribadi Islam kepada orang lain</i>	1	2	3	4	5	6	7

#### Section F : Recommendation / *Cadangan*

What are your overall opinion about the product and services offered by this bank? /  
*Apakah pandangan anda tentang produk dan servis yang ditawarkan oleh bank in?*

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Thank you for your cooperation and times to answer this questionnaire 😊

*Terima kasih atas kerjasama dan masa yang diluangkan untuk menjawab soal selidik ini 😊*

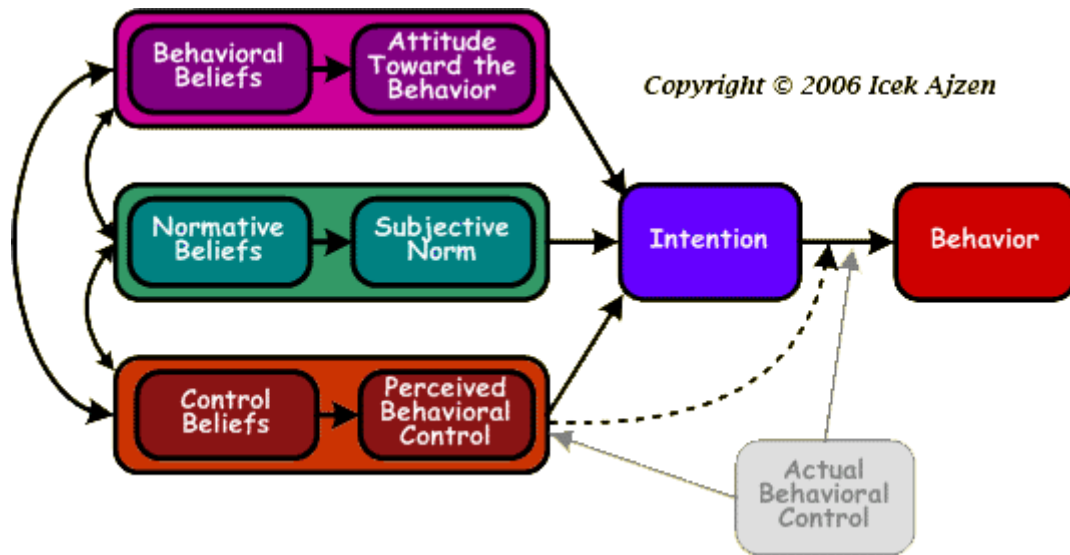


## APPENDIX II

PEMBIAYAAN PERIBADI-I ASLAH SWASTA (KADAR TERAPUNG)										
JADUAL ANSURAN PEMBIAYAAN PERIBADI-I ASLAH SWASTA										
TAHUN	1	2	3	4	5	6	7	8	9	10
BULAN	12	24	36	48	60	72	84	96	108	120
Bayaran Balik Potongan Akaun Simpanan (PAS) + Takaful										
Anuiti	89.1297	47.3542	33.5016	26.7531	22.6764	20.1269	18.2464	16.8632	15.8111	14.9901
KADAR	12.60%	12.60%	12.60%	12.85%	12.85%	13.10%	13.10%	13.10%	13.10%	13.10%
10,000	892	474	336	268	227	202	183	169	159	150
20,000	1,783	948	671	536	454	403	365	338	317	300
30,000	2,674	1,421	1,006	803	681	604	548	506	475	450
40,000	3,566	1,895	1,341	1,071	908	806	730	675	633	600
50,000	4,457	2,368	1,676	1,338	1,141	1,007	913	844	791	750
KADAR	12.60%	12.60%	12.60%	12.85%	12.85%	13.10%	13.10%	13.10%	13.10%	13.10%
60,000	5,348	2,842	2,011	1,606	1,361	1,208	1,095	1,012	949	900
70,000	6,240	3,315	2,346	1,873	1,588	1,409	1,278	1,181	1,107	1,050
80,000	7,131	3,789	2,681	2,141	1,815	1,611	1,460	1,350	1,265	1,200
90,000	8,022	4,262	3,016	2,408	2,041	1,812	1,643	1,518	1,424	1,350
100,000	8,913	4,736	3,351	2,676	2,268	2,013	1,825	1,687	1,582	1,500
KADAR	12.60%	12.60%	12.60%	12.85%	12.85%	13.10%	13.10%	13.10%	13.10%	13.10%
110,000	9,805	5,209	3,686	2,943	2,495	2,214	2,008	1,855	1,740	1,649
120,000	10,696	5,683	4,021	3,211	2,722	2,416	2,190	2,024	1,898	1,799
130,000	11,587	6,157	4,356	3,478	2,948	2,617	2,373	2,193	2,056	1,949
140,000	12,479	6,630	4,691	3,746	3,175	2,818	2,555	2,361	2,214	2,099
150,000	13,370	7,104	5,026	4,013	3,402	3,020	2,737	2,530	2,372	2,249

