NEED FOR ISLAMIC BANKING
A strong need for Islamic Banking
- Core Financial Culture
- Types of Needs
  - Financing needs
  - Investment needs

NEED FOR ISLAMIC BANKING
- Financing needs
  - House Mortgage
  - Car Financing
  - Credit Cards
- Investment needs
  - Stocks
  - Mutual Funds
ISLAMIC BANKING
A CUSTOMER PERSPECTIVE

UNDERLYING MOTIVE

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

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)
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.)

FINANCIAL SERVICES AND INTERNET

- Familiar with internet and its 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)
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 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.)

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.
ISLAMIC BANKING
A CUSTOMER PERSPECTIVE

TRIGGERS FOR ISLAMIC BANKING

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

BARRIERS FOR ISLAMIC BANKING

- Lack of Islamic credentials of the product
- Unclear product proposition or processes
- Financially weak institution offering the product
ISLAMIC BANKING
A CUSTOMER PERSPECTIVE

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

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