Determinants that Influence a Consumers Intention to Adopt Islamic Financial Products

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Islamic banking is the practice of banking based upon Shariah principles. This system disallows the existence of interest in its operations, while promoting profit-sharing. The purpose of Islamic banking is similar to conventional banking, albeit Islamic banking must comply with Shariah law. Although most of the population in Malaysia is Muslim, Islamic banking is not as competitive as conventional banking in terms of the number of users. The purpose of this study is to research the behaviour of Malaysian consumers towards their intention to adopt Islamic financial products. The findings of this study indicate that there is a positive relationship between beliefs regarding Islamic products and cost benefit. This includes the intention to adopt, knowledge and perceived behaviour, control with intention to adopt, and religiosity. There is no positive relationship between subjective norms and intention to adopt Islamic financing products. This study provides an insight into consumer's behaviours on their intention to adopt Islamic financing products. The findings of this study may help Islamic bankers improve their products and policies to better accommodate consumer behaviours, resulting more individuals adopting Islamic financial products.

Key words: *Intention to adopt Islamic financing products.*

Introduction

The purpose for the establishment of Islamic banks by Bank Negara Malaysia (BNM) was to create a dual banking system which operates simultaneously. Varying factors which included time and cost were considered by BNM., This resulted in existing banks being able to offer Islamic, Shariah compliant banking products and services through their existing branches and infrastructures without the need of new establishments.

Khir et al. states that "Islamic Banking is the practice of banking based upon Shariah principles which disallows the existence of interest in its operations while promoting profit-sharing" (2008). Islamic Banking's purpose is similar to conventional banking, albeit Islamic banking must comply with Shariah law. One of the first key principles of Islamic banking is profit and loss sharing (equity participation). The teachings of Islam encourage its followers to invest their wealth and to become partners in order to share risks and profits in a business instead of becoming creditors. Several ways exist for a depositor in an Islamic bank to make earnings through their deposits. The first is through return on his capital, profit sharing through partnership, and lastly rental earnings of an asset which has been partially financed by his capital.

The second key principle is the prohibition of Riba (usury). In Islam, it is considered haram, or prohibited. In the Islamic terminology, interest means "profit that raises the principal amount without the input of any effort, in other words effortless profit". The third key principle is Shariah compliance. In Islamic banking, activities or yields that are prohibited or discouraged should not be supported. Since Islamic banking operates under Shariah rules, Islamic banks are restricted to Shariah compliant transactions. This prohibits the involvement of alcohol, pork, or gambling. The fourth key principle is certainty. In Islamic banking, excessive risk, uncertainty, and speculation is prohibited. Therefore, certain instruments such as futures and options are considered non-Shariah compliant as well as forward foreign exchange transactions. This is due to the rates being determined by interest differentials. Whenever necessary, minor uncertainties can be permitted. The fifth principle is money as potential capital. The act of making money from itself is prohibited as it is considered as effortless profit. In addition, money may only be utilised as a medium of exchange. The act of using money to gain interest and trading money for money is strictly prohibited. Money may only be used to buy goods or services. The sixth principle is the sanctity of contracts. In Islam, the utmost important duty is contractual obligations and the disclosure of information. The purpose behind this principle is the risk reduction of moral hazard problems and asymmetric information. The terms of the contract should always be clearly stated.
Although Malaysia has a high majority Muslim population, Islamic banking is not as competitive as conventional banking. Therefore, it is crucial to study the behaviour of Malaysian consumers towards their intention to adopt Islamic financial products. By

understanding consumer behaviours, financial institutions can formulate and implement appropriate strategies so that Islamic banking can be made more competitive and comparable to conventional banking.

This study focuses on the variables and demographic factors that influence the intention to adopt Islamic the financial products of Malaysian consumers. Malaysia is majorly populated by Muslims, with the non-Muslims community as the minority. Islamic banking is not only for Muslims, but it is also open to non-Muslims. Consequently, the non-Muslims market is also important to the growth of Islamic banks in Malaysia. The Non-Muslims market is quite large and still has a great potential for Islamic banks to grow upon. If the non-Muslim market were to be neglected by the banks, Islamic banks may face hardship in the effort of competing with conventional banks. Attracting non-Muslims customers along with Muslims whom still have not adopt Islamic financing products, can improve the long-term chances of survival and growth of Islamic banks.

