

CHAPTER 7

RECOMMENDATIONS & CONCLUDING REMARKS

7.1 Overview

This chapter presents the recommendation and concluding remarks, starting with discussions on summary of the research and interpretation of empirical results and recommendation in section two and three. Then, section four explains the implications and recommendations. Limitation and suggestions for future research are discussed in section five. Lastly, section six concludes this chapter.

7.2 Summary of the Research

The details of this study are introduced in chapter one as a framework to conduct the study. Next, the philosophical underpinning of Islamic banking was conducted in order to discuss briefly its evolution and performance, the framework of *Shariah* which related to IB, the general theories of Islamic banking, the availability of Islamic financing facilities, the development of EBF, empirical studies as well as its contribution of knowledge and this is presented in chapter two. Moving on, chapter three outlines the detailed of theoretical discussions and hypotheses development as the aims to present briefly on underpinning theories of intention (INT), meta-analysis, ATT-INT model in review which entails discussion on tri-component attitudes model, operationalization and additional impacts of ATT and INT and the mediating effects of ATT and INT. Chapter four outlines the detailed, step-by-step procedural examination of the methodology employed in obtaining the required information for

this empirical research. Meanwhile, Chapter five and six presents the results of the qualitative and quantitative data analysis by using Nvivo 12, Statistical Package for Social Science (SPSS) and SPSS Amos 24 software. The current chapter (chapter seven) explains the findings, the contributions, and some recommendations for future research. The next section provides the discussion of the findings.

7.3 Interpretation of Empirical Results and Recommendations

The exponential growth of Islamic banking often connotes the resurgence of attitudes affiliated customers since its impacts the potential use (Intention) to purchase of adopt the financial products. The existence of Islamic banking system provides an alternative for *Muslim* consumers who want to comply with *Shariah* rules. One of the major reasons for not using conventional banking system is the divine revelation on the prohibition of taking and giving of interest in loan transactions.

Nevertheless, the Islamic banking products are comparable to conventional banking products. Varieties of conventional banks' products offered in the market are also offered by the Islamic banks such as home mortgages, individual personal financing, credit cards and other products. The major difference between the conventional and Islamic banking products is the elimination of interest, uncertainty (*gharar*), gambling (*maisir*) and unlawful (*haram*) elements in the underlying contracts of the products being offered.

Based on the general theories of supply-side (IB) explained in chapter 2, the issues of Islamic banking products and their efficiency performance remain the predominant focuses of Islamic banking research, the recent literature has widened its scope to cover broad ranges of performance measures. The question "why there are

low level involvement in EBF in Malaysian IB?” continues to intrigue many fronts, despite the Islamic banking business is based on the principles of Islamic laws and hence is distinct from the conventional banking.

Indeed, it has been argued that, in practice, understanding and research of EBF is still in its embryonic stage, with latest work exploring issues in EBF implementation in Malaysian IB providing contradictory evidence in term of its complexities and misconception matters as the contracts make up only a small portion of IBs’ assets.

As such, when it comes to Islamic banking research, it is undoubtedly the performance of Islamic banks is at the forefront of the research agenda. The empirical studies on EBF in IB are rather extensive. However, even though the Islamic banks have succeeded in producing *Shariah* compliant products, it does not guarantee positive attitudes and intention among customers unless the Islamic banks meet all customers’ expectations.

Since this study is the first attempt to discuss attitudes (ATT) and intention (INT) from the financing users’ and non-users’ perspectives, it produces both a theoretical justification and the empirical evidence. The main aim is to see whether there is potential of implementation of EBF among *Muslim* users and non-users of financing in Malaysia. therefore, this study makes an effort to investigate whether the cognitive and affective has positive effects on different dimensions of attitudes (ATT) of *Muslim* users and non-users of financing and also towards their intention (INT). In addition, this study examines the mediator effect on INT to purchase EBF among Malaysian *Muslims* users and non-users of financing.

7.3.1 RQ₁: Factors of Lack of Involvement in EBF

The part of this section reflected the interview findings based on general question pertaining participants' perception on the understanding the equity-based financing (EBF). Next, it reflected the interviews finding based on the research question "why there is limited EBF products in Malaysia?". Based on this question, there are 2 different outcome dimensions of issues arise: issues on supply-side and issues on demand-side. Finally, the reflection pertaining to the strategies to enhance the participation in EBF is further discussed in relations to lacking of clear direction towards the achievement of EBF are being presented, discussed and reflected towards the interviews findings.

General question is asked before move to the question of the research. Based on the general questions, majority of participants perceived that EBF Profit-and-loss Sharing (PLS) contract is associated with *Musharakah*, while Profit-Sharing (PS) contract is associated with *Mudharabah*. Also they believed that EBF are contracts that purely based on risk-sharing identified in theory. However, they mentioned that method of computation in profit and loss are differed with other types of contracts such as sale-based financing (SBF). In terms of price, the pricing is fair as it based on contribution among parties. EBF known as unique contracts since it offer the distribution of wealth and income, true spirit of Islam, justice and equality. As such, the results are based on the different participants with different experience/ knowledge in *Shariah*, legal, operational and risk management practices (RMPs).

Truly said, EBF is discussed further in this thesis with the aim to gradually phase out the contentious mode of SBF such as BBA financing product from the Islamic finance sector. This is due to the fact that the use of *Bai' Al-inah* contract in

the BBA have been critiqued and is not considered as permissible by a majority of *Muslim* scholars, particularly in Middle East countries. However, the product has been in the IBF market in Malaysia since the inception of the first Islamic bank, Bank Islam Malaysia Berhad (BIMB) in 1983, and remains as a sole product of financing.

As such, the fast-growing IB amidst the global financial uncertainties has captivated much interest especially as to whether it can serve as a viable alternative system. Facilitated by increasing data availability, Islamic banking and financial activities markets become subjects of increasing empirical inquiries. Over the years, many scholarly works have emerged to assess various dimensions of Islamic banking and finance regarding the issues of implementation of EBF. However, based on the interviews results, most of them are predominantly confined to empirical verifications of the performance of Islamic banks and EBF implementation. While there is much to be done due to contradictory findings from existing empirical studies, there are two critical outcome issues from interviews that need to be undertaken.

