



Perceptions of Young Customers Towards Islamic Banking Products and Services in Sylhet

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ABSTRACT

The study aimed to examine the perception of young customers towards Islamic banking products and services in Sylhet. A sample of 300 young customers of Islamic banks in Sylhet, all under the age of 39, was chosen using convenience sampling. The data of the study has been collected using a structured questionnaire consisting of 22 items. They used various methods, such as Cronbach's Alpha for reliability, regression analysis, correlation analysis, and analysis of variance (ANOVA), to analyze the data. The results of the reliability analysis showed that all four variables were reliable. The regression analysis showed that awareness and religious motivation had a significant positive effect on young customers' perception, while knowledge did not. The ANOVA results showed that the independent variables had a significant effect on young customers' perceptions. The study recommends that Islamic banks should improve their marketing strategies by increasing their presence in Islamic centers and collaborating with Islamic scholars to expand their customer base. Additionally, the study suggests that Islamic banks in Bangladesh should create instruments that can gather important economic variables to create an effective plan for social and economic reforms. To expand the reach and functioning of Islamic banking options, experts in modern economics, intellectuals, and Islamic scholars should contribute their insights to evaluate the *Shariah* framework through advisory boards.

Keywords: Islamic banks, *Shariah*, Young customers, Perception, Awareness, Knowledge, Sylhet.

I. INTRODUCTION

Banks have become crucial players in the economic growth and prosperity of countries across the world. However, the Islamic banking system stands apart from the conventional banking system.

It operates based on the principles and teachings of Islam, and the concept of an Islamic bank is not found in the conventional commercial banking system. The Islamic banking system operates in accordance with the rules and regulations of *sharia*, the Islamic law. In this system, ethical and moral considerations are given priority, and interest-based transactions are not allowed. Therefore, Islamic banking has gained popularity in many Muslim-majority countries and among those who prefer a banking system based on ethical principles (Iqbal & Mirakhor, 2007; Iqbal & Molyneux, 2005; Belouafi & Chachi, 2014).

Islamic banking in Bangladesh began in 1983 with the establishment of the Islamic Bank Bangladesh Limited (IBBL), the first full-fledged Islamic bank in the country. Since then, the Islamic banking industry has grown significantly in Bangladesh, with the establishment of several other Islamic banks, including Shahjalal Islamic Bank, and Al-Arafah Islami Bank. The Islamic banking sector in Bangladesh is regulated by the Bangladesh Bank, the country's central bank and the *Shariah* Supervisory Committee of Bangladesh Bank oversees the *Shariah* compliance of Islamic banks (Islam, Sultana, & Chowdhury, 2019; Shaown & Sultana, 2017; The Economist, 2017).

According to *Shariah* rule, interest is not allowed on both receipt and deposit. Instead, Islamic banks and other parties invest their resources and divide the returns, including profit and loss, among themselves based on predetermined terms and conditions. Islam prohibits money from being left idle without investment. For religious reasons, many Muslims choose Islamic banks as they strive to abide by the principles of their religion. Over the last three decades, Islamic banking has witnessed rapid growth, expanding in all areas of the world. It has garnered significant interest from both Muslims



and non-Muslims alike (Marimuthu, et al. 2010; Ahmad, 1994)

In Islam, the charging of interest is considered prohibited. Therefore, the establishment of an Islamic banking system is necessary to meet the needs and wants of Muslim individuals while adhering to *Shariah* rule. Religion has a significant impact on the perception of customers and influences their attitudes in various aspects of life, including their banking preferences. The principles of Islam also guide the operation of Islamic banking systems. According to Kamla, Gallhofer and Haslam (2006), religion plays a crucial role in customers' decisions regarding Islamic banking systems, with other factors being of lesser importance. While the operation of Islamic banks is similar to that of commercial banks, the key difference is that Islamic banks operate according to the laws of Islam (Ghani, Aziz and Niazi, 2015).

