

Factors Influencing Customers' Acceptance Towards Diminishing Partnership Home Financing: A Study of Pakistan

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Abstract

The purpose of this study is to identify the determinants that influence customers' intention towards the use of diminishing partnership home financing offered in Pakistan using the theory of planned behaviour. Total of 306 respondents who are the staff of 3 Universities and are potential users of Diminishing Partnership (DP) home financing were selected for analysis from two cities of the Sindh province, including, capital city Karachi and Hyderabad located in South of Pakistan. The findings suggest that customers' attitude, social influence their awareness level and above all self-efficacy are instrumental to their intention to use DP home financing. For the current study, customers had a positive attitude towards Islamic mortgage and it reflects that customers of Islamic banks are optimistic about the products available to them in Pakistan. The first limitation of this research work is that it is confined to only two cities, which are Karachi and Hyderabad

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respectively. Secondly, this work is limited empirically in terms of identifying the factors that might help to fully understand the customers' intention. This work adds awareness construct and substitute perceived behavioural control. To the best of authors' knowledge, perceived behavioural control was not substituted with self-efficacy using TPB model in the Islamic mortgage context.

Keywords: Diminishing Partnership, Home financing, Pakistan

JEL Classification: M00, M30, M31

KAUJIE Classification: LO, K3, I46

1. Introduction

Housing needs are an integral part of one's ultimate desire. Approximately, 1.2 billion people in the world today live in a rented house (Gilbert, 2016). Looking in a broad perspective there are a variety of products available in the market, offered by either conventional banks or their rivalry Islamic banks in the dual banking economies around the world. The Islamic home financing products are interest-free.

The Accounting and Auditing Organisation for Islamic Financial Institutions (AAIOFI) standards, define Diminishing partnership as "the partnership in which one partner agrees to other that he will undertake the shares of the party/parties in instalment/s periods to ensure that project is the subject matter of the partnership and it is transferred to the party that demands the financing" (Odabaş & Aktepe, 2012). Given the fact that Pakistan has one of the worst housing market in the world and it is less than 1 percent of GDP, (Ziauddin, 2016). Furthermore, the Government of Pakistan and the central bank of the country are putting combined efforts in order to allocate a handsome share of housing. In this feat mortgage refinance company was formed in 2015 with the assistance of the World Bank (SBP, 2015c). In Pakistan there is a dual banking system alike Malaysia, the UAE and other GCC countries around the globe. In Pakistan conventional banking system remains popular than the Islamic banking system (Sayyid, 2003; Butt *et al.*, 2011).

Housing finance is one of the determinants to be considered when judging the economic health of a country at both macro and micro level. Having a well-functioning housing finance system will gear households towards saving and creates a fruitful economic atmosphere wherein investors have opportunities to gain stable, long-term returns (MBL, 2004). Besides, it guarantees massive numbers of jobs in ancillary and construction industries for both unskilled and skilled workers and thus creating opportunities for potential investors to invest in the housing industry, which in return will help in the augmentation of economic growth of the country (SBP, 2015b). The country's housing market is a main indicator of the economic growth

but regrettably, this important segment of development was overlooked in Pakistan leading to a backlog of 9 million housing units in the country (SBP, 2015a).

To the author's wonder, mainly in the context of Pakistan, the large chunk of the mortgage industry is still in the hands of conventional banks (SBP, 2015b). Having a thorough look at the housing market conditions in the context of Pakistan it deems necessary to consider the factors that are responsible to attract more consumers to engage themselves in Islamic mortgage activity.

Taking note of prevailing market situation, the present study aims to identify the determinants that influence customer's intention to use DP home financing products in Pakistan. The previous studies including (Abduh & Razak, 2011; Amin, 2008; Amin *et al.*, 2014c; Ayesha & Omar, 2011; Hamid *et al.*, 2011, Usman & Mohd, 2016, Amin *et al.*, 2013, Amin *et al.*, 2014b, Amin *et al.*, 2014a, Amin *et al.*, 2016; Amin *et al.*, 2009; Amin *et al.*, 2017; Mohammed & Mehmet, 2012; Taib *et al.*, 2008; Razak & Taib, 2011) contribute to the factors of customer's intention to use Islamic home financing but there is no research that used awareness and self-efficacy construct to explain the relationship between the aforementioned constructs with intention to use DP home financing. Therefore, this study will incorporate these construct in the context of Islamic home financing and modify the framework using the theory of planned behaviour (TPB).