To simplify, based on the interviews findings from key personnel of Islamic banks in Malaysia mentioned that there are several issues in implementation of EBF that has been identified. This study hence categorized the issues in 2 different dimension- supply-side (bank) and demand-side (customers). Even though the SBF also subjected to various issues such as over substance, expensive selling price in the case of default, rebate and various legal disputes that have been reported in court cases, but still, they are currently practiced in Malaysia and there are no such effort to implements EBF. Hence, this research aimed at first exploring the issues in EBF in Malaysia with the objective of contributing to the paradigm shift in the provision of financing. It should be noted that to the best of the researcher's knowledge, no other

piece of academic research has attempted to study this topic in a comprehensive manner, as this study has attempted.

In perspective of supply-side, there are 4 issues identified- competition, risks, legality and *Shariah*. To recap from interviews findings, current practices of financial contracts are benchmarked to the existing conventional counterparts. In offering EBF in Islamic banking in Malaysia, Malaysia's market is still focus in offering financial contracts (SBF) that are based on debt or deferred payment since they are compete with conventional practices. Usually, these types of contracts are being replicated from conventional banks and had gone through conceptualization processes in order to ensure its *Shariah* compliant.

Also, EBF is more challenging in terms of handling the risks. Based on the interviews findings, the current practices of EBF are riskier than SBF. As such, the practices expose to variety of risks on the cases of default, operational, capital and customers. One of the reasons are financing under equity-based paradoxically suffer from weak risk management practices. To recap, all of them perceived that EBF to be riskier since the manipulation of the contracts in order to mimic conventional loan made the risk perception of equity and risk-sharing contracts. This explains why Islamic banking in Malaysia shy away from such instruments due to their lack of appetite for risky-assets, which in turn is due to trying to emulate the conventional model. It is confirmed that the findings as most interviewees indicated that current practices in Islamic banking prefer sale-based financing (SBF) contracts and shy away from EBF contracts that they perceive as more risky. This is because EBF give the

banks a relatively certain income, low risks and the ownership of the leased asset remains with the bank.

In terms of legality, the operation of EBF may stray away to mirror the SBF as there are certain requirements that need to be fulfilled, for example, the banks take charge over the property as legal requirements particularly to ensure that the contracts are enforceable before the court of law. To recap from interviews findings, current legal framework in Malaysia is not duly in place to accommodate EBF, thus, making it legally operated based on the conventional principles of law with the spirit of SBF being dominant. The lack of proper parameter may also result to using the same procedure applicable in conventional practices. Lack of expertise to evaluate the legal documentations will give impacts for Islamic banks tend to approve the products solely based on the principles, without giving consideration on the whole issues particularly on the social and economic impact, intended by *Maqasid Shariah*. This situation can be one of the reasons as to why in certain circumstances, the provision in the legality seem to be divergent to the EBF principles as found by the interviews findings of this study.

In terms of *Shariah*, one of the important issues discussed by participants is in terms of *Wa'ad* (unilateral promise). The current practice of *Wa'ad* is not binding in the contract and BFR which is conventional in nature, as the end EBF is challenging to be implemented. Most of the participants held that EBF can only become a better alternative if the *Shariah* principles are genuinely applied since a deviation from, will trigger more *Shariah* issues. Regarding the use of *Wa'ad* in event of default, it may tarnish the effort of the government in promoting EBF as it imposed such non-logical

steps to the customers to protect the banks' interests. To a certain extent, it contradicts the spirit of *Shariah*.

On top of that, based on the question asked, issues in terms of demand-side also have been mentioned by the participants. There are 4 issues identified- knowledge, awareness, understanding and religiosity. Based on the issues stated, this study further interpreted the issues to be put in questionnaire design as to interprets the issues in demand-side in perspective of customers in their attitudes and making their decision to purchase.

The first issues in demand-side are knowledge. The implementation of EBF received less attention because people are lack of knowledge and information. Especially for customers of Islamic banks, they did not know the whole basic principles and objectives. They sometimes cannot differentiate between the operation of Islamic and conventional products. As participants stated that even though they have high knowledge on Islamic banking, they did not aware of the existence of Islamic banking products. Lack of knowledge resulted in ignorance on how *Shariah* works, and how financing works within *Shariah*. Insufficiency of knowledge resulted from the miscommunication among Islamic banks and customers regarding its products and services as at the end raise the negative perception on Islamic banking itself. The knowledge gap is holding the Islamic banking industry back and there is a sustaining need to educate the market and customers.

On top of that, lack of awareness among the customers as well as their familiarity with products and services in conventional counterpart influences their attitudes of preference of Islamic banking products and services. To recap from interviews findings, low level of awareness among customers influence their attitudes

as well as demand on financing products offered by Islamic banks. As such, the customers prefer products that are very similar to conventional banking products. For example in financing, this results in more SBF as compared to EBF products. This situation increases to the challenge in operating and offering products in IB that operates under the dual-banking system. They are lack of seriousness in considering their banking activities since there is *Khiyar* (freedom of choice) in choosing where to deposit or invest their money. As such, for *Muslim* customers, they have no choice in deciding whether they should take financing in which types of financing.

Misunderstanding among customers about the application of EBF also raises the issue in implementation of these types of financing. It is found that they perceived the practice is same like SBF. This one of the reason many customers did not aware and understand the practices in EBF. To simplify, confusion about the variety of contracts among customers seems to challenges for Islamic banks to overcome as lack of proper and comprehensive information about EBF towards customers and the public. Thus, this will become another problem faced by the industry, which is negative public perception as recorded by interviews. Participants agreed that there is still inadequate comprehensive information from staff about EBF in Malaysia as at the end customers misunderstood the concept and practices.

Religiosity aspect also one of the reason why there is low level involvement in EBF. It is found that the level of religious consciousness among Malaysian *Muslim* is relatively low as such they did not really aware on the Islamic banking instruments. As such, they perceived that people are less religiously education, show less empathy and awareness to the financing instruments in Islamic banking and people are less religiously beliefs in their life will show negative *Akhlak*.

The interviews finding further revealed that the implementation of EBF to certain extent would benefit the Islamic banks which have 2 strategies stated for IB-marketing effort and risk management practices (RMPs) and there is one strategy included for demand-side which include of consideration of attitudes and intention. The research has found that '*courage*' or '*dare to change*' is the utmost vital, as Islamic banks in Malaysia must now comprehend that besides profit-maximization reason, they face different type of financing, an EBF capable of fulfilling the interests of all parties.