Interest rates charged on i-Aslah personal loan

### APPENDIX III



TPB Diagram

## **FREQUENCIES ANALYSIS**

### **Gender**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	67	67.0	67.0	67.0
	Female	33	33.0	33.0	100.0
	Total	100	100.0	100.0	

### **Age**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	26 – 35 years	35	35.0	35.0	35.0
	36 – 45 years	37	37.0	37.0	72.0
	46 years and above	28	28.0	28.0	100.0
	Total	100	100.0	100.0	

### **Job**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Government Servant	99	99.0	99.0	99.0
	Private Employee	1	1.0	1.0	100.0
	Total	100	100.0	100.0	

### **Income**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	RM1,001 - RM2,000	24	24.0	24.0	24.0
	RM2,001 - RM3000	43	43.0	43.0	67.0
	RM3,001 - RM4,000	29	29.0	29.0	96.0
	RM4,001 and above	4	4.0	4.0	100.0
	Total	100	100.0	100.0	

### Qualification

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SPM	15	15.0	15.0	15.0
	STPM	25	25.0	25.0	40.0
	Diploma	26	26.0	26.0	66.0
	Degree and above	34	34.0	34.0	100.0
	Total	100	100.0	100.0	

### Information

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Family	14	14.0	14.0	14.0
	Friends	11	11.0	11.0	25.0
	Printed & Electronic media	39	39.0	39.0	64.0
	Other Bank Rakyat branches	36	36.0	36.0	100.0
	Total	100	100.0	100.0	

### Apply

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	98	98.0	98.0	98.0
	No	2	2.0	2.0	100.0
	Total	100	100.0	100.0	

### DisbursTime

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 – 2 days	76	76.0	76.0	76.0
	3 – 4 days	24	24.0	24.0	100.0
	Total	100	100.0	100.0	

**TimeProcess**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 – 2 days	33	33.0	33.0	33.0
	3 – 4 days	35	35.0	35.0	68.0
	5 – 6 days	32	32.0	32.0	100.0
	Total	100	100.0	100.0	

**RELIABILITY ANALYSIS****Interest Rate****Reliability Statistics**

Cronbach's Alpha	N of Items
.899	5

**Social Influences****Reliability Statistics**

Cronbach's Alpha	N of Items
.635	5

## Corporate Image

### Reliability Statistics

Cronbach's Alpha	N of Items
.822	5

## Intention to Use

### Reliability Statistics

Cronbach's Alpha	N of Items
.795	5

## CORRELATIONS

### Correlations

		MEAN_IR	MEAN_S	MEAN_C	MEAN_IT
MEAN_IR	Pearson Correlation	1	.780**	.871**	.766**
	Sig. (2-tailed)		.000	.000	.000
	N	100	100	100	100
MEAN_S	Pearson Correlation	.780**	1	.877**	.787**
	Sig. (2-tailed)	.000		.000	.000
	N	100	100	100	100
MEAN_C	Pearson Correlation	.871**	.877**	1	.807**
	Sig. (2-tailed)	.000	.000		.000
	N	100	100	100	100
MEAN_IT	Pearson Correlation	.766**	.787**	.807**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	100	100	100	100

\*\*. Correlation is significant at the 0.01 level (2-tailed).

## REGRESSION

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.832 <sup>a</sup>	.693	.683	.42057

a. Predictors: (Constant), MEAN\_C, MEAN\_IR, MEAN\_S

## **Anova**

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	38.259	3	12.753	72.098	.000 <sup>b</sup>
	Residual	16.981	96	.177		
	Total	55.240	99			

a. Dependent Variable: MEAN\_IT

b. Predictors: (Constant), MEAN\_C, MEAN\_IR, MEAN\_S

## **Coefficients**

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.951	.275		3.462	.001
	MEAN_IR	.176	.086	.237	2.052	.043
	MEAN_S	.354	.128	.327	2.775	.007
	MEAN_C	.286	.137	.314	2.095	.039

a. Dependent Variable: MEAN\_IT

## Descriptive Statistics

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
MEAN_IR	100	2.40	7.00	4.4260	1.00691
MEAN_S	100	2.80	6.80	4.3860	.69005
MEAN_C	100	2.00	6.80	4.2620	.82030
Valid N (listwise)	100				