One of the significant factors that affect customer perception is their awareness of Islamic financial products and services. Many people are not aware of the differences between Islamic banks and commercial banks. The primary objective of Islamic banks is to foster economic growth by offering financial products and services based on the principles of Islam and *Shariah* (Iqbal, Nisha and Rashid 2018). To encourage customers to select Islamic financial products and services, it is necessary for banks to provide awareness and a clear understanding of the benefits in comparison to competitor's offerings. Islamic banks understand that customers perceive product and service quality as essential. The fundamental principle of Islamic banking systems is to offer interest-free products and services. They offer more profit on *Murabaha* facilities compared to conventional loans, as Islamic products are based on the profit and loss sharing system (Ahmad, 1994; Suzuki, Uddin and Sigit, 2019). Although several studies have been conducted on Islamic banking systems, there has been limited focus on the intention of customers to adopt and use Islamic banking products and services. Therefore, further studies are required to clarify the factors that influence customers' intentions to adopt and use Islamic banking products and services (Suzuki and Uddin, 2016).

The growth of Islamic banking has been driven by increasing demand from consumers who want financial products that are in line with their religious beliefs. Many customers may not fully understand the principles of Islamic banking, and

this lack of knowledge could lead to misunderstandings or even dissatisfaction with the products and services offered by Islamic banks. One key area where customer knowledge is particularly important is the area of financing. Islamic banks offer several types of financing, including *Murabaha* (cost-plus financing), *Musharakah* (partnership financing), and *Ijara* (leasing). Each of these financing methods has its unique characteristics and requirements, and customers need to understand how they work in order to make informed decisions about which financing option is best for their needs (Akbar, Shah and Kalmadi, 2012; Julia and Kassim, 2020). Another area where customer knowledge is important is in the area of deposits. Islamic banks offer several types of deposit accounts, including savings accounts, current accounts, and investment accounts. Young customers need to understand the features and benefits of each type of account in order to choose the one that best meets their needs. Young customer knowledge of products and services offered by Islamic banks is crucial for the growth and success of this sector. Islamic banks need to prioritize educating their customers about their products and services, particularly in the areas of financing and deposits (Kamla, Gallhofer and Haslam 2006; Kettell 2011). However, according to Erik Erikson's human development stage, young individuals are aged between 19 and 39 years, while teenagers are aged between 13 and 18 years. The young population comprises Millennials (individuals born between 1981 and 1997) and Generation Z (individuals born from 1997 onwards), who grew up during the era of modern technologies (Kustono, Nanggala and Mas'ud 2020).

There has been a lack of research conducted to investigate the issue of Islamic banking from the perspectives of young consumers and employees of Islamic banks. Despite the significant growth and expansion of Islamic banking in recent years, crucial stakeholder groups have been neglected in numerous studies on the subject. However, the purpose of this study is to bridge the study gap in the context of Sylhet by achieving a number of objectives. Firstly, it seeks to investigate the perceptions of everyday customers with regard to Islamic financing products and services. Secondly, it aims to examine the correlation between awareness and customer perceptions of Islamic financing products and services. Thirdly, it intends to scrutinize the relationship between knowledge and customer



perceptions of Islamic financing products and services. Finally, it strives to assess the connection between religion and the perceptions of Muslim customers regarding Islamic financing products and services. The remainder of this study is structured as follows: Section 2 reviews relevant literature that evaluates the Islamic banking model and its products and services. Section 3 provides a description of the research methodology and data used. Section 4 presents the survey findings and offers a detailed explanation. Finally, Section 5 concludes the study by reporting the main findings, suggesting limitations, and outlining avenues for future research.

II. REVIEW OF LITERATURE AND HYPOTHESES DEVELOPMENT

Islam places advancing human welfare, maintaining equity, and protecting wealth and faith as its major priorities. Establishing an Islamic legal framework that can promote the growth of Islamic finance and complement other financial markets is essential to achieving these goals. Such a legal framework would support the development of Islamic finance as well as encourage morals and conduct in financial operations (Ahmad & Ahmad, 2008).

