

FACTORS INFLUENCING THE DEMAND FOR ISLAMIC BANKING PRODUCTS IN SRI LANKA: A STUDY BASED ON GALLE DISTRICT

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Abstract: There are several products available in Islamic banking and various factors influence the demand on them. Although only considerable number of studies have been conducted related to this title globally, in the case of Sri Lanka, no study have been conducted on the determining factors of demand of Islamic banking products to fulfill the research gap. In this regard, the main purpose of this study is to analyze the demand of Islamic banking products in Sri Lanka with special reference to the Galle district. In addition, identifying the factors that determine the demand of Islamic banking products, analyzing the relationship between the demand for Islamic banking products and influencing factors in Sri Lanka and investigating the which independent variables have a tremendous impact on the demand for Islamic banking products are secondary objectives of this study. This is a quantitative research, using both primary and secondary sources of data. Primary data was collected through the distribution of questionnaire. It was distributed among 250 customers of Amana bank in Galle District. Secondary sources were collected through the academic journals, books, research articles, and thesis and website articles. In this study the Statistical Package for Social Sciences (SPSS) was used analyze the data. Furthermore findings presented through descriptive analysis, factor analysis, correlation analysis and regression analysis. According to the findings, a strong positive relationship between demand for Islamic banking products and religiosity, attitude, awareness and reputation. Furthermore, according to regression analysis, awareness was found to be the greater impact on demand for Islamic banking products and reputation, attitude and religiosity were found to be second, third and lowest impact factors respectively.

Keywords: Demand, Islamic Banking Products, Determinant Factors, Islamic Banking