Understanding the consumer's subjective norms, attitudes, and perceived behavioural control towards Islamic financial products and their intentions to adopt, would allow Islamic bankers to gain knowledge and design different marketing strategies. This would boost growth in Malaysian consumers and the Islamic banks. Further, this strategy would allow Islamic banking to perform at the same level as conventional banks, or surpass them. In short, Islamic bankers will be able to use the findings from this study to enhance their knowledge of Malaysian consumers. This study could also assist Islamic bankers in strategizing better policies in order to attract more Muslims and non-Muslims to adopt Islamic financing products over conventional products.

Literature Review

The Theory of Planned Behaviour (TPB) will be used for this study. It provides a method for explaining general individual behaviour. This theory states that individual behaviour is driven by behavioural intentions. These intentions are a function of three determinants including an individual's attitude toward behaviour, subjective norms, and perceived behavioural control (Icek Ajzen, 1985). In formulating the research model for this study, there are certain points that have been addressed. First, perceived behavioural control is differentiated from attitudes conceptually. "Personal behavioural control does not denote the likelihood that performing a behaviour will produce a given outcome but refers to a subjective degree of control over performance of a behaviour" (Icek Ajzen, 2002). Thus, perceived behavioural control is the individual's knowledge of Islamic financing. Second, the intention is used instead of actual behaviour as a final dependent variable. Ajzen (1991) argued that "intentions are assumed to capture the motivational factors that influence a behaviour.". Therefore, the stronger the

intention to perform a behaviour, the more inclined the individual is to perform the actual behaviour.

Independent variables
Attitude

For the purpose of this study, definitions will be limited to the those given by the theory of reasoned action (TRA) (Icek Ajzen & Fishbein, 1977) and the theory of planned behaviour (TPB) (Icek Ajzen, 1991). According to the theories, attitude is referred to as the evaluative effect of the positive or negative feelings of individuals in acting out a particular behaviour (Icek Ajzen, 1991; Icek Ajzen & Fishbein, 1977). In addition, "attitude is the sum of people's belief of behavioural consequence and their evaluations of those consequences" (Sparks, P. and Shepherd, 1992).

Belief towards Islamic banking

According to Haque, (2010) "attitude is the perception that individuals have towards a product which makes it an important predictor in understanding consumer behaviour". Khalek (2014) has suggested that attitude influences consumer intention. In addition, Jaffar & Musa (2014) stated that subjective norms form consumers' attitude. This is evident in Haque's statement that "the perception of the product, as well as an individual's self-concept influence attitudes towards products and services" (2010). Khalek also asserts that "by understanding consumer attitude towards Islamic banking, it may help to find potential customers and room for expansion in the form of innovation" (2014). Similarly, Vawda states that "Attitudes are good predictors of consumer behaviour. It is also suggested that the psychographic, along with behavioural attitude, be investigated" (2013).

Cost Benefit

As stated by Al-Ajmi, Hussain, & Al-Saleh (2009), "cost benefits are measured by cost of products and rate-of-return, availability of credit with favourable terms, lower service charge, lower interest charge on loan, high interest payment on deposits and lower monthly payment". It therefore becomes evident that attitudes towards methods of Islamic financing may be positively related to the perceived cost benefits.

Subjective Norm

Subjective norm is part of the belief that a specific person may disapprove or approve performing a certain behaviour (I. Ajzen, 2005). Individuals that are motivated to comply with others to perform their behaviour are surrounded by social pressure. In addition,

individuals may have a subjective norm if they were motivated to comply and disapprove by avoiding performing the behaviour. Therefore, it can be concluded that subjective norms are symbolically expressed by a mix of normative beliefs and motivation. The sum of accessible behavioural beliefs determines the attitude towards the behaviour. This points to the subjective probability that the behaviour will achieve the expected outcomes either negatively or positively. The sum of normative beliefs determines the subjective norm. This reflects the importance of perceived behavioural opinions on individuals or groups.