Previous research has shown that Muslims frequently integrate their Islamic views into every aspect of their lives. The Islamic *Shariah* and its rules, which restrict the use of interest in financial transactions, are nevertheless something they are ready to abide by. This is a result of the understanding that interest, which is forbidden in Islam, can have negative repercussions on both the economy and society as a whole. As a result, Muslims seek to avoid interest-based transactions because they are aware that they might trigger financial crises and have a bad impact on a number of societal facets (Ahmad & Ahmad, 2008).

Due to the established, positive brand image of conventional banks, Islamic banking institutions have a hard time breaking into the market and attracting new customers. Customers feel secure knowing their money is growing steadily with the interest-based products offered by traditional banks. Islamic banks, on the other hand, have seen enormous growth and these credits to their willingness to innovate and provide interest-free goods and services in order to compete for clients. Since fixed dividends are forbidden by *Shariah*, Islamic banks are unable to issue preferred stock (Kadubo, 2010).

Awareness

Awareness on the part of potential consumers is an essential component in the acquisition of new clients by Islamic banks. Studies carried out in Singapore by Gerrard & Cunningham (1997) as well as in Pakistan by Ellahi, Khattak, Khashif-Ur-Rehman, & Jamil (2011) have demonstrated that the religious aspect is not the key component that drives customers' preferences for financial transactions with Islamic banks. Instead, the knowledge of products and services is critical. Lack of awareness is a general issue that impedes people from selecting Islamic banks. Haron & Ahmad (2000) conducted a study that supports the argument that awareness impacts the selection of an Islamic bank. According to the findings of their study, a gain in market share is associated with a greater degree of awareness regarding the products and services offered by Islamic banks, as well as strategies for marketing and the level of service offered.

Ahmad (1994) carried out research in the United Kingdom that emphasized the significance of awareness for the expansion and development of the Islamic banking system. He said that expanding the number of users is extremely important and that the key to attracting account holders is to ensure that sufficient facts get communicated. To understand the variable of awareness more clearly, Ahmad & Ahmad (2008) conducted a study that highlighted the significance of service quality in terms of awareness. His research revealed that providing improved service quality would only satisfy those customers who are well aware of the products and services.

Similarly, Naser, Jamal, & Al-Khatib (1999) conducted a study that found that although many customers have some knowledge about specific Islamic banking products, such as Mudarabah and Murabaha, most are not willing to use these products. Therefore, it would appear that there is a correlation between awareness of products and services and service quality. While some individuals place a higher priority on awareness when choosing an Islamic bank, other studies have indicated that service quality is an important consideration in financial institution selection (Kamsu, 2013).

Knowledge

In their research, Gait & Worthington (2008) examined the attitudes, knowledge and perceptions



of individual customers, business firms, and financial institutions toward Islamic banking. They found that while customers do consider religion as an important factor, they also take into account other factors like cost of finance, service quality, and bank reputation when selecting a bank. Zainol, Shaari, & Ali, (2008) studied the perceptions of employees towards products and services in Malaysia and found that employees in Islamic banks had greater knowledge compared to those working in Islamic windows of conventional banks. Haque, Jamil and Ismail (2009) investigated the perception of consumers towards Islamic banking in Malaysia. Marimuthu, et al., (2010) conducted a descriptive study on the basic elements of acceptance of Islamic banking in Malaysia. The study showed that ethnic and religious factors did not have much influence on the selection of Islamic banking, and suggested that Islamic banks should enhance their promotion activities to increase people's knowledge about Islamic banking.

Religious Motivation

Religious motivation can be described as a person's deep commitment to their religious beliefs and practices. The results of a number of studies have shed light on the fundamental part that religious motivation plays in the decision-making process that individuals go through when choosing an Islamic banking system (DESA, 2009). Chapra (1992) discovered that the majority of Muslims opted for Islamic banks because of their religious beliefs. Additionally, he discovered that the majority of Muslim clients were customers of Islamic banks as well as traditional banks that provided Islamic services. Moreover, the majority of customers were unaware of the products and services provided by Islamic banks, and their sole reason for selecting an Islamic bank was their religious motivation and the belief that it offered interest-free banking.

