

## ACCEPTANCE OF ISLAMIC EQUITY-BASED MORTGAGE PRODUCT: AN EXTENSION OF DECOMPOSED THEORY OF PLANNED BEHAVIOUR

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### ABSTRACT

This study examines the determinants that may predict consumers' intentions to accept equity-based products, namely *mushārahah mutanāqisah* (MM), an Islamic mortgage. A survey was conducted using multi-stage and purposive sampling. For the purpose of the analysis in the current research, a structural equation modelling technique was used. Moreover, 306 responses were gathered from MM Islamic mortgage users. The theoretical framework of the current study draws upon the decomposed theory of planned behaviour (DTPB) because of its predictive power and robustness on which to base a model. The findings of the study revealed that behavioural intentions appeared to have been directly and indirectly influenced by all constructs and, above all, the most significant factors are peers and perceived behaviour control. All the main beliefs, namely, attitude, subjective norm, perceived behaviour control (predicted by compatibility), relative advantage, peers and self-efficacy affect consumers' intentions to accept MM home financing. The effect of pricing variables on intentions was also significant. The pricing variable is yet to be tested; therefore, this paper will be a useful reference for policymakers, academicians, and future researchers.

*Keywords:* Islamic mortgage, MM, DTPB, Consumers' intentions.

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## I. INTRODUCTION

### 1.1. Background

The home is a necessity required by human beings to fulfil their ultimate desire of feeling secure; this includes protection of life, *al-ḥayāh*, and protection of wealth, *al-māl* (Shahwan *et al.*, 2013). To fulfil this obligation, an individual moves on and looks for different alternatives available to him. In the dual banking system, these alternatives can be based on interest, *ribā*, which is offered by conventional home financing or *halāl* choice offered by Islamic mode of financing.

Islamic banks (IB) play a vital role in fulfilling this ultimate human need by devising permissible, *halāl* products based on tenets of objectives of *Sharī'ah*, which are deemed to be fair and just, and safeguard the rights of an individual. Islamic mortgages are either debt-based or equity-based. Debt-based Islamic mortgages include *bay' bithaman ājil* (BBA), *al-ijārah thumma al-bay'* (AITAB) and *Tawarruq*, whereas equity-based Islamic mortgages are based on the concept of diminishing partnership, for example *mushārah mutanāqisah* (MM) (Hanafi, 2012).

In Malaysia, most Islamic banks offer BBA home financing; it is argued to be based on debt and contain the contract of *bay' al-'īnah*. Since the current study is set out to illuminate the factors influencing consumers' acceptability of Islamic mortgages, it is worth highlighting some issues that may arguably deflect the consumers away from Islamic banks products. The mimicking of the conventional bank's products, to begin with, is one of the frequent criticism that Islamic home financing faces, as Khan (2010) argues that for many critics, the difference between Islamic products and their conventional counterparts is by no means a substantive one. Instead, it is only *prima facie*.

Most of the issues related to BBA home financing are said to be resolved by MM home financing. Many studies consider that the price of a home under BBA is higher than that of MM (Shahwan *et al.*, 2013). Due to flexible monthly instalments, MM home financing is deemed to be competent to its conventional counterpart with no pre-agreed sale price; however, in BBA home financing the cost of the home is fixed and banks try to secure the price, which makes it seem as if its structured like a conventional loan (Shahwan *et al.*, 2013).

Compared to BBA, MM home financing is quite a novel product that has been introduced by the Islamic bank. This study aims to examine the acceptance of Islamic bank consumers for MM home financing in Malaysia. Thus, this study will be of particular importance in filling the gaps in the literature regarding MM home financing, which was not covered adequately by empirical evidence, particularly in Malaysia. Also, this study is of equal importance for practitioners in Islamic banks in their formulation of strategies to attract more Malaysian and Pakistani consumers to MM home financing.

In the present study, behaviour intention is predicted to estimate the determinants that are instrumental in attracting consumers in any service industry. However, building good relationships with consumers is difficult. This study contributes significantly to behaviour intentions literature by proposing a model that empirically investigates consumers' intentions to accept MM home financing.

The conceptual framework introduced in this study is being used particularly to pave the way for stakeholders that are related to Islamic mortgages; this complies with Islamic principles. In a climate of tough competition between conventional

and Islamic banks, it is imperative for the latter to pick up the gauntlet and market its products in such a way that attracts as many customers as possible. The decomposed theory of planned behaviour (DTPB) was useful in explaining consumers' intentions to accept MM home financing. Extricating the specific determinants that affect consumers' attitudes, perceived behaviour control, and subjective norm offer a vibrant understanding of the association among factors and the definite effects of these factors on their intentions.

