

**FACTORS AFFECTING THE INTENTION TO USE
ISLAMIC PERSONAL FINANCING**

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ISLAMIC PERSONAL FINANCING**

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Graduate School of Business

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ABSTRAK

Memandangkan situasi pembangunan dan pertumbuhan ekonomi yang berterusan positif di Malaysia, pinjaman peribadi juga mempunyai potensi besar dalam pembangunan tersebut. Hutang seisi rumah merupakan aspek yang tertinggi di dalam ekonomi negara yang membangun di rantau ini. Sehubungan dengan itu, pinjaman peribadi yang dijalankan oleh institusi perbankan telah menurun berbanding dengan institusi-institusi kewangan bukan perbankan. Oleh yang demikian, penyelidik mengambil peluang untuk menarik pengguna agar memilih produk perbankan Islam dengan menjalankan penyelidikan ini. Berdasarkan permasalahan ini, penyelidik berminat untuk mengkaji faktor-faktor yang paling mempengaruhi niat pengguna untuk menggunakan pembiayaan peribadi Islam dan meneroka hubungan antara kakitangan Universiti Utara Malaysia (UUM) dalam pelbagai aspek iaitu sikap, pengaruh sosial, kawalan tingkahlaku, kewajipan agama dan keagamaan. Oleh yang demikian, kajian ini adalah penting untuk memastikan keseragaman dalam amalan pembiayaan peribadi di antara institusi perbankan dan institusi-institusi kewangan bukan perbankan dengan memilih pembiayaan peribadi Islam yang ditawarkan oleh bank-bank Islam. Sampel kajian terdiri daripada 308 responden Islam di kalangan kakitangan Universiti Utara Malaysia. Semua data dianalisis menggunakan perisian Pakej Statistik Untuk Sains Sosial (SPSS) dengan mengaplikasikan kaedah statistik iaitu Ujian-T Sampel Tidak Bersandar, Analisis Varians (ANOVA), Korelasi Pearson dan Regresi Linear Berganda bagi mencapai objektif kajian ini. Kerangka kerja konseptual telah dibina berdasarkan Teori Kelakuan Terancang (TPB) dengan menambah dua pembolehubah luaran yang baru, iaitu kewajipan agama dan keagamaan untuk menjelaskan lagi hasrat menggunakan pembiayaan peribadi Islam. Hasil kajian ini menunjukkan bahawa semua pembolehubah mempunyai hubungan yang positif terhadap hasrat untuk menggunakan pembiayaan peribadi Islam pada tahap keyakinan 99%. Di samping itu, hasil keputusan kajian ini juga mengenal pasti empat faktor iaitu, sikap, kawalan tingkahlaku, kewajipan agama dan keagamaan didapati penting dalam mempengaruhi hasrat untuk menggunakan pembiayaan peribadi Islam. Kawalan tingkahlaku terbukti menjadi pengaruh yang kuat terhadap hasrat menggunakan pembiayaan peribadi Islam. Walaubagaimanapun, pengaruh sosial tidak membuktikan sebagai pengaruh penting terhadap hasrat menggunakan pembiayaan peribadi Islam. Hasil kajian ini mungkin boleh memberi idea dan cadangan kepada bank-bank berkenaan pelarasan dan perubahan yang diperlukan untuk meningkatkan hasrat pelanggan memilih pembiayaan peribadi Islam yang ditawarkan. Melalui hasil kajian ini juga, ia membolehkan pengurus bank mempertingkatkan usaha pemasaran mereka dengan menarik lebih ramai pelanggan pada masa hadapan. Selain daripada itu, ia juga membantu meningkatkan penyelidikan dalam bidang pembiayaan peribadi Islam dan menggalakkan lebih banyak perbincangan dalam bidang ini.

Kata kunci: Pembiayaan peribadi Islam, hasrat, penggunaan.

ABSTRACT

Looking into the situation in Malaysia, with a continued positive economic growth, the loan segment also has great potential for growth. In terms of household debt, it is the highest among developing economic countries in the region. In connection with the personal loan by banks have fallen compared with non-banking financial institutions, thus, the researcher took the opportunity to attract the consumers choose an Islamic banking product by conducting this research. In view of this problem, the researcher interested to study the factors that most influence a consumers' intention to use Islamic personal financing and explore the relation among UUM staffs in aspects of attitude, social influence, perceived behavioral control, religious obligation and religiosity. Hence, this study is important to ensure consistency in the practice of financing between banks and non-banks by selecting an Islamic personal financing offered by Islamic banks. The sample consisted of 308 Muslim respondents among employees of Universiti Utara Malaysia. All data are analyzed using software of Statistical Package for Social Science (SPSS) by conducting statistical method namely, Independent Samples T-Test, Analysis of Variance (ANOVA), Pearson Correlation and Multiple Linear Regression analysis to achieve the objectives of this research. A conceptual framework is built based on the Theory of Planned Behavior (TPB) by adding two new external variables, namely religious obligation and religiosity to further explain the intention to use Islamic personal financing. The results showed that all the variables are positively correlated with the intention to use Islamic personal financing at 99% of confidence level. In addition, the results also identified four factors which are attitude, perceived behavioral control, religious obligation and religiosity found significant in influencing the intention to use Islamic personal financing. Perceived behavioral control proved to be a strong predictor on the intention to use Islamic personal financing. However, social influence is found to be insignificant predictor. Perhaps, the findings of this research may give ideas and bring recommendations for banks concerns the adjustments and changes needed in order to increase the chances of customers opting an Islamic personal financing offered. Moreover, this will also enable the bank managers to tailor their marketing efforts in line with attracting more customers in the future. Other than that, this study also helps to improve the research of Islamic personal financing and thereby promote more debates in this area.

Keywords: Islamic personal financing, intention, usage.

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TABLE OF CONTENTS

TITLE.....	i
CERTIFICATION OF RESEARCH PAPER	ii
PERMISSION TO USE.....	iii
ABSTRAK (Malay Version).....	iv
ABSTRACT (English Version).....	v
ACKNOWLEDGEMENT	vi
TABLE OF CONTENTS	vii
LIST OF TABLES	xi
LIST OF FIGURES	xii
LIST OF APPENDICES.....	xiii
LIST OF ABBREVIATIONS	xiv
CHAPTER ONE	1
1.1 Introduction.....	1
1.2 Overview of Islamic Personal Financing in Malaysia.....	1
1.3 Background of Study.....	6
1.4 Problem Statement.....	8
1.5 Research Questions.....	10
1.6 Research Objectives	11
1.7 Significance of the Study	12
1.7.1 Practical Perspective	12
1.7.2 Theoretical Perspective.....	13
1.7.3 Academic Contributions	14
1.8 Definition of Key Terms	15
1.9 Scope and Limitation of the Study	16
1.9.1 Scope of the Study	16
1.9.2 Limitation of the Study	16
1.10 Organization of the Chapters	18

CHAPTER TWO.....	21
2.1 Introduction	21
2.2 Theoretical Underpinning of the Study	21
2.2.1 Theory of Planned Behavior (TPB)	22
2.2.2 Proposed Research Model	25
2.3 Overview of Dependent Variable	25
2.4 Discussion of Independent Variables	29
2.4.1 Attitude	29
2.4.2 Attitude and Intention to Use	30
2.4.3 Social Influence	33
2.4.4 Social Influence and Intention to Use	34
2.4.5 Perceived Behavioral Control.....	38
2.4.6 Perceived Behavioral Control and Intention to Use.....	39
2.4.7 Religious Obligation	42
2.4.8 Religious Obligation and Intention to Use	43
2.4.9 Religiosity.....	45
2.4.10 Religiosity and Intention to Use.....	47
2.5 Research Hypotheses.....	49
2.6 Research Framework	50
2.7 The Gaps in the Study	51
CHAPTER THREE.....	54
3.1 Introduction	54
3.2 Research Design	54
3.3 Population and Sample of the Study	55
3.3.1 Sample Size	56
3.3.2 Sampling Method	57
3.4 Questionnaire Design	60
3.5 Measurement of the Variables	62
3.5.1 Intention to Use	63
3.5.2 Attitude	63
3.5.3 Social Influence	64
3.5.4 Perceived Behavioral Control.....	65

3.5.5	Religious Obligation	65
3.5.6	Religiosity.....	66
3.6	Data Collection Method	67
3.7	Reliability of the Instrument	68
3.8	Normality of the Data.....	71
3.9	Data Analysis	74
3.10	Descriptive Statistics	75
3.11	Inferential Statistics	76
3.11.1	Test of Differences.....	76
3.11.2	Correlation Analysis	78
3.11.3	Multiple Regressions.....	78
3.12	Conclusion.....	81
CHAPTER 4	82
4.1	Introduction	82
4.2	Response Rate.....	82
4.3	Profile of the Respondents	82
4.4	Level of the Variables	85
4.5	The Differences between Demographic Factors towards the Intention to Use Islamic Personal Financing	87
4.5.1	The Difference between Gender towards Intention to Use	88
4.5.2	The Difference between Position in UUM towards Intention to Use ..	89
4.5.3	The Difference between Age towards Intention to Use.....	90
4.5.4	The Difference between Education Levels towards Intention to Use..	91
4.5.5	The Difference between Monthly Income Levels towards Intention to Use	93
4.5.6	The Difference between Working Period towards Intention to Use....	94
4.6	The Relationship between the Factors with the Intention to Use Islamic Personal Financing	96
4.7	Factors Affecting the Intention to Use Islamic Personal Financing	99

CHAPTER 5.....	104
5.1 Introduction.....	104
5.2 Discussion of the Findings.....	104
5.3 Contributions of the Study.....	108
5.4 Limitations and Recommendations for Future Research.....	111
5.5 Conclusion.....	113
REFERENCES.....	115
APPENDICES.....	121

LIST OF TABLES

Table 1.1	List of Islamic Personal Financing Products offered by the Islamic Banks in Malaysia.....	4
Table 1.2	Research Structure of the Study.....	20
Table 2.1	Summary of the Previous Studies of Intention to Use.....	28
Table 2.2	Summary of the Previous Studies of Relationship between Attitude and Intention to Use.....	32
Table 2.3	Summary of the Previous Studies of Relationship between Social Influence and Intention to Use.....	36
Table 2.4	Summary of the Previous Studies of Relationship between Perceived Behavioral Control and Intention to Use.....	41
Table 2.5	Summary of the Previous Studies of Relationship between Religious Obligation and Intention to Use.....	44
Table 2.6	Summary of the Previous Studies of Relationship between Religiosity and Intention to Use.....	48
Table 3.1	Sample Size for a Given Population Size.....	57
Table 3.2	The List of Units in the Clusters.....	58
Table 3.3	The Proportion of the Clusters.....	59
Table 3.4	Measurement of the Variables.....	62
Table 3.5	Cronbach's Alpha Values for Reliability of the Variables	69
Table 3.6	General Description of the Data Analysis.....	80
Table 4.1	Profile of the Respondents	84
Table 4.2	Level of the Variables	85
Table 4.3	The Difference between Gender towards Intention to Use Islamic Personal Financing.....	89
Table 4.4	The Difference between Position in UUM towards Intention to Use Islamic Personal Financing.....	90
Table 4.5	The Difference between Age towards Intention to Use Islamic Personal Financing.....	91
Table 4.6	The Difference between Education Levels towards Intention to Use Islamic Personal Financing.....	92
Table 4.7	The Difference between Monthly Income Levels towards Intention to Use Islamic Personal Financing.....	93
Table 4.8	The Difference between Working Period towards Intention to Use Islamic Personal Financing.....	95
Table 4.9	Results of Pearson Correlation Analysis among Variables.....	98
Table 4.10	Results of Multiple Regression Analysis.....	102

LIST OF FIGURES

Figure 1.1	Malaysia's Consumer Debt to GDP from Year 2009 to 2012	6
Figure 1.2	Household Sector, Banking System: Exposure by Purpose of Financing.....	7
Figure 2.1	Theory of Planned Behavior (TPB) Model by Ajzen (1991).....	23
Figure 2.2	Theoretical Framework of Intention to Use Islamic Personal Financing.....	50
Figure 3.1	Formula for Multiple Linear Regressions.....	79

LIST OF APPENDICES

Appendix A: Questionnaire	123
Appendix B: Reliability of the Instrument.....	130
Appendix C: Normality of the Data.....	138
Appendix D: Descriptive Statistics.....	150
(i) Profile of the Respondents.....	151
(ii) Level of the Variables.....	153
Appendix E: Inferential Analysis.....	154
(i) Independent Sample T-Test.....	155
(ii) One-way ANOVA.....	157
(iii) Pearson Correlation.....	165
(iv) Multiple Linear Regression.....	169

LIST OF ABBREVIATIONS

AITAB	<i>Al-Ijarah Thumma Al-Bay'</i>
ANOVA	Analysis of Variance
BNM	Bank Negara Malaysia
GDP	Gross Domestic Product
IBI	Islamic Banking Industry
i.e.	That is
NBFI	Non-Bank Financial Institutions
SPSS	Statistical Package of Social Science
TAM	Technology Acceptance Model
TPB	Theory of Planned Behavior
TRA	Theory of Reasoned Action
UUM	Universiti Utara Malaysia

CHAPTER ONE

INTRODUCTION

1.1 Introduction

This chapter begins with an overview of the general aspects in this study. It also presents the background of the study, problem statement, research questions and research objectives. It follows by a discussion of the importance of this study, the definition of the key terms and then the scope and limitations of the study. Finally, this chapter discusses the organization of the remaining chapters.

1.2 Overview of Islamic Personal Financing in Malaysia

Presently, the growth of Islamic banking is the fastest sector in the international financial system. The Islamic banking industry (IBI) with an estimated worth of US\$1 trillion, is generally measured to be one of the fastest growing sectors in the world (Awan & Bukhari, 2011). The internationalization of Islamic finance offers the potential to further facilitate the cross border financial flows between economies around the world. Islamic banks mitigate the effect of the financial crisis to a large extent, which was achieved by the provision of Islamic law or *Shari'ah*. It is expected, IBI will reach US\$1.6 trillion in 2012 (Khan & Bhatti, 2008).

Based on KFH Research (2013), Iran's Islamic banking assets accounted for 42.7 percent of the total global Islamic banking assets in 2012. Next, the Persian Gulf Cooperation Council (PGCC) accounted for 34.1 percent and total assets of Islamic banking in Malaysia is 10.0 percent of the assets of the Islamic banks around the world. Islamic banking is leading the market share (80.3%) in the total assets of Islamic finance. The industry has grown impressively over the past few years and the growth is expected to continue in the future. According to Millar (2008), the advance of simple current and saving accounts and personal loans is the latest stage in Islamic finance's development into a mainstream sector of banking.

As reported by Malaysian Business (2013, September 16-30), total Islamic banking asset recorded up to RM 342 billion or 19.3% of the total bank assets in Malaysia as at 31st May 2012. It can be said that Islamic banking system in Malaysia is growing from time to time. Today, more than 20 Islamic banks are operating in Malaysia comprises of local and international Islamic banks. The Islamic banking system has emerged as a competitor and a viable substitute for the conventional banking system during the last three decades. It is evidently true in the Muslim world where presently Islamic banking is striding in two separate fronts. On one side, efforts are underway to convert the entire banking system to be in accordance with the Islamic laws (*Shari'ah*). On the other side, separate Islamic banking is allowed to operate in parallel to conventional interest-based banks.

In order to address the diverse clientele needs, expectations, many Islamic financial institutions in Malaysia are required to introduce personal financing products which are based on controversial principles include *Bay' al-Inah* and *Tawarruq* (ISRA, 2012). *Bay' al-Inah* is the most popular Islamic personal financing mode of finance which is practiced in Malaysia. It is a mechanism for customers to acquire cash immediately from Islamic banks without involving an intermediary. According to Naim (2006), *Bay' al-Inah* is an exchange structure involving two transactions. In the first transaction, a seller sells his or her assets to a buyer on credit (delayed payment). Subsequently, the buyer resells the asset to the first seller on a cash basis at a cheaper price than the first sale. Nevertheless, *Tawarruq* is the most common product in the field of Islamic banking and finance sector practiced in the Middle East countries which is hotly debated among the Muslims' scholars. As mentioned by ISRA (2012), *Tawarruq* is a transaction where one party buys a commodity on credit at a mark-up price and sells the same commodity at a lesser price to a third party to gain cash.

Islamic personal financing prepares a financial assistance to customers who need to purchase durable and non-durable goods, as well as for other financial needs. Unlike other retail financing facilities such as home and automobile, personal financing in most cases does not entail any asset acquisition. Rather, customers require cash or liquidity for various reasons and purposes such as education, medical, marriage, renovation of the property, payment of debt and others. Table 1.1 below shows the list of Islamic personal financing products offered by Islamic banks in Malaysia based on *Shari'ah* concept.

Table 1.1
List of Islamic Personal Financing Products offered by the Islamic Banks in Malaysia

No.	Islamic Bank	Islamic Personal Financing Products	Tenure/Maximum Financing Amount (RM in thousands)	Shari'ah Concept
1	Affin Islamic Bank Bhd	Affin Islamic Personal Financing-i	3-7 years/ 150	<i>Tawarruq – Commodity Murabahah</i>
2	Al Rajhi Banking & Investment Corporation (Malaysia) Bhd	Al Rajhi Personal Financing-i	1-7 years/ 150	<i>Tawarruq – Commodity Murabahah</i>
3	Alliance Islamic Bank Bhd	Alliance Cash Vantage Personal Financing-i	1-7 years/ 100	<i>Bay' al-Inah</i>
4	AmIslamic Bank Bhd	AmMoneyLine Facility-i	2-8 years/ 100	<i>Bay' al-Inah</i>
5	Bank Islam Malaysia Bhd	Tawarruq Personal Financing-i	1-10 years/ 200	<i>Tawarruq – Commodity Murabahah</i>
6	Bank Muamalat Malaysia Bhd	Personal Financing-i	3-10 years/ 150	<i>Tawarruq – Commodity Murabahah</i>
7	CIMB Islamic Bank Bhd	Personal Financing-i Government Sector	1-10 years/ 200	<i>Bay' al-Inah</i>
8	Hong Leong Islamic Bank Bhd	Hong Leong Personal Financing-i	1-5 years/ 150	<i>Tawarruq – Commodity Murabahah</i>
9	HSBC Amanah Malaysia Bhd	Anytime Money Personal Financing-i	1-5 years/ 120	<i>Tawarruq – Commodity Murabahah</i>
10	Kuwait Finance House (Malaysia) Bhd	Personal Financing-i Government Sector	2-9 years/ 150	<i>Tawarruq – Commodity Murabahah</i>
11	Maybank Islamic Bhd	Maybank Islamic Personal Financing-i	1-6 years/ 100	<i>Bay' al-Inah</i>
12	OCBC Al-Amin Bank Bhd	Cash Financing-i	1-10 years/ 150	<i>Bay' al-Inah</i>
13	Public Islamic Bank Bhd	BAE Personal Financing-i	2-10 years/ 150	<i>Bay' al-Inah</i>
14	RHB Islamic Bank Bhd	Personal Financing-i for Private	2-7 years/ 100	<i>Tawarruq – Commodity Murabahah</i>
15	Standard Chartered Saadiq Bhd	Saadiq Personal Financing-i	1-5 years/ 150	<i>Tawarruq – Commodity Murabahah</i>

Source: Extracted from Islamic Banks Official Website/ Product Disclosure Sheet (July, 2013).

