

## CHAPTER 5

### CONCLUSIONS

#### 5.1 INTRODUCTION

This chapter contains the overall conclusion from this research. The outcome from this study is discussed further and recommendations are also included. In addition, the researcher also includes the limitations of this study and suggestions for future research in this chapter.

#### 5.2 DISCUSSION

This research shows and proves that Singaporean Muslims have a little awareness on Islamic banking products and services in Singapore. Even though majority of them are aware of the existence, they still have a low knowledge on the services and products.

Singaporean Muslims are still unsure about many basic *mu'āmalāt* terms that are used in Islamic banking system. This was proven when no respondents answered the terms *Muḍhārabah* , *Murābaḥah* and *al-Wadī'ah* correctly. Even though all respondents manage to give a clear view on *riba*, only three respondents can define *Shariah*. As respondents were the sample of the whole population, it can be concluded that Singaporean Muslims are worried to have little awareness on the basic terms used in Islamic Banking products and services.

With regard to the previous study conducted before the establishment of Islamic banking, the comparison of both past and current study results show no progress or development in Singaporean knowledge about Islamic banking system.<sup>1</sup>

In terms of awareness of the Islamic banking services, it is known vaguely by the Muslims that the activity will not operate on a *riba* basis. They also agree that Islamic banking is for both Muslims and non-Muslims. However the whole activities must in lieu with the guidance of Shariah. When asked about profit determination and distribution, none of them are aware or have the knowledge on how profit is determined and distributed. As a depositor or a buyer, it is vital to know how profit is gained. This simple knowledge is needed to distinguish between Islamic and conventional banking. Without this knowledge, it has been proven to lead to the assumption that Islamic banking is similar with conventional banking.

In exploring the acceptance of Singaporean Muslims towards Islamic banking products and services, on an average note, Singaporean Muslims welcome and accept them in Singapore.

It is also interesting to discover that the first factor of bank selection is religion. It means Singaporean Muslims are aware that it is some form of religion obligation to opt for an interest-free banking even though most of them are currently not using Islamic banking savings account. However, they are planning to set up an account in the near future. Convenience also plays an important part in bank selection.

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<sup>1</sup> *ibid*

Finally the respondents responded that they wanted to know more about Islamic banking products and services which is a positive indicator that Islamic banking in Singapore should sustain its services.

### **5.3 IMPLICATIONS**

The previous study on Islamic banking in Singapore only was conducted way before Islamic banking existed in Singapore. The study was a general study on Islamic banking; a comparative study between Muslims and non-Muslims. The findings of this result however can be useful and important to Islamic banking management and marketing researchers and theorists.

It also reveals the fundamental weakness in terms of products awareness and perspectives on Islamic banking. Hence this study contributes a literature on both Islamic banking and marketing by providing a comprehensive insight for improvements of the market.

There are a number of major implications for Islamic banking management, marketing and branding managers of Islamic banking arises from findings of this study and the recommendation with be discussed further.

### **5.4 RECOMMENDATIONS**

It has been proven that the progress Islamic banking in Singapore has experienced does not guarantee the increase in awareness among public especially the Muslims society. There are many avenues that can be further explored to channel the awareness

and to receive greater acceptance among Singaporean Muslims. Current strategies can be improvised to solve the current problem.

- 1) Monetary Authority of Singapore (MAS) has the authority to imposed stringent rules on bank officers who are responsible in promoting Islamic banking product and services. This is done so that they have better knowledge about the products: the *mu'āmalāt* terms and the sources of Islamic banking. It is hoped that they will be more responsible in educating the public about Islamic banking. MAS can also consider marketing Islamic banking.
- 2) Vigorous advertising can be done through the mass media. The low awareness of Islamic banking in Singapore depicts that the current ways of advertising through media is less effective. Advertising through papers, television, radio, website and even Youtube are many avenues that can be explored to attract the attention of the Muslims with different age range.
- 3) Banks involved in offering Islamic banking products and services can educate the public too about products and services that they are having. Approaching Singaporean Muslims personally and explaining to them thoroughly will help to gain trust and also awareness from them. Direct mail and active promotions also might help. In addition, banks can also organize a campaign on Islamic Banking Awareness or any activity day to raise more awareness on Islamic banking products and services in Singapore for the public especially Singaporean Muslims.

- 4) Instil awareness of Islamic banking in school subjects for post-secondary level especially in the religious school (*madrasah*). There are 6 *madrasahs* altogether in Singapore which only four of them offering a post-secondary level or pre-university level. In the Islamic Transaction subject (*fiqh mu'āmalāt*) it seems viable to add on a small topic on Islamic banking scratching from its foundations to its system.

As *Madrasahs* are where all Muslims are in, it is practical to raise awareness through formal education especially from a younger age.

- 5) The Islamic Council of Singapore (MUIS) plays a crucial role in promoting Islamic banking too. Promoting Islamic banking is indeed an act of *da'wah* as the root of Islamic banking is non-debatably Islam. Calling people to opt for a halal option in every aspect of life is an act of *da'wah*. Hence creating awareness and helping to increase the degree of acceptance of Singapore Muslims towards Islamic products and services is a *da'wah*. MUIS is the key player in propagating *da'wah*.

## **5.5 SUGGESTIONS FOR FUTURE RESEARCH**

Future study can be conducted to the non-Muslims on their awareness and acceptance of Islamic banking in Singapore. The research can be extended to conduct a comparative research between Muslims and non-Muslims on their awareness and acceptance of Islamic banking products and services in Singapore.

## 5.6 CONCLUSION

Overall, this study investigated the three main components with regard to Islamic banking: awareness, acceptance and selection factors. This research has presented a qualitative investigation to study the awareness on Islamic banking existence, products and service and also the acceptance of the Islamic banking in Singapore and factors of selection. The findings of this research reveal that Singaporean Muslims are aware of the existence of Islamic banking however they are at the a low level of awareness on the products and services. This research also reveals that majority of the Muslims accept Islamic banking in Singapore and realize the importance of having an interest-free banking although there is a small number of respondents who differ in opinion. When researching on factors of bank selections, it concludes that the first is religious concern or awareness that it is an obligation from their religion. Apart from that easy access to banks' facilities also plays an important role in bank selection. Singaporean Muslims need to be educated more on Islamic banking products and services. Advertising and proper channelling of knowledge can be proven to attract Muslims consumer. As Islamic banking is derived from the religion of Islam itself, it is absurd if the Muslims is lacking in awareness and worse if they do not support the service. Lastly, may this research benefits the society.