

Factors Influencing Customers' Acceptance of Islamic Financial Institutions in Thailand

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Abstract

The previous research findings on customers' acceptance levels have inspired the current research. Based on the information supplied, it can be concluded that the Islamic financial industry in Thailand has emerged in the global banking system and is experiencing rapid growth, as seen by its expanding market share. Therefore, the Islamic financial sector should prioritize enhancing consumer perception and awareness, irrespective of whether the consumers are Muslims or non-Muslims, by providing products and services that are advantageous to them. To foster the expansion of the Islamic banking industry, it is crucial to comprehend the present expectations of consumers. This study examines the level of acceptance of Islamic financial institutions among customers in Thailand. The findings indicate that social and religious elements, as well as customers' confidence, have a beneficial impact on the acceptability of Islamic financial institutions in Thailand.

Keywords: *Islamic Financial Institutions, Islamic Banking, Acceptance, Thailand, Products and Services*

1.0 Introduction

Thailand is a nation where Buddhism is the predominant religion, with Islam being the second largest faith. There are more than 6 million Muslims out of a total population of 63 million in Thailand, and the bulk of them reside in the southern regions of the country, specifically in Pattani, Yala, Narathiwat, and Songkhla. These Muslim Thais are more exposed to and influenced by Malaysia because the southern part of Thailand is located near the northern part of Malaysia. Hence, The Islamic Financial institutions in Thailand such as Assiddiq, Ibnu Affan, and other Islamic saving corporative are more exposed to Malaysia Islamic financial institutions. The beginning of the Islamic financial institution system was introduced by Dean Tohmina who introduced and established the first Pattani Islamic saving corporative which is under the private sector whereas later on Thai government saving bank started to use the 'Islamic window' concept in 1998. In the following year, the Islamic window was implemented by the Bank for Agriculture and Agricultural Cooperatives (BAAC) in 1999. Also, in 2001

Krung Thai Bank implemented an Islamic branch in their bank. Finally, in 2003 Islamic Bank of Thailand was officially established by the government under the Ministry of Finance. Due to its recent establishment, the Islamic Financial institution in Thailand encounters numerous obstacles. These include economic region, public acceptance, regulations, meeting public demand, and infrastructure. Successfully addressing these difficulties requires attentive and concerted efforts from multiple stakeholders. The primary aim of this paper is to thoroughly explain the issues and offer effective answers.

The ideas and practices of Islamic Banking are based on the Qur'an, the sacred text of Islam, and Hadith, the sayings and actions of the Prophet Muhammad. The Qur'an and Hadith delineate the permissible and impermissible aspects of the Islamic faith (Khan, 2010). The fundamental principle of Islamic Banking is the prohibition of *riba* (Ayub, 2002). Khan (2010) argues that profits should be the result of engaging in beneficial commerce while sharing the associated risks. The fundamental principles of Islamic Banking and Finance, as outlined by El Hawary et al. (2004), are as follows: Risk-sharing: the conditions of the financial transactions should accurately represent the distribution of risk and returns among all parties involved in the transaction. Materiality: It is recommended that all financial transactions be structured based on equity rather than debt. There should be no exploitation, meaning that there should be equal treatment between the bank and the customer in a transaction. Neither party should feel inferior or superior to the other. Activities that are prohibited under Islam, such as the sale of pornography, guns, alcohol, and gambling, should not be financially supported. Asia, Africa, Europe, and the USA collectively host around 180 Islamic banks and financial institutions, which operate through a network of more than 8,000 branches. These institutions have an estimated total value of \$170 billion. The appeal of the Islamic banking system extends beyond Islamic banks exclusively. Conventional banks from around the world are showing a growing interest in the Islamic banking system (Naser, 2009).