Hence, marketing effort is needed in enhancing the implementation of EBF. According to interviews results, participants stated that marketing effort are one of the strategies to put on as when the public is not well informed, it will lead to negative perceptions of the overall operation. Most of them did not clear about the contracts, re-market of EBF is priority. Also, the need of marketing dimension that have been least attention among Malaysian Islamic banking is one of the necessity for the growth and development of financing products especially for EBF. Added from interviews results, Malaysian Islamic banking industry should move forward by increasing marketing effort on preferences for ethical and risk-sharing financing alternatives.

Although Islamic banking offers a combination of both EBF and SBF, the system's partiality for EBF – in theory – makes it more efficient and stable than SBF. It is because it holds risk-sharing in EBF. To recap from interviews findings, EBF need more strategies and techniques in handling abundant of risks. The low level of participation EBF reveals Islamic banks' unwillingness to hold risk-sharing assets. They perceived that the parties should have customer-bank relationship. They needed

to put *Taqwa* as framework to minimize risks. As Islamic banks emphasis on *Halal* business, it is need the context of trustworthy and *Wa'ad* among banks and customers is needed in handling risks. Also, they should set in mind that they are accountable for the task (*Taklif*) so that risks can be shared together. *Amanah* and *Syura'* in minimizing such issues of risks in EBF are the best action. Hence, the IFSB standards should be made obligatory for Islamic banks as to allow for wider implementation, consistency, and standardization of risk management practices across the Islamic financial industry. This requires collaboration between regulators, IFSB, AAOIFI, Islamic banks, and industry practitioners.

Hence, customers' attitudes (ATT)- known as *Akhlak* and intention (INT)- known as *Niat* are both plays important role in maintaining the performance of Islamic banking. To recap from interviews findings, attitudes of customers and banks on EBF gives impacts towards the intervention from government and *Shariah* committees to solve the issues in EBF. As such, Islamic banks need to educate their staff to appreciate the differences between the types of financial contracts as to enhance the attitudes and intention towards behavior of financing itself.

7.3.2 RQ₂: Impacts of Cognitive and Affective towards Attitudes (ATT) and Intention (INT) of *Muslims'* Users and non-users of Financing

This sub-section concentrates on the reflection of the questionnaire results in relation to factors that impact towards attitudes. It consists of various factors which deal with the respondents' normative beliefs (NB), efficacy beliefs (EB), religiosity beliefs (RB), knowledge (KW), awareness (AW) and understanding (UD).

With a total usable 1000 *Muslim* respondents, there are 500 users and 500 non-users of financing participated in the survey. In terms of financing products for users, half of them are using home financing. While for non-users, about 48% of them are preference for business financing products. Regarding the financing contracts, approximately 27.2% of users are using *Bai Bithaman Ajil* (BBA) and 46.2% of non-users are preference to use *Mudharabah* financing contracts.

In terms of demographic profiles, gender, age, marital status, level of education, religious education, monthly income and occupation are took part in the survey. In terms of gender, majority of the respondents are female which 60.4% for users and 87.8% for non-users. Majority of them are in the age of 31-40 years old (43%) for users and 21-30 years old (84.4%) for non-users. In terms of their marital status, half of users are married with accumulated 57% and majority of non-users are single (94.2%). While in terms of their level of education, majority of them are in the level of bachelor degree with accounted for users and non-users are 54.2% and 8.8% respectively. Majority of them are graduated from university with accounted 63.2% for users and 88.4% for non-users. Regarding their monthly income, half of the users have more than RM8320 per month and majority of non-users have less than RM3860 per month. While in terms of their occupation, approximately 61.8% of users are working in private sectors and 77.2% of non-users are known as students.

To recap from survey results, there are 2 types of CFAs' measurements used in this study- original and final measurement. In measuring the original model, a total of 45 items within 9 latent variables was tested in the study. After 5 items was deleted for users, the RMSEA, GFI, CFI and CMIN/ df was achieved the rule of thumb which

accounted .030, .917, .927 and 1.455 respectively. Meanwhile after 8 items was deleted for non-users, the RMSEA, GFI, CFI and CMIN/ df was achieved the rule of thumb which accounted .033, .914, .972 and 1.530 respectively.

As such, the internal consistency and discriminant validity between the latent constructs was developed. For convergent and discriminant validity, the CR, AVE, MSV and ASV for all latent constructs are achieved the minimum requirements according the rule of thumb. Also, it is found that the critical value of the chi-square for the degrees of freedom was associated with the test, with the observation of chi-square difference, the difference between the two models, was clearly significant at $p=.000$. As such, all item loadings are greater than .50 (with the majority of items exceeding 0.70), are significant at the $p<.001$ level, and demonstrated adequate convergent and discriminant validity. This measurement model has been assessed to move into the structural model and test the research hypotheses.

Then, the structural models are developed as shown in figure 6.5 and 6.6 in previous chapter. In the development of structural model, there are 3 variables identified- exogenous, mediating and endogenous. All the models have shown the good absolute, incremental and parsimonious fit.

