



Research Article

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## Customer Intention on Islamic Home Financing Products: An Application of Theory of Planned Behavior (TPB)

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### Abstract

Islamic home financing products are completely different from conventional home loan. Conventional home loan is based on lending and working on regime of interest which is prohibited by Shari'ah. This research aims to investigate the relationship between attitude, subjective norm, perceived behavioral control, level of knowledge or awareness and religiosity with customer's intention in choosing Islamic home financing products. In addition, this study also hopes to identify the most influential factors that affect the customer's intention in choosing Islamic home financing products. A total of 421 sets of questionnaires were returned by respondents among bank customers in Alor Setar, Kedah. The data was analysed using the Statistical Package for the Social Sciences (SPSS software version 18). The results of this study reveals that there is a significant relationship between attitude, subjective norm, perceived behavioral control, level of knowledge or awareness and religiosity with customer's intention in choosing Islamic home financing products. This research also verifies that religiosity is the most important factor that affects the customer's intention in choosing Islamic home financing products.

**Keywords:** Islamic home financing products, attitude, subjective norm, perceived behavioral control, level of knowledge or awareness and religiosity

### 1. Introduction

Islam is a comprehensive *ad-din* and progressive, where in creating *Shari'ah*, Allah SWT do not do it with impunity but has outlined a number of objectives either generally or specifically so that people can continue to live in harmony. Islamic banking and finance in particular, is a system that derives essentially from that divine law, divine wisdom, which aims to preserve and promote the human social order for Ummah, grandeur and glory. Therefore attach high importance to the security and economic well-being of Muslims and the Islamic state itself.

In Malaysia, housing finance is the main source of financing for Malaysians. According to a report by Bank Negara Malaysia (BNM) (2015), the majority of Malaysians believe that owning residential houses or investing in real estate is a smart investment and it is an important financial goal. Report in December 2014 on the population of households in Malaysia, it was found that 87.90% of the amount of credit they are due from the banking sector. In addition, that same year, the number of real estate purchases such as homes have recorded 45.7% of total household debt in the banking system in Malaysia (BNM, 2015). Housing finance in Malaysia has been accounted for 28.1% of total loans of the banking system at the end of 2014. Compared with the previous year, growth in bank loans to purchase residential houses stood at 13.4%.

Previous study by KFH Research (2010), showed that Islamic financing has increased from RM6.8 billion in 2001 to RM23.3 billion at the end of November 2009. This accounted for 17.8% of total Islamic financing. However, this growth does not reflect real control by Islamic banks to Islamic financing facilities housing. It shows the market is still lower when compared to conventional mortgages. This means that the demand for housing loans of banks increased either in a

conventional bank or Islamic bank.

Each bank must be pro-active and also implementing reforms in their service to attract customers to obtain financing through the products they offer. It can be done through advertising and marketing including also engages special employees to sell their products. The competitions between both conventional and Islamic banks are also becoming more intense as the number of loans available is also increasing. In the context of *Shari'ah*, there are permissible and non-permissible attributes as to how Muslims conduct their activities and it includes economic participation, which must be free of forbidden elements among others as usury (*riba*), gambling (*maysir*) and uncertainty (*gharar*). Islamic finance involves the provision of financial product and services which Islamic banks offer to the customer.

Abdul Hamid et al. (2011) had mentioned that there are several reason behind the lack of demand for Islamic home financing products compared to conventional such as lack of customer's awareness towards Islamic banking, lack of competitiveness of Islamic financing products and lack of specialized officer at the branch level to educate the customer to understand more about the Islamic financing products. Many challenges arising from the lack of harmonization has not yet been resolved. The fact of the matter is that Islamic banking has witnessed conflict in the nomenclature from one area to another, with certain products considered allowed (*halal*) by some scholars and declared not allowed (*haram*) by others.