The inception of an Islamic financial institution in Thailand occurred in 1997 with the founding of the Pattani Islamic Saving Cooperative. This initiative was conceived and implemented by Dr. Dean Tohmina, with the aim of providing Muslims in Pattani with financial services that adhere to Shariah law. In late 2001, many Islamic savings cooperatives were created in southern Thailand. These modest savings cooperatives have been operated in accordance with Shariah law, just like the Pattani Islamic Savings Cooperative. The saving corporations mentioned include Ibnu Affan Saving Cooperative in Pattani, As-Siddiq Saving Cooperative in Songkla, Saqaffah Islam Saving Cooperative in Krabi, and Al-Islamiah Saving Cooperative in Phuket. These Islamic cooperative societies have effectively established themselves as sustainable financial entities in overseeing and organizing Muslim funds in this area. According to Hamdan (2008), the Pattani Islamic Saving Cooperative had total assets of US\$ 1.0 billion at the end of 2013, while the Ibnu Affan Islamic Saving Cooperative had total assets of US\$ 0.5 billion at the end of 2013. The introduction of Islamic financial institution products and services to Muslims in Thailand occurred in 2000 through the implementation of the "Islamic Window" by GSB. BAAC also adopted a similar approach in 2002. In 2003, the Krung Thai Bank established the first 'Islamic Branch'. This branch provides a comprehensive selection of fundamental banking products and services that adhere to Islamic standards.

The Islamic Bank of Thailand was established under the Islamic Bank of Thailand Act (IBTA) 2002 and is controlled by the Ministry of Finance. The Bank began operating in June 2003 with an initial payment of capital of 1 billion. The Bank expanded its branches extensively in Bangkok and Southern provinces, including Pattani. By the end of 2005, the Bank had a total of 9 branches. The Bank's business boom occurred with the successful implementation of

Shariah-compliant services in November 2005. The rise in the number of branches from 18 to 27 was a result of the Thai government's policy direction. The Islamic Bank of Thailand now operates 150 locations throughout Thailand.

All in all, above mentioned Islamic savings corporative is operating and working as a Bank. However, the only Islamic financial institution that is supported by the government is the Islamic Bank of Thailand. Also, it is stated by Sarat (2014), presently, many Thai Muslims and non-Muslims are taking service from both Islamic savings corporative and the Islamic Bank of Thailand (IB) the only difference between these institutions is Islamic Bank of Thailand is under the government section while Islamic saving corporative is under private section.

The Islamic financial institution has rapidly emerged as one of the most rapidly expanding enterprises, capable of competing with traditional banking. It can be considered one of the most important players in the service industry today. Thailand's Islamic banking business had significant growth in 2013, continuing the positive trend observed over the past five years, despite global economic uncertainty and market volatility. The total value of Islamic financial assets worldwide is anticipated to have increased from US\$1.5 trillion in 2015 to US\$1.8 trillion by the end of 2016 (Rattana, 2015). This rise is attributed to the industry's effort, resulting in the establishment of more funds in Thailand to meet the demand from clients in Asia and the Middle East. In addition, other firms have implemented sukuk programs in Thailand with the intention of accessing the market in the next years. Nevertheless, when focusing specifically on the provision of services by Islamic financial institutions in Thailand, it has been noted that the business remains insufficiently established (Tanapod, 2015). The primary reason for this is the very small proportion of Muslims in Thailand, coupled with the limited knowledge and willingness to embrace these services. Consequently, there is a decrease in demand. It is necessary to increase awareness among the Thai community about the available goods and services offered by Islamic financial institutions. Although the relatively small Muslim population in Thailand, it remains both feasible and crucial to garner support from the community, given that the Islamic Financial institution is rooted in the faith of Islam. Hence, this study is vital for investigating the level of awareness and acceptance among the Thai community.