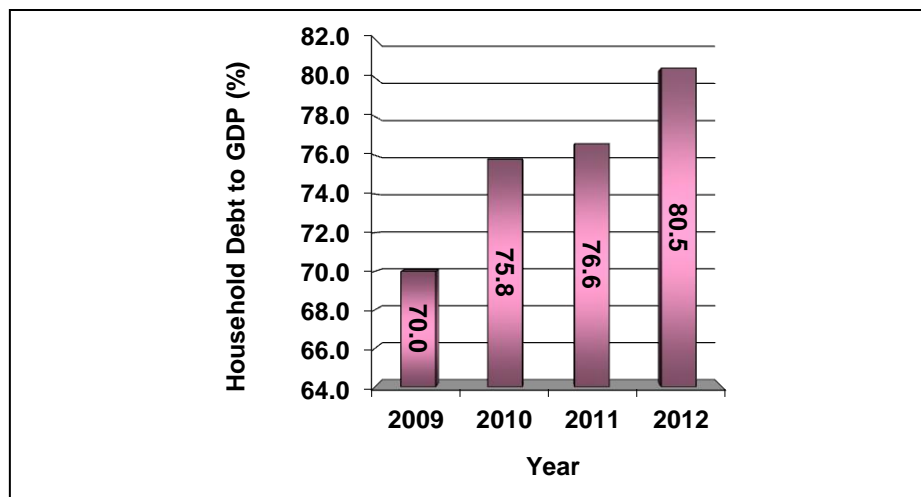
Islamic personal financing offered by Islamic banks in Malaysia is a financing facility in accordance with Islamic principles or *Shari'ah* and its application is practical. The principles of *Shari'ah* prohibit the fixed or floating payment or acceptance of specific interest or fees (*riba*) for loans of money. This clear distinction is based on the principle of Islamic banking as stated in the Quranic verse 2:275, "Trade is like usury. But Allah SWT has permitted trade and forbidden usury". The foundation of the Quran has resulted in one of the most important features of Islamic financing where it is based on asset-backed financing and placed in the contract by the importance of underlying assets.

Islamic financing operates on the fundamental of purchasing and selling, in which the bank buys the property and then sells it to the applicant or customer upon purchase price. Due to the cost of financing is fixed, the interest rate of the loan is avoided. Unlike a conventional personal loan, instead of interest, a profit rate is defined in the contract. The profit rates can be a fixed rate, or based on a floating rate (i.e. BFR). Generally, Islamic personal financing is not a loan transaction. It is a financing facility which involves Islamic contract by purchasing and selling of assets to generate cash. That is why there appear both the sale price and the purchase price in the sale and purchase agreement. In terms of the benefits of Islamic personal financing practices, which used floating profit rates, profit rates are capped at a maximum. Adherence to the principles of *Shari'ah* is the main difference between Islamic and conventional banking.

1.3 Background of Study

The Edge Malaysia (2013) reported household indebtedness in Malaysia has grown from 33% of banking sector loans in 1998 to 55% in 2011, representing 76.6% of the Gross Domestic Product (GDP). The cause for concern stems from the revelation that this growing pattern of debt is driven by personal consumption that is mismatched against income growth. Despite the measures implemented since 2010 to curb this rising trend, currently the level of household debt has still managed to creep up to 83% of the country's GDP. The percentage of household debt to GDP in 2009 was 70% and in 2010, the household debt to GDP ratio was 75.8% and rose further to 80.5% in 2012 (Figure 1.1).

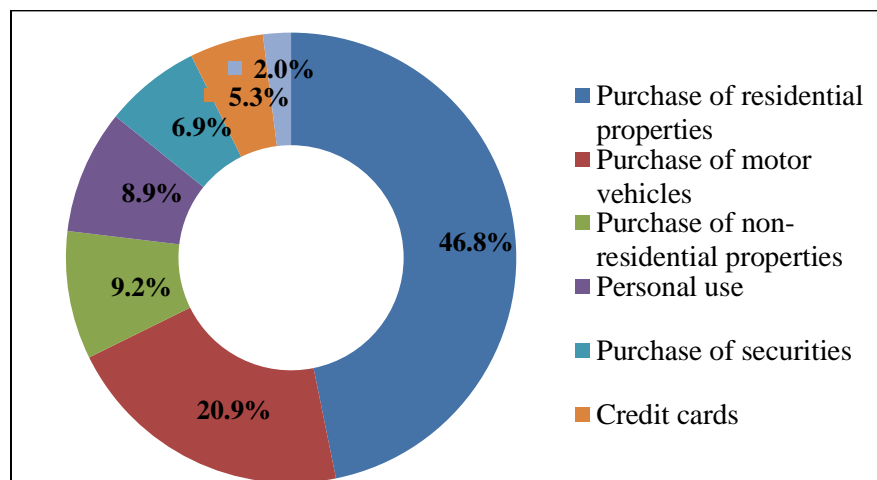
Figure 1.1
Malaysia's Consumer Debt to GDP from Year 2009 to 2012



Source: The Edge Malaysia (2013)

The Governor of BNM, Tan Sri Dr Zeti Akhtar Aziz said that household debt is not at the alarming level yet but on the ascending trend. At a time when economic growth is reliant on domestic demand, it becomes even more imperative that domestic consumption is sustainable. However, it cannot be sustainable if the consumers are burdened with heavy debts (The Edge Malaysia, 2013). New bank lending to the household sector continued to be driven by loans for the purchase of assets. A total of RM166.3 billion, which represents more than 80% of new loans made to households in 2012 was for purchases of properties, vehicles, personal use and investments in fixed price Amanah Saham Nasional Berhad unit trusts which added to the wealth of the households as described in Figure 1.2.

Figure 1.2
Household Sector, Banking System: Exposure by Purpose of Financing



Source: Bank Negara Malaysia (2012)

In response to the overall problem of increasing household debt, BNM released a new set of guidelines hoping to alleviate the problem. BNM limit loan tenures for instance 10 years for the personal loan and 35 years for housing loan (BNM Press Statement, 2013).

Consequently, statistics from Bank Negara Malaysia showed that personal loan approval in 2012 is on a downward trend compared to 2011. The approval for a personal loan in January 2012 was at RM954.8 million, down 29.8% from RM1.36 billion a year ago and in 2010 RM 1.18 billion (The Edge Malaysia, 2012). BNM's new measures will, however, be felt in the personal loan segment as they will lead to a significant increase in monthly loan repayment, resulting in lower affordability for borrowers. Instead, more stringent loan approval processes will bring down the number of loans approved. Personal loan segment is very profitable for banks because it provides a good return. This is one of the reasons why this topic is chosen by the researcher especially from an Islamic perspective.

1.4 Problem Statement

Observing the situation in Malaysia, with the continued positive growth of the economy, the loan segment also has a huge potential for growth. Regarding to the household debt, it is the highest among developing countries in the region. Since BNM tightened lending guidelines in 2010, personal loans granted by banks have been decreasing. Nevertheless, non-bank financial institutions (NBFIs) have been growing rapidly at a stronger pace (Bank Negara Malaysia, 2012). Perhaps, this is due to the increase in size and tenure of loans which have been practiced by NBFIs. Bank Negara Malaysia (2012) reported that approximately 80% of the personal financing by NBFIs extended to households in the Government service by an automatic salary deduction scheme which is managed by the Biro Perkhidmatan Angkasa (BPA). In terms of income categories, majority of the borrowers are earning a monthly income of less than RM3, 000.

Regarding a problem concerning the decrease in the personal loans extended by banks compared to the loans by NBFI, there is a need to study about personal loan from banks. Thus, the researcher interested to study about personal loan specifically an Islamic personal financing. This research tries to evaluate the factors that most influence a consumers' intention to use Islamic personal financing. Consequently, this research is beneficial in ensuring the consistency in the financing practices among banks and non-banks by attracting consumer to choose Islamic personal financing that offered by Islamic banks. It also helps in improving the research in the area of Islamic personal financing, and thereby promotes more debates in this area. Lastly, investigating Islamic personal financing usage is hoping to be a valuable stream of research because it promotes Islamic finance transactions between bank customers, especially to purchase the *halal* goods.

The Malaysian government has been doing a tremendous effort in promoting the Islamic banking system to the Malaysian consumers. All banks play their important role in getting people to accept the Islamic banking facilities. The promotions have been through advertisements in all communication media as well as having a program on television to educate people of Islamic financial system. With all the effort the government and financial institutions have devoted on promoting the Islamic banking facilities, still many banking customers prefer to do banking with the conventional system rather than with the interest-free system. It is the consumers' choice to select their own banks in satisfying their financial needs. What determines this choice is believed to be determinants from the individual's belief, attitude, as well as the subjective norm, perceived behavioral control, religious obligation and religiosity product towards the engagement into this interest-free banking system.

1.5 Research Questions

In line with the problem statement above, the key research questions to be addressed are as follows:

- Are there any differences between demographic factors (gender, position in UUM, age, education level, monthly income level and working period) towards the intention to use Islamic personal financing?
- Are there any relationship between attitude, social influence, perceived behavioral control, religious obligation and religiosity with the intention to use Islamic personal financing?
- What are the factors (attitude, social influence, perceived behavioral control, religious obligation and religiosity) that influence consumers' intention to use Islamic personal financing?

1.6 Research Objectives

The general objectives of this study are to determine the factors affecting the intention to use Islamic personal financing. Thus, based on those research questions, the researcher derived research objectives which are as follows:

- i. To investigate the differences between demographic factors (gender, position in UUM, age, education level, monthly income level and working period) towards the intention to use Islamic personal financing.
- ii. To examine the relationship between attitudes, social influence, perceived behavioral control, religious obligation and religiosity with the intention to use Islamic personal financing.
- iii. To determine the factors (attitudes, social influence, perceived behavioral control, religious obligation and religiosity) that influence consumers' intention to use Islamic personal financing.

1.7 Significance of the Study

The findings reported in this research are expected to be very useful and significant in several areas such as from practical perspective, theoretical perspective and academic contributions.

1.7.1 Practical Perspective

Concerning the findings of the factors that drive Islamic bank's customers to undertake the Islamic personal financing, this study may give ideas and bring about recommendations for banks related to adjustment and change needed in order to increase the chances of customers opting for Islamic personal financing. Managers of Islamic banks can better understand the determinants that influence the intention of their customers in selecting an Islamic personal financing. Therefore, a few effective and impressive strategies can be suggested to entice bank customers to use Islamic personal financing. Moreover, this will also enable them to tailor their marketing efforts in line with attracting more customers to become consumers of the new products and services offered by Islamic banks in the future. Lastly, these findings should be valuable for Islamic banks in terms of enhancing their customers' base.

1.7.2 Theoretical Perspective

The findings of this study are important for future research in the field of Islamic personal finance. It also helps in enhancing research on Islamic personal financing and encourages more debates in this area. The outcomes of this research are also expected to contribute to the body of knowledge in Islamic banking institutions usage literature, especially in terms of adoption of Islamic personal financing among the employees of UUM. In addition, it will provide administrative staffs, academicians and researchers with the current information on the usage and acceptance of Islamic personal financing.

The external variables such as religious obligations and religiosity in this study that is expected to influence the consumers' intentional behavior. It is believed that those who are religious are more likely to accept or prefer Islamic banking facilities in order for them to conform to *Shari'ah* principles. Since majority of UUM population are Muslims, undoubtedly, Islamic banking facilities will be popular among them. In terms of knowledge of the products, the more knowledgeable the person is about the product, the more likely he or she will utilize the facilities. Therefore, in order to capture greater market share, consumers should be well informed of the products as well as the Islamic banking system itself.

Furthermore, this study is the best way and will be beneficial for the researcher to apply all those theories that have been learned in class. Through this study, the researcher might gain knowledge and share her ideas and findings from this study.

1.7.3 Academic Contributions

Most studies conducted in Malaysia with regard to the Islamic banking dominant have been focusing on choice criteria and patronage factors. A few studies have been performed in the field of Islamic home financing, Islamic credit cards and Islamic hire-purchase facility particularly in Malaysia (Taib *et al.*, 2008; Alam *et al.*, 2012; Amin, 2012 and Yusoff *et al.* 2013). Today, only one study focused directly on examining the intention to undertake Islamic personal financing (Amin *et al.*, 2011). Nevertheless, the study has specifically tested the acceptance level of Islamic personal financing among employees of UUM by adding two external variables into the Theory of Planned Behavior (TPB) model, namely religious obligation and religiosity. In contrast with the previous study (Amin *et al.*, 2011) that applied the Theory of Reasoned Action (TRA) by adding three moderating variables which are government support, religious obligation and pricing of Islamic personal financing. The outcomes of this study will increase the empirical literature in marketing and related Islamic banking products such as Islamic personal financing. Lastly, it is hoped this research will increase the number of Malaysian empirical researches in actual Islamic personal financing setting by using the TPB model.

1.8 Definition of Key Terms

In this study, several key terms are highlighted and definite. Each term is important in order to better conceptualize such as the following:

- i. **Intention to Use.** Intention to use can be defined as a degree to which an individual is willing to engage in a particular behavior or the probability that an individual will participate in a certain behavior (Ajzen & Fishbein, 1980). It is also defined as the strength of one's intention to perform a specified behavior (Fishbein & Ajzen, 1975).
- ii. **Attitude.** According to Fishbein and Ajzen (1975), attitude refers to the evaluative on the impact of positive or negative feelings of an individual in performing a specific behavior.
- iii. **Social Influence.** In this study, the term social influence refers to the subjective norm or normative pressure. Based on Ajzen (1991) defined that subjective norm is an individual's perception of others' opinions on whether or not he or she should perform a particular behavior.
- iv. **Perceived Behavioral Control.** Based on Ajzen (1991) defined that perceived behavioral control is the perception of ease or difficulty to engage the specific behavior.
- v. **Religious Obligation.** Religious obligation refers to the role of religion in influencing the choice or activities of an individual (Amin *et al.*, 2011).
- vi. **Religiosity.** Worthington *et al.* (2003) defined religiosity as the degree to which a person uses adheres to his or her religious values, beliefs and practices and uses them in daily living. The supposition is that a highly religious person will integrate his or her religion into much of his or her life.

1.9 Scope and Limitation of the Study

This section discusses about the scope and limitation in this research. It is as follows:

1.9.1 Scope of the Study

This research is done with respect to the factors affecting the intention to use Islamic personal financing among employees of Universiti Utara Malaysia (UUM), Sintok. UUM had been chosen to conduct this research because it has a quite big number of employees which consist of 3530 staffs. Besides that, about 90 percent of their employees are Muslim and customers of Islamic bank. Furthermore, they consist of multi-income level for instance from lower class to upper class.

1.9.2 Limitation of the Study

This research has several limitations. Firstly, this study has limited resources regarding the literature because there is not much study related to this topic especially in the area of Islamic personal financing. The unavailability of accurate data and the limited amount of research on this topic also contributed to the inadequate information on the sector. Therefore, the researcher experiences some difficulties to find references to complete this study.

Secondly, the researcher also faced difficulties during data collection process due to unavailability of respondents and lack of commitment and cooperation to answer the questionnaire. The progress of gathering data was quite time consuming since the questionnaire distributed to them might not be able to be answered. When some of the respondents reluctant to give cooperation to the researcher, it contributes to the insufficient of responses. In the future, there is a need to conduct a comparative study with other academic institutions in order to get more accurate and more generalize results. It would be a great support for future researchers if the university management provides assistance in distributing the questionnaire to its respective academic staffs particularly.

The limitation of this study also involves the measurement employed to gauge bank customers' acceptance of Islamic personal financing. In spite of these limitations, the findings of this study provide invaluable information into the determinants in influencing the bank's customers' intention to undertake Islamic personal financing.

1.10 Organization of the Chapters

In this study, the research paper is divided into five chapters. The summary of each chapter is as follows.

Chapter 1 describes an overview of the research area, the background of the study and the study's research problem. Then, it outlines the research questions, research objectives and the significance of the study. This is followed by the definition of key terms, scope and limitation and finally, it presents the organization of the remaining chapters.