Peer Influence

The role of the subjective norm or social influence has been used as a framework to understand the intention to use Islamic banking products in past studies (Amin, Abdul-Rahman, & Abdul-Razak, 2013). of the previous research includes studies by Amin, Rahim Abdul Rahman, & Ramayah, (2009), Fauziah, Ramayah, & Abdul Razak, (2008), Lada, Tanakinjal, & Amin, (2009), Irshad, (2017) Jacqueline and Paul (2017), Jake (2017), Jalloh & Guevera (2017), Jake (2017), Jiang and Smith (2017). This research indicates that subjective norms do motivate the use of banking products. This is evident in Venkatesh, Morris, & Ackerman's statement that "an individual would perform the expected behaviour even though he might not be in favour of performing the behaviour when being under significant social influence or pressure." (2000).

Perceived Behaviour Control

Perceived behavioural control (PBC) can be determined as "an individual's perceptions of how difficult or easy it would be carried out certain behaviour. PBC denotes a subjective degree of control over the performance of a behaviour for the given outcome" (Icek Ajzen, 1991). Conner & Armitage, had proposed TPB with the same TRA tools with the addition of PBC as a tool that captures volitional factors for predicting human behaviour (1998).

Knowledge of Islamic Financing Products

Lin & Chen state that "product knowledge is derived from memory and is dependent upon the awareness of a product or an understanding about the product" (2006). According to Wahyuni (2012), product knowledge leads to individuals purchase intention. At times, purchase intention is precluded by the lack of awareness of a product (Chi, Yeh, & Yang, 2009). Bley & Kuehn argue that "banking terminology be intimidating to some banking users, yet, some are able to interpret the terms to create an understanding for themselves" (2003). However, the use of Arabic terminology may make it difficult for non-Arabic speakers to determine the nature of a product. (Bley & Kuehn, 2003).

Religiosity

As defined by Mokhlis & Sparks (2006), religiosity is "the degree to which beliefs in specific religious values and ideals are espoused and practiced by an individual.". Religion is the most significant identity of a person and it governs an individual's behaviour and lifestyle. In fact, almost every individual is affiliated to a certain religion and makes decisions based on religious teaching, beliefs, or values. As stated by Ghouri, Khan, & Abdul Kareem, (2016), depending on the individual's level of religiosity, his or her attitude and behaviour are normally shaped by this set of beliefs and values.

As religion influences and dictates one's daily thoughts and behaviour, it is only fitting to study religiosity and behaviour using TPB. A few studies have proposed an extended model of TPB as their religiosity construct. For example, it was found in a religiosity study using TPB that religiosity was positively related to Internet engagement in online religious activities (Ho, Lee, & Hameed, 2008). Alam, Janor, Zanariah, Wel, & Ahsan (2012) also found that religiosity was significantly and positively related to behavioural intention using a similar extended framework of TPB, with religiosity as an added determinant of intention. The above studies by Ho et al. (2008) and Alam et al. (2012) on Internet usage behaviours and purchasing behaviour showed consistency in incorporating religiosity as the determinant of behavioural intention in TPB. Therefore, it appears appropriate to propose religiosity as the additional determinant of safety to predict behaviour in the extended version of TPB.

Dependent variables
Intention to adopt Islamic Financing

Fishbein & Ajzen state that "behavioural intention is described as the willingness to use, accept or adopt an act of behaviour" (1975). Ajzen & Madden (1986) have demonstrated in their study that the stronger an individual's intention is, the more likely he is willing and expected to try.Therefore, it is more likely that the behaviour will be acted out. In this study, intention to adopt Islamic financing products is constructed as the outcome variable. A review of the past literature was conducted in order to understand factors which determine intention. As a result, attitude, peer influence, religiosity and knowledge were selected and incorporated into the research model in order to fulfil the purpose of this study. Based on these, it is hypothesized that:

> H1: Belief towards Islamic products will be positively associated with attitude.
> H2: Cost benefit towards Islamic products will be positively associated with attitude.
> H3: Peer influence towards will be positively associated with subjective norms.
> H4: Knowledge of Islamic financing will be positively associated with subjective norms.