Thailand has not yet established any specific goals regarding the proportion of Islamic assets in relation to the total assets in its financial center (Suppachai, 2015). Furthermore, Thailand intends to actively promote the growth of Islamic Finance through various means. First and foremost, the objective is to uphold rigorous standards in the business and maintain ongoing cooperation with authorities to promote the expansion of Islamic Finance. Furthermore, to foster and promote talent through educational means. Furthermore, the objective is to enhance the understanding and knowledge of Asia and the Middle East among practitioners by promoting Islamic finance and providing support platforms (Monitory Authority of Thailand [MAT], 2013). Thus, in order to identify the types of contributions that can be made to support the master plan, it is evident that the private sector financial industry has responded favorably in recent years, mostly due to the rise of Islamic Finance initiatives. This study aims to contribute by examining the level of acceptance of Islamic Financial institutions among the Thai people from a customer perspective.

The following objectives shall guide through the course of this study. The primary aim of this study is to examine the level of acceptance of Islamic banking among customers in Thailand. More precisely, the study seeks to:

- Investigate a relationship between knowledge and customer acceptance of Islamic Financial institutions in Thailand.
- Examine to what extent customer in Thailand consider social and religious perspectives as the main determinant in accepting their financial institution selection criteria.
- Investigate customers 'confidence level toward Islamic Financial institutions in Thailand.

2.0 Literature Review

The Islamic financial system concept has existed in Thailand for just 18 years since The Islamic Financial institution system namely Pattani saving corporative was started by the Muslim population, mainly in the three provinces in southern Thailand, who lives according to Islamic principle. It could be said that Islamic financial institution in Thailand is much younger than International Islamic financial institution such as Malaysia and the Arab region. The Thai Islamic banking market is still not completely developed due to the majority of clients and the population is more familiar with the conventional financial system. Hence, Islamic banking is still new for the Thai population. According to Nawee (2010), customers' acceptance and perception would always affect new services and product adoption. In his study, Roger (2009) asserted that when customers evaluate a new product, they typically select options that align with their previous experiences. Besides, research done by Shafie and Azmi reveals that knowledge and awareness about a product is a medium factor in selecting an innovation of a product (Shafie & Azmi, 2012). Therefore, the acceptance of Islamic banking is determined by users' experiences, perception, and knowledge.

2.1 Islamic Financial Institution Knowledge and Background

The Islamic financial business has rapidly grown and become one of the most rapidly developing sectors during the past few decades. It has achieved global reach and has received significant recognition from both Muslims and non-Muslims. Haroon (2013) conducted a study that included customers from both non-Muslim and Muslim backgrounds. The primary sources of knowledge on Islamic bank products among Muslims are predominantly the internet, newspapers, television, radio, and select magazine publications. Therefore, his research revealed that 63% of individuals possess knowledge regarding the distinction between Islamic and traditional banking. The study conducted by Hamid and Nordin (2010) highlighted that 96.7% of the participants were aware of Islamic Banking, however only a small number actually used Islamic banking products.

Bley and Kuehn (2012) conducted a study that examined the way students in the United Arab Emirates (UAE) perceive and understand Islamic banking and conventional financial organizations. This study examined the influence of religion, financial literacy, and language on the level of interest and knowledge in Islamic banking among students. The findings revealed that Muslim students demonstrated a greater inclination towards and possessed a higher level of understanding in Islamic banking compared to their non-Muslim counterparts. The study conducted by Khan and Asghar (2012) investigated the level of knowledge about Islamic banking and financial services in Pakistan. The findings revealed that there are significant prospects for the expansion of the Islamic banking system in Pakistan, as the Muslim community shows a strong interest in utilizing financial products that adhere to Shariah principles.

Islamic finance is currently a key player in the service industry and has emerged as a rapidly expanding enterprise worldwide. Therefore, Muslim entrepreneurs possess a strong understanding of Islamic small and medium finance and recognize the need to implement and practice Islamic financing in their operational activities of a business (Osman and Ali, 2008).

H0: There is no significant relationship of knowledge on the acceptance level of customers towards Islamic Financial institutions in Thailand.

H1: There is a significant relationship of knowledge on the acceptance level of customers towards Islamic Financial institutions in Thailand.