Based on the previous research, there are several studies which related to Islamic home financing selection such as Amin et al. (2014), Bassir et al. (2014), Alam et al. (2012), Abdul Hamid et al. (2011) and Md-Taib et al. (2008). For example, Bassir et al. (2014) studied on consumers' perception towards Islamic home financing as the selection criteria. Amin et al. (2014) had collected data from bank customers in East Malaysia involving two cities, namely, Kota Kinabalu and Labuan. Alam et al. (2012) conducted research in Klang Valley and only focused to Muslim customers. Studied by Abdul Hamid et al. (2011) focused on the factor that influences the awareness and adoption of Islamic home financing but has received response rate equivalent to 36% only. Meanwhile the studies by Md-Taib et al. (2008) focused only on diminishing partnership home financing and survey conducted on post graduate students from three public universities in Klang valley.

Therefore, this studies apply the theory of planned behavior (TPB) and several important variables will be tested such as attitudes towards behavior, subjective norm, perceived behavioral control, level of knowledge or awareness and religiosity toward customer's intention in choosing Islamic home financing products. The researcher wants to fill the gap by distributed questionnaires to the bank customers who are working at government sector, private sector and also those who are self-employed in Alor Setar Kedah. This combination is very important to investigate to enhance better understanding of customer intention in choosing the financing of housing in their desired home.

## 2. Literature Review and Hypotheses Development

### 2.1 Attitudes and Compliance Behavior

Fishbein and Ajzen (1975) see attitude as to assess the impact of positive or negative feelings of the individual in the performance of the behavior. Various types of work have confirmed a significant impact on the attitude of behavioral intentions. According to Ajzen (1991), the attitude toward the behavior is defined as positive or negative feelings about the conduct of individual behavior. It refers to the extent to which the individual has a rating of behavior given either good or bad.

In the perspective of Islamic housing finance, research by Md-Taib et al. (2008) on the diminishing partnership home financing, have explained the factors that determine the choice of home financing facility using convenience sampling. The study found that favourableness attitude toward financing facility, the influence of religion and social influence was responsible for determining the intention to facilitate the financing of housing. In addition, customers who are *Muslims*, in general, are concerned about the characteristics of *al-Bai' Bithaman Ajil* (BBA), in particular its compliance with *Shari'ah*, and also the inability to meet the common objectives of justice, equity and responsibility towards society.

In addition, a study done by Gerrard and Cunningham (1997) found that Muslims and Non-Muslim in Singapore have different attitude in selecting Islamic home financing products. For example, Muslims have high level of awareness about home financing that have prohibited element such as interest rate. He also found that Muslims are making decision based on the suggestion from their friends, family and relatives. This is because experience by close person will affect their particular action whether to choose Islamic home financing or not.

## 2.2 Subjective Norms

Subjective norm is defined as a person's perception of the people most important to him that people should or should not do to his behavior and motivation to comply with particular reference (Ajzen & Fishbein, 1980). Subjective norms refer to the individual's perception of social pressure around him in performing or not performing a certain behavior. This matter is determined by the normative belief that assesses social pressures on the individual's particular behavior (Ajzen, 1991).

Eagly et al. (1993) gives the meaning of the subjective norm as the individual's perception of whether the other person is important to translate the idea of an individual in behavior that must be done. It is also classified as peer pressure. It refers to whether the person who participates or intends to participate in such behavior is strongly influenced by those around them or not. These people may include partners or friends, family, colleagues, community leaders and other notable people.

In the context of Islamic home financing, subjective norm suggests that people are more likely to accept and choose Islamic home financing product if they found a large number of other people in their environment have already adopted and used the Islamic housing finance products that have been offered by financial institutions. (Amin et al. 2014). According to previous studies, Md-Taib et al. (2008) found that social influence as important factor that influence individual intention and consumer acceptance towards purchasing Islamic banking. Moreover, Venkatesh and Davis (2000), found that social influence such as relatives or friends influence customers' intention in choosing home financing. The individual action is effecting their particular action whether to choose or not the Islamic home financing products.