This research will further investigate the factors, namely, awareness, self-efficacy, attitude and social norm for DP home financing acceptance in Pakistan and push forward the frontiers of literature to fill in the existing gap. Many researchers have conducted a study of customer's intention towards Islamic home financing but the construct of awareness and self-efficacy are yet to be tested. Therefore, this research paper will be beneficial for the practitioners, managers, and academicians as a reference point and will help to enhance the current facility offered for Islamic home financing in Pakistan. Further, the remaining paper consists of different sections. Section 2 contains the literature review, section 3 discuss the theory of planned behaviour and hypothesis development followed by section 4, which is model development and methods used. Section 5 presents findings, followed by section 6 the discussion and conclusions.

2. Literature Review

2.1. Studies on Islamic Home Financing

A considerable body of research work has been conducted to investigate Islamic home financing from different contexts. From legal perspective, the light is shed on

the issues related to the bank ignorance to give rebate to the customers which, led to accusing Islamic finance of being abusive and expensive, consequently, the spirit and intent of justice of Islamic finance under the Sharī'ah law were open to question (Abu-Backer, 2002; Yasin, 1997). Within the context of consumers' behaviour, mounting interest to examine Islamic home financing is noted following a sequence of studies, (Alam *et al.*, 2012; Amin *et al.*, 2014b; Amin *et al.*, 2014a; Amin *et al.*, 2014c). These studies have collectively brought to the fore the importance of the customers as the main stakeholder of Islamic home finance products. They unanimously discover that consumer behaviour is a key element to ensure the compatibility of the Islamic mortgage products with customers' needs.

Alam *et al.* (2012) examine how religiosity influences customer's intentions towards undertaking Islamic home finance in Klang Valley, Malaysia. Based on the TPB constructs, their findings suggest that attitude, perceived behavioural control, subjective norms and religiosity are important predictors to the intention of consumers. To examine the customer's acceptance of Islamic home finance profoundly, Amin *et al.* (2013) use an integrative approach, which combines both the innovation diffusion theory (IDT) with TPB. Amin *et al.* (2014), parallel to Alam *et al.* (2012), underpin their investigation of customers acceptance of Islamic home financing on TPB. Using ordered probit model, they found that attitude, subjective norms, perceived behavioural control along with Islamicity of products are advantageous determinants of consumers acceptance. Above all these factors, Islamicity of products lends itself to be the strongest in affecting consumers acknowledgment of Islamic home financing products. Extending the same theory, TPB, Amin, *et al.* (2014) seek to understand how willing the stakeholders are to become a partner in the arrangement of *Mushārahah Mutanāqishah* home financing. By drawing up their results from structural equation modelling (SEM) and TPB constructs (subjective norms, perceived behavioural control and attitude), a significant relation to customer's willingness is arrived at; and from the same findings attitude stands out as the strongest determinant factor.

Amin *et al.* (2014b) go beyond the previous studies and put forward a theory of Islamic consumer behaviour (TiCB) to predict factors affecting Islamic mortgage preference among consumers. They differ from (Amin *et al.*, 2014a) and (Amin *et al.*, 2014c) in that they use an Islamic framework rooted in objectives of Sharī'ah coupled with religious satisfaction. Their findings revealed that both education and religious satisfaction are pivotal to determine Islamic home financing preference. It is worthy to add that TiCB is at infancy stage due to the lack of empirical underpinnings to justify its contribution.

Amin *et al.* (2017), on the same note, investigate consumer's attitude towards Islamic mortgage by examining the service quality effects, Islamic debt policy, and product choice, which have not been explored in precedent studies. Distinguishably, consumers' attitude is introduced as a mediating factor for the relationship between service quality, product choice, Islamic debt policy, and consumer's preference. The results of this study indicated a significant influence of the aforementioned variables on the customer's preference, additionally; consumers' attitude mediated the effects of the examined factors on the Islamic mortgage preference.

Aligning the findings of the previous studies discussed earlier with each other shows a convergence as well as a divergence in many aspects. To begin with the former, the common denominator is that the findings of the previous studies have empirically asserted the significance of TPB constructs particularly attitude and subjective norms, in predicting the intention of Islamic home finance target customers. However, the previous literature varies in adding different variables which have not been attested before then examining its significance in determining consumer's intention. With this in mind, the uniqueness of this study lies in involving two predicting variables (self-efficacy and awareness level) in the context of Islamic home financing, which is obviously lacking in the formerly visited literature.