2.2 Social and religious perspectives

Haque (2009) demonstrated that customer happiness and perception are considered crucial factors in determining the overall performance of Islamic financial institutions in Thailand. Haque argues that there is a strong correlation between client acceptability and perception and religious motivation, as it facilitates the empowerment of Islamic financial institutions by making them more accessible and convenient. Research indicates that a majority of clients choose to utilize the services of Islamic financial institutions due to their commitment to religious accountability. However, certain research have concluded that religion is not the primary determinant influencing the preference for Islamic finance.

Research has indicated that religious considerations are not the primary factor when individuals choose their banking services. Metawa and Al-Mosawwi (2007) discovered that religion was the primary determinant for selecting a bank among respondents in Bahrain. The research conducted by Bley and Kuehn (2011) revealed that the inclination towards Islamic banking among Muslims in the UAE was mostly influenced by religious convictions rather than a comprehensive grasp of financial concepts. This suggests that those who are more deeply devoted to their religious beliefs are more likely to prefer and utilize products and services provided by Islamic financial organizations. In addition, Khan et al. (2008) discovered that religion, namely Islamic values, is the primary factor that influences the populace in Bangladesh to choose Islamic Financial institutions for their banking services. However, according to Naser et al. (2009), religion was identified as the second most significant determinant in the choosing of banking services in Jordan.

The religious aspect is clearly identified as a crucial element in the acceptance of Islamic banking in Malaysia (Thambiah et al., 2013). Haron et al. (2008) found that only 40% of Muslim consumers in Klang Valley consider religious issues to be important when evaluating the quality of Islamic financial institutions. According to Haque et al. (2009) and Loo (2010), it has been observed that all Muslims (100%) believe that Islamic financial institutions are not in conflict with their religion. On the other hand, approximately 20% of non-Muslims acknowledge that Islamic banking goes against their religious ideals.

On the other hand, Dusuki & Abdullah (2012) discovered that Islamic banking is not widely recognized as an institution that faced challenges in fulfilling the religious obligations of Muslims. The adoption of Islamic financial institutions in Malaysia is not primarily determined by the religious factor. The absence of interest in Islamic financial institutions, which is a fundamental principle, has not caused any issues in both Islamic and non-Islamic countries. Thus, it concludes that religious factors do not play a key role in the acceptability of the Islamic financial system.

In addition, a study conducted by Erol (2004) has shown that religion does not have a substantial effect on the choice of an Islamic financial institution in Jordan. In addition, Gerrard and

Cunningham (2006) have highlighted that the selection process for Islamic banking in Singapore is not influenced by religious affiliation, since both Muslims and non-Muslims show equal interest. This can be attributed to a lack of information about Islamic banking in general. According to Metawa and Almosawi (2008), religion plays a crucial role in influencing clients' acceptance of Islamic banks and their investigation. has conflicted with the study by Haron et al. (2009) and Gerrard and Cunningham (2009).

According to the poll done by Khan (2004), noticed that Islamic financial institutions operating as dual banking systems in UAE, Jordan, Bahrain Egypt, and Kuwait have some trouble in expressing practices that are by the principles of Shariah. Therefore, the practices of Islamic financial institutions are complicated as they must do according to the rules of Islam. So, according to a study examined by past research conductors, it is found that religion has an impact on the acceptance of customers in Islamic banking.

H0: There is no significant relationship between social and religious perspectives on the acceptance level of customers towards Islamic Financial institutions in Thailand.

H1: There is a significant relationship between social and religious perspectives on the acceptance level of customers toward Islamic Financial institutions in Thailand.

2.3 Customers' Confidence Level Toward Islamic Financial Institution

In Haron's (2008) study, it was shown that both Muslims and non-Muslims placed confidence as the fourth most important quality for adopting the Islamic banking system. In a separate study conducted by Naser (2009) in Jordan, bank confidence was identified as the fourth primary factor influencing the acceptance of the Islamic financial system. Approximately 80% of the surveyed population expressed satisfaction with the bank's ability to safeguard client confidence. Gerard and Cunningham (2010) assert that the primary factor in selecting a bank is the sense of security it provides. In Usmani's study (2006), the analysis of the bank's confidence yielded a coefficient of 0.82, indicating that it is a crucial element that positively influences the service quality experienced by clients of Kuwait Financing House.