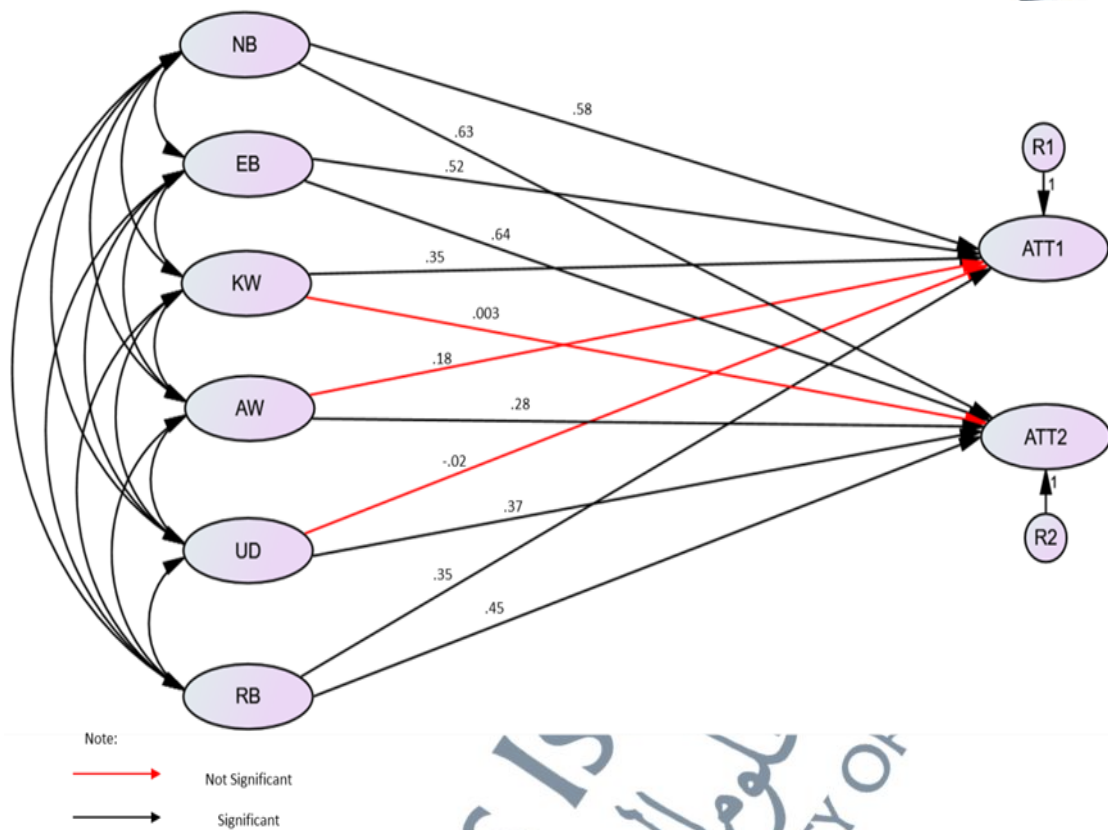


Figure 7.1: Summarize Path and Model for Users
 (Impacts towards ATT)

The summary of the result derived from the hypothesis 1 (a) until 6 (a) is shown in figure 7.1. The results indicated that different attitudes among users tend to have different impacts factors. Attitudes towards current financing are influenced by their NB, EB, RB and KW. Meanwhile, attitudes towards EBF are influenced by NB, EB, RB, AW and UD. This indicated that the interviews results are connected and acceptable to quantitative-biased respondents and different attitudes give different impacts factors among users.

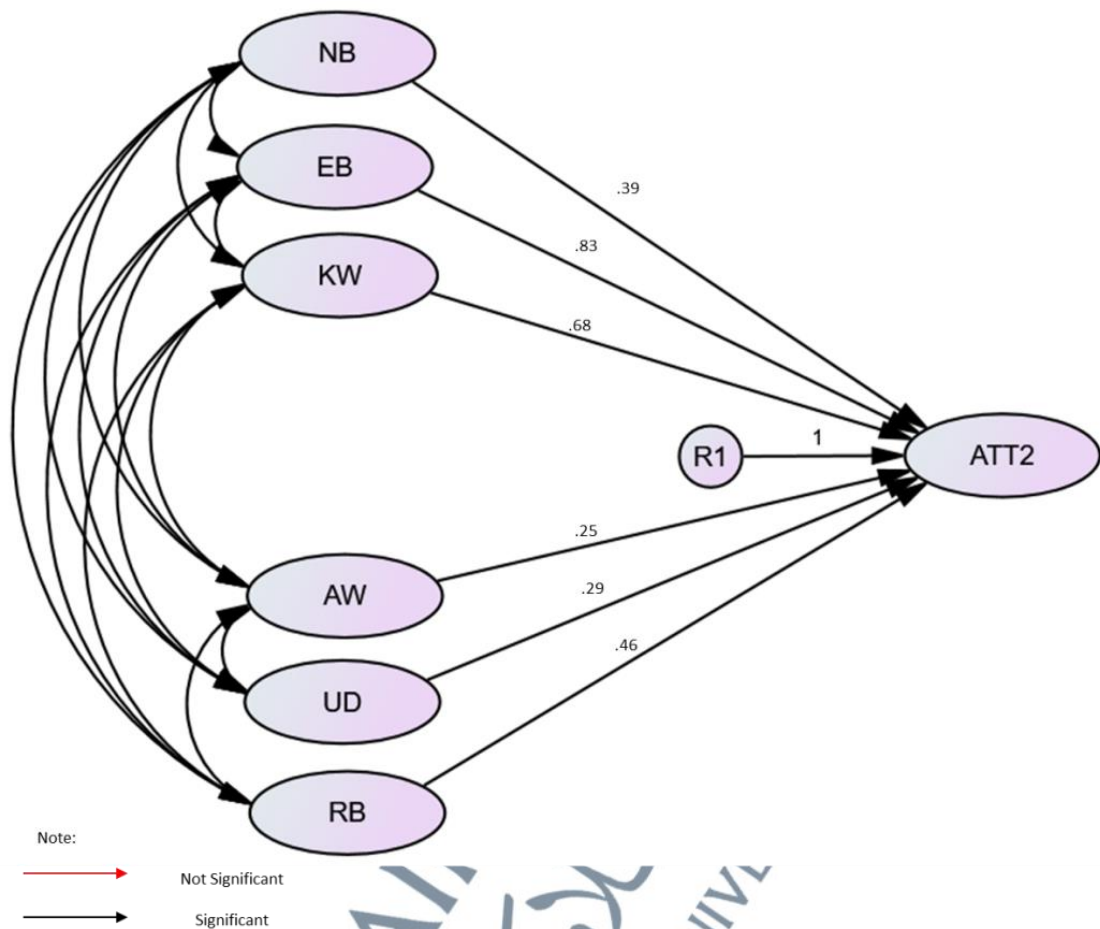


Figure 7.2: Summarize Path and Model for Non-Users
(Impacts towards ATT)

The summary of the result derived from the hypothesis 1 (b) until 6 (b) is shown in figure 7.2. The results indicated that attitudes towards EBF among non-users tend to have significant positive values. This shows that their attitudes towards EBF are influenced by all exogenous variables (NB, EB, RB, KW, AW and UD). This indicated that the interviews results are connected and acceptable to quantitative-biased respondents.