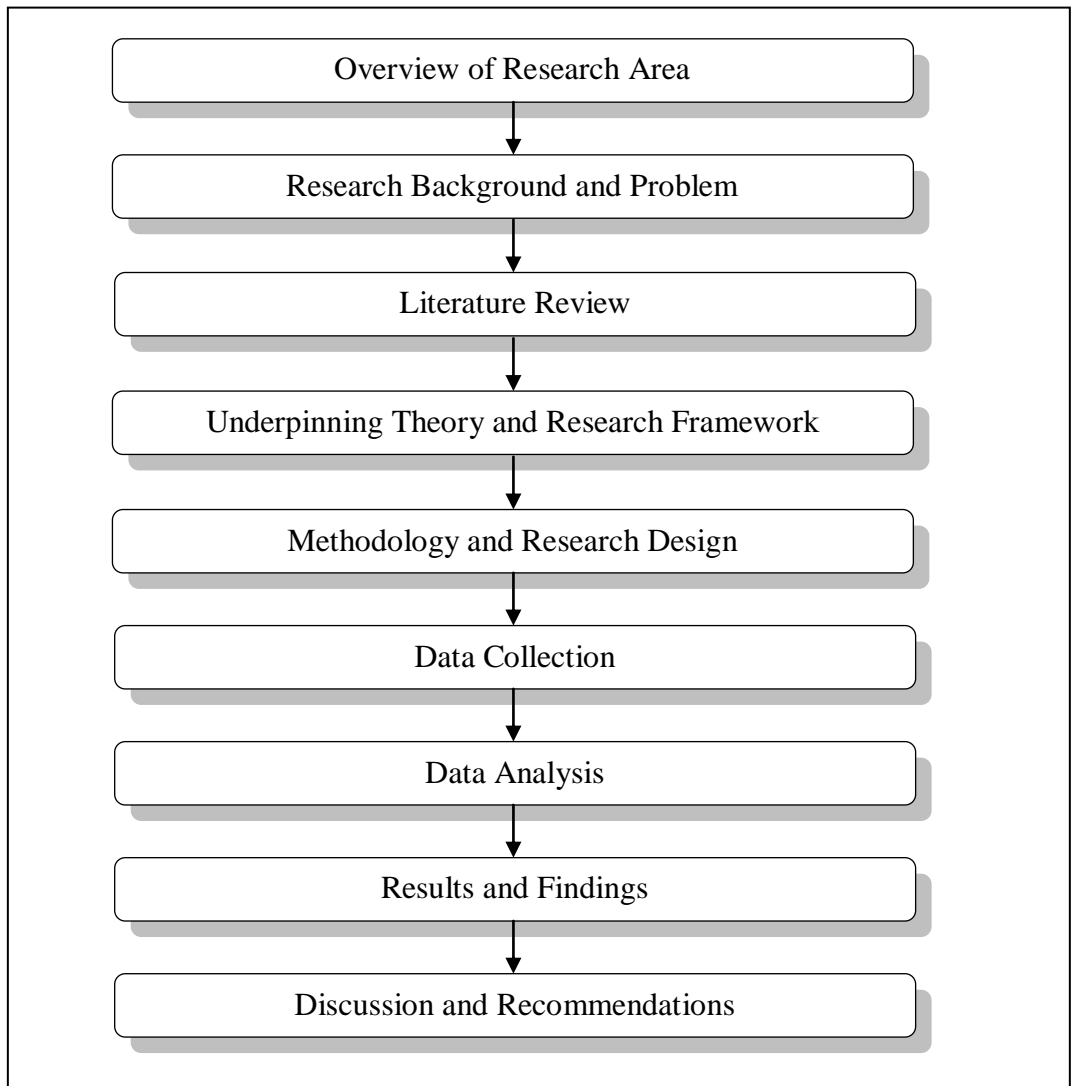
Chapter 2 contains the literature review which focuses on the previous research that is related to this study. The review presented in this chapter includes a discussion of the intention to use and all the factors that affect intention to use. It explained the components of the research framework. In addition, it provides an explanation of the underpinning theory used in this research. Moreover, this chapter states the hypotheses development and the gaps in the study.

Chapter 3 discusses the methodology employed in this study which includes research design, the population and sample of the study. Furthermore, it explains the development of the instrument and measurement of the variables. Other than that, data collection process and data analysis techniques are also discussed in this chapter.

Chapter 4 is devoted to the findings of this study. This chapter presents the profile respondents, descriptive analysis, summary of response rate, respondent profile and reliability analysis. In addition, it also presents the application of Independent Samples T-Test, ANOVA, Pearson Correlation and Multiple Linear Regression analysis technique through using of SPSS software (Version 19.0). Then, the results of the hypotheses are discussed. At the end of this chapter, a summary of the results is presented.

Chapter 5 presents the findings according to the result of data analysis based on research hypotheses of this study. Then, this chapter elaborates the contribution of the research. This chapter ends with the research limitations and recommendations for future research. Table 1.2 below illustrates the structure of the present study.

Table 1.2
Research Structure of the Study



CHAPTER TWO LITERATURE REVIEW

2.1 Introduction

This chapter reviews the numerous literatures related to the topic of the research. Behavioral determinants of theory planned behavior and intention to use Islamic personal financing would be explained in detail. This chapter begins with the reviews of the theoretical underpinning as the foundation of this study. This review features the implementations of Theory of Planned Behavior (TPB). Then, it defines and conceptualizes all the variables and overview of the relationship between dependent variables and independent variables. This study also discusses the proposed hypotheses formulated. Finally, this chapter illustrates the research framework and explains the gaps in the study.

2.2 Theoretical Underpinning of the Study

Human behavior is quite complicated to explain. That is why many researchers have been focusing on this issue as an attempt to understand people's behavior. Therefore, several previous studies used many approaches to predict intentions that are extensively used in consumer behavioral intention research. Several studies have been carried out in this regard which further led to the development of a model called belief, attitude and intention. This was the first step in the development of the Theory of Reasoned Action (Fishbein & Ajzen, 1975). Theory of Reasoned Action (TRA)

investigates attitude and subjective norm and how they influence intention which leads to the final behavior.

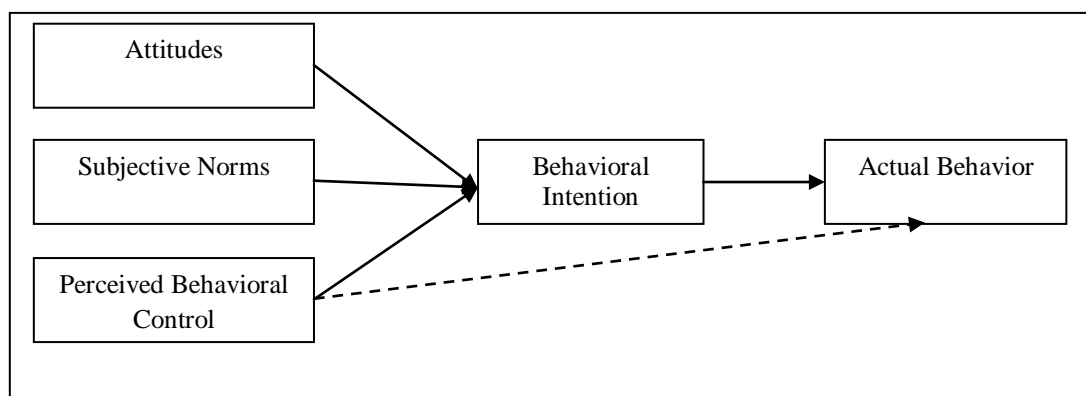
In spite of the fact that the TRA has proven itself an effective prediction of diverse behavior, it was further enhanced to explain behavior under circumstances involving behavior under people's control. Since the TRA does not explain non-volitional behavior, Ajzen (1991) developed the theory to include perceived behavioral control which consequently created the Theory of Planned Behavior (TPB). TPB proposes a model about how human action is guided. It predicts the occurrence of a specific behavior provided that the behavior is intentional.

2.2.1 Theory of Planned Behavior (TPB)

This study employed the Theory of Planned Behavior (TPB) as the underlying theory. As previously discussed, TPB was extended from TRA resulting in the addition of another variable called perceived behavior control. Perceived behavioral control is evaluated by asking people how much of their control while performing certain behavior. In addition, it reflects people's perception of how easy or difficult it is to conduct the behavior of interest (Ajzen, 1991). All of these theories explain human behavior toward a specific action under different circumstances. According to TPB, an individual's behavior can be described by his or her behavioral intention, which is together influenced by attitude, subjective norms and perceived behavioral control.

Figure 2.1 below is the model of TPB which illustrates the three variable which is attitude, subjective norm and perceived behavioral control predict the intention to perform a behavior. The TPB seeks to explain why people perform certain actions. They do so because they form an intention to carry out the action. Intentions are influenced by either the person is in favor of doing it (attitude), how much the person feels social pressure to do it (subjective norm) or how the person feels in control of the action in question (perceived behavioral control). To sum up, the more favorable the attitude and subjective norm and the greater the perceived control, the stronger the person's intention to perform the behavior in question. Finally, given a sufficient degree of actual control over the behavior, people are expected to carry out their intentions when the opportunity arises. The intention is, thus, assumed to be the immediate antecedent of behavior. However, because many behaviors pose difficulties of execution that may limit volitional control, it is useful to consider perceived behavioral control in addition to intention. The element of perceived behavioral control is what TRA was lacking and caused limitation within TRA (Alam & Sayuti, 2011)

Figure 2.1
Theory of Planned Behavior (TPB) Model by Ajzen (1991)



The TPB model has been used in many researches and a variety of situations. For instance, TPB model has found to be an important model in the area of food. By using TPB, it proved that all the variables have a significant impact on intention to consume *halal* meat in France (Karijin *et al.*, 2007). The list of foods goes further as TPB has been used to study an area of purchase of organic food (Maria *et al.*, 2001 and Anssi & Sauna, 2005) and recently in 2011 in halal food purchasing (Alam & Sayuti, 2011). In addition, in consumer behavior studies by Shim *et al.*, (2001) have shown that all three variables in TPB model have a significant impact on the intention to use the Internet. In another study by Jasman, Osman and Ramayah (2005) have also examined that behavioral intention or the decision to purchase via the internet is influenced more by the variables in TPB compared to the variables in TAM. On the other hand, the previous study by Lu *et al.* (2009) indicated that all the variables of TPB model have a positive effect on the intention to use e-filing. They claimed that TPB model is applicable in the Malaysian situation to significantly explain intention to use e-filing.

In relation to this study, a previous study by Alam *et al.* (2012) analyzed the TPB model in which attitude and perceived behavioral control are significant factors as well in influencing intention to use Islamic home financing in Malaysia. As a whole, TPB is broadly used in predicting the behavioral intention.

2.2.2 Proposed Research Model

The model of TPB is adapted and adjusted with the intention to use Islamic personal financing. Then, TPB model is modified to better explain the intention to use Islamic personal financing by including two new independent variables. These variables are religious obligation and religiosity to act as a new approach within the context of Islamic financing. The proposed model is expected to assist in predicting the intention to use Islamic personal financing. It is also due to the main differences between a personal loan and personal financing from an Islamic perspective or religious value. Thus, it is predicted that these variables will be of a significant influence on the intention Islamic personal financing usage. These claims were supported by the previous studies (Okumus, 2005, Amin *et al.*, 2011 and Alam *et al.* 2012).

2.3 Overview of Dependent Variable

In this study, behavioral intention is proposed as the dependent variable. Behavioral intention is an essential factor in understanding behavioral willingness before a specific behavior is adopted. Based on Malhotra and McCort (2001), gaining a greater understanding of consumers' intention for prediction purposes has become a major concern for the researchers of marketing. The strength of the ability to predict behavioral intention has led most researchers to explore it. According to the Theory of Reasoned Action (TRA), the term intention refers to a person's readiness to do or perform a particular behavior as a result of two influential factors namely attitude and subjective norm. To understand the factors that affect a person's behavior requires a deep investigation of the belief that the person holds about himself and his

environment. Thus, a person's attitude and subjective norm are determinants of intention, which can be used as indicators of real behavior such as decision making in banking services (Fishbein & Ajzen, 1975).

There are several studies that investigated the factors that influence person's behavioral intention to buy products or services. For instance, a study by Alam *et al.* (2012) examined religiosity is an important determinant in affecting the intention to undertake Islamic home financing in Malaysia. A consumer survey comprised a sample of 300 Muslim respondents from various ranges of age and income group resided mainly in Klang Valley areas. Furthermore, Abadi *et al.* (2012) analyzed the factors affecting the use of mobile banking in the city of Isfahan. Their result pointed out that the behavioral intention to use mobile banking is positively affected mainly by perceived behavioral control and subjective norm.

In another study, Siang and Weng (2011) tried to investigate factors affecting non-Muslim consumers' towards intention to use Islamic banking products and services. They examined that all the variables of TPB play their role with the intention to use Islamic banking products and services. The study by Wang and Pho (2009) identified the determinants of customer intention to use online banking in Vietnam. Their results indicated that trustworthiness and expertise affect the customers towards intention to use online banking. Yahyapour (2008) carried out a study to investigate and explain the variables that influence a person's intention to adopt a banking recommender system from the consumer's viewpoint in Iran. His result revealed that perceived ease of use play the most significant role that affected consumer's intention of using the

banking recommender system and of the factors the most important were attitude and perceived usefulness in order of importance.

Other than that, Md-Nor and Pearson (2008) have utilized attitude, subjective norm, perceived behavioral control and added new variable which is trust as antecedent of behavioral intention in determining the acceptance of Internet banking in Malaysia. Similar to a study by Shih and Fang (2004), they showed that attitude, subjective norm and perceived behavioral control have a positive effect on intention to use Internet banking services and generally supported TRA and TPB model. Fusilier and Durlabhji (2005) conducted a study to explore behavioral intention of internet technology usage in India. He found that the consumer's attitude being considered as a key factor in determining intention, subjective norm appeared to be a more important factor which affected students' intention to use the internet. The following Table 2.1 summarizes the previous studies discussed above.

Table 2.1

Summary of the Previous Studies of Intention to Use

No.	Author	Focus of the Study	Variables	Findings
1.	Alam et al. (2012)	Intention to undertake Islamic home financing. (Malaysia)	1. Attitude 2. Subjective Norm 3. Behavioral Control 4. Religiosity	1. Positive 2. Negative 3. Positive 4. Positive
2.	Abadi <i>et al.</i> (2012)	Behavioral intention to use mobile banking based on TPB, TAM and perceived risk (Iran)	1. Attitude 2. Subjective Norm 3. Behavioral Control 4. Perceived Usefulness 5. Perceived Risk	1. Positive 2. Positive 3. Positive 4. Positive 5. Negative
3.	Siang &Weng (2011)	Intention to use Islamic banking products and services. (Malaysia)	1. Attitude 2. Subjective Norm 3. Behavioral Control	1. Positive 2. Positive 3. Positive
4.	Wang & Pho (2009)	Intention to use online banking. (Vietnam)	1. Trustworthiness 2. Expertise	1. Positive 2. Positive
5.	Yahyapour (2008)	Intention to adopt a banking recommender system. (Iran)	1. Attitude 2. Perceived Ease of Use 3. Perceived usefulness 4. Personality	1. Positive 2. Positive 3. Positive 4. Negative
6.	Md-Nor & Pearson (2008)	Adoption of internet banking in a developing country. (Malaysia)	1. Attitude 2. Subjective Norm 3. Behavioral Control 4. Trust	1. Positive 2. Positive 3. Positive 4. Negative
7.	Fusilier & Durlabhji (2005)	Intention to use the internet. (India)	1. Attitude 2. Subjective Norm 3. Behavioral Control 4. Perceived Ease of Use 5. Perceived usefulness 6. Experience	1. Positive 2. Positive 3. Positive 4. Positive 5. Positive 6. Negative
8.	Shih & Fang (2004)	Intention to use Internet banking. (Taiwan)	1. Attitude 2. Subjective Norm 3. Behavioral Control	1. Positive 2. Positive 3. Positive

2.4 Discussion of Independent Variables

The independent variables in TPB model in this research are attitude, subjective norm and perceived behavioral control. Nevertheless, this study added two new variables, i.e. religious obligation and religiosity. The external variables such as religious obligation and religiosity in this study are expected to influence the customers' intentional behavior. It is believed that those who are religious are more likely to accept or prefer Islamic banking facilities in order for them to conform to the *Shari'ah*.

2.4.1 Attitude

Attitude refers to the evaluative on the impact of positive or negative feelings of an individual in order to perform a particular behavior (Fishbein & Ajzen, 1975). It is the first determinant of behavioral intention. Attitude will influence the behavior by influencing the intention to act in a particular way and also is determined by the result of experience. If a person perceives that the outcome of engaging in Islamic personal financing is positive, he or she will have a positive attitude toward performing that behavior.

2.4.2 Attitude and Intention to Use

Numerous studies have proved significant effect of attitude towards intention. For example, Azizi and Javidani (2010) examined the significant influence of attitude on measuring e-shopping intention in Iranian perspective. For another instance, a previous study by Kim and Forsythe (2007) found a strong link between attitude and intention on the adoption of product virtualization technology (PVT) in online apparel shopping. Amoroso and Husinger (2009) found that attitude has a positive influence with behavioral intention of understanding consumer's acceptance of online purchasing in the United States of America. In another study by Yoo and Norton (2007) found that attitude has a positive effect toward internet websites, online information search and channel choices for purchasing.

Other studies in Malaysia, Alam *et al.* (2011) also found that attitude has positively influenced on pirated software purchasing behavior among Malaysian students. Furthermore, Gopi and Ramayah (2007) indicated that attitude is an important factor in influencing the intention to use internet stock trading among Malaysian investors. In a similar vein, Ramayah and Suki (2006) also found that attitude has a positive impact on the mobile personal computer usage among MBA students.

In addition, in context of Islamic banking researches, a recent study by Alam *et al.* (2012) confirmed that attitude is a key predictor in affecting the intention to undertake Islamic home financing among Muslims in Klang Valley. Amin *et al.* (2011) also proved that attitude has a positive impact in influencing the intention to use Islamic personal financing. Furthermore, Taib *et al.* (2008) indicated a significant positive relationship between postgraduate students' attitude and Islamic partnership home financing in Malaysia. Nevertheless, there is limited empirical evidence in the field of Islamic banking.

Overall, the findings on attitude show its importance in predicting behavior of the consumers. It has become one of the key factors in marketing. Understanding whether the consumers have a favorable or unfavorable attitude towards products that banks offer is an important step to design a marketing strategy. This is to attract more consumers to join the Islamic banking system. Based on these findings, attitude could be predicted by the banking customers in order to subscribe Islamic personal financing. Table 2.2 on the next page summarizes the previous studies of the relationship between attitude and intention to use.

Table 2.2

Summary of the Previous Studies of Relationship between Attitude and Intention to Use

No.	Author	Focus of the Study	Analysis Method	Findings
1.	Alam <i>et al.</i> (2012)	Intention to undertake Islamic home financing among Muslims in Klang Valley. (Malaysia)	Multiple Regression Analysis	$\beta=0.354$, $p<0.01$ Sig (positive)
2.	Amin <i>et al.</i> (2011)	Intention to use Islamic personal financing among Islamic bank customers. (Malaysia)	Multiple Regression Analysis	$\beta=0.543$, $p<0.01$ Sig (positive)
3.	Alam <i>et al.</i> (2011)	Pirated software purchasing behavior of Malaysian students.	Multiple Regression Analysis	$\beta=0.273$, $p<0.01$ Sig (positive)
4.	Azizi & Javidani (2010)	Measuring e-shopping intention among internet users in Tehran. (Iran)	Multiple Regression Analysis	$\beta=0.396$, $p<0.05$ Sig (positive)
5.	Kim & Forsythe (2010)	Intention on the adoption of product virtualization technology (PVT) in online apparel shopping. (USA)	<i>Structural Equation Modeling (SEM)</i>	$\beta=0.66$, $p<0.01$ Sig (positive)
6.	Amoroso & Husinger (2009)	Understanding acceptance online purchasing among undergraduate students (USA and Australia)	Multiple Regression Analysis	$\beta=0.153$, $p<0.01$ Sig (positive)
7.	Taib <i>et al.</i> (2008)	Intention to use diminishing partnership home financing among postgraduate students. (Malaysia)	Multiple Regression Analysis	$\beta=0.451$, $p<0.01$ Sig (positive)
8.	Gopi & Ramayah (2007)	Intention to trade online among Malaysian investors.	Multiple Regression Analysis	$\beta=0.357$, $p<0.01$ Sig (positive)
9.	Yoo & Norton (2007)	Attitude toward online purchasing among university students. (US)	Multiple Regression Analysis	$\beta=0.18$, $p<0.01$ Sig (positive)
10.	Ramayah & Suki (2006)	Intention to use a mobile PC among MBA students. (Malaysia)	Multiple Regression Analysis	$\beta=0.521$, $p<0.01$ Sig (positive)

2.4.3 Social Influence

In this study, the term of social influence as applied refers to the subjective norm or normative pressure. Subjective norm refers to an individual's perception of others' opinions on whether or not he or she should perform a particular behavior (Ajzen, 1991). Subjective norm also refers to the perceived pressure from the people who consumers think are important to them. Subjective norm is believed to influence intention to use because people may choose to perform behavior, even if they are not themselves favorable toward the behavior or the consequences (Venkatesh & Davis, 2000).