The "Shariah Resolutions in Islamic Finance Book," completed by Bank Negara Malaysia (BNM) in October 2010 aims to increase the clarity of legal judgments in Islamic finance and boost the standard of Shariah rulings. This will ultimately lead to more effective Shariah governance (Bank Negara Malaysia, 2013). Othman and Owen (2002) demonstrate that there is a strong positive correlation (0.75) between the security of corporate operations and service quality. This research focuses on clients of Kuwait Finance House. According to Biely (2011), the promised measurement has the greatest impact on consumer acceptance in the Kingdom of Saudi Arabia (KSA). For instance, if the bank can enhance customer trust in effectively resolving customer issues and conducting secure transactions, consumers in KSA will be pleased to adopt a favorable customer service policy (Biely, 2011).

Lastly, Naser (2009) emphasized that Islamic financial institutions are underpinned by Islamic ethics. Consequently, this fosters a positive reputation and enhances client confidence in their commercial transactions. An excellent reputation is an essential element for banks to maintain customer loyalty. Naser's (2009) survey revealed that consumers mostly choose an Islamic bank based on its reputation. In their study, Norafifah and Haron (2012), researchers from Jordan, emphasized the significance of reputation in enhancing client confidence while dealing with a bank. Muslim (2010) emphasized that Islamic banks' reputation instills high confidence in both Muslim and non-Muslim consumers, hence enhancing customer loyalty. Malik et al. (2011) substantiate this claim by demonstrating that a bank's reputation plays a crucial role in fostering consumer confidence.

H0: There is no significant relationship between customers' confidence level in Islamic Financial institutions on the acceptance level of customers towards Islamic Financial institutions in Thailand.

H1: There is a significant relationship between customers' confidence level in Islamic Financial institutions on the acceptance level of customers towards Islamic Financial institutions in Thailand.

3.0 DATA AND METHODOLOGY

This study assumes the use of quantitative research since it involves distributing a questionnaire survey to examine the level of acceptance among Thais towards Islamic financial institution products and services. Based on the study, it can be concluded that quantitative research is more efficient and provides a better means to test hypotheses. Therefore, it is an effective tool for measuring the impact of various factors on acceptance, such as customer background and knowledge, consumers' social and religious motivations, and confidence in Islamic financial institutions. The focus of this study is the Thai populace that regularly utilize and have a preference for Islamic Financial institutions in Thailand.

3.1 Reliability test

The reliability test result in Table 1 indicates that the Cronbach's alpha is 0.951, demonstrating great dependability of the test. Based on the data shown in Table 2, all of the independent variables demonstrate a high level of dependability, with alpha coefficients exceeding 0.8. Specifically, the reliability test yielded a value of 0.820 for knowledge, 0.874 for social and religious perspective, and 0.821 for consumer confidence. Of these factors, social and religious aspects exhibit the highest level of dependability, while social and knowledge on Islamic finance demonstrate the lowest level of reliability, with a score of only 0.820. However, this score is still considered to be quite strong in terms of reliability. Overall, the reliability tests demonstrate that the variables exhibit a high level of reliability, suggesting that they can be trusted for future study.

Table 1: Reliability Result

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.951	.952	4

Table 2: Individual Reliability Result

Variable	Cronbach's alpha	No of item
Customer acceptance level	0.874	5
Knowledge	0.820	5
Social and religious	0.874	5
Confidence level	0.821	5

3.2 Pearson Correlation Test

The correlation coefficient was employed to evaluate the association between the dependent variable, which is consumers' acceptance, and the independent variables, namely understanding of Islamic finance, social and religious factors, and customer confidence level.