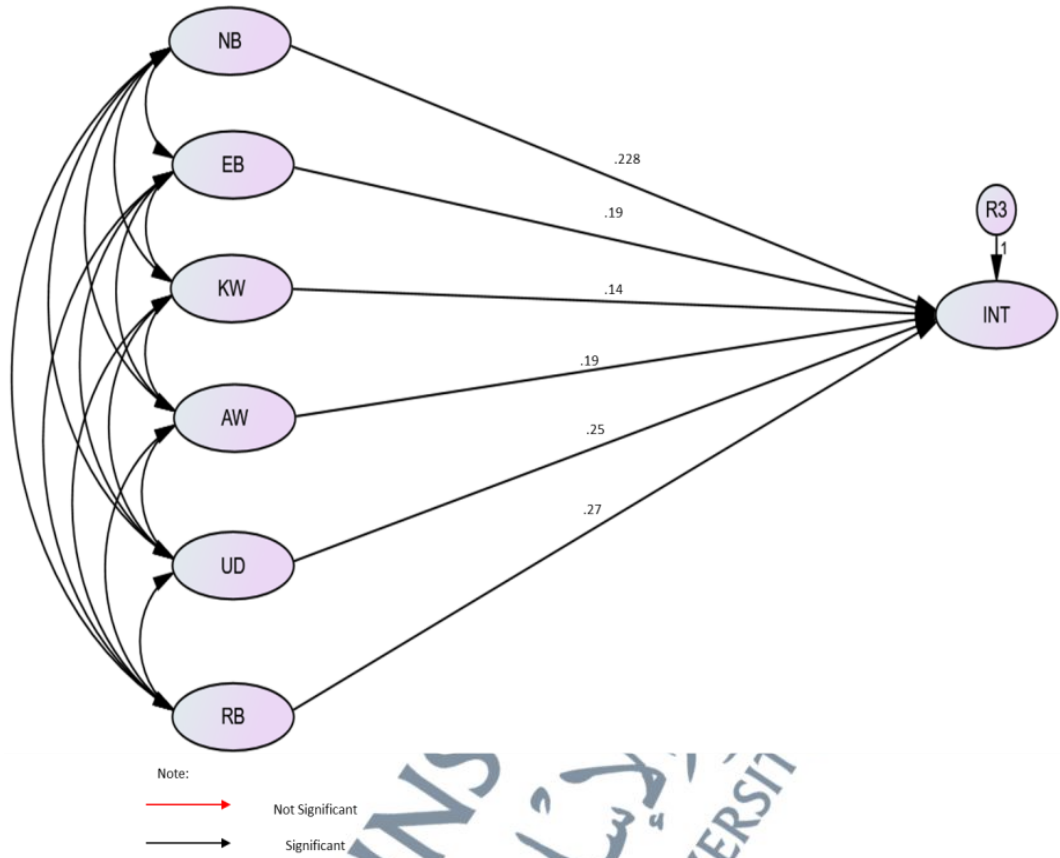


Figure 7.3: Summarize Path and Model for Users
(Impacts towards INT)

The summary of the result derived from the hypothesis 7 (a) until 13 (a) is shown in figure 7.3. The results indicated that INT to purchase EBF among users tend to have significant positive values. This shows that their INT are influenced by all exogenous variables (NB, EB, RB, KW, AW and UD). This indicated that the interviews results are connected and acceptable to quantitative-biased respondents.

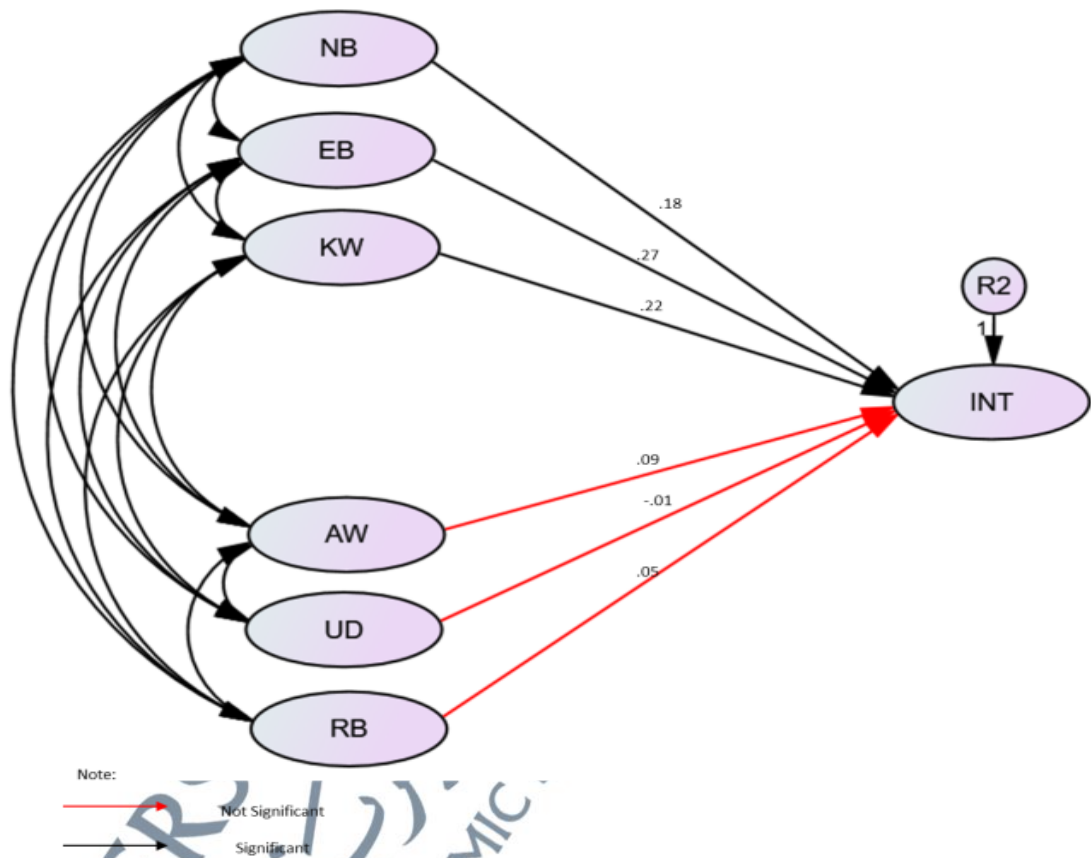


Figure 7.4: Summarize Path and Model for Non-Users

(Impacts towards INT)

The summary of the result derived from the hypothesis 7 (b) until 13 (b) is shown in figure 7.4. The results indicated that INT to purchase EBF among non-users tend to have significant positive values except for RB, AW and UD. This shows that their INT are influenced by NB, EB, and KW only. This indicated that the interviews results are connected and acceptable to quantitative-biased respondents except for RB, AW and UD.