3. Theory of Planned Behaviour and Hypotheses Development

3.1 Theory of Planned Behaviour

In an endeavour to identify the determinants of the likelihood of performing a specific behaviour, Fishbein and Ajzen (1977) developed the theory of planned behaviour (TPB) by extending the theory of reasoned action (TRA). TPB and TRA models consider the predictors for behavioural intention and actual behaviour, while the behavioural intention is predicted by social normative perceptions and attitude towards the behaviour (Glanz *et al.*, 2008). In addition to the two constructs of TRA, i.e. attitude, and subjective norms, Fishbein and Ajzen (1977) introduced the third determinant of behavioural intention known as the perceived behavioural control (PBC).

An attitude toward a behaviour is conceptualized by Ajzen (1991) as for whether the individual performs that behaviour positively or negatively, whereas subjective norms pertain to the individual's perception of what is significant to others who are potential to think about the behaviour (e.g. family or friends).

The perceived behavioural control according to Ajzen (1991), is the extent to which the individual considers that he gets hold of the resources and opportunities desirable to engage in the behaviour. According to (Armitage & Conner, 2001; Kraft *et al.*, 2005), PBC has come under criticism therefore, it was replaced with self-efficacy variable. Kraft *et al.* (2005) explained, self-efficacy indicates the emotional reaction besides the physical power thus its ability to explain the intention to behave is higher than PBC.

The two constructs of TPB aforementioned (attitude and social influence) coupled with self-efficacy and awareness serve as the theoretical grounding upon which the hypotheses for this study is based. A brief account of each is given in the following sections.

4. Development of Hypotheses

4.1. Awareness

Hall (1977), describes awareness as an individual expression of little concern or involvement with the product or service. Individual's level of awareness is found to be an influential factor, (Tyagi & Kumar, 2004; Mohammed & Ortmann, 2005), by which the potential decision of the consumer to whether or not he is willing to buy a product. The state of knowledge possessed by the consumers, Yuan and Jang (2008) points out, is denoted by how aware they are. In other words, they add, the more the consumer exposed to the product, the higher the possibility that his inclination to the product in the future will increase. Previous studies' findings report a direct relationship between awareness and behavioural intention (Dinev & Hu, 2009, Yuan & Jang, 2008, Mohammed & Ortmann, 2005).

In light of this, it is anticipated that the customer's awareness could have an effect on Islamic mortgage. Thus, the following hypothesis is then proposed:

H1. There is a positive relationship between awareness and customers' intention to use of DP, Islamic home financing.

4.2. Self-efficacy

Self-efficacy is related to an individual's judgments of his skills and capabilities to perform the behaviour (Bandura, 1977). It is reflected in the way an individual perceives his performance to a particular behaviour. In other words, Ajzen (1991) added, an individual's confidence in doing a specific task has a significant bearing

on behaviour. The central idea of self-efficacy according to Barling and Beattie (1983) is that the foundation of the people's action is the personal beliefs they have in themselves. Hence, self-efficacy has a pivotal role in influencing their decisions about what behaviour to undertake and how much efforts to be put in attempting those behaviours. As an external factor, Md Husin and Ab Rahman (2016) find an indirect relationship between self-efficacy and consumers' willingness to participate in a takaful scheme offered in Malaysia. Given the deficient disproportion of literature on the role of the self-efficacy in influencing consumers' behavioural intention toward Islamic mortgage, this study introduces self-efficacy as a predictor of customers' intention. Consequently, the following hypothesis is proposed:

H2. There is a positive relationship between self-efficacy and customers' intention to use of DP, Islamic home financing.

4.3. Attitude

Ajzen (1991), defines attitude as a psychological inclination that is articulated in the course of a favourable or an unfavourable evaluation of an entity. By and large, the more favourable this tendency towards a particular behaviour, the higher is the likelihood that the person will want to engage in that behaviour. Scanning through previous studies which employ TPB and DTPB model in the context of Islamic financial products reveal that attitude is at the heart of predicting individuals' intention (Md Husin & Ab Rahman, 2016; Amin *et al.*, 2014a; Amin *et al.*, 2011; Alam *et al.*, 2012; Echchabi & Aziz, 2012). Accordingly, it is hypothesised that:

H3. There is a positive relationship between attitude and customers' intention use of DP, Islamic home financing.