Table 2: Pearson's Correlation Analyses

		DV	IV1	IV2	IV3
DV	Pearson Correlation	1	.808**	.883**	.811**
	Sig. (2-tailed)		.000	.000	.000
	N	120	120	120	120
IV1	Pearson Correlation	.808**	1	.809**	.813**
	Sig. (2-tailed)	.000		.000	.000
	N	120	120	120	120
IV2	Pearson Correlation	.883**	.809**	1	.861**
	Sig. (2-tailed)	.000	.000		.001
	N	120	120	120	120
IV3	Pearson Correlation	.811**	.813**	.861**	1
	Sig. (2-tailed)	.000	.000	.001	
	N	120	120	120	120

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

DV = dependent variable (customers' acceptance level)

IV1= first independent variable (knowledge of Islamic Financial institutions)

IV2 = second independent variable (social and religious perspective)

IV3 = third independent variable (confidence level)

The table above indicates a statistically significant link (p-value = 0.000 < 0.01 significance level) among all the variables. The result suggests a positive correlation between the variables due to the positive correlation coefficient value. The correlation coefficient values range from +0.71 to +0.90. Consequently, there is a strong positive correlation between all the independent variables and the dependent variable.

4.0 Results and Discussion

4.1 Relationship Between Customer's Acceptance and Knowledge of Islamic Finance

The T-test result displayed in Table 4 indicates that the value of t is 0.260, and the value of p is 0.108. Therefore, the null hypothesis is accepted because the p-value is more than 0.05 (specifically, in current study, the p-value is 0.107). The 95% confidence interval for the difference is (-0.331, 0.431). Thus, the available data (t = 0.260, p = 0.108) suggests that there is not substantial evidence to support the notion that understanding of Islamic Finance is a determining factor in the acceptability of Islamic Financial institutions by customers in Thailand.

The alternative hypothesis is rejected due to the inadequate sample size of the research, which only encompasses three regions in southern Thailand and does not provide a representative sample of the entire country. However, a study conducted by Iqbal (2008) contradicts this claim by demonstrating that Islamic Financial knowledge is a significant factor in increasing customer acceptance. The study also found that as individuals become more aware of Islamic finance, they are more likely to prioritize Islamic banks for their financial services.

Table 3 – Paired Samples Test DV-IV1

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	DV-IV1	.050	2.106	.192	-.331	.431	.260	119	.108

4.2 Relationship Between Customer’s Acceptance and Social and Religious Perspective

The T-test results in Table 5 indicate that the value of t is 0.323 and the p-value is 0.000. Therefore, the null hypothesis is rejected when the p-value is less than 0.05 (specifically, when $p = 0.000$). The 95% confidence interval for the difference is between 0.356 and 0.256. Thus, based on this research, it can be inferred that there is compelling evidence ($t = 0.323$, $p = 0.000$) indicating that social and religious elements are the primary determinants of customer acceptability levels.

This idea is corroborated by a multitude of prior investigations. The research findings demonstrate a strong correlation between social and religious viewpoints and the amount of acceptability among individual customers in Thailand. The findings of Naser et al. (2011) align with the notion that religious variables have an impact on customers' awareness and comprehension of Islamic banking products and services, ultimately influencing their level of acceptability towards Islamic banking. Furthermore, the research conducted by Haron (2010) and Gerard (2012) demonstrates that clients of traditional banks in Malaysia are inclined to support Islamic banks provided they possess sufficient understanding of Islamic banking principles. The survey conducted by Haron et al. (2011) reveals that over half of the consumers in Jordan consider religion as a significant factor that influences their choice to use Islamic banks.

Therefore, it may be inferred that religious variables have an impact on the level of acceptability of Islamic Banking. The results presented here align with a previous study conducted by Akaml (2008), which concluded that religious belief plays a crucial role in determining the usage of Islamic banking services. It was found that religious belief has a substantial impact on the level of acceptability towards Islamic banking. In addition, Yassir (2013) has shown that the presence of comprehensive services and a strong social and religious framework greatly facilitates the operations of Islamic banking, resulting in a higher degree of acceptance among consumers.