Several studies have found that religious motivation is a significant factor in the adoption of Islamic banking systems. The idea that religious motivation is the key factor in choosing an Islamic bank is additionally supported by Metawa & Almossawi (1998). Prominent research on Islamic banking selection criteria was undertaken by Bashir (1999) in Kuwait and by Naser, Jamal, & Al-Khatib (1999) in Jordan. They found that 70% of people said their religious opinions were very important to them when choosing an Islamic bank.

Additional research conducted by Haron & Ahmad (2000); Bley & Kuehn (2005) and Berry, Jr, O'Connor, Parrott, & Wade (2005) lends support to the idea that a strong religious drive is the most significant factor in the selection of an Islamic banking system. This idea is supported by the findings of the three studies. For Muslims, Islamic banking is considered to be the righteous kind of financial transaction since it upholds the ideals of *Riba*-free banking, which is severely forbidden by *Shariah*, the legal code governing Islam. In addition, the research conducted by Dusuki & Abdullah (2007) discovered that consumers engaging with an Islamic banking system placed significant importance on religious motivation as the driving force behind their decisions.

A significant study that was carried out in 1997 by Gerrard and Cunningham found that the vast majority of Muslims (62.1%) are eager to deposit their cash in Islamic banks, even if doing so means obtaining lesser returns on their investments. They have a strong conviction that *Riba*-free banking contributes to the general well-being of society, which is the key factor that drives them to have this inclination (Al-Ajmi, Hussain, & Al-Saleh, 2009). Al-Ajmi et al. (2009) highlighted several motivational variables in addition to religious drive as significant elements in attracting and maintaining clients. These characteristics include the knowledge and affability of the bank staff as well as the perceived service quality. In general, it seems that religious motivation is the primary driving force behind the majority of Muslims' decisions to use an Islamic financial system. The conclusions may be different, however, if the research was carried out in a state that is not Islamic. This is because non-Muslims, in addition to other criteria, take into consideration aspects such as the image of the bank, the quality of the services, and the investment opportunities.

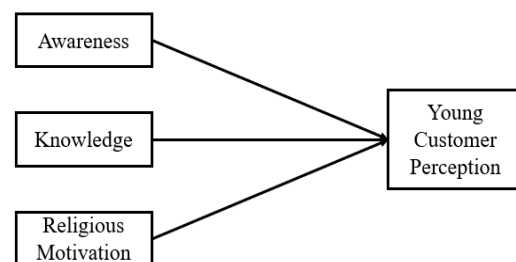


Figure 1. Theoretical Model of the Study



This study's conceptual framework seeks to investigate consumers' perceptions of Islamic banking products and services in Sylhet, as well as related variables. There are a total of four dependent and independent variables included in the study. As shown in the preceding model, these variables include awareness, knowledge, religious motivation and the perceptions of young customers. Customers' perceptions of Islamic banking products and services in Sylhet are categorized as the dependent variable, with the study concentrating significantly on this variable. The remaining variables have been utilized as the study's independent variables.

To achieve these objectives of the study, the following hypotheses will be investigated:

H₁: Awareness of Islamic financing products and services effects young customer perceptions in Sylhet.

H₂: Knowledge of Islamic financing products and services effects young customer perceptions in Sylhet; and

H₃: Religion effects young customer perceptions of Islamic financing products and services in Sylhet.

III. RESEARCH METHOD

This study investigates the perceptions of young customers in Sylhet towards Islamic banking products and services. The population of interest for this study is the customers of Islamic banks in Sylhet who are under the age of thirty-nine. The convenience sampling method, a non-probability sampling technique, was used to select the sample. The structured questionnaire comprised 22 items, of which four items were related to demographics. The questionnaire utilized a five-point Likert scale, where 1 indicated strongly disagree and 5 indicated strongly agree. The questionnaire was divided into two sections: Section A provided information about the demographic profile of the respondents, including age, gender, religious level, and education. Section B explored issues relating to perceptions, awareness, knowledge, and religious motivation of customers towards Islamic financing products and services in Sylhet.