H5: Attitude will be positively associated to intention to adopt Islamic financing products.

H6: Subjective norms will be positively associated to intention to adopt Islamic financing products.

H7: Perceived behaviour control will be positively associated to intention to adopt Islamic financing products.

H8: Religiosity will be positively associated to intention to adopt Islamic financing products.

Methodology

The purpose of this study is to examine the influence between variables and the intention to adopt Islamic financing products among consumers in Malaysia.Therefore, a quantitative research approach is a suitable choice. According to Aliaga & Gunderson (2000), quantitative research employs the collection of numerical data analysed through mathematical methods in order to explain a phenomenon.

The target population employed in this research are both Muslims and non-Muslims in Malaysia. Since the focus of this research is about the intention to adopt Islamic personal financing products, the target population needs to be individuals that are currently employed and can afford said products.

A non-probability sampling technique was chosen which convenience sampling were used in this research. Data was collected through cross-sectional survey using questionnaires distributed online through the internet. Sekaran identifies that "questionnaires are known to be the most useful and effective method of data collection especially when large numbers of samples are to be surveyed in different geographical regions" (2006).

For this study, data analysis is conducted using statistical tools of such as SPSS (Statistical Package for the Social Sciences) and SmartPLS 3 (Partial Least Squares). "SmartPLS 3 is a software tool with graphical user interface for variance-based structural equation modelling (SEM) using the partial least squares (PLS) method" (C. Ringle, Wende, & Becker, 2015). This software can be utilised as a tool to analyse data collected from surveys in an empirical research. It has been identified that "PLS assist to specify, estimate, assess and present models to show hypothesized relationships among variables" (W. W. Chin, Mills, Steel, & Schwarz, 2016; Fauziah et al., 2008; J. F. Hair, Black, Babin, Anderson, & Tatham, 2010).

Two methods are available for analysing data that uses PLS statistical analysis, which evaluates measurement model and structural model (J. F. Hair et al., 2010). The two steps of analysis involved in using SmartPLS are (1) test the reliability and validity of the instrument

through the assessment of the measurement model; and (2) test the research hypotheses through the assessment of the structural model to (Chin, W. W., & Dibbern, 2010). SmartPLS allows for confirmatory and exploratory modelling, which means that they are suited to both theory testing and theory development. The rationale behind the choosing PLS is because it allows the analysis of formative constructs. It has been identified that "PLS is deemed to be more efficient in analysing the correlation and causal relationships among unobserved construct as well as observed variables" (J. F. J. Hair, Hult, Ringle, & Sarstedt, 2014). Gefen, Straub, & Boudreau, state that "PLS focuses on maximizing the explained variance of the endogenous variables, a construct that is the dependent or outcome variable in at least one causal relationship" (2000). It was also found that "PLS recognizes the latent variable as weighted sums of their respective indicators and uses multiple regressions in an attempt to predict values for the latent variables" (Chin, Wynne, 1999; W. Chin, 1998).

Results

The total dataset of 250 samples were analysed using SPSS. The information collected includes demographic data such as gender, age, education, ethnicity, education level, marital status, profession, household income and use of Islamic banking products. The respondents consist of 103 females and 147 males, ranging between the ages 20 years to above 41 years with at least 1 year of work experience. Table 1 illustrates the demographical distribution of the data.