## 2.3 Perceived Behavioral Control

Ajzen (1991) defines the perceived behavioral control as the presence or absence of the necessary resources and opportunities, as well as individual perception or ease or difficulty of performing the behavior of interest. Perceived behavioral control plays two different roles in predicting behavior. First, it can contribute to the prediction of the behavior of both intention and among individuals who claim the same level of intention to perform a certain behavior. According to Ajzen and Driver (1992), in some cases, perceived behavioral control not only influence the intention but it also can have a direct effect on behavior. This is because these factors can act as a proxy for measuring the actual control that is owned by a person when faced with real situations to perform the behavior.

Zainol and Kamil (2009) in another field of study on zakat stated that zakat payers do not have full control where the ability and the resources available to paying zakat should be available before following them. Without it, the intention of zakat payers to pay zakat will be low. Therefore, in order to enhance and further intention to pay the compliance behavior of zakat, zakat authorities should look at aspects that are perceived behavior control of peoples who pay zakat.

On the other hand, studies conducted by Amin et al. (2014) showed that perceived behavioral control affects behavioral intentions toward the acceptance of Islamic home financing products. It explained that if people feel there is adequate support and resources, the use of Islamic financing will be positive and strong. Therefore, Islamic banks need to provide not only access to financing for Islamic products but they also need to provide support and adequate professional advice. Most importantly, it should be clear professional advice and users can understand the description of the financing products.

## 2.4 Level of Knowledge or Awareness

Albert and Bradley (1997) define knowledge as "information combined with experience, context, interpretation, and reflection. It is a high value form of information that is ready to apply to decisions and actions". Based on the theories of cognitive science, knowledge can be defined as an abstract concept that consciously or unconsciously built by the interpretation of a set of information gained through experience and meditation experience itself. It can give the owner, the mental strength and or physical ability (Kim, 1993).

There are three types of knowledge based on research by De Long and Fahey (2000) namely individual knowledge or known as 'tacit' knowledge, social knowledge and explicit knowledge. Nurdin and Letch (2009) had made further reference from Nonaka (1998) which mentioned that individual knowledge or 'tacit' knowledge is hard to define because "it consists of mental models, beliefs, and perspectives". They also referred to a research by Smith (2001) pertaining explicit knowledge. Explicit knowledge was said to be embedded within organizations system, known as structured knowledge. Therefore, it can be easily communicated because it is codified, artificially captured through manuals and standard procedures, hence, can be transferred and shared between individuals either by self-reading or via training courses.

In the context of Islamic banking and finance, Erol and El-Dour (1989) describe that in Jordan, awareness of Islamic bank customers with knowledge about Islamic banking is increasingly influenced by relatives and neighbors. Haron et al. (1994) conducted a survey among customers both Muslim and non-Muslim. They found that the source of knowledge in Islamic banking products among Muslims is coming from, especially television, newspapers, family member, magazines, and radio. Therefore, his study found that 63% of respondents know the difference between Islamic and conventional banking.

The research was conducted by Abdul Hamid and Mohd Nordin (2001) focused on customer awareness on Islamic banking in Malaysia. The study was conducted in the context of a broader campaign in the field of Islamic education. Their findings indicated that 96.7% of respondents are aware of the Islamic banking in Malaysia and obtain a low percentage in the knowledge of Islamic banking products. While customers have high awareness, but they still lack the knowledge of Islamic banking products. They also found a lack of understanding the difference between conventional banks and Islamic banks.

