

A Demographic Analysis on Customer Acceptance towards Islamic Pawn Broking in Malaysia

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Abstract

This paper attempts to explore the demographic factors towards one of the dominant pawn brokers in Malaysia named Ar-Rahnu that has led the growth of Islamic pawn broking system comprehensively. Specifically, this study examines the demographic elements in capturing the customer acceptance towards Islamic pawn broking offered by Maidam in the state of Terengganu. A total of 330 self-administered questionnaire instrument, were distributed to the customer within the district of Dungun that had received financial assistance at Ar-Rahnu Maidam. The sample was selected through quota sampling and further executed by means of convenience technique from the total customer of Ar-Rahnu Maidam Dungun. The result of the investigation demonstrated that out of the eight selected demographic indicators, two of them which are marital status and occupational sector demonstrated that there were significance differences among the group while the remaining six were not significant. The evidence from the survey is expected to provide a limelight about the importance of Islamic pawn broking in strengthening the industry.

Keywords: Ar-Rahnu, Maidam, pawn broking, demographic profile

1. Introduction

The main idea of the Islamic Pawn broking set up is to provide the customer the option to obtain cash to fulfil immediate financial needs through personal surety or pledge. With the understanding that Malaysia is known to be one of the popular Islamic banking hub, the government continuously initiate several form of Islamic financial instrument that are believed to be more competitive than the conventional financial instrument. As one of the instrument been initiated by Malaysian Government, the establishment of Islamic Pawn Broking (Ar-Rahnu) was made available to the Muslim public. For those who meet the requirement, it means that they were given a backup financial assistance when needed. But in getting the assistance one need to pay for its services. Thus it is the main objective of Ar Rahnu to help people who face financial difficulties and ensuring them to be free from “riba” (Haron, 1996). For some institutions the amount would be reasonable but for some others it would be much higher. From the view of Islam as a way of life, they need to help others as one of the responsibilities that need to be address collectively.

Under the Syariah principle, by definition of Al-rahnu it possesses a guarantee. The Quran refers to the idea of mortgage as ‘mortgage with possession’ (rihanun maqbudha). Quran also supports the idea of furnishing a pledge against a debt. It is through the initiative of Ar-Rahnu concept this institution developed its niche area of offering a more flexible and convenience approach of giving financial assistance to the needy. As to the believed whether it is allowable to the Islamic principle, the argument is very straight forward as explained by Khan and Nisar (2004) where any valuable asset can be pledge as collateral for a debt.

The services provided through Ar-Rahnu scheme by MAIDAM is a societal marketing concept, purposely designed for giving alternative to the Muslim especially during their hardship by giving them the debt with collaterals (Mohd & Hashim, 1995). The important of helping the needy especially the poor has long been emphasized in much of Islamic faith. Through the concept of Ar-Rahnu, the institution offers a more flexible and convenience form of credit financing as governed by “Syariah” rules without having the element of interest in the transaction. With the improving of religious belief, there is an increase trend that more Muslim communities

are not in favor of using the conventional pawn broking service as it is closely attached with the element of interest or riba that will be imposed in return for disbursement of credit. Thus the main idea of providing Ar-Rahnu as an alternative financial instrument is to ease the life of the needy. This is much better as the scheme offers a reasonable fee charges.

1.1 Scope of Study

The approach taken for the study is purely quantitative. The investigation is in the district of Dungun, which is very much nearby to the oil and gas industrial zone in the state of Terengganu which is in the east coast region of Malaysia. The survey approach through personally administered questionnaire is expected to provide a fundamental understanding of the societies toward Islamic pawn broking. The selection of 330 samples is believed to be adequate to represent the population of the study. The data which had been collected on cross-sectional basis were tested and analysed by using descriptive statistic for the purpose of explaining the major differences encountered by the study groups.

1.2 Problem Statement

Understanding and obedience to the Islamic principle in most transaction is always close at heart to most Muslim communities. In the process of sustaining obedience one cannot simply skip from experiencing economic and financial difficulties. Thus in order to sustain the living, at time people rely on borrowing that are made available either through conventional or Islamic system. The relative usefulness of this form of financing discovered to be very relevant with the changing pattern of socio-economic development in Malaysia today. Despite of the income increment from most of the sectors, people still seeking extra form of financial aid to support living cost. Based on this fact, the increasing popularity of Islamic pawn broking as means for financial assistance has accelerated. Thus this paper proposed a comprehensive investigation by analysing demographic factors as to what extent the issues of perceptual difference needed attention from the management of Maidam in ensuring the favorable acceptance of customers at Ar-Rahnu Maidam.