4.4. Social Influence

Ajzen (1991), gives a definition of social influence as the perceived social pressures borne by an individual and direct him to either perform or not to perform the behaviour. It implies that people do have expectations on how significant their engagement in a particular behaviour is thought of by the others. Several studies provide evidence of this construct (Amin *et al.*, 2014a; Amin & Chong, 2011; Olaniyi & Echchabi, 2012; Gopi & Ramayah, 2007; Hansen *et al.*, 2004). It is interesting to add that mixed results are arrived at in the domain of IT acceptance, Chau and Hu (2001) report no direct relationship between subjective norm and intention to use IT products, whereas Teo and Pok (2003) have their hypothesis of the significant relationship between subjective norm and behavioural intention

supported. In line with the above-mentioned results, the following hypothesis is proposed:

H4. There is a positive relationship between social influence and customers' intention to use of DP, Islamic home financing.

5. Proposed Research Model

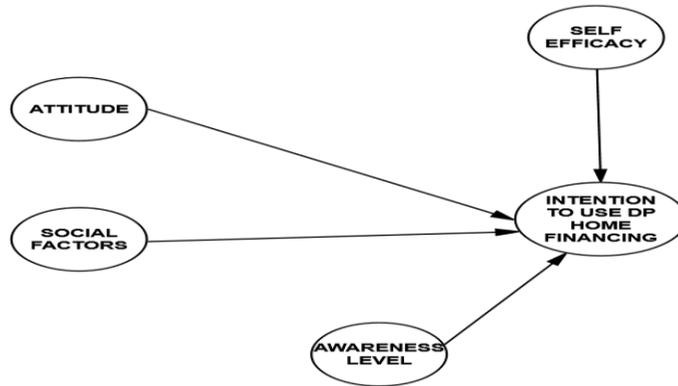
5.1. Proposed Model

This study developed the model which is derived from Ajzen (1991) for TPB. The model for current study is modified and perceived behavioural control (PBC), originally used in TPB, is substituted with self-efficacy proposed by Bandura (1977), who asserts that prospects related to the feeling of performance, motivation, as well as frustration, are likely associated with the repeated failures and they are essential to the effect as well as behavioural reactions. The model of TPB has been previously tested in the context of Islamic mortgage by Amin *et al.* (2014a), which used subjective norms, Islamicity of product, perceived behavioural control and attitude as predictors for Islamic home financing adoption. Earlier work used TPB model to understand the behaviour in the marketing, management and psychology studies (Amin *et al.*, 2011). In this study, along with using attitude, social influence and a new construct, consumer awareness are added in the context of DP Islamic home financing. Furthermore, likewise (Armitage & Conner, 2001, Kraft *et al.*, 2005) the variable PBC is substituted with the self-efficacy in the current study.

Furthermore, in the context of the current study, the construct subjective norm is renamed as a social influence (Amin *et al.*, 2011). In addition, the variable consumer awareness has yet to be tested in the context of Islamic mortgage using TPB specifically in the setting of Pakistan. This study is more focused towards predicting customer's intention, social influence and excludes "actual behaviour", the similar approach by Amin *et al.* (2014a) is adopted for this study model. The figure 1 below depicts the proposed conceptual model used in this study.

For the purpose of analysis of the above relationship shown in Fig.1 structural equation modelling (SEM), AMOS 21.0 software was used to identify which constructs are the predictors of the Pakistani customer's intention to use DP, Islamic home financing. Moreover, for the sake of reliability analysis and other descriptive statistics SPSS 20.0 software was used.

Fig-1: The Conceptual Model



6. Research Method

6.1. Sample Size

The online survey was conducted and a total of 2143 university staff members were sent an invitation to participate in an online survey. All the staff members of Mehran University of Engineering and Technology, University of Sindh and Bahria University were invited to participate via an online survey using their official e-mails. It was mentioned in the survey that if they are interested to participate in a survey and are currently using or wish to apply for DP, Islamic home financing. At universities, all the professional and nonprofessional groups are available based on age, position, and grade (Amin *et al.*, 2017).

The total of 306 responses were recorded and used in the analysis of this study. This response is deemed sufficient based on the recommendation by Comrey and Lee (1992). Census sampling is used in the current study as the entire population is considered. Amin *et al.* (2013), argue that it is not possible to estimate how many respondents are potential users of the DP, Islamic home financing. Therefore, by using the census the data is gathered from every member of the population.