In the other hand, Bashir (2012) indicated that the product and service quality are really important because it is related to the customer's awareness. It shows the customers' perception towards the product and service quality also enhanced the customer's awareness which is finally it increased the customers' satisfaction. It has been investigated in different countries in regards to the quality service and customers' awareness in receiving the customer satisfaction level. This study also explained the role of Tabung Amanah Islam Brunei (TAIB) in creating an awareness of financial planning among the Muslim community through providing the *al-Bai' Bithaman Ajil* (BBA), *al-Wadi'ah Yad Dhamanah* and also Islamic Hire Purchase facility. These contracts are absolute for the purchasing of housing, personal loans, education scheme, land as well as car financing

## 2.5 Religiosity

Johnson et al. (2001) defines religion or religious commitment, the extent to which a person is committed to his religion. He also admitted the truth of his teachings, such as individual attitudes and behavior will reflect that commitment. According to the Oxford Dictionary (2012), religion is a system of faith and worship or human recognition of something extraordinary power control. Religiosity is defined as the quality of religious life. Alam et al. (2012) in their study stated that religiosity, is important because it can affect an individual's cognitive and behavioral. The values of life for religious people are different from those who are less religious and non-religious. Religiosity, in the sense of a broader, comprehensive sociology is the term used to refer to various aspects of religious activity, dedication and belief (faith).

Most studies that have been carried out in Malaysia related to Islamic banking is more focused on the selection criteria and also, the shade. According to Amin (2012), focusing directly on the relationship between compliance with the *Shari'ah* (religious) with the intention of behavior. In addition, Jaffar and Musa (2013) noted that some reviews have confirmed the importance of religion or *Shari'ah* compliance in the selection of the bank by the customer. This study proves that greater adherence to the principles of *Shari'ah*, better attitude will be formed. 58% of users of Islamic financing, motivating factors for using Islamic financing is due to the belief that Islamic finance will bring justice to the people and more profitable than conventional financing. A step towards religious duty involves perception to comply with Islamic principles such as avoiding usury (*riba*), investment permitted by Shariah (*halal*) and equal distribution of wealth.

In another study conducted by Yusoff and Md. Kamdari (2014) showed that the principles of religion continues to be a priority for the people to choose, Islamic products. This shows that the banks have to maintain their dedication to the principles of Islam. Any attempt to introduce any product or service other than the principles of Islam or has a striking resemblance with the product or service in the conventional banking should be examined more closely in order not to affect customer acceptance of their services in the future. Haron et al. (1994) found that Muslim customers believe that if they make investment in the *Shari'ah* compliance investment, they will get blessing from *Allah* in the future. Moreover, Muslim consumers are preferred to choose Islamic banking products compared to conventional products. The main role of Muslims is religious obligation that influences the individual behavior to choose the activities that are not contradict the *Shari'ah*

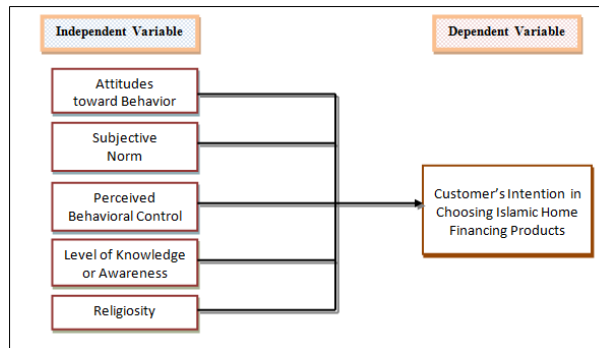
## 3. Methodology

### 3.1 Theoretical Framework

In this study, modifications have been made on Theory of Planned Behavior (TPB), which was developed by Ajzen (1991). In the field of Islamic home financing, this study considers the theory of planned behavior models that explain the

factors in determining the customer's intention on Islamic home financing products.

As a general model, it is reasonable if the model theory of planned behavior is used to explain customer's intention in choosing Islamic home financing products. Importantly, in this study, the researcher adds level of knowledge or awareness and religiosity factors to the theory of planned behavior model. *Figure 1* shows the framework of the theory of planned behaviour. The theoretical framework applied to this study is presented below.