## 1.2. Objective

This study investigates the relationship between consumer acceptance for the MM home financing concept introduced by Islamic banks and the attitude, subjective norm, perceived behaviour control and pricing of Islamic home financing. Further, the effect of compatibility, relative advantage, peers, and self-efficacy on their respective main beliefs is also examined.

## II. LITERATURE REVIEW

### 2.1. Background Theory

The DTPB model has its theoretical foundation underpinned from technology acceptance model (TAM), theory of planned behaviour (TPB), and diffusion of innovation (DOI) theory. In addition, decomposed theory of planned behaviour (DTPB) shares more than one version, and so far, it has dual versions. The initial version of DTPB model integrates features of the DOI model, which includes, but is not limited to, perceived compatibility and perceived relative advantage, which demonstrate decomposition of attitude followed by the decomposition of subjective norms of peers. Lastly, self-efficacy is linked to perceived behavioural control (Taylor & Todd, 1995a). Figure 1 provides a picture of DTPB's initial model. Taylor and Todd (1995a) argue that DTPB is much more well-organised than the theory of planned behaviour (TPB).

### 2.2. Previous Studies

The Islamic mortgage topic has been presented in several pieces of published literature. It has been looked at from different angles and with varied objectives. On the one hand, some studies are conducted to test theories and some are built on market surveys without the adoption of a theory; on the other hand, Islamic home finance has been qualitatively studied and from a legal perspective.

In the context of law, the study by Norjaya, Mohd, and Osman (2007) explicates *bay' bithaman ājil* (BBA), drawing upon two cases that have taken place in connection with the system of Islamic banking (*i.e.* the cases that involved Dato Hj Nik Mahmud Daud and Adnan Omar) against Bank Islam Malaysia. In the context of Malaysia, these cases bring to the surface the true shortcomings of BBA transactions. For example, in Adnan Omars' case there was no rebate tendered to relieve him of legal responsibility. Instead, the bank requested that the price be fully paid, which was deemed incompatible with Islamic law. Having the same point of view, Abu-Backer (2002) criticises BBA and goes even further by

describing it as a blot on Islamic justice administration. According to Abu-Backer, the bank does not practice its freedom of offering a consumer a rebate, which drives towards defaming the image of Islamic finance as being expensive and abusive; as a consequence, Abu-Backer (2002) contested that this case shakes the foundation of the *Shari'ah* law under which Islamic banks are based and brings inconsistency to the spirit and intent of justice under Islamic rule. It is obvious from these studies how problematic it is for Islamic-oriented financial establishments working in dual economic systems to distance themselves from being partially equalised with their conventional counterparts.

In search of developing the Islamic home financing-orientated theory, Islamic mortgages were looked at in several studies. Taib *et al.* (2008) puts MM mortgages under the microscope of the theory of reasoned action (TRA) model and points out that consumers' intentions to use such a mortgage is not only predicted by subjective norm but also by their attitude. Admittedly, however, the TRA pair of constructs fall short of providing a thorough investigation of the determinants of Islamic home financing acceptance. On the same token, Abduh and Razak's (2011) study does not go beyond the two factors (attitude and subjective norm) to examine factors that influence the embracing of the MM mortgage. From the findings of these two empirical studies, it is evident that the incorporation of new predictors is of paramount importance when striving to understand the complexities of consumers' behaviour. This subsequently suggests an informative understanding regarding the impacts of various determinants on the performance of the consumer. In line with such requirements, Alam, Janor, Zanariah, and Ahsan, (2012) expand the TPB model by adding the religiosity factor to the existing predictors. The results of their study suggest that the introduced factor of religiosity along with TPB constructs significantly affects the likelihood that customers will prefer Islamic mortgages. In tune with Alam *et al.* (2011), Amin *et al.* (2014) expand the TPB model and add the Islamicity of the product as an additional determinant to grasp consumer adoption of Islamic mortgages.