1.3 Research Objective

The main concern of this paper attempted to investigate selected demographic factors towards customer acceptance at Ar-Rahnu Maidam as their Islamic Pawn Broking. Specifically, the investigation is expected to examine the possibility of significant differences among the selected profiles as related to the acceptance of Ar-Rahnu.

1.4 Hypothesis

Hypothesis: There are significant differences between the selected profiles of the customers towards acceptance.

2. Literature Review

2.1 Customer Acceptance

Acceptance is adoption and continuing use of the product, service or idea. According to Rogers and Shoemaker (1971), consumers go through “a process of knowledge, persuasion, decision and confirmation” before they are ready to accept a product or service. Any attempt for drawing a conclusion from the perspective of customer as well as the service institution should always considered a clear operational definition of customer acceptance (Naylor & Greco, 2002). Understanding the motivations, expectations and desires of both provide a foundation on how to provide best services to the customer by most businesses. The acceptance of the clients could also be observed when they are willing to participate in anything that is related to the product or services offered (Mansor et al., 2011a). It is agreeable that with the Increasing overall satisfaction it will leads to greater repurchase intentions (Martin et al., 2008; Anderson & Sullivan, 1993) as well as actual repurchase behavior.

The operation of Ar-Rahnu to some extent is similar to most banking business where they provide financial business transaction services to the customers. Customer acceptance on products or services offered is always been associated with the familiarity and the degree of awareness and use of any given tool. The more people using them, the more valuable they become. As such, the relevancy towards understanding customer acceptance is vital as it act as a motivational drive for repeated selection (Holetzky, 2008) and will be favorably reflected by the satisfaction indicated by the customers (Mansor et al., 2011b). In addition, as mentioned by Anderson and Sullivan (1993) and Boulding et al. (1993), high customer satisfaction may lead to greater customer loyalty which in turn leads to future revenue to the business operators.

2.2 Related Concept Associated with Customer Acceptance

Storage charge: As mentioned by Razak (2008), the concerned over higher interest rates as well as the procedure of imposing higher interest rate by conventional pawnshop which are argued to be highly exploitative,

open up Alternative Avenue that influence customers to choose the facilities offered by Islamic Pawnshop. It seems that there is a relative high degree of differences on charges that make a burden to the lower-income group.

Referring to Nur Azura Sanusi & Mohamad Shukri Johari (2007), customers that does not having proper banking account are eligible to get the service of Pawn Broking, while they may has difficulties to borrow money from most financial institutions without it. The above procedure is unnecessary when having transaction with Ar-rahnu Maidam. Islamic Pawn Broking offered charges in term of storage facilities which are much lower compared to interest charge by conventional financial institution. As mentioned by Ismail and Ahmad (1997) charges imposed at pawn broking is only about 2 percent which is cheaper compared to conventional system. This lower charges attracted more individual to pursuit pawn broking in getting quick cash. In fact Naim (2008) pointed what attract more Muslim to get this form of financial assistance is due to the willingness to accept the concept of “sadaqah” (helping others with the blessing of Allah).

Service quality: Several literatures that attempt to discuss the concept and theories of service quality perception discovered that the findings were still debatable (Caceres et al., 2007; Brady & Cronin, 2001; Zeithaml, 2000; Zins, 2001; Oliver, 1994). With rapidly advancing technologies especially in the product and services that were provided by various business sectors, the general public will become more aware about the acceptable values of product and services that were offered (Weisbord, 1987) and poised to develop relationship marketing in consumers’ live, while offering mass product choice and customizing services at personnel level (Mansor et al., 2011).

It is naturally happened that perception of the people relatively change as the economy, technology, and resources evolved. These changes therefore consciously or unconsciously altered the perceived quality of mankind (Parasuraman et al., 1985). Similarly within the context of organizational development, elements such as the need to understand employees’ performance and the nature of work setting therefore continuously needed attention by the service providers (Mansor, Hamdan, Mohd, & Razali, 2010). As such the research development on most constructs involving service quality still remain unsolved (Carhuana et al., 2004).