Generally, if the reference group agrees to do certain behavior, it will create positive perception and at the same time motivates the individual to perform that particular behavior. This motivation occurs in the form of agreement, opinion, support or advice from particular reference group. For most behavior, reference group can be classified into a few categories such as family, spouse, close friends and peers. Hsu and Chiu (2004) described subjective norm as individual influence and external influence. Md-Nor and Pearson (2008) in their study of Internet banking described the subjective norm based on family, friends, and colleagues/peers. As declared by Hsu *et al.* (2006), the more positive the subjective norm, the stronger the behavioral intention is.

2.4.4 Social Influence and Intention to Use

The effect of subjective norm on behavioral intention has received substantial support by the previous studies. Past studies found that there is positive relationship between subjective norms and intention (Abbasi, *et al.*, 2011; Laohapensang, 2009; Amoroso & Husinger, 2009; Tan *et al.*, 2009 and Wen, 2008). The previous study by Abbasi *et al.* (2011) found that there is positive relationship between subjective norm and intention on social influence, voluntariness, experience and the social acceptance on an extension of TAM within South Asian countries context. The importance of subjective norm has also been noted by Laohapensang (2009), which confirmed that subjective norm has a positive effect on behavioral intention in influencing internet shopping by Thai consumers. The study tried to answer the question of how well TPB explains online shopping intentions in Thailand. In addition, Amoroso and Husinger (2009) concluded that the greater social influence positively affects behavioral intention to use the internet, as a strong correlation.

In another study, Tan *et al.* (2009) reported that there is a significant correlation between subjective norms and behavioral intention. Their study focused on intention to transact and not actual purchasing behavior. They aimed by integrating national culture into the theory of planned behavior to better understand the actual online shopping behavior across two cultures in New Zealand and China. Wen (2008), on the other hand found that subjective norm has significant influence on behavioral intention. He investigated the factors that affect online consumer behavior intention and post-purchasing behavior among travel agents' customers in Taiwan.

In the Malaysian context, Gopi and Ramayah (2007) indicated that subjective norm is an important determinant of intention to use. Furthermore, Taib *et al.* (2008) also proved that subjective norm to be a more influential predictor of intention to use Islamic financing than attitude. In another study, Lada *et al.* (2009) measured the applicability of reasoned action theory in predicting the consumer's intention to choose a halal product in Malaysia. They investigated how important the consumer's attitude and subjective norm are on a person's intention to choose halal products. This research clearly demonstrated that in general, consumer's decision to select a halal product is influenced by the attitude and subjective norm. Attitude and subjective norm were found to be positively related to intention, with the subjective norm being the more influential predictor. Hence, the TRA is proven as a good model of prediction. Moreover, the study by Alam and Sayuti (2011) also found that there is positive relationship between subjective norm and intention to purchase halal food products in Malaysia. In the context of Islamic finance, the previous study showed that subjective norms have a direct impact to the intention to use Islamic personal financing (Amin *et al.*, 2011). Table 2.3 on the next page summarizes the previous studies of the relationship between social influence and intention to use.

Table 2.3

Summary of the Previous Studies of Relationship between Social Influence and Intention to Use

No.	Author	Focus of the Study	Analysis Method	Findings
1.	Amin <i>et al.</i> (2011)	Intention to use Islamic personal financing among Islamic bank customers. (Malaysia)	Multiple Regression Analysis	$\beta=0.158$, $p<0.05$ Sig (positive)
2.	Alam & Sayuti (2011)	Halal food purchasing behavior in Malaysia.	Multiple Regression Analysis	$\beta=0.157$, $p<0.01$ Sig (positive)
3.	Abbasi <i>et al.</i> (2011)	Internet acceptance among academicians. (Pakistan)	Structural Equation Modeling (SEM)	$\beta=0.324$, $p<0.01$ Sig (positive)
4.	Laohapensang (2009)	Factors influencing internet shopping behavior among graduate students. (Thailand)	Multiple Regression Analysis	$\beta=0.390$, $p<0.01$ Sig (positive)
5.	Amoroso & Husinger (2009)	Understanding acceptance online purchasing among undergraduate students. (USA and Australia)	Multiple Regression Analysis	$\beta=0.191$, $p<0.01$ Sig (positive)
6.	Tan <i>et al.</i> (2009)	Understand actual online shopping behavior across two cultures in New Zealand and China	Structural Equation Modeling (SEM)	$\beta=0.169$, $p<.05$ -China $\beta=0.392$, $p<0.01$ -NZ Sig (positive) Sig (positive)
7.	Lada <i>et al.</i> (2009)	Intention to choose <i>halal</i> products among Malaysian consumers.	Multiple Regression Analysis	$\beta=0.814$, $p<0.01$ Sig (positive)
8.	Wen (2008)	Online consumer behavior intention and post-purchasing behavior. (Taiwan)	Structural Equation Modeling (SEM)	$\beta=0.408$, $p<0.01$ Sig (positive)
9.	Taib <i>et al.</i> (2008)	Intention to use diminishing partnership home financing among postgraduate students. (Malaysia)	Multiple Regression Analysis	$\beta=0.479$, $p<0.01$ Sig (positive)
10.	Gopi & Ramayah (2007)	Intention to trade online among Malaysian investors. (Malaysia)	Multiple Regression Analysis	$\beta=0.303$, $p<0.01$ Sig (positive)

Nevertheless, the studies on subjective norm as a predictor of intention have shown mixed result. It is reported in a study by Armitage and Conner (2001) that subjective norm is the weakest factor in the TPB. It is also related to research by Wilson (2008) who found that the subjective norms was weakly predicted the intention to do unethical behavior among business students. Based on a study done by Brouwer *et al.* (2009), they found most of respondent claimed that if there is any pressure to return to work was perceived, it was mostly from their supervisors and not from the family members, friends, caregivers and community. Moreover, Chau and Hu (2001) and Lewis *et al.* (2003) found subjective norm to have no direct impact on the intention to use information technology. In another study by Hsu *et al.* (2006) showed that subjective norm does not significantly influence intention to use mobile coupons.

In view of the Table 2.3 on the previous page proved the positive effect of subjective norms on behavioral intention. Consequently, this study has taken social influence into consideration and tries to understand the social influence on university staffs regarding banking products.

2.4.5 Perceived Behavioral Control

According to Ajzen and Madden (1986), perceived behavioral control in this study refers to the respondents' perceptions of the presence or absence of requisite resources or opportunities necessary for performing a behavior. It reflects one's beliefs regarding ability, knowledge and resources that might hinder intention to use. Therefore, perceived behavioral control reflects the feel of ability or the individual capability to engage in certain behavior (Ajzen, 2005). Perceived behavioral control describes an individual's perception if they have the necessary resources such as time and money (external factors), capability such as ability, knowledge and self-efficacy (internal factors) in successfully performing the behavior.

In this study, perceived behavioral control refers to an individual's perception of how easy or difficult it is to engage in Islamic personal financing. It is the extent to which a person feels able to enact the behavior. It has two aspects, namely, how much a person has control over the behavior and how confident a person feels about being able to perform or not perform the behavior. In other words, the more control the customer feels about undertaking Islamic personal financing, the more likely they will do so. Instead, an increasing of perceived behavioral control also will increase the perception of opportunity (Fayolle, 2007).

2.4.6 Perceived Behavioral Control and Intention to Use

Specifically, several of the empirical studies have found a significant relationship between perceived behavioral control and intention (Abadi *et al.*, 2012; Laohapensang, 2009; Amoroso & Husinger, 2009; Tan *et al.*, 2009 and Fusilier & Durlabhji, 2005). For instance, the study by Abadi *et al.* (2012) examined that the intention to use mobile banking is positively influenced mainly by perceived behavioral control. Similar finding also found in study by Laohapensang (2009). His result proved that perceived behavioral control has a significant effect on behavioral intention in influencing internet shopping among Thai consumers in Thailand. In another study, Amoroso and Husinger (2009) also proved that there is a positive relationship between perceived behavioral control and intention to use the internet for understanding consumer's acceptance of online purchasing in the United States of America. Furthermore, Tan *et al.* (2009) also found that perceived behavioral control had a positive influence with consumer's intention on online shopping behavior across two cultures, China and New Zealand. Moreover, in a study by Fusilier and Durlabhji (2005) indicated that perceived behavioral control was positively related to the behavioral intention to use the internet. They explored TAM and TPB in relation to internet use intentions and self-reported usage among college students in India.

In Malaysia, other studies have also examined that perceived behavioral control is significantly influenced to the behavioral intention (Alam *et al.*, 2012; Alam & Sayuti, 2011; Siang & Weng, 2011; Md-Nor & Pearson, 2008 and Gopi & Ramayah, 2007). For example, the study by Alam *et al.* (2012) found that perceived behavioral control is a significant factor on the intention to undertake Islamic home financing among Muslims in Klang valley. In another study by Alam and Sayuti (2011), there is a positive relationship between perceived behavioral control and intention to purchase halal food products in Malaysia. In addition, Gopi and Ramayah (2007) reported that perceived behavioral control is an important predictor of intention to trade online among Malaysian investors. Similar finding also found in a study by Siang and Weng (2011). Their results provide evidence of the significant effect of perceived behavioral control on behavioral intention in using Islamic banking products and services. Their research focused only on the non-Muslim consumers towards the use of Islamic banking products and services in the surrounding areas of retail bank branches in the capital city in Malaysia. Furthermore, Md-Nor and Pearson (2008) found that perceived behavioral control had a positive significant effect on the intention to use Internet banking among banking customers in Malaysia. Table 2.4 on the next page summarizes the previous studies of relationship between perceived behavioral control and intention to use.

Table 2.4

Summary of the Previous Studies of Relationship between Perceived Behavioral Control and Intention to Use

No.	Author	Focus of the Study	Analysis Method	Findings
1.	Abadi <i>et al.</i> (2012)	Behavioral intention to use mobile banking based on the TPB, TAM and perceived risk among customers of Meli bank. (Iran)	Structural Equation Modeling (SEM)	$\beta=0.580$, $p<0.05$ Sig (positive)
2.	Alam <i>et al.</i> (2012)	Intention to undertake Islamic home financing among Muslims in Klang Valley. (Malaysia)	Multiple Regression Analysis	$\beta=0.161$, $p<0.05$ Sig (positive)
3.	Alam & Sayuti (2011)	Halal food purchasing behavior among Malaysian consumers.	Multiple Regression Analysis	$\beta=0.205$, $p<0.01$ Sig (positive)
4.	Siang & Weng (2011)	Intention to use Islamic banking products and services among non-Muslim consumers. (Malaysia)	Multiple Regression Analysis	$\beta=0.234$, $p<0.01$ Sig (positive)
5.	Laohapensang (2009)	Factors influencing internet shopping behavior among graduates students. (Thailand)	Multiple Regression Analysis	$\beta=0.042$, $p<0.01$ Sig (positive)
6.	Amoroso & Husinger (2009)	Understanding acceptance online purchasing among undergraduate students. (USA and Australia)	Multiple Regression Analysis	$\beta=0.454$, $p<.01$ Sig (positive)
7.	Tan <i>et al.</i> (2009)	Understand actual online shopping behavior across two cultures in China and New Zealand.	Structural Equation Modeling (SEM)	$\beta=0.180$, $p<0.01$ -China $\beta=0.335$, $p<0.01$ -NZ Sig (positive) Sig (positive)
8.	Md-Nor & Pearson (2008)	The adoption of internet banking among upper class business students and MBAs at universities in Malaysia.	Structural Equation Modeling (SEM)	$\beta=0.130$, $p<0.01$ Sig (positive)
9.	Gopi & Ramayah (2007)	Intention to trade online among Malaysian investors.	Multiple Regression Analysis	$\beta=0.215$, $p<0.01$ Sig (positive)
10.	Fusilier & Durlabhji (2005)	Intention to use the internet among college students in India.	Multiple Regression Analysis	$\beta=0.880$, $p<0.05$ Sig (positive)

2.4.7 Religious Obligation

By definition, religious obligation refers to the role of religion in influencing the choice or activities of an individual (Amin *et al.*, 2011). According to Sulaiman (2003), the Islamic differences worldview based on *Shari'ah* can influence Islamic society. Several reviews on attitude towards Islamic banking have confirmed the importance of religious or *Shari'ah* compliance with customers' bank selection. The measures of religious obligation involve perception to comply with the underlying Islamic principles are known as *Shari'ah* principles for instance *riba* free, investment in Halal business and equal distribution of wealth (Butt *et al.*, 2011). All of these principles are expected not only to have a significant impact on the decision-making process of Muslims but also to have an influence on their perceptions of Islamic banks and Islamic banking facilities. An Islamic bank needs to adhere to Islamic principles, values and goals when offering their products. This adherence by the bank can in turn affect one's decision to seek Islamic banking products. The greater the adherence to *Shari'ah*, the greater is the possibility of individual using Islamic banking products. It is expected that *Shari'ah* compliance could affect the use of Islamic personal financing.

There were few studies which initiated the idea that religious obligation were the most factor influences customers choose Islamic products and services. For instance, Alam *et al.* (2012) found that adherence to Syariah were found to be a key factor to explain why bank customers intend to undertake Islamic home financing facility. Moreover, a study by Abduh and Omar (2010) also emphasized that an individual in Indonesia holds on the *Shari'ah* issue in patronizing a particular bank, recognizes the

impermissibility of bank interest and puts reason of safety of fund during the financial crisis, has a greater potential to patronize Islamic banks.

2.4.8 Religious Obligation and Intention to Use

Most studies conducted in Malaysia with regard to the Islamic banking have focused on choice criteria and patronage factors. A few researches (Yusoff *et al.*, 2013; Amin, 2012 and Amin *et al.* 2011) have focused directly in examining the relationship of *Shari'ah* compliance (religious obligation) with behavioral intention. Recently, a study conducted by Yusoff *et al.* (2013) examined the factors that influence consumers in choosing Islamic hire-purchase facility (AITAB) that focusing on motor vehicles. A total of 150 questionnaires were distributed to individuals having experienced of the AITAB facility in area of Shah Alam, Selangor. Their result showed that there is a significant relationship between the acceptances of AITAB among consumers with the religious obligation, which is shown as important criteria in choosing AITAB facility. Similarly, the importance of religiosity is also emphasized in another study by Amin (2012). In more detail, he concluded that religious obligation was a stronger determinant for the probability of Islamic credit card usage intention. Typically, Islamic financial transactions are conducted based on the teachings of the Quran and the *Sunnah*. He explained that a Muslim transaction must strictly be Islamic, honest, fair and acceptable. Importantly, its results were in consonance with the Islamic religion and the Islamic worldview.

Nevertheless, in relation to this study, the recent study by Amin *et al.* (2011) found that religious obligation negatively related to the intention to use Islamic personal financing which means, the greater the religious obligation, the more likely that Islamic personal financing will not be utilized by bank customers. They explained that their finding is not in line with the findings of the past studies (Omer, 1992; Metwally, 1996 and Metawa & Almassawi, 1998). A possible reason for the contrary results may be attributed to the items included in the research questionnaire, which has been adapted from the past studies to better reflect the study context of Islamic personal financing. Table 2.5 below summarizes the previous studies of the relationship between religious obligation and intention to use.

Table 2.5
Summary of the Previous Studies of Relationship between Religious Obligation and Intention to Use

No.	Author	Focus of the Study	Analysis Method	Findings
1.	Yusoff <i>et al.</i> (2012)	The acceptance of Islamic hire-purchase facility among customers (AITAB) in Shah Alam. (Malaysia)	Kruskall-Wallis Test	$\chi^2 = 23.287$, $p < 0.000$ Sig (positive)
2.	Amin (2012)	Islamic credit card usage intention among Islamic banks' customers. (Malaysia)	An Ordered Probit Model	$Z = 5.53$, $p < 0.000$ Sig (positive)
3.	Amin <i>et al.</i> (2011)	Intention to use Islamic personal financing among banks' customers. (Malaysia)	Multiple Regression Analysis	$\beta = -0.020$, $p < 0.754$ Not Sig (negative)

2.4.9 Religiosity

Religiosity is defined as consumer's ethical beliefs and this will be reflected in their daily conduct and commitment (Vitell & Paolillo, 2003). Religiosity is a very subjective issue and to measure this variable is not easy as it is determined by the person's spirituality. Being a religious person does not mean that the person has to engage in the Islamic banking facilities and in this study, the person's religiosity will be evaluated and see if there is an influence on the person's attitude towards engaging in Islamic banking facilities. As institutions and facilities whose foundations are based on religious doctrine, it is paramount for the bank management to believe there are other factors that dominate the economic behavior of Muslims.

Religion is one of the most universal and influential social institutions which has significant influence on people's attitudes, values and behaviors at both the individual and societal levels. Hence, it is an important cultural factor to study (Mokhlis, 2009). Religion plays an important role in a person's life by shaping their beliefs, knowledge and attitudes. Different religions such as Islam, Christianity, Buddhism and others have different belief (Rehman & Shabbir, 2010). This study would focus on religiosity from the Islamic perspectives because it is estimated that about 90% of the population of this study is Muslim. Islam is not only about religion, but also the way of life (Ad-Din). According to Alam *et al.* (2011), although religion exercises powerful influence over personal and social behavior of human beings, research in this area is limited. For instance, Kotler (2000) mentioned the influence of religion in buying decision but did not emphasize the degree to which religion could influence the decision of buying as it is a small portion of culture. Religiosity is expected to

have a significant influence on a customer's ethical beliefs and this in itself will be reflected in his daily conduct and commitment (Conroy *et al.*, 2004). In short, religiosity should have a significant influence in shaping the choices of a man's conduct, which may include his economic and commercial activities.