Along with PBC, attitude, and subjective norm, the Islamicity of the product measures up to the requisite statistical significance to predict consumer acceptance of Islamic mortgage products. The same course of extending TPB is applied by Amin *et al.* (2014) to investigate the extent to which consumers are willing to go for MM mortgages. Their method varies from those of Alam *et al.* (2012) and Amin *et al.* (2014a) regarding their approach of utilising structural equation modelling; their findings suggest the significance of perceived behavioural control, attitude, and the subjective norm in predicting consumers' willingness. Amin *et al.* (2016) utilise the theory of interpersonal behaviour (TIB) to get an insight into the determinants that have an effect on consumers' choice of Islamic mortgage. Their reported results reveal a significant influence of affect, facilitating conditions, and social factors on consumers' intentions. The remaining factors, *i.e.* perceived financial benefits and perceived risk also significantly impact the willingness to select an Islamic mortgage.

Based on the market survey, several studies on Islamic mortgages conducted a literature review without adopting a theory. Mohammed and Mehmet (2012) identify social factors and lifestyle as important determinants in selecting Islamic home financing products. The latter study echoes Dar (2002) in this study, *i.e.* examining the effectiveness of demand of Islamic mortgages in the UK. An

identical study carried out by Razak and Taib (2011), which was diverse in scope, explains how postgraduate students perceive MM and BBA mortgages. Their findings report respondents' dissatisfaction with the present BBA transactions, which are ascribed to the certitude that the profit of the bank is calculated up-front; this results in skyrocketing prices that cause an imposing burden on society.

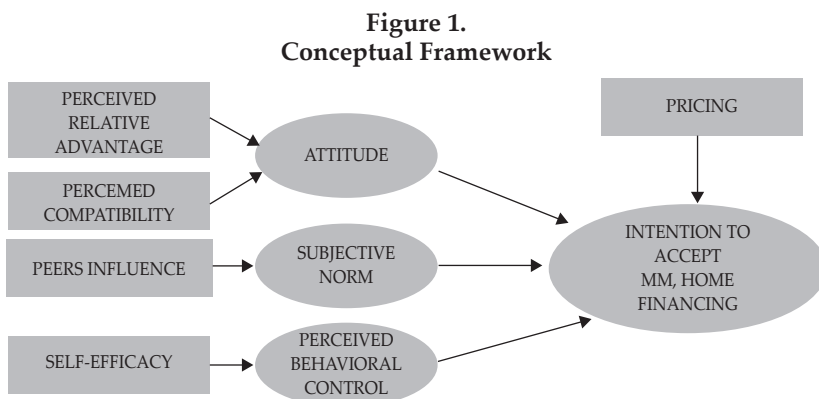
Within the territory of qualitative research, a number of studies on Islamic mortgage can also be found. Shuib *et al.* (2011) explore Kuwait Finance House MM-based mortgages. They assert the benefits of providing such a service, the first of which is the sharing of the profit between the customer and the bank. Secondly, cash aid is available so the customer can obtain cash by selling their share to the bank. Thirdly, early settlement of the product is offered to the customer as long as they are capable. Interestingly, Mohammed and Mehmet (2012) and Razak and Taib (2011) arguably nominate MM as a likely alternative to Islamic home finance.

A detailed account is given in the reviewed literature, particularly studies that have tested theories that lead to the conclusion that the proper integration of a widely accepted theory – DTPB with exogenous constructs – will yield a better understanding of the behavioural intentions of Islamic mortgage consumers. It is also remarkable that this is absent from the theories that were mapped into the context of an Islamic mortgage. Therefore, this study sets out to fill this gap in the literature.

### 2.3. Conceptual Framework

After drawing upon a comparison between the TRA, TPB and DTPB models, the author decided that DTPB should be considered. What TPB and DTPB have in common is that both theories are derived from TRA. DTPB became the first choice because of the failure of TPB to give an explanation of how an individual believes in performing a particular behaviour and the means by which he gets involved in such behaviour (Taylor & Todd, 1995).

Further, the DTPB model, as mentioned earlier, is a combination of various theories, such as TPB, DOI, and TAM (Davis *et al.*, 1989; Rogers & Shoemaker, 1983 ; Taylor & Todd, 1995a), which allow for a thorough investigation of the acceptance of MM home financing.



DTPB is more useful in circumstances in which a lot of in-depth knowledge is intended. It is also preferable when considering the strongest predictive power and explaining the relationship between the unobserved endogenous and unobserved exogenous variables (Taylor & Todd, 1995).