Mohammed et al., (2005) highlighted the important of maintaining reliable and trustworthy service while one way of establishing a quality relationship with customers is by respecting customers’ trust (Haryati & Ali et al., 2013). Following the standard business service ethics, the Islamic-based pawnshop must maintain all the relevant record of customers, while ensuring that the record are treated with full confidentiality. At the same time it is the responsibility of the Islamic-based pawnshop to fairly treat the customers regardless of their religion, race or whatever demographic characteristics attached to them. It is therefore essential to revisit the fact that most issues governing customer service is very much related with the acceptance of the service providers involved (Amin et al., 2007).

Most researchers agreed that service quality by nature is highly subjective concept. Since the quality of customer service is determined and evaluated by the customer, and this affects the desirability of a relationship with the organization. Thus the understanding of how the customer think about service quality is essential in ensuring effective relationship management that will further enhance customer satisfaction (Mansor et al., 2011c; Bedi, 2010; Abdullah, 2010; Oliver, 1994)

Locality: The process of sustaining acceptance is always closely associated with the issues of locality. It is through a good understanding of the concept, and then only locality may contribute a significant impact upon virtually all products, services, markets and customers. However one should not underestimate the relevancy of the selection of business locations which greatly depend on types of business itself (Malhotra, 2009). As suggested by Kotler and Armstrong (2010), there is a need to address the issue of location decision as it involved people as the market potential. Any elements involving location always remained important as the organization agreed to commit resources before operating the services. McDaniel et al. (2011) further conclude that for any business to remain competitive and keep on expanding, they should not ignore the need to carefully strategize the right location for its operation. Although the previous literature on Islamic Pawn broking revealed that the competitiveness level of pawn broking are not intense enough, but still the need for addressing the issue of locality and positioning of its business operation should be seriously considered. It seems that, most of the pawnshops are built in the town areas to facilitate the customer of doing transactions. However the setting up pawnshops businesses are highly unevenly distributed across the Malaysian states (Ismail & Ahmad, 1997), although the density of the community in certain areas was considered.

Management Practices: Management has to have power to do its job (Drucker, 1986) and requires a comprehensive set of managerial skills (Goodman et al., 2007). The art of management involved multiple facet

process such formulating organizational strategic goals, utilization and managing competitive resources, management of financial resources, and a few other activities that provide the right momentum for healthy operation (David, 2009) It also includes the activities of administering data and other related information which can be used and shared by the organization. The role and responsibilities for ensuring the effectiveness of managing involved staff at all levels especially those at the managerial and supervisory levels. The main role of management from Islamic perspective is to inculcate the Muslim communities towards continuing their living throughout the world by offering alternative approach to Islamic ways of doing things. This scenario is vital to the Muslim as they are not allowed to transact any business activities that are not in conformity with the Islamic principles. Thus there is a religious demand for them to ensure that all transaction should be within the Islamic values (Ahmad & Fontaine, 2011). Nevertheless in a broad perspective there are not much difference in the operation of Islamic pawnshop transaction as to the conventional pawnshop. The major difference can be observed based on the engagement of the contract whereby in the case of Islamic pawnshop the way a contract is enforced is based on the principle of "aqad". With this approach, the basic principles need to be adhere involved; "al-qardhul Hassan" (loan given should be free from interest), "al-wadiah yadd hammanah" (certain types of valuable goods need to be produce by guarantee), "al-ujrah" (storage fees) and ar-rahn (collateral). The storage fee which is normally much lower is been transacted based on the gold value rather than the actual amount of loan lended (Appannan & Doris, 2010).

3. Methodology

3.1 Research Instrument

As the approach obtaining the data is through cross-sectional survey, the use of questionnaire is the main sources to obtain the needed data. The pre-formulated questionnaires were divided into 2 sections. Section 1 consists of 7 items to describe the demographic profiles of the respondent. Section 2 focused on measure customer's acceptance. All questions in section 2 used likert scale for obtaining the responses.