6.2. Research Instrument

For the purpose of data collection, an online questionnaire was administered using the Google forms, which is a feature by Google. It is deemed very useful for survey involving large population but it is normally accepted that online survey is

slow to respond (Dommeyer* *et al.*, 2004). In Google forms, the section one was set to gather the demographics of the respondents, such as age, gender, education, and profession. In section two, the responses were drawn for measurement of independent variables; attitude, social influence, self-efficacy, awareness level and dependent variable; customers' intention towards DP, Islamic home financing based on the Likert scale ranging from 1-Strongly disagree to 5-Strongly agree. The new variable is added to the TPB with the notion that it might enhance the predictive capabilities of the theory in certain circumstances (Conner & Armitage, 1998).

Further, the current study adopted measures from previous research and adapted for the use in the present study:

- Attitude was adopted from (Taib et al., 2008);
- Social influence (Gopi and Ramayah, 2007);
- Self-efficacy (Khalil, 2005);
- Awareness level (Hall, 1977);
- Intention to use DP, Islamic home financing (Amin *et al.*, 2011)

Three experts were consulted for the measurement items to be used in the online questionnaire and 40 questionnaires were sent via e-mail to selected lecturers of the aforesaid 3 universities for the purpose of the pilot study. All the queries and comments were looked into and some modifications in terms of language and length of the questionnaire were considered. There were 22 observed endogenous variables, which were analysed and four constructs were latent, which includes attitude, social influence, awareness level and self-efficacy, which are unobserved exogenous variables and customer's intention to use DP an unobserved endogenous variable.

7. Results

Table-1 depicts the demographic profile of the respondents. The percentage and the frequency are listed based on the questionnaire set. The percentage of an individual variable along with the frequency is exhibited in the sequence as in questionnaire. The demographics, which include gender, age, education level and occupation, were placed in the part A of the questionnaire. It was depicted from the findings that 198 (65%) of the respondents were Male and rest of 108 (35%) were Female.

**Table-1:
Frequency Statistics**

Demographic information		Pakistan	
		Frequency	Percentage
Gender	Male	198	65.0
	Female	108	35.0
Age	20-40	201	66.0
	41 and above	105	34.0
Education	Advance Diploma	8	3.0
	Master Degree	112	37.0
	Ph.D. Degree	186	60.0
Occupation	Full-Time	272	89.0
	Part-Time	34	11.0

Source: Primary data

Most of the respondents are middle age group between 20-40 comprising (66%) of the total respondents. The total of 186 (60%) of the respondents have a Ph.D. degree, while 112 (37%) were Master degree holder and the rest (3%) are an advance-diploma. holder 168(42%). Similarly, with regard to occupation 272 (89%) of the respondents are a full-time employee of the various universities and only (11%) of the total were part-time academic staff.

In Table-2 above, it is reported that the Kaiser-Meyer-Olkin (KMO) index is 0.944 with significant ($\rho=.000$) Bartlett's Test. It can, therefore, be concluded that the factor analysis is appropriate and finds that data is adequate. In this study, the structural equation modelling is of particular importance because this study is covariance-based. In addition, the covariance-based approach was used over component-based approach because in this study authors were interested to test predictive power as well as research fit (Mäntymäki et al., 2014).

**Table-2:
Factor Analysis**

	Attitude	Intention	Social Influence	Self-Efficacy	Awareness Level
ATT5	.765				
ATT4	.726				
ATT2	.723				
ATT3	.688				
ATT1	.666				
INT2		.774			
INT3		.766			
INT4		.744			
INT5		.691			
INT1		.591			
SI2			.853		
SI1			.802		
SI3			.752		
SI4			.669		
SE3				.758	
SE1				.740	
SE2				.720	
SE4				.710	
AL3					.743
AL2					.712
AL1					.700
AL4					.696
Kaiser-Meyer-Olkin Measure of Sampling Adequacy .944					
Bartlett's Test of Sphericity Approx χ^2 Chi-Square=4424.220					
Df = 231					
Sig.=.000					