Table 4 – Paired Samples Test DV-IV2

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	DV-IV2	.050	1.695	.155	.356	.256	.323	119	.000

4.3 Relationship Between Confidence Level of Islamic Finance and Customer's Acceptance

The findings of $t = 0.309$ and $p = 0.000$ are displayed in Table 6. Therefore, the null hypothesis is rejected when the p-value is less than 0.05, as indicated by a recent study where the p-value was found to be 0.000. The 95% confidence interval for the difference is between 0.432 and 0.315. Thus, it may be inferred that there is compelling evidence ($t = 0.309$, $p = 0.000$) indicating that the amount of consumer confidence is the determining factor in a customer's level of acceptance.

This finding is consistent with the majority of previous investigations. Morgan and Hunt (1994) defined confidence as the willingness to establish a partnership based on the partner's reliability. Islamic banks can cultivate strong client confidence in their operations by adhering to Shariah rules. Furthermore, Ergun's (2011) study revealed that confidence in Islamic banking exhibited a factor analysis score of 0.856, highlighting the significant role of client confidence in the selection of Islamic banking. In addition, Amin et al. (2010) found that most respondents exhibited the highest average score in the trust component. El Nagar and El Biely (2011) demonstrate that the assurance aspects exert the greatest impact on customer satisfaction. When individuals feel content, they are inclined to consume a greater quantity of things.

A study conducted in Malaysia by Abdullah & Dusuki (2006) on perception towards AITAB (hire buy) revealed that the respondents had a high average score of 4.15, with a relatively low standard deviation of 0.765. This demonstrates the high level of confidence that clients have in the bank's existing practices. They are eager to interact with the bank. Therefore, it is imperative to uphold the integrity level and ensure that the operation adheres to Islamic standards. Nevertheless, this outcome was in direct opposition to the findings of Haque et al. (2009). It was shown that customers hold a substantial pessimistic perception of banks' trustworthiness when it comes to choosing Islamic banking. This discrepancy may be attributed to the utilization of distinct testing methodologies in their research, namely the implementation of the Logit Model, as opposed to the paired t-test employed in this work.

Table 5 – Paired Samples Test DV-IV3

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	DV-IV3	.058	2.067	.189	.432	.315	.309	119	.000

5.0 Conclusion

This study investigates the level of acceptance among clients towards Islamic financial institutions in Thailand. This study has examined the acceptance of Islamic financial institutions, encompassing the understanding of Islamic finance, social and religious factors, and the level of confidence in these organizations. Based on the results of this study, it can be concluded that social and religious factors, as well as customer confidence, positively influence customers' acceptance of Islamic Financial institutions in Thailand. However, knowledge of Islamic banking and finance does not contribute to the level of acceptance.

To provide a comprehensive representation of the Thai population, it is necessary to significantly broaden the range of sampling places beyond just the southern provinces of Pattani, Yala, and Narathiwath in Thailand. It would be optimal to incorporate participants from the eastern, western, and northern regions of Thailand into the sample population. In addition, the conducted tests revealed that two independent variables, namely social and religious perspective and confidence level, had a favorable influence on the acceptance level of Islamic banking. Conversely, the independent variable of knowledge had a negative impact on the acceptance level.

This study may have excluded certain additional independent variables, such as product choice, awareness, security, and others, that could influence the acceptability of Islamic banking. Therefore, it is recommended to incorporate other factors when assessing the level of acceptability among the participants. Furthermore, it is crucial to promote additional publications on Islamic banking in order to enhance the inclination towards Islamic banking products among non-Muslims. Furthermore, this survey does not include any comments from those who are not Muslim. Therefore, it is strongly recommended that future researchers make an effort to include participants from both the Muslim and non-Muslim communities.

Lastly, it is important for future academics to acknowledge that Islamic banking is seeing significant growth on a global scale. Additional research should be conducted on Islamic banking to scientifically analyze consumer behavior. This will enable policymakers to understand and leverage this growing trend, as well as maximize the competitive benefits of its expansion.

6.0 References

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