7.3.3 RQ₃: Mediating Effects on Intention (INT)

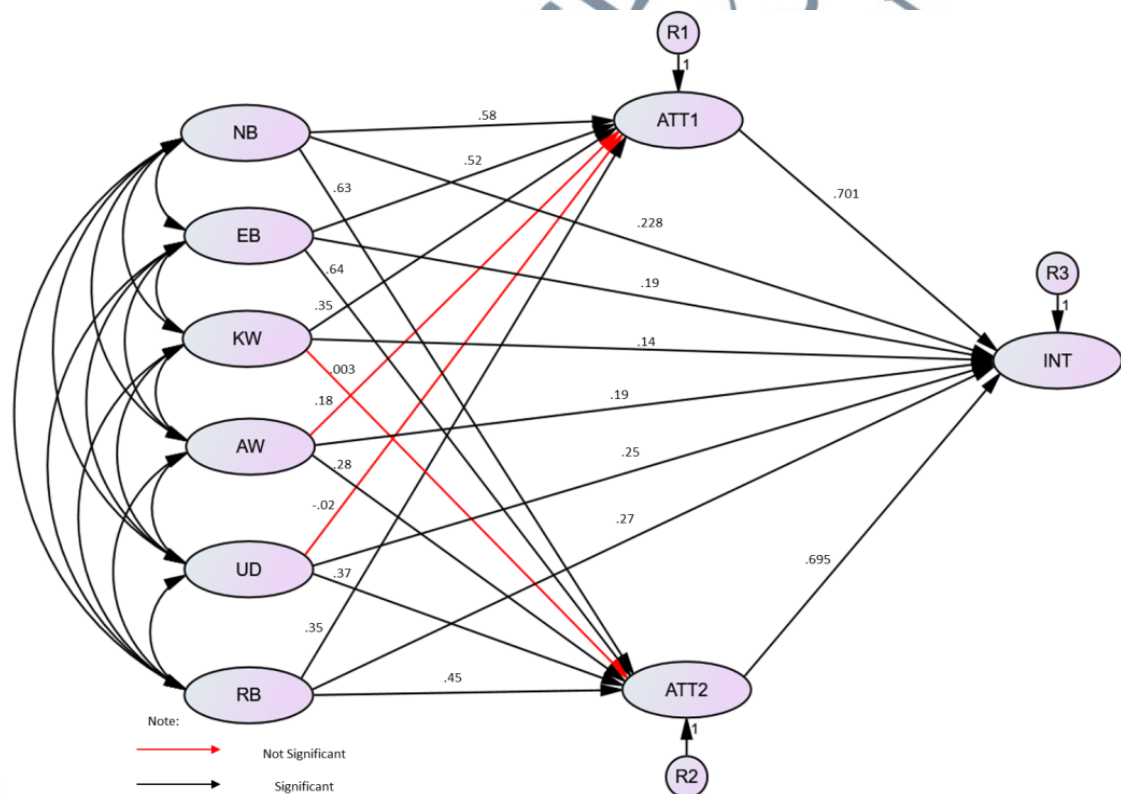


Figure 7.5: Summarize Path and Model for Users

(Mediating Effects of Attitudes)

The summary of the result derived from the hypothesis 14 until 19 are shown in figure 7.5. Hence, the results of hypotheses testing indicated that users' attitudes towards current financing (ATT1) does mediate the relationship between NB, EB, RB and KW and their intention to purchase EBF. Also, the results of hypotheses testing specified that users' attitudes towards EBF (ATT2) do mediate the relationship between NB, EB, RB, AW and UD and intention to purchase EBF. Thus the types of mediation here is partial mediation since the direct effect is still significant after the mediator enters the model.

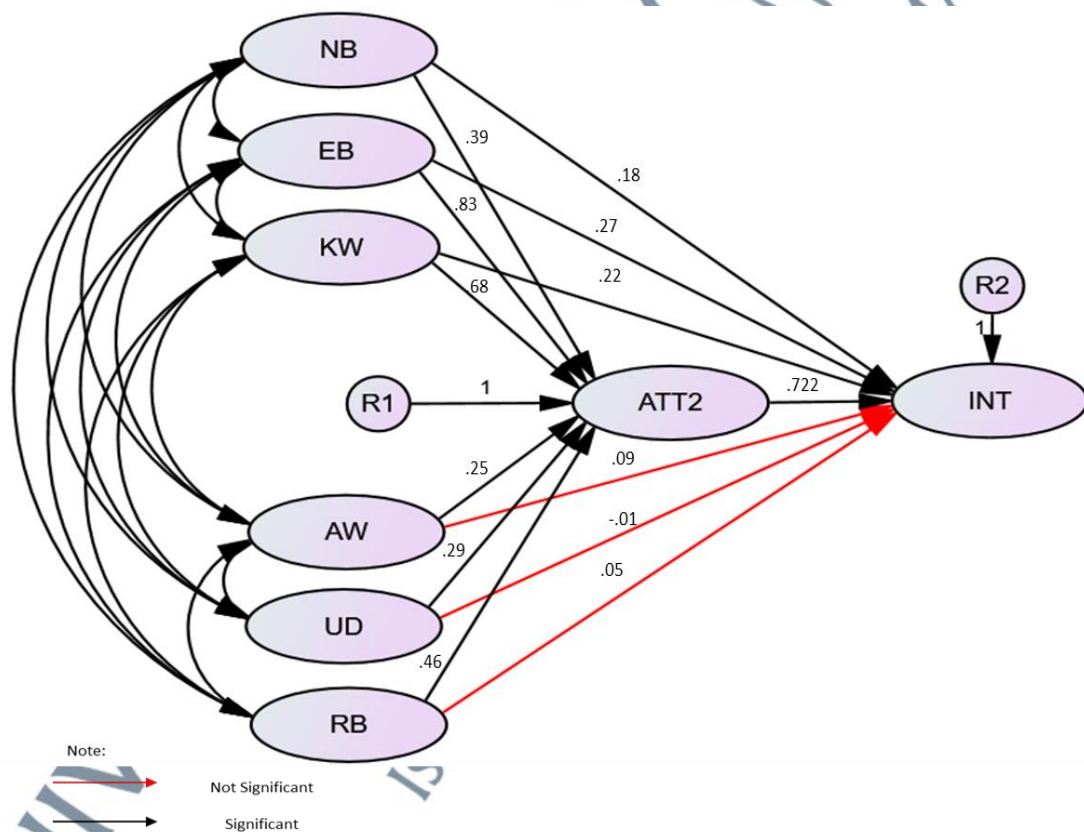


Figure 7.6: Summarize Path and Model for Non-Users (Mediating Effects of Attitudes)