**Figure 1:** Theoretical Framework of the Study

Referring to the literature review and theoretical framework, this study developed the following hypothesis:

- H1: There is a significant relationship between attitude towards behaviour and customer's intention in choosing Islamic home financing products.
- H2: There is a significant relationship between subjective norm and customer's intention in choosing Islamic home financing products.
- H3: There is a significant relationship between perceived behavioural control and customer's intention in choosing Islamic home financing products.
- H4: There is a significant relationship between level of knowledge or awareness and customer's intention in choosing Islamic home financing products.
- H5: There is a significant relationship between religiosity and customer's intention in choosing Islamic home financing products.
- H6: There is a significant affect of the factors of attitude towards behavior, subjective norm, perceived behavioral control, level of knowledge or awareness and religiosity on customer's intention in choosing Islamic home financing products.

### 3.2 Sample, Procedure, and Instruments

For the aim of this research, it has been identified that the Islamic banks customer as the research population. Therefore, this research the primary target population is customers of Islamic banks in Alor Setar, Kedah. Islamic banks customers may consist of customers who are now working in government and the private sector and also those who are self-employed. Therefore, sample target for this research is staff at Jabatan Kerja Raya (JKR) Negeri Kedah, Alor Setar for government sector, staff at Syarikat Air Darul Aman Sdn. Bhd. (SADA) and Tenaga Nasional Berhad (TNB), Alor Setar for private sector and Muslim traders at Pekan Rabu shopping centre, Alor Setar, Kedah. According to the Population Distribution and Basic Demographic Characteristics 2010 (Census 2010) reports by Department of Statistics, Malaysia showed that the total population distribution in Alor Setar, Kedah as at end year 2010 are about 366,787. The Population and Housing Census is conducted once in every 10 years. The last Census was conducted in year 2010 and the next Census is expected to be carried out in year 2020. Therefore, the data in year 2010 is the latest and used in this study.

In this study, researchers used non-probability sampling (convenience sampling), where this method is suitable for studies involving large populations. In addition, this technique is also suitable for data quickly and efficiently. In addition, the convenience sampling allows researchers to obtain samples more easily and freely choose respondents from the sample set. Therefore, for this research, by referring to Krejcie and Morgan (1970), the researcher has personally distributed 500 sets of questionnaires to the respective respondents which is staff at Jabatan Kerja Raya (JKR) Negeri

Kedah, Alor Setar for government sector, staff at Syarikat Air Darul Aman Sdn. Bhd. (SADA) and Tenaga Nasional Berhad (TNB), Alor Setar for private sector and Muslim traders at Pekan Rabu shopping centre, Alor Setar, Kedah. 421 questionnaires were returned by the respondents. Only 389 completed and can be used for data analysis which about 77.80% of response rate.

The dependent variable in this study is customer's intention in choosing Islamic home financing products. Meanwhile, the independent variables are attitudes towards behavior, subjective norm, perceived behavioral control, level of knowledge or awareness and religiosity. These variables are adopted from the previous research and have been validated by the authors. In addition, the questionnaires consist of seven variables. There are three variables adopted from one author, Amin et al. (2014) which are attitude, subjective norm and perceived behavioral control. Meanwhile, questionnaire for level of knowledge or awareness and religiosity adopted from Bassir et al. (2014) and Alam et al. (2012). The operational definition refers to the items of questions that used in the survey. Measurement variables in this study were adopted from previously validated instruments

### 3.3 Data Analysis

The raw data obtained in this study will be analyzed using several statistical tools. The statistical tools and interpretation of the results in quantitative data analysis will be using the Statistical Package for the Social Sciences (SPSS software version 18.0). It aims to test the influence of independent variables on the customer's intention in choosing Islamic home financing products. In this study, descriptive statistical analysis methods, reliability test, correlation analysis and multiple regression analysis were used to analyze the collected data. The data later were analyzed and the hypothesis is tested.