3.2 Sampling Design

This study examines the customer of Ar-Rahnu in the district of Dungun. Based on the record generated by the institution for the year ended 2010, there were approximately 2,700 clients that had received the service of the Islamic Pawn Broking from the agency. Although a representation of 330 respondents were taken from the entire population to form the desired sample size as suggested by Krejcie and Morgan (1970) but still this is a biased sample as it is not adequate enough to reflect the broad cross section of customers distribution. The use of Quota method and executed through convenience approach to some extent able to reflects the job or occupational sector. In ensuring that the selection of sample at least able to meet the minimum representation of the population, the controlled sample size were proportionately selected as follows: 35 of the 289 were from private sectors; 38 of the 314 were from government sectors; 105 were selected to represent a total of 862 housewives; and another 152 samples were from the total of 1255 self-employed customers, thus making the total sample size to be 330 respondents. Majority of the respondents were male (61.8%) and the rest (38.2%) were female. 78.2% of respondents have been married which is more than half. The percentage of 14.2% comes from single while the lowest percentage comes from single parents which are 7.6.

4. Data Analysis

Prior to data analysis, all the collected questionnaires went through the process of editing, coding, and transcribed into SPSS software for obtaining the expected results. In ensuring the reliability of items measuring the concept, the data were initially tested through reliability analysis.

4.1 Reliability Analysis

All items measured for the study passed through the reliability assessment procedures where most of the item was above the cronbach alpa value of > 0.7 . As per suggested by Sekaran and Bougie (2010), when the alpha scores is more than 0.70 then the measuring items are considered highly reliable for further analysis.

4.2 Frequency Analysis

As displayed in Table 1, majority of the customers were within the age bracket of 31 to 40 that made up 39.7%, followed by 29.4% of those within the age group of 21 to 30 years old. For those from the age category of 41 to 50 made up the representation of 21.8%, and a small portion (7.3%) were those with the age of above 50 and the young age group which is below 20 years old do participate in borrowing at the percentage of 1.8%. As been stated by most literature those who are in need for small sum of money normally were among those who are considered poor and low income earners. This is reflected in our sample where majority of the clients were self-employed and other large representation were among the housewife representing 31.8%. There were also

borrowers from the government servant as well as from private institution which constitute to be 11.5% and 10.6% respectively. Our sample distribution further reflected the representation of low income earners. Most of the borrowers from Ar-Rahnu were of those within the income bracket of below RM 1000 which accounted to be 53.6 % of the total sampled. There were also those customers that had an earned income between RM1001 to RM2000 which is 24.2%. A total representation of 12.1% were those with an earned income within RM2001 to RM3000, 7.9% within RM3001 to RM4000 while the remaining 2.1% were with an income of more than RM4001 per month.

Table 1. Frequencies of respondents' profile

Category	Demographic (n=330)	Frequency	%
Gender	Male	204	61.8%
	Female	126	38.2%
Age	Below 20 years	6	1.8%
	21-30 years	97	29.4%
	31-40 years	131	39.7%
	41-50ears	72	21.8%
	Above 51	24	7.3%
	Below RM1,000	178	53.9%
Monthly Income Level	RM1,000-RM2, 000	80	24.2%
	RM2, 000-RM3, 000	39	11.8%
	RM3, 001-RM4, 000	26	7.9%
	Above RM4, 001	7	2.1%
Education Level	Primary School	8	2.4%
	SRP/PMR	35	10.6%
	SPM	205	62.1%
	STPM/Diploma	60	18.2%
Duration of customer relationship with Ar-Rahnu Maidam	Degree and above	22	6.7%
	Less than 1 year	61	18.5%
	2-3 years	134	40.6%
	4-5 years	85	25.8%
	More than 6 years	50	15.2%
Frequency of visiting in year	1 time	98	29.7%
	2-3 times	138	41.8%
	4-5 times	63	19.1%
	More than 6 times	31	9.4%

Note 1: USD = RM 3.10

Reviewing on the levels of education the analysis demonstrated that, the highest representation of the sample were among those who had obtained secondary school education background which is 62.1%, followed by those with STPM/Diploma representing 18.2%, a small fraction (6.7%) of those who had obtained Degree education level and another 13% were those with no formal education or others. Regularity of having transaction with the institution to some extent will provide evidence for the understanding acceptance, loyalty and trust. The distribution of sample in this aspect indicated that 29.7% of the respondent visited the institution only once, followed by a total representation of 41.8% had been dealing with the institution for two or three times. About one fifth of the sample had been dealing with the institution between four to five times while the remaining of 9.4% constitutes of those having transaction with Maidam for more than five times.