A pilot study was conducted in Sylhet City with 75 respondents to prepare the survey

instrument for final data collection. Results from the pilot study showed that self-administered questionnaires took approximately 5-10 minutes to complete. The survey stopped at 375 questionnaires due to theoretical saturation. However, 75 questionnaires were excluded from analyses due to incomplete demographic data. Ultimately, 300 questionnaires were retained for further analysis. The study adhered to strict research ethics, ensuring confidentiality and anonymity for all volunteer respondents as personal information was not collected.

To gain an in-depth understanding of respondents' perceptions, this study employed various tests, such as Cronbach's Alpha for reliability, regression analysis, correlation analysis, and analysis of variance (ANOVA). Collis and Hussey (2021) suggest that using multiple methods to study the same phenomenon enhances the reliability and validity of the results. In this study, customer perception was considered the dependent variable, while awareness, knowledge, and religious motivation were the independent variables used to explore perceptions of Islamic financing products and services in Sylhet. A regression analysis was conducted on the responses from 300 participants, using IBM SPSS version 25.0 with macOS Catalina for data coding and analysis. Pearson correlation coefficient and regression were used to assess the relationship between the dependent variable (perception) and independent variables (knowledge, awareness, and religious aspiration). The regression analysis equation is as follows:

$$YCP = \alpha + \beta_1 (A) + \beta_2 (K) + \beta_3 (R) + \varepsilon \dots (1)$$

where, YCP = Young Customer Perception; A = Awareness; K = Knowledge; R = Religious Aspiration; ε = Error Term.

IV. RESULTS

In this section, we will discuss the results obtained from the study. The discussion begins with the utilization of descriptive statistics to present a brief overview of the demographic details of the participants.

Profile of the respondents



Table 1. Profile of the respondents

| Measure | Items | Percentage |
|-----------------|------------------|------------|
| Gender | Male | 82.3 |
| | Female | 17.7 |
| Age | 18-29 | 27.3 |
| | 30-39 | 66.3 |
| | 40-49 | 6.3 |
| Education | Secondary School | 3.3 |
| | Higher Secondary | 23.3 |
| | Bachelor | 44.3 |
| | Master's | 21.3 |
| | Others | 7.7 |
| Religious Level | High | 77.0 |
| | Moderate | 21.7 |
| | Low | 0.7 |
| | None | 0.7 |

Table 1 provides a breakdown of different demographic variables in terms of the percentage of items for each category. The first variable is gender, with 82.3% of the items being male and 17.7% being female. The second variable is age, with the majority of items falling into the 30-39 age range (66.3%), followed by 18-29 (27.3%) and 40-49 (6.3%). The third variable is education, with the

highest percentage of items holding a Bachelor's degree (44.3%), followed by Higher Secondary (23.3%), Master's (21.3%), Secondary School (3.3%), and Others (7.7%). The final variable is religious level, with the majority of items being classified as High (77%), followed by Moderate (21.7%), Low (0.7%), and None (0.7%).

Table 2. Reliability Analysis

| Variables | Items | Cronbach's Alpha value | Results |
|---------------------------|-------|------------------------|----------|
| Young customer Perception | 6 | 0.922 | Reliable |
| Awareness | 4 | 0.853 | Reliable |
| Knowledge | 4 | 0.810 | Reliable |
| Religious Motivation | 4 | 0.731 | Reliable |

Table 2 presents the results of a reliability analysis conducted on four different variables, namely Young Customer Perception, Awareness, Knowledge, and Religious Motivation. The table shows the number of items for each variable, along with their respective Cronbach's Alpha values, which is a measure of internal consistency reliability. The results indicate that all four variables have acceptable levels of reliability. The Young Customer Perception variable has the highest Cronbach's Alpha value of 0.922, indicating that the items within this variable are

highly consistent in measuring the same construct. The Awareness and Knowledge variables also have high levels of reliability, with Cronbach's Alpha values of 0.853 and 0.810, respectively. The Religious Motivation variable has a slightly lower reliability with a Cronbach's Alpha value of 0.731, but still falls within an acceptable range. Hence, the results of the reliability analysis suggest that the items within each variable are reliable measures of the underlying constructs they are intended to assess.