The summary of the result derived from the hypothesis 14 until 19 are shown in figure 7.6. Hence, the results of hypotheses testing indicated that non-users' attitudes towards EBF (ATT2) does mediate the relationship between all exogenous variables and their intention to purchase EBF. This finding provides empirical evidence for consumer behavior literature, where the cognitive and affective has been conceptualized as a factor contributing to an understanding of consumer perception.

However, all hypotheses resulted in partial mediation since the direct effect is still significant after the mediator enters the model, except for RB, AW and UD are complete mediation since the direct effect is not significant after the mediator enters the model. But the mediating effect of attitude evidenced in this study indicates that these measures of cognitive and affective can more successfully influence purchase intention of EBF in the presence of favorable attitude.

7.3.4 Main RQ: Potentiality of Implementation of EBF in Islamic Banking in Malaysia

This sub-section aims to provide a discussion through further interpretation of the results on potentiality of implementation of EBF in Islamic banking in Malaysia by responding to the hypotheses set in advance.

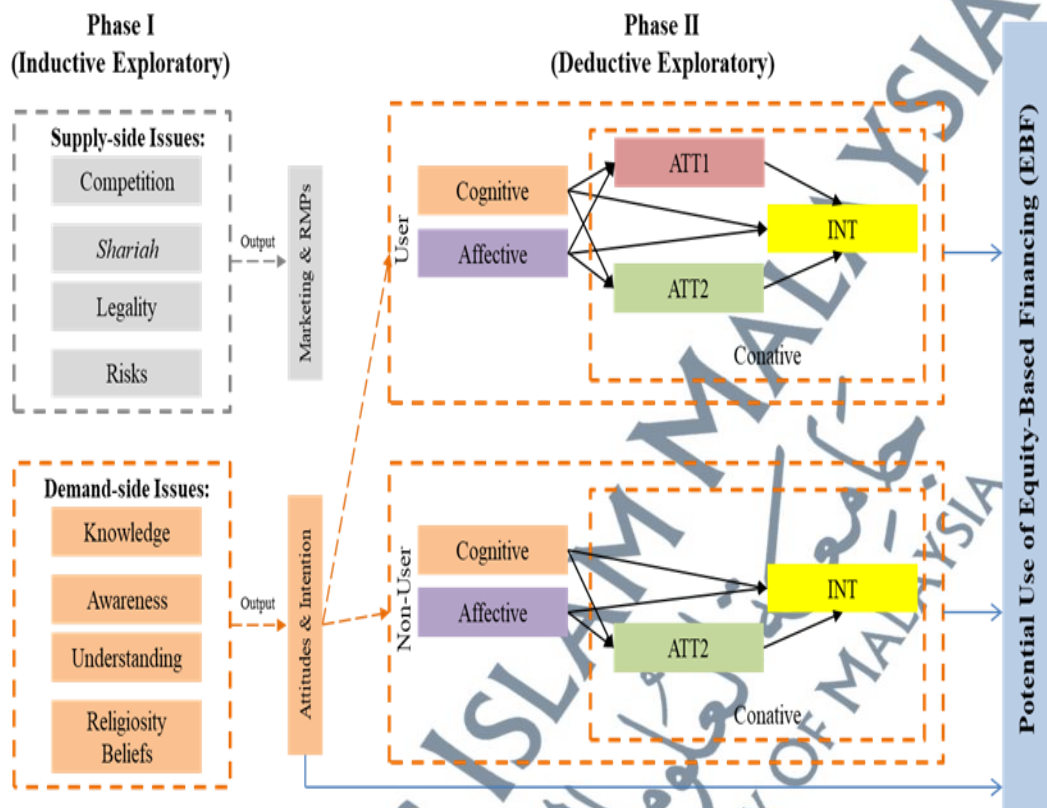


Figure 7.7: A Combination Inductive-Deductive Framework

The results of interviews and hypotheses indicated that all attitudes dimension significantly and positively impacts purchase intention towards EBF for users as shown in figure 7.7 above.

As such, the results for hypotheses support the views that cognitive and affective measures impacts the ATT and INT and ATT of users and non-users of financing have positive and significant effect on their intention to purchase EBF. The outcome of this study emphasizes the importance of ATT as main factor in convincing Malaysian *Muslims*' users and non-users of financing to purchase or adopt EBF. This result is similar to those previous findings, which proved that attitude is an important element in manipulating the intention to use (Amin et al., 2014; Jaafar & Musa, 2014;

Ali et al., 2017; Badaj & Radi, 2018; Bizri et al., 2018). As such, the consideration of attitudes has become more significant due to the influence of many factors on customers' buying attitudes as resulted in this study.

7.4 Research Implications

This thesis provides implications on theoretical and managerial contributions. Overall, the empirical evidence gathered from this research has positive implications for the body of knowledge and Islamic banking industry. There are several important areas where this study makes original implications.

By using interviews approach, this research revealed that there are 4 dimensional aspects in supply-side and 4 aspects in demand-side. In supply-side, competition, *Shariah*, legality and risks are important reasons why there are challenges to implement the EBF. It is good to provide an insight regarding the top management's understanding and support towards upholding issues in its operations, products and services.

While in demand-side, knowledge, understanding, awareness and religiosity are reasons why customers deny the implementation of EBF in Malaysia. To enhance the participation of EBF in Malaysia, this study hence expended the existing literature on identify the strategies needed in perspective of key personnel of Islamic banks. There are three (3) outcome strategies to enhance the implementation of EBF- risk management practices (RMPs), marketing efforts and attitudes and intention. Since attitudes and intention are one major important element that needed to be focus in, in

terms of perspective of customers, this research urged to conduct a meta-analysis on the theories explained.