4.3 Chi-Square Analysis

Table 2 displayed the analysis between respondent's demographic and Customer acceptance towards Ar-Rahnu MAIDAM. The analysis revealed that only marital status and occupational sector had the value of Pearson Chi-square below than 0.05. It indicated that marital status and occupational sector were significantly difference in terms of their acceptance.

Table 2. Gender, marital status, age, monthly income, education level, occupational sector, duration of customer relationship, frequency of visiting *customer acceptance

	Customer Acceptance towards Ar-Rahnu Maidam Dungun					Total	Chi Square
	Strongly Disagree	Disagree	Uncertainty	Agree	Strongly Agree		
Gender							
Male	0(0%)	1(0.49%)	8(3.02%)	127(62.25%)	6(33.33%)	204(100%)	0.235
Female	1(0.79%)	0(0%)	3(2.38%)	68(53.97%)	54(42.86%)	126(100%)	
Marital Status							
Single	0(0%)	0(0%)	4(8.51%)	33(70.21%)	10(21.28%)	47(100%)	0.031
Married	1(0.39%)	1(0.39%)	7(2.71%)	145(56.20%)	104(40.31%)	258(100%)	
Sgle Parents	0 (0%)	0 (0%)	0 (0%)	17 (68%)	8 (32%)	25(100%)	
Age							
< 20 years	0(0%)	0(0%)	1(16.66%)	4(66.67%)	1(16.67%)	6(100%)	0.767
21-30 years	0(0%)	1(1.03%)	5(5.15%)	56(57.73%)	35(36.08%)	97(100%)	
31-40 years	1(0.76%)	0(0%)	4(4.58%)	72(54.96%)	54(41.22%)	131(100%)	
41-50 years	0(0%)	0(0%)	1(1.39%)	50(69.44%)	21(29.17%)	72(100%)	
>50 years	0(0%)	0(0%)	0(0%)	13(54.17%)	11(45.83%)	24(100%)	
Education Level							
Primary Sch	0(0%)	0(0%)	0(0%)	4(50%)	4(50%)	8(100%)	0.407
SRP/PMR	0(0%)	0(0%)	0(0%)	25(71.43%)	10(28.57%)	35(100%)	
SPM	1(0.49%)	0(0%)	5(2.44%)	111(54.15%)	88(42.93%)	205(100%)	
STPM/Dip	0(0%)	1(1.67%)	4(6.67%)	41(68.33%)	14(23.33%)	60(100%)	
Degree above	0(0%)	0(0%)	2(9.09%)	14(63.64%)	6(27.27%)	22(100%)	
Occupational Sector							
Government	0 (0%)	0 (0%)	6(15.7%)	26(68.42%)	6(15.79%)	38(100%)	0.000
Private	0 (0%)	0 (0%)	1(2.86%)	28(80%)	6(17.14%)	35(100%)	
S/Employed	0 (0%)	1(0.66%)	1(0.66%)	88(57.89%)	62(40.79%)	152(100%)	
Housewife	1(0.59%)	0 (0%)	3(2.86%)	53(50.48%)	48(45.71%)	105(100%)	
Monthly Income Level							
< RM1,000	1(0.56%)	0 (0%)	5(2.81%)	98(55.06%)	74(41.57%)	178(100%)	0.425
RM1,001- RM2,000	0 (0%)	1(1.25%)	3(3.75%)	47(58.75%)	29(36.26%)	80(100%)	
RM2,001- RM3,000	0 (0%)	0 (0%)	1(2.56%)	27(69.23%)	11(28.21%)	39(100%)	
RM3,001- RM4,000	0 (0%)	0 (0%)	2(7.67%)	18(69.23%)	6(23.08%)	26(100%)	
> RM4,001	0 (0%)	0 (0%)	0(0%)	5(71.43%)	2(28.57%)	7(100%)	
Duration of customer relationship with Ar-Rahnu Maidam							
< 1 year	1(1.64%)	0 (0%)	2(3.28%)	38(62.30%)	20(32.79%)	61(100%)	0.131
2-3 years	0 (0%)	1(0.75%)	5(3.73%)	75(55.97%)	53(39.55%)	134(100%)	
4-5 years	0 (0%)	0 (0%)	3(3.53%)	54(63.53%)	28(32.94%)	85(100%)	
> 6 years	0 (0%)	0 (0%)	1 (2%)	28(56%)	21(42%)	50(100%)	
Frequency of visiting							
< 1 time	1(1.02%)	0 (0%)	3(3.06%)	59(60.2%)	35(35.71%)	98(100%)	0.531
2 -3 times	0 (0%)	1(0.72%)	6(4.35%)	83(60.14%)	48(34.78%)	138(100%)	
4-5 times	0 (0%)	0(0%)	2(3.17%)	33(52.38%)	28(44.44%)	63(100%)	
> 6 times	0 (0%)	0 (0%)	0 (0%)	20(64.52%)	11(35.48%)	21(100%)	