Thus, adapting DTPB will be appropriate in predicting the consumer acceptance of the Islamic mortgage. The research framework illustrates that behavioural intentions towards MM home financing acceptance is dependent on the attitude of an individual, subjective norm and perceived behavioural control when using the product. The researcher adopts the two latent variables related to an individual's attitude, namely perceived relative advantage and perceived compatibility; however, excluded perceived complexity as the nature of this study is different than that of ICT and it adopts a similar approach to that used in the application of DTPB in the *takāful* context (Maizaitulaidawati & Asmak, 2013).

### III. METHODOLOGY

#### 3.1. Data

A survey was conducted; university lecturers were considered with the justification that they were using banking services with experience in various products offered by Islamic and conventional banks. Above all, they were familiar with the home mortgage facility offered by the banks they transact with (Amin *et al.*, 2017).

Academic staff members of the University of Malaya, University Kebangsaan Malaysia, and University Putra Malaysia participated in the present study. According to Amin *et al.* (2017), different people can be available in universities based on their position, grade, and age. Hence, this study focuses on users of MM home financing; regarding the legal status requirement to apply for Islamic housing finance, it is necessary that applicants are aged over 25.

As suggested by Comrey and Lee (1992), 300 or more responses are considered to be sufficient and this study captures 306 respondents. Multi-stage sampling and purposive sampling are considered for the current study. Table 1 shows the study's frequency statistics.

**Table 1.**  
**Frequency Statistics**

Demographic information		Frequency	Percentage
Gender	Male	166	54.0
	Female	140	46.0
Age	26–30	144	47.0
	31–35	106	35.0
	36 and above	56	18.0
Current Degree	Master's degree	200	65.0
	PhD Degree	106	35.0
Designation	Lecturer	208	68.0
	Associate Professor	70	23.0
	Professor	28	9.0

Source: Primary data

### 3.2. Model Development

The framework for this study, which is consumers' intention to accept MM home financing, is developed based on the adapted constructs from the DTPB by Taylor and Todd (1995a) as well as an additional construct of pricing for MM Islamic mortgages as shown in Figure 1. DTPB is widely used in the area of information communication technology (ICT) (Shih & Fang, 2004). Furthermore, this study postulated eight hypotheses.

All the hypotheses to be tested in this research work are listed below.

- H1: There is a direct association between attitude and intention to accept equity-based home financing.
- H2: There is a direct association between subjective norms and intention to accept equity-based home financing.
- H3: There is a direct association between perceived behavioural control and intention to accept equity-based home financing.
- H4: There is an indirect association between pricing and intention to accept equity-based home financing.
- H5: There is a direct association between perceived compatibility and attitude towards equity-based home financing.
- H6: There is a direct association between perceived relative advantage and attitude towards equity-based home financing.
- H7: Self-efficacy will directly affect perceived behaviour control.
- H8: The peers' influence on using equity-based home financing will positively affect the subjective norm.

### 3.3. Method

In this study, structural equation modelling (SEM) is employed. SEM is a multivariate statistical method that can handle a large number of dependent and independent variables. SEM can be viewed as a combination of factor analysis, path analysis and regression that permits to concurrently examine a set of causal relationship between the observed variable and latent construct, and between different latent constructs (Hair *et al.*, 2010).

Moreover, the advantage of SEM is the graphics interface of the software (AMOS), which allows the researcher to modify the models to achieve a good fit. SEM tests the defined hypothesised theoretical model (Tabachnick & Fidell, 2006).