Descriptive statistical is the transformation data into a format that will make it easy for researchers to understand and interpret. It was a common method of organizing, summarizing and presenting the variable (Zikmund, 2003). Descriptive analysis was conducted to summarize the information about the population or sample in this study. It transformed raw data into a set of information in describing a set of factors in a situation. Descriptive analysis presented the mean score and standard deviation of the data collected. According to Hair et al. (2006), the spread or variability of the sample values from the mean will be explained by the standard deviation. If the value of the standard deviation is small, so, the reaction in a sample distribution of number will be fall very close to the mean.

To test for the reliability, Cronbach's Alpha was used. The most common measure of scale reliability is equivalent to Cronbach's Alpha. Cronbach's Alpha is indicated the reliability coefficient and how the items correlated to the one another (Sekaran, 2003). Cronbach's Alpha can be explained as a correlation coefficient that ranges from 0 to 1. The closer the coefficient to 1 is the better the result (Sekaran, 2003). Reliabilities ranging from 0.50 to 0.60 are sufficient for exploratory studies (Nunnally, 1978), in the range of 0.70 are acceptable and over 0.80 are good (Sekaran, 2003). The values of Cronbach's Alpha closer to 1 ensure the higher internal consistency reliability.

Pearson correlation is an important statistical method that measures the strengths among the variables and the relationships between those involved variables (Hair et al. 2009). Correlation analysis in this research is to detect the relationship between the independent variables and the dependent variable. Moreover, this analysis is used to test Hypothesis H<sub>1</sub>, Hypothesis H<sub>2</sub>, Hypothesis H<sub>3</sub>, Hypothesis H<sub>4</sub> and Hypothesis H<sub>5</sub> studied in this research. According Veal (2005), if the value of the Pearson correlation coefficient (*r*) showed a positive (+) 1.0, so there is a positive correlation between the two variables. If the negative (-) 1.0 then there is a negative correlation between the two variables. While the correlation coefficient indicates zero then there is no relationship between two variables. If the correlation coefficient indicates between 0 and 1.0, there are some positive correlation coefficient is positive or between 0 and negative (-) 1.0 showed a negative relationship between two variables.

Multiple regression analysis was carried out to determine the affect of independent variables on dependent variable. In addition, this analysis also helps in understanding the extent to which the variance in the dependent variable explained by the independent variables. Therefore, it gives explanation significant on affects between five (5) factors i.e. attitudes towards behavior, subjective norm, perceived behavioral control, level of knowledge or awareness and religiosity with customer's intention in choosing Islamic home financing products.

## 4. Finding and Analysis

### 4.1 Reliability Test

The position of the reliability test for each construct in this study reported in *Table 1*. Reliability is measured by using Cronbach's Alpha (Churchill, 1979). There are five (5) constructs was tested in the reliability test which were of attitude,

subjective norm, perceived behavioral control, level of knowledge or awareness, religiosity and intention. The result 0.80 and above are considered good, those in the range 0.70 was acceptable and those below than 0.60 was considered as poor (Cavana et al., 2001). In this study, the results for all constructs are situated in the range of 0.791 and 0.880. Therefore, the result of this study can be considered good and acceptable.

**Table 1:** Reliability Analysis

Variables	No. of Item	Cronbach's Alpha
Attitude	5	0.825
Subjective Norm	6	0.805
Perceived Behavioral Control	5	0.830
Level of Knowledge or Awareness	5	0.791
Religiosity	5	0.880
Intention	5	0.851

#### 4.2 Pearson Correlation Analysis

Correlation analysis was used to assess the strengths and the relationship between two variables. This analysis is also used to test the hypothesis that has been formulated to make a conclusion whether to accept or reject the hypothesis. Researchers will use the Pearson correlation analysis to test Hypothesis H<sub>1</sub>, Hypothesis H<sub>2</sub>, Hypothesis H<sub>3</sub>, Hypothesis H<sub>4</sub> and Hypothesis H<sub>5</sub> whether the hypothesis is significantly correlated with the dependent variable, namely customer's intention in choosing Islamic home products or vice versa.