Analysis between gender and customer acceptance showed that majority of the respondents agreed that Ar-Rahnu MAIDAM were accepted by customer. However, the value of Pearson Chi-square indicated that it was not significant as indicated by the value of 0.235.

Analysis between marital status and customer acceptance towards Ar-Rahnu MAIDAM showed that majority of the respondent with divorced status agreed that Ar-Rahnu scheme offered by MAIDAM are acceptable. For married respondents, majority (96.51%) of them agreed, 2.71% were uncertain and only 0.78% did not indicate their acceptance towards Ar-Rahnu scheme offered by MAIDAM. Similarly as for the respondents with single status, 91.49% agreed and only 8.51% were uncertain that Ar-Rahnu scheme offered were acceptable by them. The Chi-Square column shows that the result is significant at 0.031. It can be assumed that married respondents are burden with many responsibilities and commitment towards their family.

Analysis between age and customer acceptance towards Ar-Rahnu MAIDAM showed that 100% of the respondent above 51 years old found that Ar-Rahnu MAIDAM were acceptable. For the respondent between 41-50 years old, majority (98.61%) of them agreed and only 1.39% of them were uncertain about their acceptance towards Ar-Rahnu MAIDAM. For the respondent between the age of 31-40 years old, 93.81% agreed, 5.15% were uncertain and 1.03% indicated their disagreement about their acceptance. 83.34% of the respondent age below 20 years old indicated their acceptance of Ar-Rahnu MAIDAM and only 16.66% were uncertain about their status of acceptance at Ar-Rahnu MAIDAM. The Chi-Square column shows that the result demonstrated that there is no significant difference (0.767) as to the age group.

Further analysis between occupational sector and customer acceptance towards Ar-Rahnu MAIDAM was performed. The analysis showed that 98.68% of the respondent from self-employed and only 0.66% of them was uncertain about their acceptance towards Ar-Rahnu scheme offered by MAIDAM. For private sector respondent, 97.14% of them agreed and only 2.86% were uncertain about their acceptance of Ar-Rahnu scheme. 96.19% of respondent from housewife agreed to accept Ar-Rahnu Maimdam, 0.59% disagreed and 2.86% were uncertain, for government respondents, 84.21% agreed and only 15.79% were uncertain about their acceptance towards Ar-Rahnu Maimdam. The Chi-Square column shows that the result is significant differences at 0.000. The researcher concluded majority of self-employed comes to Ar-Rahnu Maimdam because they know that Ar-Rahnu scheme is a place where they can get cash immediately, to help them operating their business. This point strongly supported by Appannan and Doris (2010). They said Islamic pawnshop (Ar-Rahnu scheme) is the most appropriate mechanism as it provides a financial product for the lower-income group and small businesses which usually have limited capital or have been excluded from the mainstream financial system.

For the analysis between monthly income level and customer acceptance towards Ar-Rahnu Maimdam, the result revealed that 100% of the respondent with an income group of above RM4, 001 agreed with Ar-Rahnu scheme offer by Maimdam. 97.44% of the respondent between the monthly income level of RM2,001-RM3,000 agreed and only 2.56% were uncertain about the acceptance of the scheme offered. Of the respondent with monthly income level below RM1,000, 96.63% agreed; only 0.56% and 2.81% did not agree and uncertain towards the acceptance of Ar-Rahnu scheme offered. 95% of respondent between monthly income level of RM1,001-RM2,000 agreed 1.25% of them disagreed and 3.75% were uncertain about their acceptance of Ar-Rahnu Maimdam. For those with monthly income of RM3,001-RM4,000, 92.31% agreed and only 7.67% were uncertain on the status of their acceptance. The Chi-Square column shows that the result is not significant differences at 0.425.