Source: Primary data

Table-3:
Mean, Standard Deviation, Factor Loadings and Reliability Statistics

	Mean	Std. Deviation	Factor loading	Cronbach's alpha	Composite Reliability	AVE
SI1	3.9379	0.96805	0.821	0.895	0.908	0.844
SI2	3.9150	0.89037	0.844			
SI3	3.8203	0.93232	0.859			
SI4	4.0000	0.84543	0.790			
ATT1	3.9248	0.85559	0.702	0.889	0.895	0.793
ATT2	3.9314	0.87508	0.777			
ATT3	3.8562	0.85252	0.811			
ATT4	3.8922	0.84045	0.790			
ATT5	3.9281	0.85396	0.736			
SE1	3.9346	0.92096	0.795	0.850	0.854	0.771
SE2	3.9281	0.82267	0.786			
SE3	3.8660	0.84447	0.747			
SE4	3.8235	0.86550	0.720			
INT1	3.8627	0.95512	0.725	0.883	0.894	0.793
INT2	3.9608	0.83279	0.764			
INT3	4.0033	0.80774	0.781			
INT4	3.9412	0.83163	0.716			
INT5	3.9150	0.91578	0.786			
AL1	3.8922	0.81671	0.757	0.866	0.875	0.798
AL2	3.9216	0.84953	0.826			
AL3	3.8758	0.87456	0.798			
AL4	3.9314	0.87882	0.779			

Source: Primary data

Table-3 above reports the mean, standard deviation, factor loadings and reliability statistics. Using, SEM the correlation between the latent construct, squared multiple correlations and factor loading of the measuring item can be determined. The value of Cronbach's Alpha is above the threshold value of 0.70 for the measurement of internal consistency, which is achieved based on the recommendation of (Nunnaly & Bernstein, 1994). Thus, it shows there is a sufficient internal consistency and all

the constructs have good reliability. Thus, all the constructs used in this study are reliable. The convergent validity of the current study was scrutinized by calculated and examining the average variance extracted (AVE), indicator factor loadings and composite reliabilities.

Further, the convergent validity was confirmed as indicator factor loadings were ideally above the threshold value of 0.70, the AVEs were above 0.50 and CRs were above 0.75 (Hair *et al.*, 2010). The table 3 summarizes that all the constructs have high composite reliabilities and high (AVE) value exceeding 0.50 indicates good convergent validity.

The discriminant validity was examined by comparing the square root of average variance extracted (square of AVE) for each (diagonal) construct to all inter-factor correlations (below the value in bold). Almost all the factors demonstrated adequate discriminant validity as reported in (table-4) all the diagonal values (square root of AVE) are more than the correlations.

Table-4:
Reliability and Validity Testing of the Measurement Model

	CR	AVE	MSV	ASV	INT	SE	ATT	AL	SI
INT	0.894	0.629	0.536	0.498	0.793				
SE	0.854	0.594	0.563	0.478	0.730	0.771			
ATT	0.895	0.630	0.563	0.512	0.726	0.750	0.793		
AL	0.875	0.637	0.536	0.502	0.732	0.673	0.722	0.798	
SI	0.908	0.712	0.500	0.425	0.629	0.604	0.662	0.707	0.844

Source: Primary data

The above results confirm the convergent and discriminant validity. Therefore, we furnish that adequate reliability and construct validity have been achieved.

Table 5.0 reports the values for correlation for (self-efficacy, attitude, awareness level and social- Influence) constructs are lower than 0.85 as suggested by (Kline, 2011). Hence there is no strong correlation between the items and this implies that discriminant validity for the research model is achieved and there is no problem of multicollinearity among the items.

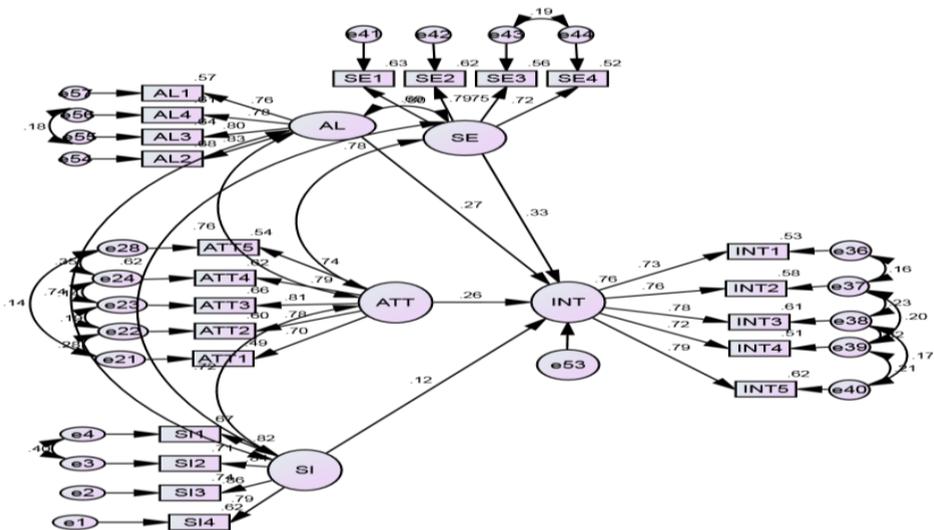
Table-5:
The Correlation Estimate for Each Pair of the Exogenous Construct