The results in the present study showed that the Pearson correlation coefficient (*r*) have a positive and significant relationship between independent variables of attitude, subjective norm, perceived behavioral control, level of knowledge or awareness and religiosity with the dependent variable, customer's intention in choosing Islamic home financing products. The star (\*\*) sign shows that there is a significant relationship at the confidence level of 99% (\*\**p* < 0.01). Therefore, Hypothesis H<sub>1</sub>, Hypothesis H<sub>2</sub>, Hypothesis H<sub>3</sub>, Hypothesis H<sub>4</sub> and Hypothesis H<sub>5</sub> were accepted.

**Table 2:** The Pearson Correlation Coefficient between Independent Variables and the Dependent Variable

		Attitude	Subjective Norm	Perceived Behavior Control	Level of Knowledge or Awareness	Religiosity	Intention
<b>Attitude</b>	Pearson Correlation	1	.372**	.306**	.237**	.198**	.291**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	389	389	389	389	389	389
<b>Subjective Norm</b>	Pearson Correlation	.372**	1	.498**	.315**	.233**	.250**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	389	389	389	389	389	389
<b>Perceived Behavioral Control</b>	Pearson Correlation	.306**	.498**	1	.424**	.301**	.385**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	389	389	389	389	389	389
<b>Level of Knowledge or Awareness</b>	Pearson Correlation	.237**	.315**	.424**	1	.631**	.344**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	389	389	389	389	389	389
<b>Religiosity</b>	Pearson Correlation	.198**	.233**	.301**	.631**	1	.498**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	389	389	389	389	389	389
<b>Intention</b>	Pearson Correlation	.291**	.250**	.385**	.344**	.498**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	389	389	389	389	389	389

\*\* Correlation is significant at the 0.01 level (2-tailed).

#### 4.3 Multiple Regressions Analysis

Multiple regression analysis was applied in this study to examine the factor affecting customer's intention in choosing

Islamic home financing products and also to proof Hypothesis H<sub>6</sub>. Table 3 presents the results of the analysis of multiple regressions. The result from multiple regression showed that R square was 0.329; adjusted R square was 0.321 and the F-Ratio was 37.614. R square in this result tells the variation in the independent variables accounted for 32.9% of variance in the dependent variable. In other words, it portrays about 32.9% of the variance in compliance intention behavior on Islamic home financing products was significantly explained by the variable of attitude, subjective norm, perceived behavioral control, level of knowledge or awareness and religiosity. However, another 67.10% can be explained by other variables

Regression model reaches statistically significant as the p value is less than 0.01. Based on the analysis, attitude shows a significant effect on customer's intention in choosing Islamic home financing products ( $\beta=0.149, p=0.001$ ). The results also shows a significant affect between perceived behavioral control with customer's intention in choosing Islamic home financing products ( $\beta=0.238, p<0.01$ ). Same result with religiosity which shows a significant affect on customer's intention in choosing Islamic home financing products ( $\beta=0.442, p<0.01$ ). In contrast, there is no significant affect between subjective norm on customer's intention in choosing Islamic home financing products ( $\beta=-0.005, p=0.920$ ). It was the same result for level of knowledge or awareness where also show no significant affect on customer's intention in choosing Islamic home financing products ( $\beta=-0.070, p=0.222$ ).

The standardized coefficients for variable in this present study were 0.149(attitude), -0.005(subjective norm), 0.238(perceived behavioral control), -0.070(level of knowledge or awareness) and 0.442(religiosity) respectively. According to the finding, religiosity scored the highest beta value among the five independent variables at 0.442. Therefore, in this study, the most influential factors that affect the customer's intention in choosing Islamic home financing products fall under the religiosity.