## IV. RESULTS AND ANALYSIS

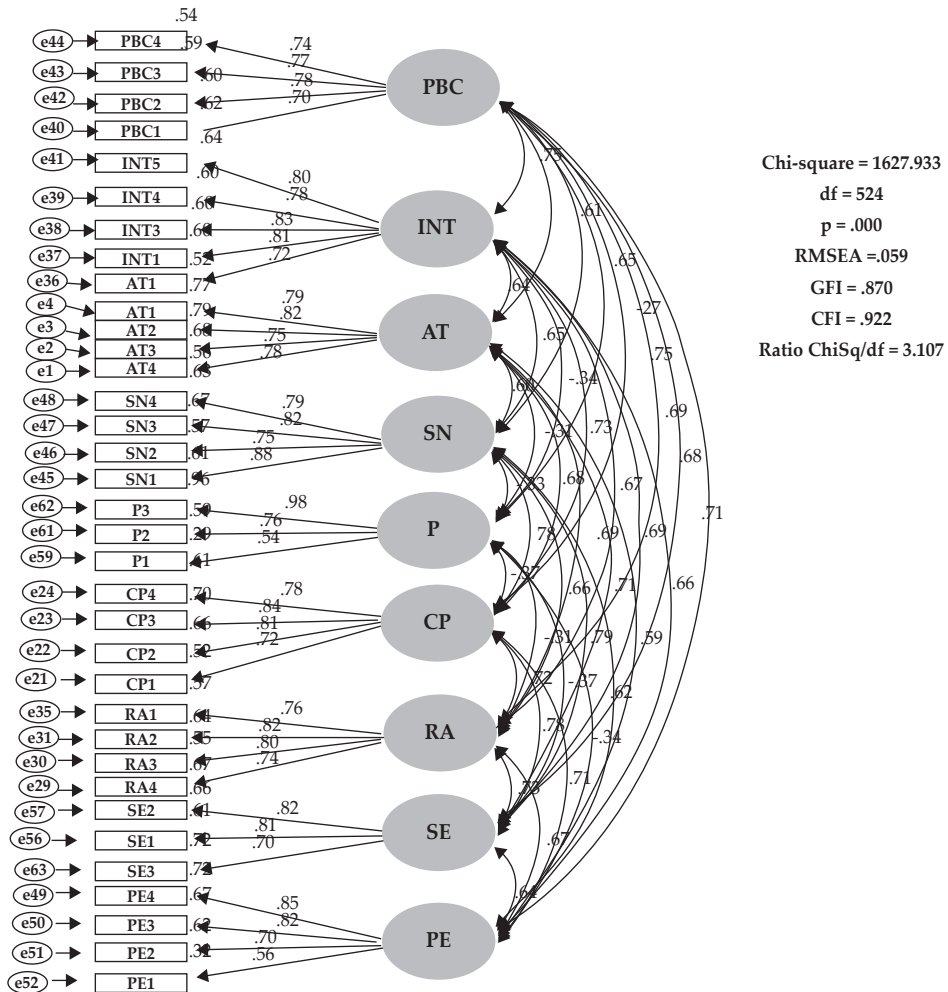
As stated earlier, in the context of this study SEM is employed for the analysis of data using AMOS (v.21). SEM is a suitable confirmatory approach in the current study because it is covariance based (Mäntymäki *et al.*, 2014). According to Chang and Cheung (2001), SEM is advantageous because of its ability to simultaneously test the measurement and path model. Furthermore, the DTPB model has been largely applied and validated in many studies. Thus, there is a strong theoretical support to specify our model.

### 4.1. Results

#### 1. Measurement model

The model fit in this study was assessed by opting for a maximum likelihood estimation using the comparative fit index (CFI). Compared to other fit indices, researchers have suggested CFI preferred model fit index (Anderson & Gerbing 1988). The minimum threshold for CFI is 0.90 but higher is better; Hair *et al.* (1998) determined that the variables reliably measured the hypothesised latent variable. The confirmatory factor analysis was initiated. All latent variables were freely allowed to intercorrelate with no causal order attribution. This was the stage at which it was advised to solve the problem with a measurement model. Furthermore, the convergent validity was examined on its criterion basis, whereby indicators estimate that the pattern coefficient is significant on its posited underlying construct factor.

Figure 2.  
Measurement Model



Source: Developed by authors



## 2. Validity measure

Table 2 reports the convergent and discriminant validity. The latter is investigated using an average variance extracted (AVE) square root for each (diagonal) inter-factor correlation.

**Table 2.**  
**Reliability and Validity Testing of Measurement Model**

VARIABLES	CR	AVE	MSV	ASV	P	AT	CP	RA	SN	SE	PBC	INT	PE
P	0.922	0.797	0.094	0.076	0.893								
AT	0.902	0.699	0.471	0.372	-0.242	0.836							
CP	0.890	0.619	0.554	0.450	-0.278	0.660	0.787						
RA	0.861	0.609	0.507	0.413	-0.280	0.686	0.712	0.780					
SN	0.890	0.670	0.599	0.395	-0.262	0.654	0.721	0.634	0.819				
SE	0.830	0.710	0.599	0.402	-0.306	0.673	0.652	0.690	0.774	0.843			
PBC	0.851	0.589	0.564	0.419	-0.250	0.607	0.744	0.691	0.627	0.650	0.768		
INT	0.891	0.620	0.564	0.406	-0.278	0.638	0.729	0.671	0.634	0.623	0.751	0.788	
PE	0.844	0.580	0.554	0.385	-0.300	0.593	0.744	0.665	0.587	0.597	0.715	0.657	0.762