Latent construct	Estimate
ATT<-->SE	.782
SF<-->ATT	.720
SE<-->AL	.689
ATT<-->AL	.759
SI<-->AL	.737
SI<-->SE	.624

Source: Primary data

Figure-2 below depicts path diagram. According to the results, Squared Multiple Correlations (R^2) value is 0.76. It indicates the contribution of awareness level, attitude, self-efficacy and social influence and awareness explains 76 % variance of customer's intention towards the use of DP home financing. The test of the structural model includes estimating the path coefficients, which indicate the strengths of the relationship between the exogenous and endogenous variables.

Fig-2:
Path Model



According to the results, it is indicated that the acceptable goodness-of-fit model depicted in Table 6 and Table 7. The χ^2 is significant ($\chi^2=381.597$, $\chi^2/\text{degree of freedom}$ (χ^2/df) ratio 2.063, $\rho=0.000$ as sample size is large and large sample cause ρ to be significant (Hair et al., 2010). The value of GFI= 0.944, NFI=0.957 and CFI=0.977 meet the minimum threshold of 0.90.

Table-6:
Goodness-of-Fit Statistics for Modified and Initial Model

Variable	GFI	CFI	χ^2/df	RMSEA	Sig.
Measurement model	.935	.971	2.298	.048	.000
Structural model	.944	.977	2.063	.043	.000

Source: Primary data

Bentler (1990) and Hair *et al.* (2006) recommended that both NFI and CFI be the index of choice and were found reliable in signifying the hypothesised model with an adequate fit to the data. Meanwhile, the model had an RMSEA of 0.043 and this value is close to the threshold and consequently, an acceptable model fit is represented.

Table-7:
Model Fit

CMIN/DF	GFI	AGFI	CFI	RMSEA	PCLOSE	IFI	TLI	SRMR
2.298	.944	.923	.977	.043	.967	.977	.982	.0276

Source: Primary data

Table-8 indicates weights of regression among customer awareness, self-efficacy, attitude and social influence and customer's intention to use DP Islamic home financing. The result of customer's awareness indicates that the probability to get CR is as large as 4.023 in absolute value is lower than 0.001. To put it differently the weight of regression for awareness is significantly different at 0.001 (two-tailed) level from 0 in predicting consumer intention to use DP home financing. Moreover, for the prediction of consumer intention towards DP and consumers' awareness, it is further attested that when the level of consumer awareness increases by 1 then the consumer intention to use DP, home financing will augment by 0.259.

Furthermore, it is elucidated that there is a positive significant effect of awareness on customers' intention to use DP home financing. Interestingly, customers' find it important that if they have awareness about the DP home financing product it will be more likely for them to use Islamic mortgage. Thus, Hypothesis 1 is supported, which indicates that customer awareness influence intention to use DP, home financing.

**Table- 8:
Regression Weights for Hypotheses Testing**

Weights of Regression	B	S.E.	C.R.	P	Result
H1 INT <--- AL					
	0.259	0.064	4.023	***	Significant
H2 INT<--- SE					
	0.315	0.065	4.871	***	Significant
H3 INT<--- ATT					
	0.295	0.094	3.141	0.002**	Significant
H4 INT<--- SI					
	0.116	0.058	1.988	0.047*	Significant

Notes *** Significant at 0.001, ** Significant at 0.01, * Significant at $p < 0.05$

Source: Primary data

As for the self-efficacy, the probability to get CR is as large as 4.871 in absolute value is lower than 0.001. To put in simply, the weight of regression for self-efficacy is significantly different at 0.001 (two-tailed) level from 0 in predicting customer intention to use DP home financing. Besides, for the prediction of customer's intention towards DP and self-efficacy, it is further attested that when the level of customer's awareness increases by 1 then the customer's intention to use DP, home financing will enhance by 0.315.

