

# ISLAMIC BANKING

## A CUSTOMER PERSPECTIVE

### NEED FOR ISLAMIC BANKING

A strong need for Islamic Banking

- ❑ Core Financial Culture

- ❑ Types of Needs

  - *Financing needs*

  - *Investment needs*

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### NEED FOR ISLAMIC BANKING

#### ❑ Financing needs

- *House Mortgage*
- *Car Financing*
- *Credit Cards*

#### ❑ Investment needs

- *Stocks*
- *Mutual Funds*

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### UNDERLYING MOTIVE

- ❑ Moral and Religious Values
- ❑ Protection of these values in a non Islamic culture

# ISLAMIC BANKING A CUSTOMER PERSPECTIVE

## CUSTOMER KNOWLEDGE & AWARENESS

- Well aware of financial options

*'There are stocks, there are CDs they give you good profit from 6-7% and you have an option to get the money out, if you combine all your accounts then you get very good interest (Pakistani LA)*

# ISLAMIC BANKING A CUSTOMER PERSPECTIVE

## CUSTOMER KNOWLEDGE & AWARENESS

- ❑ Financially sophisticated and mature

*'If I am advising some one then I will probably tell them to invest in stocks since they are down and the prices are low, the best and the safest are CDs. There is a fixed rate of return and the terms and conditions are also defined" (Iranian N.Y.)*

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### FINANCIAL SERVICES AND INTERNET

- Familiar with internet and it's usage for financial transactions

*'I do on-line banking and other financial transactions. The risks are there as much in the telephone and use of cordless phones and no more, reputable company is an important consideration in on-line trading(Pakistani Houston)*

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### FINANCIAL SERVICES AND INTERNET

- Security is an issue but not with on-line stock trading

*'I do not feel comfortable doing all kinds of transactions on the internet, it can be hacked. It is all right to do trading through internet the fee is low and there is security in it this is quite well established. The stock trading on internet are handled by large companies so they are secure(Pakistani N.Y.)*

# ISLAMIC BANKING A CUSTOMER PERSPECTIVE

## FINANCIAL SERVICES AND INTERNET

- ❑ On-line trading is quick and convenient
- ❑ On-line trading offers sense of freedom and independence
- ❑ A sense of security because of timing and readiness.

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### TRIGGERS FOR ISLAMIC BANKING

- ❑ Islamic nature of the product
- ❑ Security
  - *Institution*
  - *Processes*
- ❑ Financial strength of the institution

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### BARRIERS FOR ISLAMIC BANKING

- ❑ Lack of Islamic credentials of the product
- ❑ Unclear product proposition or processes
- ❑ Financially weak institution offering the product

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### CONCLUSIONS

- ❑ Strong need for Islamic financial products and services
- ❑ Customer is sophisticated, knowledgeable and discerning
- ❑ Well versed and used to modern technology like internet

# ISLAMIC BANKING A CUSTOMER PERSPECTIVE

## CONCLUSIONS

- ❑ On-line stock trading through internet is popular
- ❑ Security is seen both in terms of operational and religious
- ❑ Aggressive marketing is a must.