Table 3. Model of Regression Analysis

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .620 ^a | .385 | .380 | .65019 |

a. Predictors: (Constant), Religious motivation, Knowledge, Awareness

The table 3 presents the results of a regression analysis model. The model includes four

variables, namely young customer perception, religious motivation, knowledge, and awareness. The coefficient of determination (R-squared) is



0.385, indicating that approximately 38.5% of the variance in the dependent variable can be explained by the independent variables. The adjusted R-squared is 0.380, which suggests that the model's explanatory power is robust even after adjusting for the number of predictors in the model. The standard error of the estimate is 0.65019, representing the average distance between the observed values and the predicted values. The

correlation coefficient (R) is 0.620, indicating a moderate positive association between the independent and dependent variables. Hence, the results suggest that the model is statistically significant and can provide valuable insights into the relationship between the variables included in the model.

Table 4. ANOVA^a

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|--------------|----------------|-----|-------------|--------|-------------------|
| 1 Regression | 98.070 | 3 | 32.690 | 77.327 | .000 ^b |
| Residual | 156.841 | 371 | .423 | | |
| Total | 254.912 | 374 | | | |

a. Dependent Variable: Young Customer Perception

b. Predictors: (Constant), Religious motivation, Knowledge, Awareness

The ANOVA results show that the overall model is statistically significant ($F = 77.327$, $p < 0.001$), indicating that the independent variables together have a significant effect on "Young Customer Perception." The table shows that the regression sum of squares is 98.070, which means that the independent variables explain a significant portion of the total variance in the dependent variable. The table also presents information on the

residuals, which are the differences between the observed values of the dependent variable and the predicted values from the model. The residual sum of squares is 156.841, and the total sum of squares is 254.912. Therefore, the results of the ANOVA analysis indicated that the model with "Religious motivation," "Knowledge," and "Awareness" as independent variables significantly predict "Young Customer Perception."

Table 5. Coefficients in Regression Analysis

| Model | Unstandardized Coefficients | | Standardized Coefficients | | t | Sig. |
|----------------------|-----------------------------|------------|---------------------------|--|-------|------|
| | β | Std. Error | Beta | | | |
| 1 (Constant) | .463 | .175 | | | 2.640 | .009 |
| Awareness | .301 | .058 | .253 | | 5.171 | .000 |
| Knowledge | .007 | .036 | .008 | | .190 | .849 |
| Religious motivation | .519 | .058 | .445 | | 9.011 | .000 |

a. Dependent Variable: Young Customer Perception

Table 5 shows the results of a regression analysis with "Young customer perception" as the dependent variable and "Awareness," "Knowledge," and "Religious motivation" as independent variables. The table includes the unstandardized coefficients, standardized coefficients (β), t-values, and significance levels (Sig.) of each variable. The results show that Awareness and Religious motivation have a significant positive effect on Young Customer Perception, with standardized coefficients (β) of 0.253 and 0.445, respectively. However, Knowledge does not have a significant effect on Young Customer Perception as its standardized coefficient (β) is close to zero (0.008). The constant term in the model is 0.463, which means

that when all independent variables are zero, the predicted value of young customer perception is 0.463. The t-values and significance levels of all variables indicate that they are statistically significant except for Knowledge, which is not significant. Hence, the results suggest that Awareness and Religious motivation are important factors that influence Young Customer Perception and Knowledge does not seem to have a significant impact on Young Customer Perception.