Table 1: Demographic profiles

Variables		Number of	Percentage
Gender	Male	147	58.8
	Female	103	41.2
Age	20-30	113	45.2
	31-40	78	31.2
	41 and above	59	23.6
Ethnicity	Malay	186	74.4
	Chinese	28	11.2
	Indian	22	8.8
	Others	14	5.6
Education	Foundation	1	0.4
	Diploma	52	20.8
	Bachelor	116	46.4
	Post graduate	81	32.4
Marital Status	Single	123	49.2
	Married	113	45.2

		14	5.6
Profession	Clerical	22	8.8
	Executive	73	29.2
	Manager	65	26
	Professional	23	9.2
	Own Business	67	26.8
Household Income	Below	7	2.8
	RM1501 -	97	38.8
	RM3001 - RM	72	28.8
	RM5001 -	41	16.4
	More than	33	13.2
Use Islamic Banking Products	Yes	209	83.6
	No	41	16.4

Figure 1. Structural Model
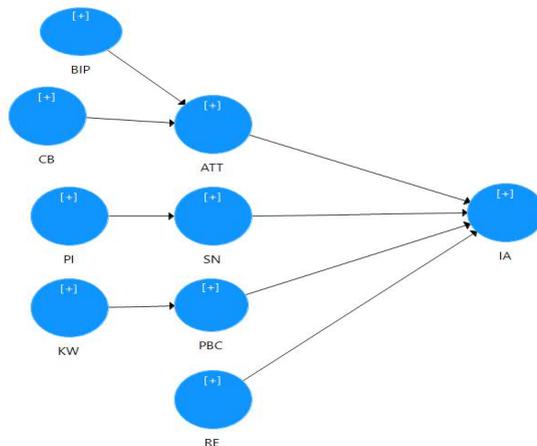
The measurement model is evaluated by identifying the relationships between the constructs in the model before analysing the hypotheses and relationships. This was based on several studies that have been previously examined, including by assessing indicator reliability, internal consistency reliability, convergent validity and discriminant validity of the model, the model significance can be determined (C. M. Ringle, Sarstedt, & Straub, 2012).Kaplan states that "SEM is a diverse set of computer algorithms, statistical methods and mathematical models that consists of various constructs of data" (2007). However, according Hair et al., (2011), "SEM comprises of confirmatory factor analysis, path analysis, partial

least squares path analysis, and latent growth modelling that allows quasi standards in many social science research mainly marketing studies".

According to Urbach & Ahlemann (2010), indicator reliability is "the degree to which a set of variables or a single variable is consistent to that it proposes to measure". It is assessed by examining the factor loading values. More than 75 studies published in MIS Quarterly between 1992 – 2012 successfully used this method to assess indicator reliability and recommend this model to future researchers (C. M. Ringle et al., 2012). According to Hair et al. (2011), the rule of thumb is to accept the loading value of 0.7 or higher. However, based on Chin, W. W., & Dibbern (2010), for exploratory research designs, the factor loading for each item in a lower threshold between 0.5 – 0.6 is considered satisfactory. Upon evaluation, none of the items in this study have a low rating. The final model for further analysis is shown in Figure 1.

Hair et al. states that "convergent validity is the extent to which the measure of a construct correlates positively with other measures of that construct" ((2011). Therefore, it can be said that convergent validity is established where the average variance (AVE) values for all the items are above 0.5, the composite reliability (CR) values are above 0.7 showing higher levels of reliability(Joe F. Hair et al., 2011; Nunnally & Bernstein, 1994). These values are outlined in Table 2. In this study, all constructs have satisfactory scores for AVE and CR. This indicates that each construct met the requirement of convergent validity. Past papers reported Cronbach Alpha values, but this is no longer practiced (Joe F. Hair et al., 2011). According to Hair et al. (2011), SEM papers report CR values and not Cronbach Alpha values.

The latent variables' independent drivers represent the indicators of a formative measurement model and this should not correlate highly with one another. As a result, it is necessary to check for probable multi-collinearity (Diamantopoulos & Winklhofer, 2001). Multi-collinearity can be spotted by variance inflation factor (VIF). This technique was applied by 9 studies published in the MIS Quarterly between 1992 to 2011 (Henseler, Ringle, & Sarstedt, 2012). However, based on one study, "the evaluation of multi-collinearity prior to assessment of the structural model is important to ensure that the predicament of multi-collinearity is not present" (Joseph F. Hair, Ringle, & Sarstedt, 2012). According to Barroso et al. (2010), "the multi-collinearity in PLS is a dilemma in the similar sense as multiple regressions. When assessing the structural model, multi-collinearity can create unbalanced estimates and induce complexity in separating the divergent effect of the indicators on the emergent construct". In addition, multi-collinearity can create a high R-squared value of the model with a non-significant t-test of the regression coefficient (Leahy & Qi, 2000).