Source: Primary data

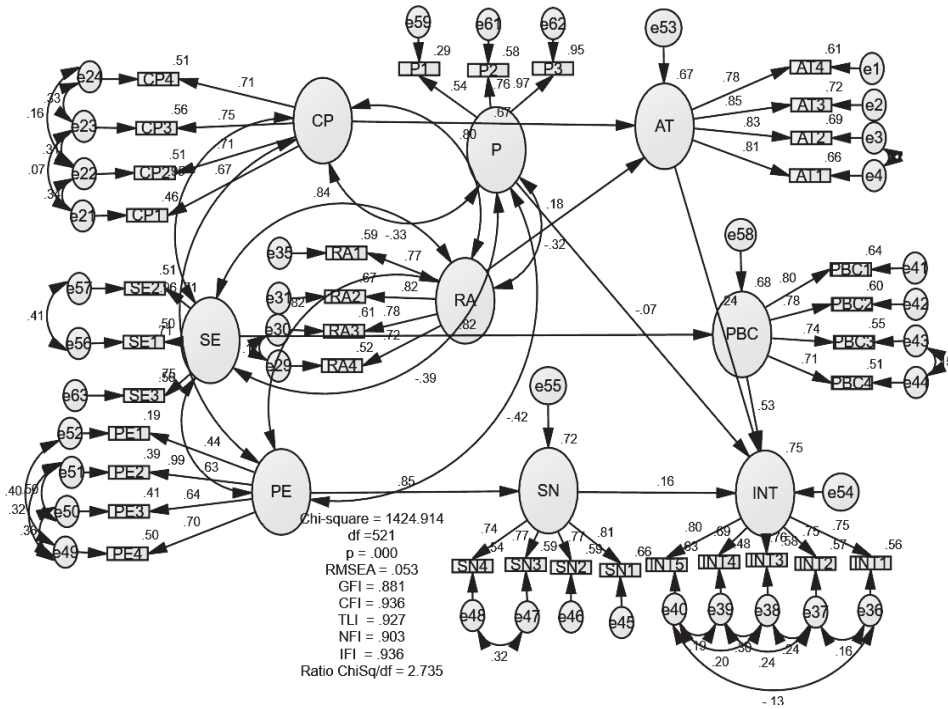
As suggested by Field (2005), a minimum threshold value of 0.60 is surpassed by the factor loadings to attain convergent validity. Furthermore, the average variance extracted (AVE) is also indicating the value over the minimum threshold of 0.50 and above 0.75 for composite reliability (CR) (Hair *et al.*, 2010). In addition, the value of AVE above 0.50 indicates that there exists an ideal convergent validity. It was also determined regarding internal consistency measurements, the threshold of 0.70 value by Cronbach's alpha was surpassed and, thus, guided by Nunnally and Bernstein (1994), internal consistency was gained.

Furthermore, for examining (square of AVE) for discriminant validity testing shown above in Table 2 (**in bold**), there was an inter-factor correlation construct. It is evident that the value of correlations is lower than all the diagonal values (square root of AVE). Hence, enough discriminant validity exists. The results indicate that discriminant and convergent validity was attained.

The model was statistically overidentified. The following indices were produced: ( $\chi^2=1627.933$ ,  $\chi^2/\text{degree of freedom}$  ( $\chi^2/\text{df}$ ) ratio 3.107, GFI= 0.870, NFI=0.889 and CFI=0.922, TLI=0.911, RMSEA=0.059. With the exception of the Chi-square statistics (which is sensitive to large samples), the fit indices uniformly pointed to a good fitting model.

The results indicate an acceptable goodness-of-fit model. The value of GFI, TLI and CFI meet the minimum threshold of 0.90. Furthermore, as suggested by Hair *et al.* (2010), the value of RMSEA also achieves the minimum threshold of RMSEA value < 0.08.

Figure 3.  
Structural Model



Source: Developed by the authors

Figure 3 shows the structural model and the results found that the squared multiple correlations R2 for endogenous variables was above the minimum threshold value of .10 with .66 for AT, .72 for SN, .68 for PBC, and .75 for INT. It identifies that perceived relative advantage and compatibility contributes to 66% variance to attitude. Perceived behavioural control contributes 68% through self-efficacy and peers contribute 72% to subjective norms. Collectively, all the decomposed variables and their antecedents, which are attitude, perceived behavioural control, subjective norms, and pricing contribute to 75% variance of the intentions of consumers to accept equity-based home financing.