Moreover, it is expounded that there is a positive significant effect of self-efficacy on customer's intention to use DP home financing. Surprisingly, the results achieve the objective of substituting perceived behavioural control for self-efficacy. It is obvious from the results in table 9, which indicates that among all the factors self-efficacy is the strongest, significant predictor for predicting customer's intention to use DP home financing. Thus hypothesis 2 is strongly supported. This opens a new chapter of discussion in the context of Islamic mortgage to consider self-efficacy as a strong predictor of perceived behavioural control. It also implies that Islamic bankers should live up to the customer's expectations for DP home

financing of being trustworthy regarding its compliance with Shari‘ah. To this end, the authors opine, Islamic banks products quality should be weighed against the level of confidence that the customers have in it in terms of the product image.

In the similar vein attitude, the probability to get a CR is as large as 3.141 in absolute value is lower than 0.002. To make it different, the weight of regression for attitude is significantly different at 0.01 (two-tailed) level from 0 in predicting customer’s intention to use DP home financing. Besides, for the prediction of customer’s intention towards DP and attitude, it is further confirmed that when attitude towards DP home financing increases by 1 then the customer’s intention to use DP will increase by 0.295. It can be explained that customers’ consider that using DP home financing is a beneficial, useful and good idea. Consequently, it signifies that attitude is a significant positive effect on intention to use DP home financing. Hence, it means that Hypothesis 3 is also supported.

Likewise, the social influence, the probability to get a CR is as large as 1.988 in absolute value is lower than 0.047 or it can be said that the weight of regression for social influence is significantly different at 0.05 (two-tailed) level from 0 in predicting consumers’ intention to use DP home financing. Further, for the prediction of customer’s intention towards DP and social influence, further confirms that when social influence towards DP home financing increases by 1 then the customer’s intention to use DP will increase by 0.116. Hence, therefore we conclude that Hypothesis 4 is also supported. This implies that customer who intends to use DP, home financing is likely to be influenced by their peers, family members, and acquaintances. Hence, hypotheses *H1*, *H2*, *H3*, and *H4* are supported.

**Table-9:
Summary of Hypothesis Testing**

Hypotheses	Results
H1: Awareness-Intention (+)	Supported
H2: Self-Efficacy–Intention (+)	Supported
H3: Attitude– Intention (+)	Supported
H4: Social influence– Intention (+)	Supported

Source: Primary data

8. Discussion and Conclusions

This study aims at determining the factors that influence customer’s intention to use Islamic home financing in Pakistan. Furthermore, findings reveal that among all the factors the most statistically significant factor is self-efficacy followed by

awareness, attitude, and social influence; as illustrated in table 9. It implies that policymakers and bank managers of the Islamic banks need to take customer's self-confidence and awareness level into consideration. This can be done by prior market survey and educate the potential customers about the features of the product. Prior to devising further Islamic mortgage products, the Islamic banks may need to gain the confidence of their current and potential customers. For the current study customers had a positive attitude towards Islamic mortgage and it reflects that customers of Islamic bank are optimistic about the product available to them in Pakistan.

On the same note, this study provides the theoretical framework that expounds the intention of the customer's towards Islamic home financing in Pakistan. In the current study new relationship is proposed between awareness and intention to use Islamic home financing. Interestingly, the relationship seems to influence the customers' intention towards Islamic home financing next to self-efficacy. This study breaks new ground in applying two new constructs namely self-efficacy and awareness in the framework sourced from TPB. In the earlier empirical work on Islamic home financing using TRA and TPB respectively (Amin, 2008, Amin *et al.*, 2014c, Usman and Mohd, 2016, Amin *et al.*, 2009, Taib *et al.*, 2008, Abduh and Abdul Razak, 2011) did not test such a significant variable of awareness and neither substitute perceived behavioural control to self-efficacy.

Hence this study validated the self-efficacy and awareness construct in the TPB model. Furthermore, the result implies that awareness, self-efficacy, attitude and social influence have direct relationship towards customers' intention to use Islamic mortgage. As seen in table 9 it is evident that all the aforementioned variables have positive relationships and all the hypotheses are supported. This demonstrates that the greater the variable the more is a possibility that Islamic bank customers will intend to use Islamic home financing product.

This study alike any research has limitations. Firstly, this research work is confined to only two cities which are Karachi and Hyderabad. Secondly, this work is limited empirically in terms of identifying the factors that might help to fully understand the differences that may exist. Lastly, this work is limited to only 3 universities, which are located in the south of Pakistan and capital of the Sindh. Further, work needs to be carried out in other cities in order to test the difference as a whole. The findings further explain that the improvements are required to support diminishing partnership home financing which, in turn, may help the policy makers and managers of Islamic banks to better understand the factors which may determine the intention of customers to use Islamic mortgage in Pakistan.

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