The past research by Metwally (2006) found that strong hold on Islam is the major choice criteria for Islamic banking in Kuwait. Moreover, on banking selection and the influence of the Islamic religion itself, a study by Bley and Kuehn (2004) has attempted to look at the influence of Islam on the choice of banking, depth of knowledge, perception and awareness among the public regarding Islamic banking. Furthermore, Othman and Owen (2001) concluded that cultural and religious factors were identified as the most influential factors that affect Islamic banking adoption in Kuwait.

In Malaysia context, a study by Asari *et al.* (2011) revealed that religious value appears to be the most important factor in influencing customers to patronize Islamic Bank. A sample of 250 Islamic bank customers in seven Malaysian Public Institutions of Higher Learning in the East Coast of Peninsular Malaysia was surveyed. However, researchers (Wan-Ahmad *et al.*, 2008) who conducted a survey of 480 working Malay Muslims in Klang valley found that religiosity is a motivating factor for them to patronize Islamic banks. Its result showed that workers who are more religious tend to choose Islamic Banking for depositing money or financing purposes. Overall, all previous studies supported that people who have held certain values of religion are able to influence their actions and decisions.

2.4.10 Religiosity and Intention to Use

Most studies conducted with regard to the choice criteria and patronage factors of Islamic banking. Recently, a study (Mukhtar & Butt, 2011) was conducted in Pakistan indicated that intra personal religiosity positively influence intention to choose Halal products. In Malaysia, the researcher identifies two studies (Taib *et al.*, 2008 and Alam *et al.*, 2012) which focus directly on examining the intention to undertake Islamic banking products towards religiosity.

The previous study by Taib *et al.* (2008) found that religious is responsible in determining the intention to engage in diminishing partnership home financing. In similar vein, a study by Alam *et al.* (2012) examined that religiosity had positively influenced on the intention to undertake Islamic home financing. Table 2.6 on the next page summarizes the previous studies of the relationship between religiosity and intention to use.

Table 2.6
Summary of the Previous Studies of Relationship between Religiosity and Intention to Use

No.	Author	Focus of the Study	Analysis Method	Findings
1.	Alam <i>et al.</i> (2012)	Intention to undertake Islamic home financing among Muslims in Klang Valley. (Malaysia)	Multiple Regression Analysis	$\beta=0.252$, $p<0.000$ Sig (positive)
2.	Mukhtar & Butt (2011)	Intention to choose halal products: the role of religiosity. (Pakistan)	Multiple Regression Analysis	$\beta=0.167$, $p<0.010$ Sig (positive)
3.	Taib <i>et al.</i> (2008)	Intention to use diminishing partnership home financing among postgraduate students. (Malaysia)	Multiple Regression Analysis	-not mention-

Religiosity is taken as a factor to the TPB model because it is expected to have a positive influence towards the intentional behavior which there will increase the intention level of engaging in Islamic banking facilities especially Islamic personal financing.

2.5 Research Hypotheses

Following are three general hypotheses were built related to the objectives of this study:

H₀1: There are no significant differences between demographic factors (gender, position in UUM, age, education level, monthly income level and working period) towards the intention to use Islamic personal financing.

H_a1: There are significant differences between demographic factors (gender, position in UUM, age, education level, monthly income level and working period) towards the intention to use Islamic personal financing.

H₀2: There are no relationships between attitude, social influence, perceived behavioral control, religious obligation and religiosity with the intention to use Islamic personal financing.

H_a2: There are relationships between attitude, social influence, perceived behavioral control, religious obligation and religiosity with the intention to use Islamic personal financing.

H₀3: Attitude, social influence, perceived behavioral control, religious obligation and religiosity have no significant influence on the intention to use Islamic personal financing.

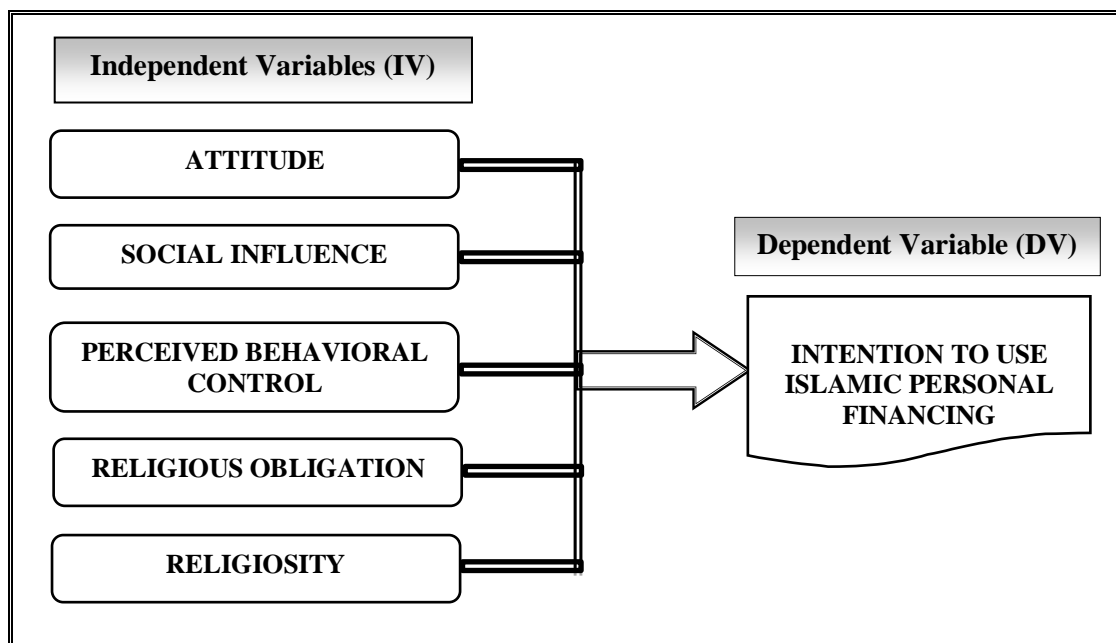
H_a3: Attitude, social influence, perceived behavioral control, religious obligation and religiosity have significant influence on the intention to use Islamic personal financing.

2.6 Research Framework

In this study, a theoretical framework is needed in order to recognize the relationship of one variable to the other variables. In the theoretical framework there are two variables used to identify to each other which are dependent variable (criterion variable) and independent variable (predictor variable). This study selected the intention to use Islamic personal financing as dependent variable and the factors that affect intention to use Islamic personal financing as independent variable. The factors focus on the variables of attitude, social influence, perceived behavioral control, religious obligation and religiosity. Based on approach of literature review, the schematic diagram for the theoretical framework is as follows:

Figure 2.2

Theoretical Framework of Intention to Use Islamic Personal Financing



2.7 The Gaps in the Study

Surprisingly, not many studies have focused on this area of research. As of today, only one study has focused directly on examining the intention to use Islamic personal financing (Amin *et al.*, 2011). Amin *et al.* (2011) used the Theory of Reasoned Action (TRA) model for Islamic personal financing and added three new moderating variables, namely religious obligation, government support and pricing of Islamic personal financing. Various academic works have employed the TRA model into their model of studies. The reasons behind the wide empirical supports of the theory are particular because of three fundamental reasons. Firstly, the theory is well suited for the purpose of examining and predicting a particular behavior. As stated by Taib *et al.* (2008), the fundamental constructs of the theory are essential in order to explain why people using *Musharakah Mutanaqisah*. Secondly, the theory has been praised for its flexibility to be applied in a different context of research. The TRA has been applied for instance in online stock trading (Gopi & Ramayah, 2007 and Ramayah *et al.*, 2009) and the marketing area. Thirdly, the TRA can be used to measure behavioral intention and actual of a particular situation, systems or even products. Previous researches have supported the importance of the TRA in predicting the behavioral intention and actual use (Ramayah *et al.*, 2009).

Instead, this study will fill the gap by applying Theory of Planned Behavior (TPB) model to examine the intention to use Islamic personal financing. Using the TPB model which extended from the TRA model is of considerable relevant in the current study. A study by Alam *et al.* (2012) applied TPB model and added religiosity as an external variable in influencing the intention to undertake Islamic home financing. As

a result, he indicated that religiosity had significant influences on the intention of Islamic home financing among Muslims in Klang Valley.

The present study extends the theory to an Islamic personal financing context. Three unique determinants of TPB, namely attitude, subjective norm and perceived behavioral control are applied in the present study. As such, the determinants are included to help explain the reasons bank customers use Islamic personal financing. In details this research will examine how the independent variables of TPB (attitude, subjective norm and perceived behavioral control) play its role in the intention and actual behavior to use Islamic banking products and services.

Further, the model is modified by adding two new external variables, namely, religious obligation and religiosity will help to measure and to better explain the intention to use Islamic personal financing. Since there was lack of studies in examining these factors towards intention to use Islamic banking products, this study attempts to close this gap by empirically testing effect of these factors towards intention. Limited studies have been examined the importance of religious obligation and religiosity in Malaysia that focus on Islamic banking product especially Islamic personal financing. Two interesting studies namely Yusoff *et al.* (2013) and Amin (2012) have found out that religious obligation was significant affecting behavioral intention. Nevertheless, a study by Amin *et al.* (2011) found that religious obligation is negatively related to the intention to use Islamic personal financing. An interesting study by Alam *et al.* (2012) also provides a groundwork pertaining to the inclusion religiosity in explaining the behavioral intention. Therefore, the external variables such as religious obligations and religiosity in this study that are expected to influence

the consumers' intentional behavior. It is believed that those who are religious are more likely to accept or prefer Islamic banking facilities in order for them to conform to *Shari'ah* principles. Since majority of Malaysia population is Muslim, no doubt that Islamic banking facilities will be popular among them.

Consequently, this study intends to fill the gap in the body of literature concerning the effects of consumers' intention to use Islamic personal financing. This study contributes to the very scarce literature linking religious obligation and religiosity (especially Islam) on focusing Islamic banking products. Moreover, even though a number of researches have been conducted in this area, there are still many variables remain unexplored in determining the behavioral intention to use and the relationship between intention and actual usage behavior. Thus, one of the objectives of this study is to add to the rare literature related to intention of potential banking customers, particularly for personal loan in undertaking Islamic personal financing.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

The research methodology can be simply defined as qualitative or quantitative, however, the methodology selected must complement the research questions and objectives being examined. This chapter will elaborate on the study's research design. This is followed by the population and sample of the study. Then, this study will discuss the sampling method, variables and measurements, as well as the data collection procedure. This chapter ends with a discussion of the data analysis method used in this study.

3.2 Research Design

An appropriate research design is essential to determine the type of data, data collection technique, and sampling methodology; in order to achieve the research objectives (Burns & Bush, 2002). This study employs a cross-sectional survey design. Survey design is a good way of measuring the relationship between variables. Since this study is concerned with how variables are associated, the quantitative research is used. Quantitative Research is also found to be more appropriate for this study to explain a phenomenon or a certain characteristics in the culture. The type of this research is applied to collect numerical data and analyze it by using mathematical methods (SPSS software). The nature of this research is descriptive.

3.3 Population and Sample of the Study

In this research, population is defined as the total category of subjects which is the focus of attention on a particular research project. The population in this study is the employees of Universiti Utara Malaysia (UUM), Sintok. An individual level is the unit of analysis for this study, which refers to UUM staffs in which each individual's response is considered an independent data source.

UUM staffs are chosen as the study sample for several reasons. Firstly, employing university staffs for this study is appropriate because they are potential buyers with good purchasing power. Consequently, UUM staffs have a huge potential in investments of personal financing. In other words, they are an important target market for Islamic personal financing. Secondly, the employees of UUM are also chosen due to their maturity, working experience and thus able to make decisions needed for this study. Therefore, this study expected the respondents are aware about Islamic banking products and services. Furthermore, based on the information from the Registrar Department, UUM has about 3530 employees which consist of 1468 academicians and 2062 administrative staff. Hence, the respondents are from different demographic composition such as multi-income level and they are generally well educated. Specifically, most of the respondents have an account in Bank Islam Malaysia Berhad (BIMB) and more than half of the population comprises Malays, who are normally Muslim.

Hence the samples of the study were selected based on the following criteria to meet the objective of this study:

- i. Samples should be working in Universiti Utara Malaysia (UUM), Sintok.
- ii. Samples should be Muslim.
- iii. Samples should be a customer of Islamic Banks.

3.3.1 Sample Size

Malhotra (2004) defined that a sampling size refers to the numbers of elements to be included in the study. Large sample gives more reliable results than smaller samples. Therefore, choosing the right sample size is definitely important because a reliable and valid sample can enable a researcher to analyze the results from the sample under investigation.

This study was carried out through survey approach. The population of this study consisted of 3,530 UUM staffs, including academicians (1468) and administrative staffs (2,062). According to Table 3.1 provides that summary generalized scientific guideline for sample size decisions, therefore the sample size of this study is 346 based on a given population. Sekaran (2003) stated that the rules of thumb for determining sample size, which is sample sizes larger than 30 and less than 500, are appropriate for most research. Where samples are to be broken into sub-samples (male/ female, juniors/ seniors, etc.), a minimum sample size of 30 for each category is necessary.

Table 3.1
Sample Size for a Given Population Size

N (Population Size)	S (Sample Size)	N (Population Size)	S (Sample Size)
2000	322	3000	341
2200	327	3500	346
2400	331	4000	351
2600	335	4500	354
2800	338	5000	357

Source: Krejcie and Morgan (1970) as quoted in Sekaran (2003)

3.3.2 Sampling Method

This study has chosen Two Stage Cluster Sampling. First, the population of UUM staffs has been divided into four clusters which are departments, institutes/ units, centers and colleges (clusters). Based on the information from Registrar Department, the total number of UUM staffs is 3530. The list of UUM staffs was accessible from the UUM's portal as described in the Table 3.2.

Table 3.2
The List of Units in the Clusters

1. DEPARTMENT	NUMBER OF STAFF
Chancellery	275
Registrar's Department	127
Bursar's Department	62
Sultanah Bahiyah Library	123
Academic Affairs Department	40
Student Affairs Department	301
University Press	46
Centre for International Affairs and Cooperation (CIAC)	16
Research Innovation Management Center (RIMC)	32
Northern Corridor Research Centre (NCRC)	12
Development and Maintenance Department	244
Security Department	129
TOTAL	1407
2. INSTITUTE/ CENTRE	NUMBER OF STAFF
Co-operative and Entrepreneurship Development Institute (CEDI)	18
Institute of Tun Dr Mahathir's Thoughts (IPDM)	11
Institute of Quality management (IPQ)	21
ITU-UUM ASP CoE for Rural ICT Development	13
Uniutama Film Centre	21
TOTAL	84
3. CENTER	NUMBER OF STAFF
Computer Center	145
Executive Development Center	21
Language Center	72
Executive Development Center (Hotel Service)	54
Center for Professional & Continuing Education (PACE)	37
University Teaching And Learning Center (UTLC)	14
Center for University-Industry Collaboration (CUIC)	30
University Health Center	53
Centre for Testing Measurement & Appraisal (CETMA)	5
TOTAL	431
4. COLLEGE	NUMBER OF STAFF
College of Business (COB)	672
College of Arts and Sciences (CAS)	566
College of Law, Government & International Studies (COLGIS)	340
TOTAL	1578
OVERALL TOTAL	3500

Source: UUM's Portal and Website, 2013

Second, after the total number of UUM staffs for each cluster has been identified, the samples in the clusters would be chosen at random, so that all employees in the clusters would be included in the sample. This sampling technique can reduce the

appearance of bias in the distribution of questionnaires as well as in decision making. After the sample has been identified, then the questionnaires were distributed based on the proportion of the samples as in the Table 3.3 below.

Table 3.3
The Proportion of the Clusters

Cluster	Number of Staff	Proportion (Size Sample=346)
1. Department	1407	40.0% = 138
2. Institute/ Unit	84	2.5% = 9
3. Centre	431	12.5% = 43
4. College	1578	45.0% = 156
Total	3500	346

Due to the existence of some constraints such as limitation of time, data availability, or the willingness of respondents to participate in this study, therefore, the researcher was encouraged to use convenience sampling in these units in collecting data.

3.4 Questionnaire Design

The method chosen in this study was self-administered questionnaires. According to Sekaran (2000), the questionnaires are the most useful as a data collection method when large numbers of people are to be reached in different geographical regions. Furthermore, questionnaires are a popular method of collecting data because researchers can obtain data fairly easily, and the questionnaire responses are easily coded. Self-administered questionnaire is appropriate to be used for this study due to the following; 1) It is a relatively cheaper method that can enhance the response rate (Sekaran, 2003); 2) There are no sensitive questions involved in the study; 3) The questions are pretty straightforward and easy to understand; 4) The scale used is easy to understand and manage; 5) Brief and clear written instructions were given.

The questionnaires were distributed to respondents who are employees of Universiti Utara Malaysia (UUM). A cover letter accompanying the questionnaire from the researcher was attached to the UUM staffs. The questionnaire was written in dual-languages which is English and translated into Malay language.

The questionnaire is divided into two sections. The first section (Section A) includes the demographic information of the respondents (gender, age, education level, position in UUM, monthly income level and working period). While in the second section (Section B) consists of six sections which are (a) intention to use; (b) attitude; (c) social influence; (d) perceived behavioral control; (e) religious obligation and (d) religiosity. The constructs of this study were measured on a five-point Likert scales, indicating the importance of each factor in determining the selection. In the

questionnaire, the respondents were required to rate their level of agreement with statements using a five-point scales ranging from “strongly disagree” (1) to “strongly agree” (5). Overall, the questionnaire instrument used in this study consists of 39 items, excluding the demographic items comprise 6 items. Please refer Appendix A (Questionnaire) for detail information.

3.5 Measurement of the Variables

The operational definition refers to the questions (items) that were used in a survey to measure the meaning of construct. Validated constructs from previous research were used to measure the variables of interest. There are many constructs employed in this study for instance attitude, social influence, perceived behavioral control, religious obligation and religiosity.

These scales have been validated and high reliability reported for each. All of these items were modified for Islamic personal financing usage. The items were phrased in the form of statements as part of the survey to investigate the respondents' perceptions. Table 3.4 below shows the measurement of the variables which involved in this study. Please refer Appendix A for detail information of each item.