#### 4.2. Analysis

Table 3 depicts the results between the independent variables, i.e. attitude, subjective norm, perceived behavioural control, pricing and decomposed variables, namely peers, self-efficacy, perceived relative advantage, and compatibility towards consumers intention to accept equity-based home financing.

**Table 3.**  
**Regression Weights for Hypothesis Testing**

Weights of Regression	$\beta$	S.E.	C.R.	P	Result
H1 AT $\rightarrow$ INT	0.24	0.057	4.533	***	Supported
H5 CP $\rightarrow$ AT	0.47	0.116	4.583	***	Supported
H6 RA $\rightarrow$ AT	0.23	0.073	3.187	***	Supported
H2 SN $\rightarrow$ INT	0.15	0.060	2.570	0.003**	Supported
H3 PBC $\rightarrow$ INT	0.54	0.058	0.638	***	Supported
H4 P $\rightarrow$ INT	-0.07	-0.045	-2.148	0.032*	Supported
H7 SE $\rightarrow$ PBC	0.83	0.056	15.834	****	Supported
H8 PE $\rightarrow$ SN	0.85	0.065	16.315	****	Supported

Notes \*\*\* Significant at 0.001, \*\* Significant at 0.01, \* Significant at  $q < 0.05$

Source: Primary data

The result for attitude indicates that it has a significant positive impact on the intention to accept equity-based home financing ( $\beta=0.24$ ,  $\rho < 0.001$ ). Hence, *H1* is supported. Subjective norms tend to be a significant positive predictor of equity-based home financing acceptance ( $\beta=0.15$ ,  $\rho < 0.01$ ). Therefore, *H2* is also supported. Perceived behavioural control turns out to be a significant positive predictor of equity-based home financing acceptance ( $\beta=0.54$ ,  $\rho < 0.001$ ). Therefore, *H3* is also supported. Pricing also positively impacts equity-based home financing ( $\beta=-0.07$ ,  $\rho < 0.05$ ), resulting in *H4* being supported. Further, the findings indicate that compatibility has a significant positive influence on attitude ( $\beta=0.47$ ,  $\rho < 0.001$ ), thus, *H5* is supported. The results also show that the perceived relative advantage has a significant positive impact on attitude ( $\beta=0.23$ ,  $\rho < 0.001$ ). Therefore, *H6* is also supported. Self-efficacy is found to impact positively on perceived behavioural control ( $\beta=0.83$ ,  $\rho < 0.01$ ), thus, *H7* is supported. Peers influence equity-based home financing ( $\beta=0.85$ ,  $\rho < 0.01$ ). Therefore, *H8* is also accepted.

Thus, *H1*, *H2*, *H3*, *H4*, *H5*, *H6*, *H7* and *H8* are all supported.

### 4.3. Implications

This model provides a deeper understanding of consumers' behaviour intentions. Hence, the findings of this research are pertinent to practitioners. The brief implications of this are described. Starting with attitude and its related factors, relative advantage, subjective norms, and compatibility impact attitude significantly. The decomposed variable peers positively influence subjective norm; this finding confirms Lau's (2002) study.

Thus, peers can influence consumers' intentions to accept MM home financing. It is also crucial for Islamic banks to take into consideration the reference group, *i.e.* peers or colleagues, when marketing its mortgage products. Islamic banks may also use recommendations as a tool to promote MM home financing. The decomposition of self-efficacy in the model resulted in a positive impact on consumers' perceptions of difficulty or ease in applying for MM home financing. The managers of Islamic bank must ensure that complete information about the product and filing application documentation, including terms and conditions,

related to Islamic mortgage products are made available to consumers. Consumers perceive that difficulty in getting information may hamper their acceptance of an Islamic mortgage product. The managers of Islamic banks also need to improve the innovative idea of the Islamic mortgage to appeal to their consumers through the use of relative advantage. Few measures in this regard include using financial technology (fintech) as a means of attracting more customers. This gives the notion that engaging with Islamic mortgages was not as easy as it is today. Islamic bank managers need to realise the advantages of fintech. In Malaysia, some Islamic banks have already started accepting Islamic mortgage applications online through a smart app. Other Islamic banks also need to make use of such an important segment of ICT. On the contrary, Islamic banks in Pakistan are not taking advantage of fintech. It is important for managers of Islamic banks to initiate such services to receive a positive attitude from their consumers.