Discriminant validity is the extent to which the items that measure constructs vary from one another. This method tests whether the items in a construct by chance measures something else. Two types of measures are available in Partial Least Squares (PLS) for testing discriminant validity, mainly, using cross loadings or the Fornell-Lacker criterion "which looks on the average variance (AVE) value" (Fornell & Larcker, 1981). Chin states that "the cross loading values are acquired by correlating each latent variable's component scores with all the other items" (1998). In this study, the Fornell-Larcker criterion was used in which a latent variable must contribute to more variation amid its allocated indicators than with any other latent variables (Urbach & Ahlemann, 2010).

The discriminant validity in this measure indicate that latent variables should have average variance (AVE) values greater than the highest squared correlation of the latent variable with others in the similar framework. With respect to the Fornell-Larcker criterion, David Gefen (2005) has argued "that in order to indicate discriminant validity, the square root of the AVE of each construct has to be a lot larger than any correlation between two constructs in the equivalent model". The correlations between each construct and other constructs in the model (in the lower left off-diagonal elements) and the square roots of the average variance (AVE) values (with the diagonals) are illustrated in Table 3.

Table 2: Construct reliability and convergent validity

	Composite Reliability	Item Loadings	Average Variance Extracted (AVE)
Attitude	0.979		0.902
AT1		0.944	
AT2		0.956	
AT3		0.953	
AT4		0.948	
AT5		0.947	
Belief	0.976		0.892
BE1		0.947	
BE2		0.938	
BE3		0.945	
BE4		0.948	
BE5		0.943	
Cost Benefit	0.962		0.862
CB1		0.908	
CB2		0.936	
CB3		0.939	
CB4		0.932	

Intention To Adopt	0.970		0.867
IN1		0.959	
IN2		0.961	
IN3		0.875	
IN4		0.924	
IN5		0.934	
Knowledge	0.966		0.849
KW1		0.908	
KW2		0.939	
KW3		0.954	
KW4		0.914	
KW5		0.890	
Perceived Behavioural Control	0.968		0.857
PBC1		0.929	
PBC2		0.927	
PBC3		0.911	
PBC4		0.941	
PBC5		0.921	
Peer Influence	0.971		0.872
PI1		0.924	
PI2		0.941	
PI3		0.949	
PI4		0.934	
PI5		0.920	
Religiosity	0.975		0.906
R1		0.954	
R2		0.960	
R3		0.954	
R4		0.938	
Subjective Norm	0.971		0.868
SN1		0.948	
SN2		0.954	
SN3		0.940	
SN4		0.947	
SN5		0.867	

Table 3: Discriminant Validity using Fornell & Larcker criterion

	ATT	BIP	CB	IA	KW	PBC	PI	RE	SN
ATT	**0.950**								
BIP	0.884	**0.944**							
CB	0.739	0.751	**0.929**						
IA	0.883	0.871	0.710	**0.931**					
KW	0.801	0.773	0.766	0.787	**0.921**				
PBC	0.847	0.858	0.802	0.845	0.837	**0.926**			
PI	0.796	0.789	0.735	0.789	0.813	0.816	**0.934**		
RE	0.835	0.827	0.689	0.842	0.740	0.851	0.749	**0.952**	
SN	0.758	0.772	0.731	0.736	0.782	0.820	0.865	0.727	**0.932**

Note: Diagonals represent the square root of AVE while off-diagonals represent the correlations