Table 3.4
Measurement of the Variables

Measurement	Questionnaire		Source	Developer
	Number of Questions	Total of Items		
Intention to Use	7 to 11	5 items	Amin <i>et al.</i> , 2011	Venkatesh & Davis, 2000
Attitude	12 to 17	6 items	Amin <i>et al.</i> , 2011	Taib <i>et al.</i> , 2008
Social Influence	18 to 22	5 items	Alam <i>et al.</i> , 2012	Venkatesh & Davis, 2000
Perceived Behavioral Control	23 to 28	6 items	Alam <i>et al.</i> , 2012	Taylor & Todd, 1997
Religious Obligation	29 to 33	5 items	Amin <i>et al.</i> , 2011	Metwally, 1996
Religiosity	34 to 39	6 items	Alam <i>et al.</i> , 2012	Alam <i>et al.</i> , 2012

3.5.1 Intention to Use

Behavioral intention is the main objective of this research, which indicates the respondent's subjective probability that he or she is willing to use banking products and services in the future (Fishbein & Ajzen, 1975). In this study, the intention to use refers to the strength of the consumer's intention to engage in Islamic personal financing.

The construct of behavioral intention is developed by Venkatesh and Davis (2000). However, these items were adopted by Amin *et al.* (2011) for the purpose of their study. The construct of intention to use was operationalized on a five-point Likert scale format, ranging from '1' "strongly disagree" to '5' "strongly agree" with five self-rating items.

3.5.2 Attitude

Attitude is defined as the degree to which the person has a favorable or an unfavorable evaluation of the behavior in question. If a person perceives that the outcome of engaging in Islamic personal financing is positive, he or she will have a positive attitude toward performing that behavior. (Fishbein & Ajzen, 1975). In this study, attitude towards intention to use Islamic personal financing is defined as a consumer's positive or negative evaluation towards intention to use Islamic personal financing. The individuals will have more intention to perform certain behaviors if they have more positive evaluation towards that behavior.

The construct of attitude was developed from Taib *et al.* (2008) study. Nevertheless, these items were adopted by Amin *et al.* (2011) related to this study. It consisted of six self-rating items on a five-point Likert scale format, ranging from ‘1’ “strongly disagree” to ‘5’ “strongly agree”.

3.5.3 Social Influence

Social influence refers to the perceived pressure from the people who consumers think are important to them. It is believed to influence intention to use because people may choose to perform behavior, even if they are not themselves favorable toward the behavior or the consequences (Venkatesh & Davis, 2000). In this study, social influence towards intention to use Islamic personal financing is defined as a consumer’s perception of other people’s opinion whether he or she should perform or not in Islamic personal financing. Examples of other people are parents, siblings, friends and colleagues.

The construct of social influence was measured with five self-rating items from Venkatesh and Davis (2000) study. For the purpose of this study, these items were adopted by Alam *et al.* (2012) on a five-point Likert scale format, ranging from ‘1’ “strongly disagree” to ‘5’ “strongly agree”.

3.5.4 Perceived Behavioral Control

Perceived behavioral control reflects the feel of ability or the individual capability to engage in certain behavior (Ajzen, 2005). In this study, perceived behavioral control towards intention to use Islamic personal financing is defined as a consumer's perception of how easy or difficult it is to engage in Islamic personal financing. It is also defined as consumers' feel able to enact the behavior in Islamic personal financing. In other words, the more control the consumers feel about undertaking Islamic personal financing, the more likely they will do so.

Perceived behavioral control was assessed with measures reported by Alam *et al.* (2012). It consisted of six self-rating items on a five-point Likert scale format, ranging from '1' "strongly disagree" to '5' "strongly agree". Nevertheless, this construct was developed by Taylor and Todd (1997).

3.5.5 Religious Obligation

For the purpose of this study, it refers to the *Shari'ah* compliant products. The measures of religious obligation involve perception to comply with the underlying Islamic principles for instance *riba* free, investment in Halal business and equal distribution of wealth (Butt *et al.*, 2011). In this study, religious obligation towards intention to use Islamic personal financing is defined as a consumer's perception of Islamic personal financing to comply with *Shari'ah* principle. The greater the adherence to *Shari'ah* principle, the greater is the possibility of an individual using Islamic personal financing.

The construct of religious obligation in this study was adapted from Amin *et al.* (2011). It consist of five self-rating items on a five-point Likert scale format, ranging from ‘1’ “strongly disagree” to ‘5’ “strongly agree”. However, this construct was developed by Metwally (1996).

3.5.6 Religiosity

Religiosity refers to consumer’s ethical beliefs and this will be reflected in their daily conduct and commitment especially to engage in Islamic personal financing (Vitell & Paolillo, 2003). In this study, religiosity towards intention to use Islamic personal financing is defined as a consumer’s religiosity might or might not influence their decision to engage in Islamic personal financing. In other words, the intensity of the consumers’ religiosity might influence their decision in engaging in Islamic personal financing.

The construct of religiosity was operationalized with a six self-rating items and developed by Alam *et al.* (2012). Each item is accompanied by a five-point Likert scale format, ranging from ‘1’ “strongly disagree” to ‘5’ “strongly agree”.

3.6 Data Collection Method

All the self-administered questionnaires can be distributed and they are very effective. The respondents can complete the questionnaires, when they are convenient and can check the record if necessary. In this study, the data were gathered just once, perhaps over a period of three weeks in order to answer a research question. Such studies are called one-shot or cross-sectional studies. The process of data collection was conducted over a period of three weeks began on the 1st November to 21st November 2013. The researcher distributed the questionnaire to the respondent at their offices during business hour starting 8:30 am until 4:30 pm.

The survey was used to collect the primary information regarding the intention to use Islamic personal financing. The survey was conducted among the employees of UUM. According to the sample size, this study is expected to get 346 of the responses. Since the researcher was not sure to get 100% response rate, the total number of questionnaires distributed was four hundred.

At the onset of the data collection process, the researcher went to the General Office at each of the units or departments to get a permission to distribute the questionnaires. Some participants did not have the time to complete the questionnaires during working hours. Therefore, the questionnaires were left and the researcher came at a later time to accumulate the questionnaires. As a result, the researcher can get a high participation from the respondents as respondents are convenience when answering the questionnaires. This study utilized both primary data and secondary data to obtain information related to this research area.

3.7 Reliability of the Instrument

Reliability is the degree to which measures are free from error and therefore yield consistent results (Zikmund, 1994). According to Sekaran (2000), the reliability of a measure indicates the extent to which the measure is without bias and hence offers consistent measurement across time and across the various items in the instrument. Reliability is a measure of the internal consistency and stability of a measuring device. Internal consistency is the degree in which the items or questions about the measure consistently assess the same constructs. Each question should be aimed at measuring the same thing. Reliability analysis is done to improve the level of reliability of the survey instruments.

In this study, the reliability analysis has been done for all independent and dependent variables. Result of reliability test confers with pilot test and to be found significant with the coefficient reliability of cronbach's alpha. In order to predict the scale reliability for each factor, cronbach's alpha coefficient must be counted for each indicated factor.

According to Cavana *et al.* (2000), if possible, a questionnaire should be piloted with the reasonable sample of respondents who come from the target population or who closely resemble the target population. Therefore, pilot test has been done before conducting the research in order to determine the reliability of the instruments. A pilot study is important to be conducted to ensure the research instrument used is consistent and reliable. Consistency explains how the elements measuring a concept hold together as a set of instruments. Internal consistency of measures is assessed by using

the cronbach's alpha reliability coefficient. According to Sekaran (2003) reported that cronbach's alpha is a reliability coefficient that reflects how well the items in a set are positively correlated to one another. In a nutshell, any reliability coefficient is in the range of 0.7 is acceptable and if 0.8 and above are considered good. In other words, the closer cronbach's alpha is to 1 the higher is the internal consistency reliability.

The pilot test was facilitated to 30 respondents of UUM staffs to make sure that prospective respondents understand the content in the way intended by the researcher. Over a period of one week, 30 valid surveys are completed, with additional comments duly noted for improvement of the questionnaire design. All 30 questionnaires are analyzed by using SPSS program to determine the reliability (Cronbach's alpha) of the independent and dependent variables. The result of the reliability analysis and the values of cronbach's alpha are stated in Table 3.5.

Table 3.5
Cronbach's Alpha Values for Reliability of the Variables

Variables	Number of Items	Cronbach's Alpha Values	
		Pilot Study (n=30)	Actual Analysis (n=308)
Intention to Use	5	0.909	0.911
Attitude	6	0.961	0.930
Social Influence	5	0.713	0.819
Perceived Behavioral Control	6	0.943	0.870
Religious Obligation	5	0.949	0.906
Religiosity	6	0.835	0.884

The result of the pilot test in Table 3.5 above indicates that cronbach's alpha for intention to use, attitude, social influence, perceived behavioral control, religious obligation and religiosity are 0.909, 0.961, 0.713, 0.943, 0.949 and 0.835 respectively, which means that all variables are said to be reliable. According to the result

gathered, the cronbach's alpha values for intention to use, attitude, perceived behavioral control, religious obligation and religiosity are close to 1 which indicate that the strength of association of the items is very good and considered reliable to be used. However, the reliability coefficient of social influence falls in the range 0.7 to 0.8 which indicates that the strength of association of the items is considered acceptable. Therefore, the research instrument in this study is consistent and reliable and thus further distribution of questionnaires should have been done in order to gain the information needed.

The results for actual analysis of reliability in Table 3.5 shows that cronbach's alpha values for intention to use, attitude, social influence, perceived behavioral control, religious obligation and religiosity are 0.911, 0.930, 0.819, 0.870, 0.906 and 0.884 respectively, which means that all the variables are also said to be reliable. Since the values of cronbach's alpha are more than 0.8, therefore the strength of association is considered very well. As a result, the instrument used in this study is consistent and stable as presented in Appendix B (Reliability Analysis).

3.8 Normality of the Data

In multivariate research, Hair *et al.* (1998) suggested that normality of data is perceived as fundamentally one. The assumption of normality is a prerequisite for many inferential statistical techniques (Coakes & Steed, 2007). If the variation from the normal is sufficiently large, all resulting statistical tests are invalid because normality is required to use the F and t statistic (Hair *et al.*, 2006). There are a number of different ways to explore this assumption, namely, histogram, stem-and-leaf plot, boxplot, normal probability plot, Kolmogorov-Smirnov statistic and Shapiro-Wilk statistic and Skewness and Kurtosis.

The normal distribution is particularly important because it provides the underlying basis for many of the inferences by researcher who collect data using sampling. Therefore, in this study, the researcher has been conducted a normality test to make sure the normality of the distribution and checking for outliers. For the purpose of this study, all the independent variables were tested by using SPSS to ensure no violation of normality assumption using the explore procedure under SPSS. Through the normality test, the outliers were removed from the analysis. According to Hair *et al.* (2007), an outlier is a respondent that has one or more values that are distinctly different from the values of others respondents. Outliers also can impact the validity of the researcher's findings. Thus, the researcher eliminated the specific respondents to avoid distorting or misrepresenting the findings. Therefore, after removing the outliers, the results for normality can be accessed using the graphical analysis and statistical test of normality.

In this study, the first medium to acknowledge the normality of the data is using the graphical analysis. According to Hair *et al.* (2006), the most reliable approach to measure the normality of the data under graphical analysis is using the normal probability plot, which compares the cumulative distribution. The normal distribution forms a straight diagonal line and the plotted data values are compared with the diagonal. If the distribution is normal, the line representing the data distribution closely follows the diagonal. Based on Appendix B, almost all the data distributions are plotted closely follows the diagonal in the normal Q-Q Plot. Thus, it can be concluded that the data used in this study did not violate the normality assumption for the inferential analysis.

The second medium to acknowledge the normality of the data is using the statistical test of normality. Normality also can be assessed to some extent by obtaining Skewness and Kurtosis values. According to Hair *et al.* (2006), a simple procedure for this test is based on the Skewness and Kurtosis values which available from the SPSS program. Skewness and Kurtosis are the most popular ways used by many researchers for describing the shape of the data distribution. Skewness and Kurtosis refer to the shape of the distribution and are used with interval and ratio level data. Values for Skewness and Kurtosis are zero if the observed distribution is exactly normal (Coakes & Steed, 2007). Then, values above or below zero denote departures from normality. Coakes and Steed (2007) also state that positive values for Skewness indicate a positive skew, while positive values for Kurtosis indicate a distribution that is peaked (leptokurtic). Negative values for Skewness indicate a negative skew, while negative values for Kurtosis indicate a distribution that is flatter (platykurtic). Based on Appendix B, all of the values for Skewness and Kurtosis within the range +1 to -1,

generally is accepted where means are zero. This result indicated that the data set has not violated the assumption of normality. Thus, it is shown that all variables are normally distributed.

Other than that, refer to the output Normality Test (Appendix B) also indicated that all of the p-value (significance level) of Shapiro-Wilks statistics are greater than the acceptance level (0.05), then normality is assumed. Overall, an inspection of the data revealed that there is no serious violation of the basic assumptions.

3.9 Data Analysis

After data collection, data processing was done before running the data analysis. Data processing involved steps such as coding the responses, data screening and selecting the appropriate data analysis strategy for hypothesis testing. Data screening was performed to identify data entry errors and to examine how appropriate data meets the statistical assumptions which involve missing data, treating outliers and descriptive statistics of variables. Missing data is an essential step before testing the collected data. It is considered a vital part before data analysis since data is often riddled with mistakes and data entry errors which could completely mess up the analysis result. Missing data refer to cases where valid values of one or more variables are entered by mistake or are not available for data analysis, especially in a multivariate analysis (Hair *et al.*, 2006).

This study employed the Statistical Packages for Social Science (SPSS) software for both descriptive and inferential statistic. Descriptive statistic is used to interpret data in general, while inferential statistic is used for the purpose of hypothesis testing. Before that, the normality testing and outliers of data were tested to validate the data collected can be analyzed using the inferential analysis through Independent Samples T-Test, Analysis of Variance (ANOVA), Pearson Correlation and Multiple Linear Regression.

3.10 Descriptive Statistics

This technique presents a description of the overall responses obtained, and at the same time, it was used to examine the data for erroneous entries. Frequency distributions were obtained for all the personal data or classification variables. This analysis gives a clear meaning of data through frequency distribution, mean and standard deviation which is useful to identify differences among groups, for all the variables of interest, for instance the interval-scaled variables.

The frequencies computed to determine the percentage of the respondents' profile in terms of gender, age, education level, position in UUM, monthly income level and working period. Moreover, descriptive analysis was used to measure the level of attitude, social influence, perceived behavioral control, religious obligation, religiosity and intention to use Islamic personal financing. In order to measure the level of all variables, the mean score for each variable were computed as well as the standard deviation. The standard deviation is also important in indicating the level of each variable and also to point out the distribution of the score of the mean. According to Hair *et al.* (2007), the standard deviation describes the spread or variability of the sample values from the mean. If the value of standard deviation is small, therefore the responses in a sample distribution of number fall very close to the mean.

3.11 Inferential Statistics

Inferential statistics are used to infer from the data through analysis. The inferential statistics are used in order to achieve the research objectives in this study. Therefore, for the purpose of this study, inferential statistics are used through the analysis of Independent Samples T-Test, One-way ANOVA, Pearson Correlation and Multiple Linear Regressions.

3.11.1 Test of Differences

The test of differences is used in order to achieve the first research objectives in this study. Therefore, for the purpose of this study, test of differences is conducted through the analysis of Independent Samples T-Test and One Way Analysis of Variance (ANOVA).

i. Independent Samples T-Test

This study used Independent Samples T-Test to compare the means of two independent groups. According to Coakes and Steed (2007), the Independent Samples T-Test is appropriate when the participants in one condition are different from the participants in the other condition. Before undertaking the T-Tests analysis, there are certain assumptions need to be evaluated because the accuracy of test interpretation depends on whether assumptions have been violated (Coakes & Steed, 2007). The generic assumption underlying of t-test are scale of measurement, random sampling and normality.

For the purpose of this study, independent samples t-test is applied in order to test the first hypothesis in terms of gender and position in UUM. This test is applied to examine whether there are significant differences between (a) gender and (b) position in UUM towards the intention to use Islamic personal financing.

ii. One-way Analysis of Variance (ANOVA)

A One-way Analysis of Variance (ANOVA) is an appropriate analysis to compare the means of more than two groups of independent variables. ANOVA is one of the inferential analysis tests that carry out to test if any of few variables mean are different from each other. ANOVA tests only provide information on whether there is a significant difference or not between group means being compared. If there are differences, ANOVA do not inform state which group mean is higher and which is lower. To determine which mean is higher or lower, Post Hoc test should be conducted. The item statistics commonly used to test the Post Hoc is Tukey HSD. Before performing a One-way ANOVA test, certain requirements must be satisfied, namely, the data of distribution are normal and the data has the same variance (Coakes & Steed, 2007). This is to validate that all compared groups are originated from the same population.

In this study, an ANOVA analysis is conducted to examine whether there are significant differences between respondents' demographic (age, education level, monthly income level and working period) towards the intention to use Islamic personal financing.

3.11.2 Correlation Analysis

Correlation analysis is carried out to determine the relationship between the dependent and independent variables. In this study, the hypotheses are tested using Pearson correlation to describe the strength and direction of the relationship between two variables on an interval measurement of scale. The positive correlation indicates that as one variable increases the other factor will increase too. A negative correlation indicates that as one variable increase the other decrease. According to Coakes and Steed (2007), correlation analysis has a number of underlying assumptions such as follows: (i) Related pair; (ii) Scale of measurement; (iii) Normality; (iv) Linearity and (v) Homoscedasticity. In this study, Pearson Correlation is used to determine the relationship between the selected factors with the intention to use Islamic personal financing in order to achieve the second research objectives.

3.11.3 Multiple Regressions

In order to achieve the third research objectives, the use of regression for subsequent analysis is appropriate, since the data are normally distributed. The multiple linear regressions is used in the hypothesis to determine whether the independent variables explain a significant variation in the dependent variable; whether a relationship exists and set the mathematical equation relationship relating the independent and dependent variables (Malhotra, 2004). According to Coakes and Steed (2007), the result of regression is an equation that represents the best prediction of a dependent variable from several independent variables.

Thus, multiple regression analysis was used to establish the influence of the group of independent variables which are attitude, social influence, perceived behavioral control, religious obligation and religiosity as potential predictors for the dependent variable that is intention to use. According to Coakes and Steed (2007), there are four main assumptions underpinning the use of regression which are (i) ratio of cases of independent variables; (ii) outliers; (iii) multicollinearity; and (iv) linearity, normality and homoscedasticity. The researcher simply expanded the formulation of the multiple regression model as shown in Figure 3.1.