It is advisable for managers of Islamic banks to improve the Islamic home financing product compatibility issue. Consumers' satisfaction may vary, *i.e.* the needs of existing consumers may differ from a potential user of the Islamic mortgage product. Islamic bank managers need to look into the needs of existing consumers and respect their values alongside those of future consumers.

For instance, when comparing a conventional loan, if a Muslim consumer wants to engage with an Islamic mortgage then he has an expectation that the Islamic mortgage is based on the teachings of the *Qur'ān* and the *Hadīth*. This might be the reason why that particular Muslim customer is looking for an Islamic mortgage. Here, managers and policymakers have to play an important role to promote the MM home financing product in a way that truly meets the principles that form that product. Furthermore, the needs of a consumers change from time to time so it is important to look into product development and innovations deemed necessary to retain current consumers and attract potential ones by adjusting the compatibility of a product according to consumers' needs.

In the context of MM home financing, all factors are imperative for acceptance. Perceived behaviour control, attitude, relative advantage, pricing, peers, subjective norm, and self-efficacy are statistically significant. The attitude in this study is found to influence Islamic home financing acceptance. It is, therefore, important for Islamic bank managers to alter consumers' unfavourable attitudes to obtain the ultimate positive attitude before acceptance. Amin *et al.* (2013) mention that some Muslims have an unfavourable attitude towards Islamic banking products. Ultimately, such an attitude will hamper banks' performance (Dar, 2002). Therefore, it is essential for management to use approaches that may form a positive attitude in their consumers. In this study, the acceptance of MM home financing is significantly predicted by the subjective norm. It implies that consumers will engage in MM home financing if they find their peers or colleagues support it.

Islamic bank managers, therefore, have to develop a socially conducive atmosphere for the MM Islamic mortgage product. The findings of the study validate that perceived behavioural control is the most influential determinant of consumer intention to accept MM home financing.

This indicates that the consumer perceives that if it is natural or if there is adequate support, then consumers will have a strong intention of accepting MM home financing. Therefore, managers of Islamic banks not only need to offer

ease of access to apply for MM home financing, but they must also offer support through professional assistance. The pricing of Islamic home financing negatively affects behavioural intention, *i.e.* an intention to accept MM home financing. To convince consumers, Islamic bank managers need to maintain the competitive pricing of MM home financing without compromising the structure of the product, *i.e.* imitating or using similar conventional formula-based pricing. Furthermore, if Islamic banks fail to maintain the competitive pricing of Islamic mortgages, then it is likely that they will not attract more customers.

## V. CONCLUSION AND RECOMMENDATIONS

### 5.1 Conclusion

Behaviour intention is predicted to estimate determinants, which are instrumental in attracting consumers in any service industry. However, building a good relationship with consumers is difficult. This study contributes significantly to behaviour intention literature by proposing a model that may empirically investigate consumers' intentions of accepting MM home financing.

This model provides a deeper understanding of consumers' behaviour intentions. Although there may be other constructs in addition to those that were incorporated in this model, this study has reinforced the author's understanding of consumer behaviour intention in the context of Malaysia.

### 5.2 Recommendations

The findings of this study suggest that to maintain consumers' positive attitudes towards Islamic mortgage, Islamic banks need to pay heed to cause and formulate measures to handle unfavourable or bad attitudes that hinder their access to Islamic mortgage products. Favourable consumer attitudes towards Islamic mortgage products can be formulated via service advancement through grievances about and critics of Islamic home financing. To this end, the proposed model provides Islamic bank managers with a well-established theoretical tool at the hub of which is the stakeholders' potential behaviour towards the Islamic mortgage.

Examining the effects of such factors as perceived compatibility, perceived relative advantage, peer influence, and self-efficacy will provide a window on how to strike a balance between consumers' level of certainty about the services and the probable action that they are likely to take. Moreover, having the pricing variable among the constructs of the proposed framework gives Islamic home financing operators a trump card over their competitors that can be utilised in various ways.

It is fair to say that this study is an endeavour that may allow Islamic bank facilitators to set a benchmark for their services and products, particularly home finance, and to develop adequate strategies to gain a broad spectrum of acceptability from its target consumers, not only in Malaysia but also in other countries in the Association of Southeast Asian Nations (ASEAN) region.

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