Urbach & Ahlemann (2010) identify that "the R^2 calculation for dependent latent variables, also called the coefficient of determination, is used to measure the structural model" (. In addition, "the squared multiple correlation (R^2 value) indicates that the model fitness with the hypothesized relationship", which is in "sequence with the fact that the PLS is essentially a regression analysis" (Hulland, 1999). Therefore according to Henseler & Sarstedt (2013), "R^2 can also indicate the general measure of the goodness of fit (GoF) of the estimated regression comparable to the one produced through PLS". The R^2 measures a construct's proportional difference that is described by the model or the proportion of the total variation in the dependent variable, explained by the independent variables jointly ((Urbach & Ahlemann, 2010). The R^2 value should to be sufficiently high for the model to have a descriptive power. Based on the study by Chin (1998), "R^2 values of 0.67, 0.33, and 0.19 are substantial, moderate, or weak respectively". The tested model in this study has achieved an R^2 of 0.795, 0.826 and 0.701 respectively for Attitude, Intention to Adopt and Perceived Behavioural Control, as illustrated in Table 5.

Hair et al, (2014) states that, "while PLS-SEM exhibits predictive relevance, it precisely predicts the data points of indicators in reflective measurement models of endogenous constructs and endogenous single item constructs. Nevertheless, this procedure does not apply for formative constructs". The Q^2 is obtained using the "Blindfolding" technique in SmartPLS, which specifies the predictive relevance (Stone, 1977), besides examining the predictive accuracy R^2. If $Q^2 > 0$ the model has predictive relevance, and if $Q^2 < 0$ the model lacks predictive relevance. Q^2 values for Attitude, Intention to Adopt and Perceived Behavioural Control are 0.668, 0.664 and 0.559, respectively (Table 5). This indicates that this model has enough predictive relevance due to the fact that these values are greater than 0.

Table 5: R-Square and Q-Square Values

|	**R Square**	**Interpretation**	**Q-Square**
ATT	0.795	Substantial	0.668
IA	0.826	Substantial	0.664
PBC	0.701	Substantial	0.559

Upon completing the bootstrapping process, the structural model was derived. The structural model with the relevant path coefficients and standard errors are shown in Figure 2. The significance of the values for a 95% confidence level is outlined in Table 6. This model is further used to explain the significance of the hypothesized relationships between variables.

Table 6 shows the path coefficients and standard errors of the paths for the structural model as a result of using the PLS algorithm and bootstrapping process in SmartPLS for the relationship between the variables. According to Ezeoha & Okafor (2010), the t-statistics of the paths compared were calculated. It is demonstrated in Table 6 that the T-values to every relationship of variables were significant (t statistics > 1.96) except for Subjective Norms towards Intention to Adopt Islamic Financing Products.

Table 6: Summary of the structural model

Hypothesis	**Path**	β	**Sample Mean**	**Standard Deviation**	**T Statistics**	**P Values**	**Decision**
H1	BIP → ATT	0.754	0.749	0.062	12.184	0.001	**Supported**
H2	CB → ATT	0.173	0.175	0.066	2.617	0.009	**Supported**
H3	PI → SN	0.865	0.862	0.030	29.223	0.001	**Supported**
H4	KW → PBC	0.837	0.836	0.033	25.295	0.001	**Supported**
H5	ATT → IA	0.490	0.483	0.116	4.219	0.001	**Supported**
H6	SN → IA	0.018	0.017	0.054	0.324	0.746	**Not Supported**
H7	PBC → IA	0.208	0.214	0.082	2.535	0.012	**Supported**
H8	RE → IA	0.243	0.243	0.078	3.136	0.002	**Supported**