Figure 3.1
Formula for Multiple Linear Regressions

<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> $y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + b_5x_5$ </div>	
Where	<ul style="list-style-type: none"> a = intercepts (constant) y = Intention to use Islamic personal financing (dependent variable) b₁x₁ = Attitude b₂x₂ = Social influence b₃x₃ = Perceived behavioral control b₄x₄ = Religious obligation b₅x₅ = Religiosity

The interpretation of the regression analysis is based on the unstandardized coefficients (B) and R square (R²) which provides evidence whether to support or not to support the hypotheses stated above. The R² obtained in the multiple regressions indicated the percentage of variance in the dependent variable that can be explained by the independent variables. The multiple regression analysis helps to understand how much of the variance in the dependent variable, the intention to use Islamic

personal financing is explained by a set of predictors namely, attitude, social influence, perceived behavioral control, religious obligation and religiosity.

Table 3.6
General Description of the Data Analysis

Area of Investigation	Hypothesis	Analysis
To determine the respondent's involvement based on their demographic factor.		Descriptive Statistics (Frequencies and percentage)
To measure the level of attitude, social influence, perceived behavioral control, religion obligation and religiosity.		Descriptive Statistics (Mean)
To investigate the differences between respondents' demographic (gender and position in UUM) towards the intention to use Islamic personal financing.	Hypothesis One (H1)	Independent Samples T-Test
To investigate the differences between the respondents' demographic factors (age, education level, monthly income level and working period) towards the intention to use Islamic personal financing.	Hypothesis One (H1)	One-way ANOVA
To examine the relationship between attitude, social influence, perceived behavioral control, religion obligation and religiosity with the intention to use Islamic personal financing.	Hypothesis Two (H2)	Pearson Correlation
To identify the influence of the factors that consists of attitude, social influence, perceived behavioral control, religious obligation and religiosity on the intention to use Islamic personal financing.	Hypothesis Three (H3)	Multiple Linear Regression

Table 3.6 above summarizes data analysis method that has been used based on the hypotheses or area of investigation in this study.

3.12 Conclusion

This chapter has discussed the details of the approaches adopted in this study. The measurements of the constructs were developed from the past literature and researches. This research made use of survey instruments to provide additional insight into these findings. The results of reliability analysis have shown that the questionnaire used was reliable and valid to assess the attitude, social influence, perceived behavioral control, religious obligation, religiosity and intention to use Islamic personal financing. Both descriptive and inferential analyses were used to analyze the data. A detailed data analysis of the survey has been described in the next chapter.

CHAPTER 4

DATA ANALYSIS AND FINDINGS

4.1 Introduction

This chapter presents the result of data analysis. There are four sections in this chapter. This chapter begins with the response rate. Secondly, it presents descriptive statistics analysis to describe the profile of the respondents and level of the variables. Then, it follows with the reliability and normality test of the variables. Finally, it ends with the results of hypothesis testing.

4.2 Response Rate

According to the sample size, this study is expected to get 346 of the responses. Since the researcher was not sure to get 100% response rate, a total of 400 questionnaires were distributed for data collection purposes. Out of 400 questionnaires distributed, 308 responses were received resulting in a response rate of 77.0%.

4.3 Profile of the Respondents

The respondents' profile was analyzed by using descriptive statistics analysis. Descriptive Statistics is conducted to explore the data and describes the observations or an overview of the sample data collected. As shown in Table 4.1, the profile of the respondents covers the aspect of gender, age, highest education level, position in UUM, monthly income level and working period.

Based on the Table 4.1, the sample respondents comprised 66.2% females and 33.8% males. The majority of the respondents were between 31-40 years (42.9%), followed by the 20–30 years (32.5%) and between 41-50 years (22.1%), while the rest was above 50 years (2.6%). In terms of higher education level, majority of them come from SPM/STPM qualification with a percentage of 30.2, followed by 20.8% from bachelor degree and 20.1% from master degree. Meanwhile, the respondents having a diploma and a PhD/ DBA degree qualification reported 14.9% and 14.0% respectively.

Furthermore, the majority of the respondents were administrative staffs (70.5%), while the rest were academicians (29.5%). With regards to monthly income level, 36.7% of the respondents earned between RM 2,001 and RM 4,000, followed by the respondents who received income below RM 2,000 (32.8%). The respondents earned between RM 4,001 and RM 6,000 were 21.1%, 7.5% of the respondents received income between RM 6,001 and RM 8,000, while a small number of respondents earned RM 8,000 and above.

In terms of working experience in UUM, 30.2% of the respondents have less than 5 years of experience, while 28.6% have between 5 and 10 years of working experience and 24.7% of the respondents have between 11 and 15 years of working experience. Only a small number of respondents have between 16 and 20 years and above 21 years of working experience, which were 8.1% and 8.4% respectively.

Table 4.1
Profile of the Respondents

Items	Category	Frequency (N=308)	Percentage (%)
Gender	Male	104	33.8
	Female	204	66.2
Age	Below 30 years	100	32.5
	31 – 40 years	132	42.9
	41 – 50 years	68	22.1
	51 years above	8	2.6
Highest Education Level	Secondary School (SPM/ STPM)	93	30.2
	Diploma	46	14.9
	Bachelor Degree	64	20.8
	Master	62	20.1
	DBA/ PhD	43	14.0
Position in UUM	Academician	91	29.5
	Non-academician	217	70.5
Monthly Income Level	Below RM 2,000	101	32.8
	RM 2,001 – RM 4,000	113	36.7
	RM 4,001 – RM 6,000	65	21.1
	RM 6,001 – RM 8,000	23	7.5
	RM 8,001 above	6	1.9
Working Period	Less than 5 years	93	30.2
	5 – 10 years	88	28.6
	11 – 15 years	76	24.7
	16 – 20 years	25	8.1
	Above 21 years	26	8.4

(Please refer Appendix D(i) for details information)

4.4 Level of the Variables

Descriptive statistics include the minimum and maximum value, means, range, standard deviation and variance for the interval scaled variables. This analysis has been used to analyze the level of intention, attitude, social influence, perceived behavioral control, religious obligation and religiosity. It also was used to identify the situation of each construct (dependent and independent variables) such as mean and standard deviation. The mean values of the variables were obtained by the measure on a five-Likert scale, which means the greater the number of the five point scale, the greater the goodness of the variable will be. Values nearer to five are considered better, while values close to zero are considered bad. A mean value equal or more than four shows a high agreement with a particular criterion; a mean value equal or less than two were considered as low, and a mean value of three was considered as a moderate agreement. A descriptive analysis of all the six variables is illustrated in Table 4.2.

Table 4.2
Level of the Variables

Variables (N=308)	Minimum	Maximum	Mean	Std. Deviation
Intention to Use	2.60	5.00	4.32	0.61
Attitude	3.00	5.00	4.42	0.54
Social Influence	2.20	5.00	3.79	0.67
Perceived Behavioral Control	2.33	5.00	4.14	0.60
Religious Obligation	2.60	5.00	4.15	0.62
Religiosity	3.33	5.00	4.59	0.46

(Please refer Appendix D(ii) for details information)

Table 4.2 illustrates the minimum, maximum, mean and the standard deviation of the model variables. The mean values of the intention to use, attitude, perceived behavioral control, religious obligation and religiosity range between 4.1 and 4.6, while the component of social influence has mean value is 3.79. As a result, all the values are considered high.

The level of intention to use Islamic personal financing is quite high where mean value is 4.32. This shows that the consumers generally have higher intention to use Islamic personal financing. However, it depends on the independent variables that have a high agreement towards intention to use Islamic personal financing.

The highest mean value of independent variable was obtained by religiosity at 4.59 implying that the religiosity factor has a high level of perception, then it is followed by the attitude factor which has a mean value of 4.42. In contrast, the lowest mean value was by the social influence variable at 3.79. Nevertheless, all the independent variables are considered highest of the mean values. Therefore, the respondents perceived the value of attitude, social influence, perceived behavioral control, religious obligation and religiosity in intention to use Islamic personal financing as quite high. All the standard deviations were moderate, thus, the variation between the respondents' opinions is moderate.

4.5 The Differences between Demographic Factors towards the Intention to Use Islamic Personal Financing

In order to answer the first research questions, whether there are any differences between respondent's demographic profiles (gender, position in UUM, age, monthly income level and working period) towards the intention to use Islamic personal financing, the test of differences was conducted through Independent Sample T-Test and One-way ANOVA to analyze the Hypothesis One (H1).

Independent Samples T-Test analysis is conducted to test the Hypothesis One in terms of gender and position in UUM. Nevertheless, before proceeding with the Independent Samples T-Test analysis, there are three assumptions have been evaluated. The assumptions underlying of T-test are scale of measurement, random sampling and normality. Clearly, first and second assumptions are a matter of research design and not statistical analysis. According to the first assumption, the scale of measurement should be in the interval or level measurement. Since the interval scale is applied to the measurement of religious obligation, religiosity and the theory of planned behavior together with the measurement of the dependent variable which is intention to use. Thus, there is no violation of the first assumption. Meanwhile, for the second assumption, the data should be randomly sampled from the population of interest and since this study used random sampling, thus, there is no violation of the second assumption. According to the third assumption, the data should be normally distributed in the population. Nevertheless, normality of data is analyzed before and it indicates that all data are normally distributed (refer Appendix C). It is clear that there is no violation for all the assumptions of this analysis, therefore it is appropriate to

conduct Independent Samples T-test for the first research hypothesis in terms of gender and position in UUM.

One-way ANOVA is used to examine the significant differences between demographic factors that have more than two groups with the intention to use Islamic personal financing. There are four hypotheses that had been analyzed based on age, education level, monthly income level and working period. Meanwhile, there are two assumptions for One-way ANOVA that must be met which is population normality and homogeneity of variance. According to the first assumption, it is evident in Appendix C that all the data are normally distributed in the population. In addition, the second assumption has not been violated. Based on Appendix E(ii), Levene's tests for homogeneity of variances are not significant ($p\text{-value} > 0.05$) and indicates that the population variances for each group are approximately equal. Therefore, there is no violation of the assumptions of ANOVA, this analysis can be continued.

4.5.1 The Difference between Gender towards Intention to Use

Independent Samples T-Test analysis is conducted to test null hypothesis one (H_{01a}) in terms of gender which is as follows:

H_{01a} : There is no significant difference between gender toward the intention to use Islamic personal financing.

Table 4.3 on the next page presents the results from Independent Samples T-Test analysis in terms of gender.

Table 4.3

The Difference between Gender towards Intention to Use Islamic Personal Financing

Gender	Mean	Std. Deviation	t-value	Sig.
Male	4.33	0.68	0.405	0.686
Female	4.30	0.58		

(Please refer Appendix E(i) for details output)

The results from Independent Samples T-Test analysis above indicate that the differences of mean and standard deviation between male and female towards the intention to use Islamic personal financing are relatively small. The mean difference is only 0.03 while the t-value is 0.405 and its significant level is more than 0.05. Since, the significance level (p-value=0.686) is greater than the acceptable level of 0.05, therefore the null hypothesis is failed to reject. Hence, the finding concludes that there is no significant difference between male and female towards the intention to use Islamic personal financing.

4.5.2 The Difference between Position in UUM towards Intention to Use

Independent Samples T-Test analysis is also conducted to test null hypothesis one (H_01b) in terms of position in UUM which is as follows:

H_01b : There is no significant difference between position in UUM towards the intention to use Islamic personal financing.

Table 4.4 on the next page presents the results from Independent Samples T-Test analysis in terms of position in UUM.

Table 4.4

The Difference between Position in UUM towards Intention to Use Islamic Personal Financing

Position in UUM	Mean	Std. Deviation	t-value	Sig.
Academician	4.451	.585	2.558	0.001
Non-Academician	4.255	.624		

(Please refer Appendix E(i) for details output)

The results from Independent Samples T-Test analysis above indicate that the differences of mean and standard deviation between academician and non-academician towards the intention to use Islamic personal financing are relatively small. The differences of mean and standard deviation are 0.196 and 0.100 respectively while the t-value is 2.558 and its significant level is less than 0.05. Since, the significance level (p-value=0.001) is lower than the acceptable level of 0.05, therefore the null hypothesis is rejected. Hence, the finding concludes that there is a significant difference between academician and non-academician towards the intention to use Islamic personal financing. The result also shows that academician is higher of intention to use Islamic personal financing compared to the non-academician.

4.5.3 The Difference between Age towards Intention to Use

One-way ANOVA analysis is conducted to test null hypothesis one (H_{01c}) in terms of age which is as follows:

H_{01c} : There is no significant difference between age towards the intention to use Islamic personal financing.

Table 4.5 on the next page presents the results from ANOVA analysis in terms of age.

Table 4.5

The Difference between Age towards Intention to Use Islamic Personal Financing

Demographic Factor	Category	Mean	Std. Dev	F	Sig.
Age	Below 30 years	4.28	0.65	6.643	.000
	31 – 40 years	4.65	0.52		
	41 – 50 years	4.07	0.68		
	51 years above	4.26	0.58		

Based on Table 4.5 indicates that the value of F is 6.643 and significance value is 0.000. Since the significance value is less than 0.05 ($p < 0.05$), thus the null hypothesis is rejected. Therefore, this study concludes that there is a significant difference between ages towards the intention to use Islamic personal financing.

In order to determine the difference of employees' age group, Tukey table was observed. Based on Tukey table in Appendix E(ii), the result found that there is a significant difference between the employees' age group of 31-40 years and group of 41-50 years (mean different = 0.396, sig. = 0.000). Tukey test also shows that the employees' age group of 31-40 years is higher of intention to use Islamic personal financing compared to the employees' age group of 41-50 years.

4.5.4 The Difference between Education Levels towards Intention to Use

One-way ANOVA analysis is also conducted to test null hypothesis one (H_{01d}) in terms of education level which is as follows:

H_{01d} : There is no significant difference between education levels towards the intention to use Islamic personal financing.

Table 4.6 below presents the results from ANOVA analysis in terms of education level.

Table 4.6
The Difference between Education Levels towards Intention to Use Islamic Personal Financing

Demographic Factor	Category	Mean	Std. Dev	F	Sig.
Highest Education Level	Secondary School	4.32	0.63	4.929	.001
	Diploma	4.13	0.63		
	Bachelor Degree	4.23	0.61		
	Master Degree	4.59	0.46		
	DBA/ PhD	4.22	0.67		

Based on Table 4.6 shows that the value of F is 4.929 and significance value is 0.001. Since the significance value is less than 0.05 ($p < 0.05$), thus the null hypothesis is rejected. Therefore, this study concludes that there is a significant difference between education levels towards the intention to use Islamic personal financing. In other words, intention to use Islamic personal financing is not the same but it depends on various kinds of education level of the respondents.

The Post Hoc table in Appendix E(ii) shows that there is a significant differences between Master degrees with another education level in the employees' education level. It also concludes that the employees' education level in the Master degree is higher of intention to use Islamic personal financing compared to the employees' education level in secondary school, diploma, bachelor degree and DBA/PhD level.

4.5.5 The Difference between Monthly Income Levels towards Intention to Use

One-way ANOVA analysis is conducted to test null hypothesis one (H_{01e}) in terms of monthly income level which is as follows:

H_{01e} : There is no significant difference between monthly income levels towards the intention to use Islamic personal financing.

Table 4.7 below presents the results from ANOVA analysis in terms of monthly income level.

Table 4.7

The Difference between Monthly Income Levels towards Intention to Use Islamic Personal Financing

Demographic Factor	Category	Mean	Std. Dev	F	Sig.
Monthly Income Level	Below RM 2,000	4.29	0.59	5.204	.000
	RM 2,001 – RM 4,000	4.26	0.67		
	RM 4,001 – RM 6,000	4.53	0.38		
	RM 6,001 – RM 8,000	4.24	0.81		
	RM 8,001 above	3.50	0.24		

Based on Table 4.7 shows that the value of F is 5.204 and significance value is 0.000. Since the significance value is less than 0.05 ($p < 0.05$), thus the null hypothesis is rejected. Therefore, this study concludes that there is a significant difference between monthly income levels towards the intention to use Islamic personal financing. In other words, intention to use Islamic personal financing is not the same but according to various kinds of monthly income level of the respondents.

The Tukey table in Appendix E(ii) shows that there are significant differences between the employees' monthly income level group of RM 8,001 above with the employees' monthly income level groups of below RM 2,000, group of RM 2,001–RM 4,000 and group of RM 4,001–RM 6,000. It also shows that there is a significant difference between employees' monthly income level group of RM 4,001–RM 6,000 and group of RM 2,001–RM 4,000. Lastly, the result presents that the employees' monthly income level group of RM 8,001 above is lower of intention to use Islamic personal financing compared to the employees' monthly income level group of below RM 2,000, group of RM 2,001–RM 4,000 and group of RM 4,001–RM 6,000. Furthermore, it also presents that the employees' monthly income level group of RM 4,001–RM 6,000 is higher of intention to use Islamic personal financing compared to the group of RM 2,001–RM 4,000.

4.5.6 The Difference between Working Period towards Intention to Use

One-way ANOVA analysis is conducted to test null hypothesis one (H_{01f}) in terms of working period which is as follows:

H_{01f} : There is no significant difference between working period towards the intention to use Islamic personal financing.

Table 4.8 on the next page presents the results from ANOVA analysis in terms of working period.

Table 4.8

The Difference between Working Period towards Intention to Use Islamic Personal Financing

Demographic Factor	Category	Mean	Std. Dev	F	Sig.
Working Period	Less than 5 years	4.23	0.61	7.117	.000
	5 – 10 years	4.53	0.53		
	11 – 15 years	4.37	0.50		
	16 – 20 years	3.96	0.18		
	Above 21 years	4.03	0.13		

Table 4.8 indicates that the value of F is 7.117 and significance value is 0.000. Since the significance value is less than 0.05 ($p < 0.05$), thus the null hypothesis is rejected. Therefore, this study concludes that there is a significance difference between working period towards the intention to use Islamic personal financing. In other words, intention to use Islamic personal financing is not the same but according to various kinds of respondents' working period.

Based on the Tukey table in Appendix F(ii), the result found that there are significant differences between the employees' working period group of 5–10 years with the employees' working period group of less than 5 years, group of 16–20 years and group of 21 years above. It also presents that there is a significant difference between the employees' working period group of 11–15 years and group of 16–20 years. Lastly, the result found that the employees' working period group of 5–10 years is higher of intention to use Islamic personal financing compared to the employees' working period group of less than 5 years, group of 16–20 years and group of 21 years above. Furthermore, it also found that the employees' working period group of 11–15 years is higher of intention to use Islamic personal financing compared to the employees' working period group of 16–20 years.

4.6 The Relationship between the Factors with the Intention to Use Islamic Personal Financing

Pearson correlation analysis indicates the strength and significance of the bivariate relationships among variables on the interval scale for specific way. For this analysis, there could be a result of perfect correlation between two variables, which is presented by +1.0, or there is also a perfect negative correlation, which is presented by -1.0. Therefore, while the correlation level would range between -1.0 and +1.0, we need to know whether the two variables are significantly correlated.