**Table 3:** Regression of Attitude, Subjective Norms, Perceived Behavioral Control, Level of Knowledge or Awareness and Religiosity

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	9.056	1.227		7.379	0.000
Attitude	0.159	0.049	0.149	3.242	0.001
Subjective Norm	-0.003	0.033	-0.005	-0.101	0.920
Perceived Behavioral Control	0.199	0.043	0.238	4.640	0.000
Level of Knowledge or Awareness	-0.067	0.055	-0.070	-1.223	0.222
Religiosity	0.354	0.043	0.442	8.163	0.000

Note:  $p<0.01$ (significant),  $R^2 = 0.329$ , Adjusted  $R^2 = 0.321$ , F statistic = 37.614, Sig. = 0.000

This study confirmed that religiosity is the most important factor affect the customer's intention in choosing Islamic home financing products. This result reinforces earlier studies carried out by Bassir et al. (2014), where religiosity appears to be the strongest determinant for adopting the Islamic home financing.

## 5. Conclusion and Recommendation

This study shows that the five (5) independent variables of attitude, subjective norm, perceived behavioral control, level of knowledge or awareness and religiosity play an important role in affecting on the customer's intention in choosing Islamic home financing products. The result showed that attitude, subjective norm, perceived behavioral control, level of knowledge or awareness and religiosity showed a significant relationship on customer's intention in choosing Islamic home financing products. The results also reveal that religiosity is the most important factor affects the customer's intention in choosing Islamic home financing products. These findings can contribute the knowledge and increase awareness to the Muslim in Malaysia about the importance of choosing Islamic home financing products. The model theory that was developed in this study can be used as model information to the researchers who will come to measure knowledge in other fields. Therefore, the current study has provided some of the implications and provides valuable benefits to the academic and the practitioners of Islamic banking based on a review of the work done by the researchers.

Based on these result, it is proposed to managers of Islamic banks in order to conduct a special study to assess and understand customer attitudes that look different from each other against Islamic products offered by Islamic banks. The study also showed that managers of Islamic banks need to continue to improve their service to foster a positive



attitude among customers towards the Islamic home financing products. Islamic banks can arrange one day program with customers in public places such as shopping malls and supermarkets as the promotion of the Islamic home financing product. In this program, an officer of the bank can play an important role in creating a good atmosphere in attracting new customers to choose Islamic home financing products through face to face communication with customers. Banks also need to link up with other institutions or other companies to improve the role of subjective norms. In that effort, the banks might collect data information from institutions or companies that they established cooperation and then offer to their employees about Islamic home financing products. At the same time, the banks can take the initiative to work with existing customers to promote Islamic home financing products they offer. Existing customers who have helped the bank to promote their products should be rewarded either in cash, rebates or gift traveling abroad or other appropriate reward. This approach is intended solely to enhance the role of subjective norms in the context of Islamic housing finance.

The researchers suggested that the partnership program can be carried out to the prospective of home buyers. In this program, the bank can offer a membership and trained them in respect of technical matters concerning Islamic home financing product as well as all the exposure on the latest product innovations. This program can help to improve the behavior control of a visiting customer who is looking for home financing products. Islamic banks or financial institutions is also recommended to advertise proactively and market their products to the public through a variety of media that are available in Malaysia i.e., newspapers, television, radio, facebook, twitter and etc. They should explain more information about Islamic home financing products.

The results of this study confirm that religious beliefs will be priority to the customers in choosing the products offered by financial institutions and banks. This shows that the banks need to remain compliant with *Shari'ah* principles in offering products to customers. Any attempt to introduce products that have similarities with conventional banking products without thinking about adherence to *Shari'ah* should be studied and examined in depth before being offered to customers. Islamic banks should emphasize on religious values such as ethics and manners which are friendlier towards the customers. During the pre-signing contract between bankers and customers, Islamic bank's staffs are required to explain the information in the contract more clearly to the customers. Hence, the customers will understand the contents of the contract in more detail. From this insight, the customers will see the significant differences between conventional bank and Islamic bank in applying home financing facility. Therefore, the customers will be more convinced that Islamic banking is an institution that constantly follows the *Shari'ah* rules.

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