Figure 2. Structural model evaluation
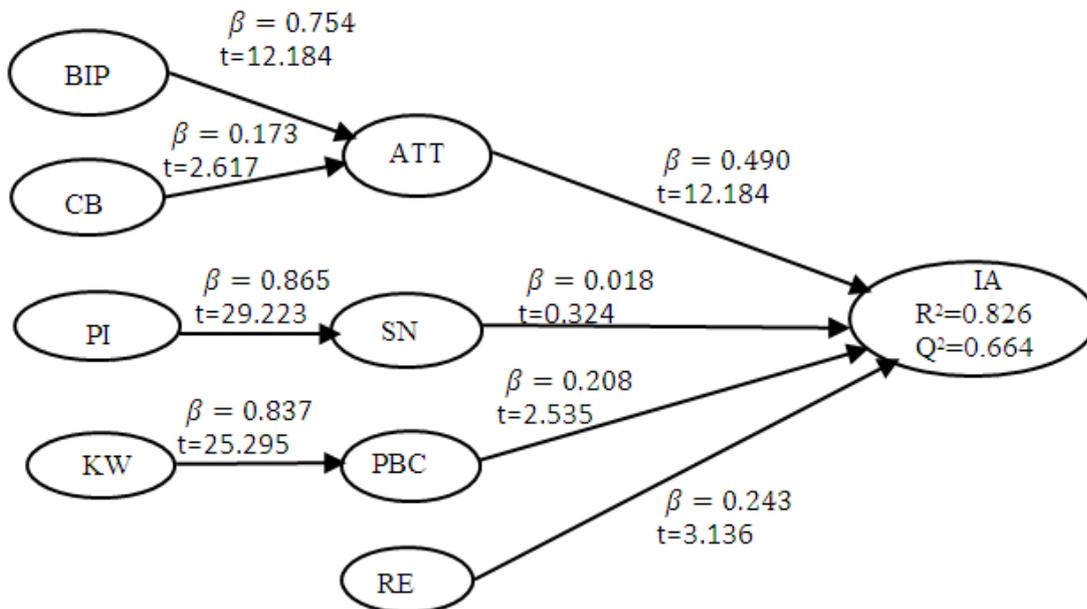
Discussion and Conclusion

According to results of this study (see table 6), it is suggested that there is a positive association between belief in Islamic product and cost benefit towards attitude. Positive association can also be seen between peer influence towards subjective norm, knowledge of Islamic financing and perceived behavior control, attitude towards intention to adopt, and perceived behavior control towards intention to adopt. There is no positive association between subjective norms and intention to adopt Islamic financing products.

The results of this study can be utilised by financial institutions to further understand its market. This will further attract more Malaysians to adopt Islamic financing products and increase its market share to a level comparable or competitive as conventional products. Understanding the behaviour of Malaysian consumers will allow financial institutions to implement new strategies in order to attract more potential consumers and make Islamic financing as comparable and competitive as conventional financing products.

Utilising the results of this study, several suggestions for Islamic bankers can be given. The study suggests that there is a positive relationship between cost benefit and intention to adopt mediated by attitude. This means that cost benefit is a factor that affects a consumer's intention to adopt Islamic financing products. Therefore, Islamic bankers can develop Islamic products which are more competitive than conventional products. This can be done by offering higher profit rates for investment and savings products or lower profit rates for loans.

If done correctly, the more attractive rates of Islamic products will entice more consumers to adopt Islamic financing products rather than conventional products.

This study also suggests that there is a positive association between knowledge of Islamic financing and perceived behaviour control. This means that an individual's knowledge of Islamic products is an important factor that affects his or her intention to adopt Islamic financing products. Therefore, Islamic bankers should take careful consideration in educating the masses about Islamic products and how they describe their products. This is because an individual's understanding (knowledge) affects his or her intention to adopt. If the individual does not fully understand the details or nature of a product, the individual might not adopt it.

Limitation and future research direction

It is suggested that variables such as riskiness should be studied in order to investigate its significance towards consumers' intention to adopt Islamic financing products. This is because some individuals are more risk averse than others and different individuals have different appetite for risks. Risk is an important factor in any decision-making process. If a financial product is perceived to be riskier than others, an individual might not make decision to adopt it, depending on his or her risk appetite. Therefore, it is important to study perceived risk as an additional variable. In addition, since the limitation of the study has highlighted that there is an unequal amount of Muslim and non-Muslim respondents, it is suggested that future research achieve an equal amount of Muslim and non-Muslim respondents so that a group comparison can be conducted in order to observe the differences between these groups.

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