Table 2 further displayed the analysis between educational level and customer acceptance towards Ar-Rahnu Maimdam showed that majority 100% of the respondents with the Primary school and SRP/PMR (Lower Level certificate) qualification. Of those from the SPM (Secondary School Level certificate), STPM (Higher School certificate)/Diploma and Degree holder, the result demonstrated that 97.08%, 01.66% and 90.91% agreed with the Ar-Rahnu scheme offer by Maimdam. The Chi-Square column shows that the result is not significant differences at 0.407.

For the analysis between duration of customer relationship and customer acceptance, the result showed that 98% of the respondent had been Ar-Rahnu Maimdam Dungun customer more than 6 years, agreed and only 2% were uncertain that Ar-Rahnu Maimdam had accepted by them. As for the respondent who had been Ar-Rahnu Maimdm Dungun customer between 4-5 years, 2-3 years and less than 1 year of them agreed and only 3.53%, 3.73% and 3.28% were uncertain about customer acceptance at Ar-Rahnu Maimdam Dungun. The Chi-Square column shows that the result is not significant differences at 0.131.

Analysis between frequencies of yearly visiting and acceptance towards Ar-Rahnu Maimdam revealed that 100% of the respondent in group more than 6 times agreed, 96.82% of those with 4-5 times visits and 3.17% were

uncertain about their acceptance. Respondent with frequency of visiting less than 1 time (95.91%) agreed, while only 1.02% and 3.28% disagreed and uncertain about the statue of their acceptance. As for the respondents who had been visiting between 2-3 times, 94.92% of them agreed, 4.35% uncertain and 0.72% disagreed about their acceptance at Ar-Rahnu Maidam. The Chi-Square column shows that the result is not significant differences at 0.531.

5. Conclusion and Recommendation

The issue of understanding differences is always remain relevant for most industrial practitioners. Any related findings as to the above is very useful as it will provide evidence to those parties involved in formulating strategies that attempted to accommodate difference characteristics of the public which could possibly end up with better acceptance of the services rendered. Revisiting back the result from correlation analysis (Ahmad et al., 2012), researcher discovered that several dimensions such as storage charge, service quality, locality, and management practice indicated the significant relationship with the customer acceptance. Thus the need to understand differences of customers profile should not be neglected. The effort taken to understand customer acceptance is very much related toward the enculturation of Customer relationship Management (Mansor et al., 2011c). In shaping the acceptance it will not be feasible to leave out earlier theory of service quality by Parasuraman et al. (1985) and Bolton (1998); observing the efficient management practices (Ahmad & Fontaine, 2011) and considering the impact of locality and storage issues (McDaniel et al., 2011; Kotler, 1986; McCarthy & Perreault, 1984; Laufer, 1979). Our finding in the case of Ar-Rahnu suggested that it is crucial to measure the differences of the acceptance level as most literature demonstrated that the findings are inconsistent with each other.

Reviewing back the mission statement of Ar-Rahnu, it seems that the approach taken to provide financial assistance to the lower income group are getting popular response from the public from year to year. In fact the public are highly confident with the services offered by the institutions. The public are very happy with the fees charged on the principle borrowed as it is not too burdened in sustaining their living.

The management of the institution had been made to understand that the need of customers has to be satisfied, while at the same time the obligation to assist the needy has to be equitably performed. The findings concerning the inequality of acceptance based on occupational sectors as well as on the marital status needed serious attention if Ar-rahnu Maidam is to remain relatively well accepted by the consumers.

This research was investigated only in one of the branches of Ar-Rahnu Maidam. There were several other branches in the state, thus the findings may not be able to generalize the entire operation of Ar-Rahnu Maidam. However the findings and the discussion on this study still found to be useful for the management of Ar-rahnu MAIDAM in assessing the more appropriate strategies for handling the customers. For some cases one approach may be good enough while some other group, several strategies may be considered to be more effective.

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