The level of significance $p < 0.05$ and $p < 0.01$ is used to ascertain the correlation. This indication shows that 95 or 99 times out of 100 percent of the relationships among variables can be defined as true or having significant correlation and there is only 5 percent or 1 percent chance that the relationship does not exist. The value of strength of relationship (r) between variables also plays an important role in determining levels of relationship among variables. However, before proceeding with correlation analysis, there are four assumptions which have been evaluated. The assumptions underlying correlation analysis are related pair, scale of measurement, normality, linearity and homoscedasticity. Clearly, first and second assumptions are a matter of research design and not statistical analysis. Nevertheless, normality of data was analyzed before and it indicated that all variables are relatively normally distributed as presented in Appendix C. Refer to Appendix E(iii), all of the scatter plot indicated that the assumptions of linearity and homoscedasticity have not been violated. Hence, the correlation analysis could be continued because there is no violation of all assumptions.

Thus, this study applied Pearson Correlation to achieve the second research objective which is to examine the relationships between attitude, social influence, perceived behavioral control, religious obligation and religiosity with the intention to use Islamic personal financing. The computation of the Pearson correlation coefficients was performed to obtain an understanding of the relationships between all the variables in this study. Therefore, this study proposed five hypotheses as follows:

H₀2a: There is no relationship between attitude with the intention to use Islamic personal financing.

H₀2b: There is no relationship between social influence with the intention to use Islamic personal financing.

H₀2c: There is no relationship between perceived behavioral control with the intention to use Islamic personal financing.

H₀2d: There is no relationship between religious obligation with the intention to use Islamic personal financing.

H₀2e: There is no relationship between religiosity with the intention to use Islamic personal financing.

The values of the correlation coefficient (r) given in Table 4.9. Table 4.9 on the next page presents the correlations of the variables used in this study.

Table 4.9
Results of Pearson Correlation Analysis among Variables

Variables	Intention	Attitude	Social Influence	Perceived Behavioral Control	Religious Obligation	Religiosity
Attitude	.604**					
Social Influence	.405**	.435**				
Perceived Behavioral Control	.724**	.611**	.486**			
Religious Obligation	.600**	.637**	.553**	.625**		
Religiosity	.482**	.486**	.164**	.394**	.433**	

Note: Correlation is significant at: ** $p < 0.01$

(Please refer Appendix E(iii) for details output)

The results in Table 4.9 indicate that all the variables are significant and positively correlated with the intention to use Islamic personal financing at the confidence level of 99% ($\rho < 0.01$). This means that the stronger the attitude, social influence, perceived behavioral control, religious obligation and religiosity, the greater the intention to use of Islamic personal financing.

For this first hypothesis two (H2a), the strength of association between intention to use Islamic personal financing and attitude is moderate (0.604). Furthermore, the relationship between intention to use and social influence is considered quite moderate (the strength of association is 0.405). However, there is a high strength of association (0.724) between intention to use Islamic personal financing and perceived behavioral control. Then, it is followed by the relationship between intention to use Islamic personal financing and religious obligation is moderate with the value of the strength of correlation is 0.600. The last hypothesis two is also considered moderate between intention to use Islamic personal financing and religiosity with the strength of association is 0.482.

Since the value of p is less than 0.01, thus the null hypothesis is rejected. Therefore, this study concludes that there are relationships between attitude, social influence, perceived behavioral control, religious obligation and religiosity with the intention to use Islamic personal financing.

4.7 Factors Affecting the Intention to Use Islamic Personal Financing

According to Coakes and Steed (2007), there are four main assumptions underpinning the use of regression. The first assumption needed in regression is the ratio of cases to independent variables. The number of cases needed should ideally have twenty times more cases than predictors and the minimum requirement is to have at least five times more cases than independent variables. According to this study, there are five of independent variables and the number of respondents is 308 staffs which indicate around 60 times more cases than independent variables. Hence, there is no violation of the first assumption.

The second assumption for regression is outliers. The situation whereby there are extreme cases that considerable impact on the regression solution and should be deleted or modified to reduce their influence. For the multivariate analysis technique, the outliers can be deleted using statistical methods such as Mahalanobis distance and graphical methods such as residual scatter plots. The Mahalanobis distances can help in indicating outliers in the data. An examination of the Mahalanobis distance values (refer Appendix E(iv)) indicated that there are no multivariate outliers among the independent variables.

The third assumption in regression is multicollinearity. Multicollinearity refers to high correlations among the independent variables. Multicollinearity is a matter of degree, not a matter of presence or absence where the higher the degree of multicollinearity the greater the likelihood of the disturbing consequences of multicollinearity. According to Hair *et al.* (2006), the most common measures for assessing multicollinearity are tolerance and variance inflation factor (VIF). According to Hair *et al.* (1998), multicollinearity test is aimed to test whether the regression model; there is a correlation among independent variables by analyzing the following:

1. If there is a low level correlation among independent variables (usually less than 0.90) it suspected that there is no multicollinearity.
2. If the value of tolerance is greater than 0.1, and the value of variance inflation factor is lower than 5 ($VIF < 5$), it means that this variable may not produce multicollinearity problems.

Refer to table Coefficients in Appendix E(iv), the values of tolerance indicated that the independent variables could not produce multicollinearity problems since the result of variance in the range between 0.439 to 0.714. It also indicated that the values of VIF for all variables ranging from 1.401 to 2.280. Since all of the tolerance values are greater than 0.1, and the VIF values are lower than 5, it can be concluded that all the variables do not indicate a problem with multicollinearity.

Last assumption in regression is linearity, normality and homoscedasticity. The linearity is easily examined through the scatterplot of residuals against predicted values. Based on the scatterplot in Appendix E(iv), we can see that there is no clear

relationship between the residuals and the predicted values, consistent with the assumption of linearity. The normal plot of regression standardized residuals for the dependent variable also indicated a relatively normal distribution.

Furthermore, the test for homoscedasticity that deals with the equality of the variance at all value for dependant and independent variables. From the scatter plot in Appendix E(iv), the shape of the cluster can be considered even from one end to the other. Thus, there is no violation of the homoscedasticity assumption.

From the above discussion, it has been proven that all the assumptions were not violated in this study. Hence, the multiple linear regression analysis could be used to examine the influence of attitude, social influence, perceived behavioral control, religious obligation and religiosity on the intention to use Islamic personal financing in order to answer the third research question. To identify the influence of the factors that consists of attitude, social influence, perceived behavioral control, religious obligation and religiosity on the intention to use of Islamic personal financing, the third null hypothesis was formulated and all the variables retain after testing the reliability as follows:

H₀3: Attitude, social influence, perceived behavioral control, religious obligation and religiosity have no significant influence on the intention to use Islamic personal financing.

Table 4.10 on the next page presents the results of multiple regression analysis used to evaluate the strength of the proposed relationship.

Table 4.10
Results of Multiple Regression Analysis

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.138	.232		-.595	.552
Attitude	.166	.055	.148	3.000	.003
Social Influence	.002	.039	.002	.051	.959
Perceived Behavioral Control	.521	.049	.513	10.691	.000
Religious Obligation	.129	.051	.132	2.546	.011
Religiosity	.223	.054	.168	4.135	.000

Dependent Variable = Intention to use Islamic personal financing
 F-value = 110.125
 Significant value = 0.000
 $R^2 = 0.646$

(Please refer Appendix E(iv) for details output)

As per the results above, it is evident that attitude has a significant influence on the intention to use Islamic personal financing ($B = 0.166$, sig. = 0.003). It means that one unit increase in attitude will positively increase 0.166 unit of intention to use. Nevertheless, social influence did not prove to be a significant predictor on the intention to use as indicated by the path model ($B = 0.002$, sig. = 0.959). It means that one unit decrease in social influence will decrease 0.003 unit of intention to use. The results of the multiple linear regression further indicate that perceived behavioral control has a significant influence on the intention to use Islamic personal financing ($B = 0.521$, sig. = 0.000). It means that one unit increase in perceived behavioral control will positively increase 0.517 unit of intention to use Islamic personal financing. Moreover, the results also indicate that religious obligation also has a significant influence on the intention to use Islamic personal financing ($B = 0.129$, sig. = 0.011), which means that one unit increase in religious obligation will positively increase 0.129 unit of intention to use Islamic personal financing.

Religiosity also proved to be a predictor of intention to use ($B = 0.223$, $\text{sig.} = 0.000$), which means that one unit increase in religiosity will positively increase 0.223 unit of intention to use.

With respect to the overall model, the R square (R^2) is 0.646 indicating that 64.6% of the variance in the intention to use Islamic personal financing among UUM staffs could be explained by the five independent variables.

The following equation represents of the multiple linear regression analysis based on the formula for Multiple Linear Regressions in the Chapter 3:

$$y = -0.138 + 0.166(X_1) - 0.002(X_2) + 0.521(X_3) + 0.129(X_4) + 0.223(X_5)$$

CHAPTER 5

DISCUSSION AND RECOMMENDATIONS

5.1 Introduction

This chapter discusses further on the output of this study to answer the research questions. It begins with the discussion of the findings. Then, this chapter presents the contribution of the study. Finally, several limitations and recommendations for future research have also been suggested.

5.2 Discussion of the Findings

The results of this study indicate that there is no significant difference between gender towards the intention to use Islamic personal financing. Nevertheless, there are significant differences between age, education level, position in UUM, monthly income level and working period towards the intention to use Islamic personal financing. Thus, these findings answered the first research question whether there are any differences between demographic factors (gender, age, education level, position in UUM, monthly income level and working period) towards the intention to use Islamic personal financing.

Moreover, the results also indicate that all the variables are significant and positively correlated with the intention to use Islamic personal financing at the confidence level of 99%. This means that the stronger the attitude, social influence, perceived

behavioral control, religious obligation and religiosity, the greater the use of Islamic personal financing.

There is a high strength of association (0.724) between intention to use Islamic personal financing and perceived behavioral control. Then, it is followed by the moderate relationship between intention to use with attitude and religious obligation by the values of the strength of association is 0.604 and 0.600 respectively. Furthermore, the relationship between intention to use Islamic personal financing with religiosity and social influence are considered quite moderate by the values of the strength of association is 0.482 and 0.405 respectively. Hence, these findings answered the second research question.

Furthermore, this study depicted that four constructs, attitude, perceived behavioral control, religious obligation and religiosity have significant influence on the intention to use Islamic personal financing. Perceived behavioral control proved to be a strong predictor of intention to use Islamic personal financing, then, it is followed by religiosity, attitude and religious obligation. However, social influence has no significant influence on the intention to use Islamic personal financing. Finally, the result has shown that the independent variables explain 64.6% of the variance in the intention to use Islamic personal financing. Consequently, the third research question is answered.

This study confirmed that perceived behavioral control is the main predictor in influencing consumer intention in undertaking the Islamic personal financing. It means that the key important factor of UUM staff's intention to take the Islamic personal financing is due to their ability, knowledge and resources. In other words,

they have the necessary resources such as time and money, capability such as ability, knowledge and self-efficacy in successfully performing the Islamic personal financing. This finding is consistent with previous studies (Alam *et al.*, 2012; Alam & Sayuti, 2011; Siang & Weng, 2011; Md-Nor & Pearson, 2008 and Gopi & Ramayah, 2007).

This study has revealed that religiosity is the second factor influencing intention to use Islamic personal financing among the employees of UUM. This result shows that workers of UUM who are more religious tend to choose Islamic personal financing. This finding is in line with the findings of Mukhtar and Butt (2011), Taib *et al.* (2008) and Alam *et al.* (2012). Overall, all previous studies supported that people who have held certain values of religion are able to influence their actions and decisions. Some of the studies agreed that religiosity plays a significant role towards individual's choices but not as a main factor.

This study also confirmed that attitude has a significant effect on the intention to use Islamic personal financing because those with high positive attitude appeared to have great intentions to undertake the Islamic personal financing facility. This finding supports the past studies in the context of Islamic banking research (Alam *et al.*, 2012; Amin *et al.*, 2011 and Taib *et al.*, 2008).

Beside religiosity, this study also proved that religious obligation has an important role in affecting the intention to use Islamic personal financing. The finding is similar to the studies done earlier (Yusoff *et al.*, 2013 and Amin, 2012) which focused directly in examining the relationship of religious obligation with the intention to

undertake Islamic banking products. It means that the greater adherence to *Shari'ah* principle, the more favorable intention is formed in engaging Islamic personal financing among UUM staffs.

However, this study found insignificant result regarding the social influence. There is no direct and significant influence with the intention to use Islamic personal financing. This result is somehow not consistent with the assertions by Abbasi *et al.* (2011), Laohapensang (2009), Lada *et al.* (2009) and Wen (2008). The possible reason on this matter is that, the employees of UUM have more knowledge about the Islamic personal financing. Therefore, they make decision based on their own experience and knowledge, considering little about others' opinion.

In conclusion from all of the results, the more positive the attitude, perceived behavioral control, religious obligation and religiosity, the more likely that Islamic personal financing is utilized by bank customers. However, the greater the social influence, the more likely that Islamic personal financing will not be utilized by bank customers.

5.3 Contributions of the Study

The findings of this study have the managerial contribution to bank's managers and theoretical contribution to prospective researchers. This study highlighted the religious value as a motivating factor in utilizing Islamic banking product. This is important because it is shown that religious obligation and religiosity are considered the main factors of selection then the industry should concentrate more on these elements in order to retain Malay customers. Nevertheless, other criteria such as attitude and perceived behavioral control also contribute significantly towards the consumers' intention. Therefore, the Islamic banking industry must provide services that are at par with the conventional banking industry in the form of competition. This is because the selection of the Muslim customers towards Islamic banking products are not merely religious valued. Other than that, this religious value affects the use of Islamic personal financing for religious person and their compliance towards *Shari'ah* products.

As the findings imply, the Islamic banks need to work on improving bank customers' attitudes, which may vary and need to be observed over time. To counter this, the Islamic banks may be able to improve the customers' attitudes through the promotion of equity and justice in the practice of Islamic financing transactions. This could be done by the dissemination of the "fair bank customer treatment policy" through cogent brochures and pamphlets. This policy is able to instill one's positive attitude on Islamic personal financing use. Attitude plays as a key factor for the use of Islamic personal financing for Islamic banks.

In terms of social influence, the banks may build-up an Islamic banking customer database in order to identify the existing customers who are using Islamic personal financing, support them orally and formally to encourage them to persuade their friends, relatives and other people to use Islamic personal financing in the future. Relatively, social influence is a significant driver for Islamic bank's personal financing use, which implies the bank needs to work on the recommendation rigorously.

The results of this study provide the following key inputs to an Islamic bank for better planning of Islamic personal financing facilities. Managers of Islamic banks are encouraged to give greater emphasis on creating awareness amongst customers about Islamic personal financing products. It includes telling people about, what products they offer, what they have achieved so far and why and how their products will be of advantage to them. In light of this, the information available should be sufficient and understandable for the benefit of the customers' financial knowledge. In fact, if a customer can clearly understand the information provided by the bank, it increases his knowledge about it and he may also recommend others to go for the same. This social interaction helps the bank's marketing strategy.

On the other hand, the managers may opt to adopt a different marketing strategy for different types of consumers. Different approaches for a different customer can be adopted based on age, education level, income level, working period and others. Consequently, the findings suggest that Islamic banks need to tailor and structure their Islamic financing facility by taking into consideration their customers' age, education level, position in the UUM, monthly income level and working period. Some Muslims

go for Islamic personal financing owing to the fact that the products are in consonance with the Islamic teachings. Elements such as interest charges, uncertainties and falsification of data are uncommon in the Islamic religion.

Overall, this study ascertained the determinants of the intention to use Islamic personal financing among their customers. The study has also contributed to the existing knowledge related to Islamic banking theory and practice. It is hoped that more similar research can be conducted on the use of this important and emerging Islamic financial product.

5.4 Limitations and Recommendations for Future Research

Notwithstanding, this study provides significant contributions to the literature, it has also two main limitations, which provide support for future studies.

Firstly, the sample in this study involved specific user group in specific locations which is the employees of UUM. Thus, the findings of this study could not be generalized to other user groups in other geographical areas. Consequently, future studies are suggested to include Islamic personal financing usage intention from diverse view by adding more sample from other categories of consumers from different parts of the country.

Secondly, the determinants used in this study are limited. For this reason, future studies could apply more set of predictors, not only religious value factors, but also other potential factors. These other factors must be appropriate and meet the concept of Islamic personal financing. For instance, riskiness, rewards, Islamic banks' performance, the substitution effect between Islamic and non-Islamic financial products and the experience of Islamic personal financing bank customers may also be investigated. Importantly, these determinants are expected to prepare a better explanation for the intention Islamic personal financing usage. Notwithstanding these limitations, the study provides a key benefit to Islamic banks. For instance, Islamic banks today are in the race to innovate as many banking products as possible to remain competitive and profitable.

Based on the above, the findings of the study can lead to some empirical implication in the field of Islamic banking. The current study has served in providing new insight and expanded understanding of consumers' perspective on Islamic products especially in the era of market liberalization whereby Malaysia is deemed as a hub of Islamic banking market liberalization nowadays.

5.5 Conclusion

As expected, based on the findings, it is appeared that the TPB model acts as an effective component in predicting intention of using Islamic personal financing among Muslim employees in UUM. Similarly, the religiosity level of the customers also plays a significant role towards influencing their intention. This justifies the hypothesis which states that the stronger the customer's religiosity, the greater is the intention to use Islamic home financing.

As the aspiration of the Government is to develop Malaysia as Asia's Islamic financial hub, the relevant authority in banking sectors have to encourage the undertaking of Islamic banking products to be at par with the conventional one. Similarly, for personal financing facilities, the Government should assist first time buyers through its policies to encourage the public to choose the Islamic personal financing.

In tandem, the Islamic banking institutions also need to offer their support to stimulate the market by providing a comprehensive, better quality of products and services to the customers. This is important as customers, particularly, in urban areas will prefer banking institutions which offer better quality of products and services. In addition, the target to transform Malaysia to become high income nation status by 2020 needs a significant support from all parties, particularly, the Islamic banking institutions and finance sectors. Fortunately, the existing Islamic personal financing is receiving positive response among the public. This is due to the emerging of more attractive *Shari'ah* contracts for personal financing offered by the Islamic banking institutions.

This finding also gives an indicator and guidance for Islamic banking institutions in developing strategies to attract more Muslims to undertake Islamic personal financing. In addition, this study has created some level of awareness on the existence of Islamic personal financing in the market. Hence, this could improve the perceptions of the Muslims with regards to Islamic personal financing.

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