Therefore, we can formulate the overall model as:

$$YCP = .463 + .301 (A) + .007 (K) + .519 (R) + \varepsilon \dots (2)$$



Table 6. Pearson Correlation Analysis

| | Young customer perception | Awareness | Knowledge | Religious motivation |
|---------------------------|---------------------------|-----------|-----------|----------------------|
| Young Customer Perception | 1 | | | |
| Awareness | .498** | 1 | | |
| Knowledge | -.079 | -.070 | 1 | |
| Religious motivation | .583** | .553** | -.156** | 1 |

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

The results indicate that there is a significant positive correlation between “Young Customer Perception” and “Awareness” ($r = 0.498$), as well as between “Young customer perception” and “Religious motivation” ($r = 0.583$). However, there is a non-significant negative correlation between “Young Customer Perception” and “Knowledge” ($r = -0.079$), which suggests that there is no significant relationship between these two variables. Additionally, there is a significant positive correlation between “Awareness” and “Religious motivation” ($r = 0.553$), and a significant negative correlation between “Knowledge” and “Religious motivation” ($r = -0.156$). These correlations suggest that “Awareness” and “Religious motivation” are positively related, while “Knowledge” and “Religious motivation” are negatively related. Hence, the results of the Pearson correlation analysis provide insight into the relationships between the variables and suggest that “Awareness” and “Religious motivation” are important factors that influence “Young Customer Perception”.

V. CONCLUSION AND IMPLICATIONS

The study found that young customers’ perception of Islamic banking products and services in Sylhet is significantly predicted by demographic variables such as religious motivation, knowledge, and awareness. The results showed that Awareness and Religious motivation had a positive effect on young customer perception, while Knowledge did not have a significant impact. The Pearson correlation analysis further indicated that “awareness” and “religious motivation” were important factors that influenced young customers’ perceptions. The study also found that customers reported a lack of understanding of Islamic financial terminology, which may be attributed to insufficient efforts from Islamic banks. To address this issue, Islamic banks could develop simpler,

more competitive, and accessible products that are easier to understand for a wider audience. Offering courses related to Islamic finance in schools and colleges could also help people comprehend the fundamental principles of Islamic financial terminology.

To reach potential customers, Islamic banks could improve their marketing strategies by increasing their presence in Islamic centers and conferences. Collaborating with Islamic scholars is also recommended to ensure better *Shariah*-compliance, generate innovative product ideas, and provide expert advice on issues related to Islamic finance. This collaboration could also help consumers overcome any misconceptions they may have regarding Islamic banking practices. It is suggested that Islamic banks in countries like Bangladesh should devise instruments that can collect important economic variables to prepare a well-conceived program for social and economic reforms. To expand the scope and operation of Islamic banking options, the *Shariah* framework of Islamic institutions should be reevaluated with the input of both intellectuals and experts in modern economics and Islamic scholars on advisory boards.

VI. LIMITATIONS AND DIRECTIONS FOR FUTURE STUDIES

There has been a dearth of studies on young customers’ perceptions of Islamic banking in Sylhet. The study had a small sample size, confined to young customers in Sylhet, which may limit the applicability of the results to other demographic groups and regions in Bangladesh. To obtain a comprehensive understanding of customers’ attitudes and preferences towards Islamic banking products and services, future research could involve a more diverse group of customers, including those from different age groups, socioeconomic backgrounds, and regions of



Bangladesh. A mixed-methods approach, combining both quantitative and qualitative data collection methods, could provide a more nuanced understanding of the study.

Future studies could also examine the various factors that influence young customers' perceptions and preferences toward Islamic banking products and services. Future studies could investigate the impact of religion, culture, education, and media on shaping young customers' attitudes toward Islamic banking. Finally, studies research could evaluate the effectiveness of marketing strategies and customer service in promoting Islamic banking products and services to young customers in Sylhet and other regions of Bangladesh. By addressing these issues, future studies could contribute towards a more in-depth understanding of the perceptions of young customers towards Islamic banking products and services in Sylhet and Bangladesh as a whole.

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