In Islamic banks in Malaysia, the top management considered a certain criteria in offering which financing products are suitable, such as the demand of the customers, the viability of the financing contracts and *Shariah* compliance of the underlying contracts. In the current competition with conventional counterparts, the viability of financing products was the main criteria that were taken into consideration. In the event where a product was approved as *Shariah* compliant but was not viable in the market, it would be put on hold.

Thus, rigorous research in product development and innovation should be encouraged to ensure that EBF products are viable, *Shariah* compliant and aim at achieving the objectives of *Shariah* in the long run. Furthermore, regulators should give attention to the economic value of EBF in the future in order to guarantee that the objectives of *Shariah* are upheld so as to achieve benefits for the society at large.

As such, by using the TRA and TPB as the basis investigation of meta-analysis, this research focused on which variables gives bigger effect size on intention, since one of goals is to provide the greatest predictive power. As such, attitude is one of the TPB variables, was the strongest correlate of intention propensity, yielding a “large” effect size ($\rho = .47$). It is thus motivate to continued use and give confidence to select to use it in this study. Also, by implicating the Tri-component Attitude Model, the implications of this research is by adapting to specifics integrated models- cognitive, affective and conative that applied by the study into a single comprehensive customer ATT-INT model.

With the integration of four (4) cognitive measures such as RB, KW, AW and UD, these variables have given bigger impacts towards ATT and INT. For users, RB gives positive impacts towards all ATT dimensions and INT. Even though their AW and UD does not impacts on ATT towards current financing (ATT1), but in terms their KW does so impacts positive relationship. In contrast, they have limited knowledge (KW) on basic principles of IB, but they are really aware and understand the EBF. As such, all these variables RB, KW, AW and UD were positive relationship to their INT and most important this is their RB has mediated effects with the relationship with ATT and INT.

For non-users, even though RB does not impact their INT, but it does impacts their ATT towards EBF (ATT2) and has mediating effect on it. Also, even though their AW and UD do not impact their INT, but they have positive impacts the KW on their INT. As such, they have positive impacts their KW, AW and UD on their ATT2. For mediation test, their ATT2 does mediate these 4 cognitive measures.

Attitudes and intention are intangible; therefore, the extent of attitude and intention in oneself cannot be measured. However, it can be observed through individual behaviors, shown by the way they handle things. Evidently, lack of attitudes in *Muslim* can be inferred through their performed ways in financing preference. Ideally, if they possess the impacts of attitudes that are expected in the teachings of Islam and they understand the requirements of the Islamic *Muamalah*, then they would fully appreciate their role in making their daily life.

This study may benefit the management of Islamic banks in providing a general overview of preferences among the *Muslims*' users and non-users of financing customers in Malaysia. The important aspect is to strategically market the EBF

according to the demands and needs of the customers. The result could help bank managers make improved decisions about the factors that perceived as important to the particular groups. Bank managers should offer to provide better advertisement related to many aspects of Islamic banks to attract customers.

Although Malaysian Islamic banking was equipped with additional legal and institutional frameworks to support its unique underlying principles, it was not sufficient for them to operate in their optimum capacity when employing the resources entrusted to them. It was expected that customer's cognitive and affective would portray a good example to consider their potentiality in implementing the EBF (conative).

Since the current legal framework seems alien to EBF, amendment to the relevant laws is necessary for the development of Islamic banking. Furthermore, it would be ideal if the regulators would impose obligations in removing unnecessary terms and conditions, for instance, under home financing, purchase undertaking in the event of default by providing the necessary and proper parameters in order to safeguard the element of PLS as part of the whole contract constituting home financing. As such, EBF can positively contribute to the general welfare of the society and provide better alternative to all irrespective of their religious affiliations.

7.5 Limitations and Future Research

There are a few limitations that need to be considered in this research. Firstly, due to financial and time constraints, the sample of this study does not cover the total population of Islamic banks customers throughout Malaysia as the chosen sample is

largely from Malaysia, which is accessible and appropriate for research to be conducted and the study location was another limitation.

This study would have been more effective if it had dealt with all key players of Islamic banks in Malaysia, but only few key personnel of Islamic banking (a total of 7 participants) gives commitments in participating the interviews sessions and few customers (a total of 1000 sample sizes) participated in answering the survey questionnaire. Moreover, due to time and financial constraints, this study was confined to participants' views and perspectives and impacts of customers' ATT and INT, which further explains the fact that the findings of this study cannot be generalized to behavior as stated in TPB constructs.

Moreover, this research involves the two (2) types of customers in Malaysia, *Muslims* users and non-users of financing. This is due to the representation issue. To the best of the researcher's knowledge, the study should be conducted among the public. However, due to the results obtained from the pre-test that was conducted among the public, a majority of the respondents had been unfamiliar about this instrument and some of them refused to answer the questionnaires, thus, it had been decided that the sample was limited among the *Muslims* customers alone since they are familiar and experienced.

Thus to address this issue, future studies should expand the selection of respondents involving for non-*Muslim* in order to produce findings that are more comparable. This is because different religion plays an important role in influencing customers' preference.

Then, the qualitative part of this research only focuses to the perceptions of key personnel of Islamic banks. Another point to consider for future research is the

inclusion of *Shariah* advisers and academician in area of interests. The feedback from multiple sources internally and externally would definitely lead to a more holistic view of the issue.

Then, the quantitative part of this research only focuses to the dimension of customers. Another point to consider for future research is the inclusion of supply-side in area of interests. The feedback from multiple sources internally and externally would definitely lead to a more holistic view of the issue.

Also, many respondents complained about the length of the variables in questionnaire. However, the nature of the study justified the wide scope as well as the length of the questionnaire. Compiling a shorter questionnaire may address this shortcoming in the future. The structural equation model developed in this study benefits future researchers who will be able to eliminate those variables/questions that were statistically insignificant predictors of potentiality in implementing the EBF in the present study. This will allow future researchers an opportunity to work with a smaller number of variables in a shorter questionnaire.

7.6 Chapter Summary

This chapter presented the recommendation and concluding remarks, starting with discussions on interpretation of empirical results and recommendation in section two. Section three discussed the summary of research. Then, section four explained the implications and recommendations. Limitation and suggestions for future research are discussed in section five.

