

**THE ROLE OF AWARENESS AND KNOWLEDGE OF
ISLAMIC BANKING AND RELIGION ON CONSUMERS'
PERCEPTION IN PAKISTAN**



By

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Abstract

The study is to examine the impact Awareness, Knowledge and Religion on the consumer's perception regarding Islamic banking. For the purpose, the sample of six (06) banks were taken from Rawalpindi and Islamabad. Three banks for Islamic banking and three banks for conventional banking. A total of 150 comprehensively constructed questionnaires were got filled by hand from the employees of both banking systems. The results show that all the three variables are having significant positive effect on consumer's perception regarding Islamic banking. The results tell that consumers are in need of increasing the awareness of the products offered by the Islamic banks. The results also show that the highest impact on consumer's perception is from religion i.e. 0.241, at the same time, if we combine the impact of other two independent variables, than their combined impact is greater than the impact of religion. So, it can be concluded that the religion is not the only significant variable that attracts the consumers towards Islamic banking. The findings of the study suggests that the State Bank of Pakistan should take measures to enhance the level of awareness and knowledge of consumers of Islamic banking. At the same time, Islamic banks should work on making their products easy to understand and accommodating for their consumers.

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