

**FACTORS INFLUENCING ATTITUDE
TOWARDS ISLAMIC FINANCE PRODUCTS
AMONG WORKING ADULTS IN MALAYSIA**

KUMARAN A/L KARMAYGAN

ASIA e UNIVERSITY

2024

FACTORS INFLUENCING ATTITUDE TOWARDS ISLAMIC FINANCE
PRODUCTS AMONG WORKING ADULTS IN MALAYSIA

KUMARAN A/L KARMAYGAN

A Thesis Submitted to Asia e University in
Fulfilment of the Requirements for the
Doctor of Business Administration

April 2024

ABSTRACT

The main issue is the lack of awareness and comprehension of the Islamic finance industry which has become a serious challenge for clients, investors, and other players in the Malaysian Islamic finance industry. Despite the government's support for Malaysian Islamic banking, some obstacles like lack of human resources, misconceptions about Islamic money, and difficulty with standardization and harmonization persist. Islamic banks, Islamic capital markets, and takaful institutions are three of the most important elements of Malaysia's Islamic financial system. A research instrument adapted from previous studies is administered for data collection on a sample of 253 respondents which consist of 150 male and 67 female. The purpose of the current research is to examine the factors that influence attitudes toward the adoption of Islamic finance. The study extends the theory of reasoned action (TRA) by incorporating additional variables such as awareness, religious obligation, and social influence. The data collected are subjected to data cleaning through SPSS 25 version and structural equation modelling using PLS-SEM 4.0. The results of the study reveal that consumer attitude towards Islamic financing is collectively determined by awareness, religious obligation, and social influence. It reflects that all three predictors (awareness, religious obligation, and social influence) are the major predictors of a consumer's attitude toward Islamic finance at (1% $p > 0.000$). The study also recorded an R^2 of 86% representing overall variance in attitude towards Islamic finance may be explained by the study model. In conclusion, the success of Islamic finance ultimately depends on consumer awareness, religious obligation, and social influence. The results provide vital inputs to policymakers and practitioners in offering and promoting Islamic financing. Also, the knowledge and understanding of key consumer-specific factors can be used by Islamic finance institutions in framing strategies for positioning and targeting Islamic financing products. The study is subjected to certain limitations which include the fact that the study design is cross-sectional in nature and limited to adult workers in Malaysia. Essentially, this study is a pioneering effort to apply an integrated TRA model to determine consumer attitudes to the use of Islamic financial products among adult workers in Malaysia.

Keywords: Awareness, attitude, TRA, social influence, and religiosity

APPROVAL

This is to certify that this thesis conforms to acceptable standards of scholarly presentation and is fully adequate, in quality and scope, for the fulfilment of the requirements for the degree of Doctor of Business Administration

The student has been supervised by: **Dr. Khairul Nizam Mahmud**

The thesis has been examined and endorsed by:

Associate Professor Dr. Zubir Azhar
Senior Lecturer
Universiti Sains Malaysia
Examiner 1

Dr. Haslina Hassan
Senior Lecturer
University of Kuala Lumpur
Examiner 2

This thesis was submitted to Asia e University and is accepted as fulfilment of the requirements for the degree of Doctor of Business Administration



Professor Dr. Juhary Ali
Asia e University
Chairman, Examination Committee
30 April 2024

DECLARATION

I hereby declare that the thesis submitted in fulfilment of the DBA degree is my own work and that all contributions from any other persons or sources are properly and duly cited. I further declare that the material has not been submitted either in whole or in part, for a degree at this or any other university. In making this declaration, I understand and acknowledge any breaches in this declaration constitute academic misconduct, which may result in my expulsion from the programme and/or exclusion from the award of the degree.

Name: Kumaran A/L Karmaygan

A handwritten signature in black ink, appearing to read 'Kumaran A/L Karmaygan', with a long horizontal line extending to the right.

Signature of Candidate:

Date: 30 April 2024

ACKNOWLEDGEMENTS

It provides me the greatest satisfaction to make the submission of this research proposal that focuses on Islamic Financial Products. I am grateful to my fellow members behind the successful completion of this research proposal. I would like to express my gratitude to those people who have guided me in preparing this research proposal. I would like to thank my higher authority, because without their guidance my project work would not have been completed. I would also like to thank my peer group members. I shall proceed to administer the questionnaire with approval from Asia-e University and then analyse and interpret the findings. Am hopeful the recommendations will serve beneficial for all Islamic financial institutions in the country.

Thank you.

TABLE OF CONTENTS

ABSTRACT	ii
APPROVAL	iii
DECLARATION	iv
ACKNOWLEDGEMENTS	vi
TABLE OF CONTENTS	vii
LIST OF TABLES	x
LIST OF FIGURES	xi
LIST OF ABBREVIATION	xii
CHAPTER 1 INTRODUCTION	1
1.0 Chapter Overview	1
1.1 Background of the Study	1
1.2 Problem Statement	7
1.3 Research Questions	14
1.4 Research Objective	15
1.5 Scope of the Study	15
1.6 Significance of the Study	16
1.7 Operation Definitions	20
1.7.1 Attitude towards Islamic Financing	20
1.7.2 Awareness	20
1.7.3 Religious Obligation	20
1.7.4 Social Influence	20
1.8 Outline of the Dissertation	21
1.9 Chapter Summary	21
CHAPTER 2 REVIEW OF LITERATURE	22
2.0 Chapter Overview	22
2.1 The Concept and Definition of Islamic Financing	22
2.2 Islamic Finance in Practice	25
2.3 Islamic Finance in the Medieval Era	26
2.4 The Emergence of Modern Islamic Finance	31
2.5 The Principles of Islamic Financing	34
2.5.1 Riba	34
2.5.2 Gharar	37
2.5.3 Islamic Financing Products	38
2.5.4 Profit-Loss-Sharing Financing Modes	38
2.5.5 Mudharabah	38
2.5.6 Musharakah	39
2.5.7 Fixed-income Financing Modes	39
2.5.8 Murabaha	40
2.5.9 Ijarah	40
2.5.10 Saham	40
2.5.11 Istisna'	41
2.6 What is Sukuk?	41
2.7 Attitude towards Islamic Financing	43
2.8 The Financing Role of Islamic Banks in Malaysia	46
2.8.1 Empirical Evidence on Islamic Finance	47
	vii

2.9	The Concept and Definition of Awareness	50
2.9.1	Relationship between Awareness and Attitude Islamic Financing	51
2.10	The Concept and Definition of Religious Obligation	54
2.10.1	The Religiosity Effect Intention to Adopt Islamic Financing	55
2.11	The Meaning and Concept of Social Influence	57
2.11.1	Social Influence Processes	57
2.11.2	The Relationship between Social Influence and Attitude	59
2.12	The Concept and Meaning of Attitude	59
2.12.1	Attitude and Intention to Use Islamic Financial Products	61
2.13	Theoretical Foundation and the Theory of Reasoned Action	63
2.14	Research Gap	67
2.15	Chapter Summary	69
CHAPTER 3 METHODOLOGY		70
3.0	Chapter Overview	70
3.1	Research Model Development	70
3.2	Research Design	70
3.3	Sampling Procedure	71
3.3.1	Population	72
3.3.2	Sampling Technique	72
3.4	Study Participants and Sample Size	74
3.5	Measures and Instrument	76
3.5.1	Instrumentation	76
3.5.2	Attitude towards Adopting Islamic Financing	77
3.5.3	Awareness	77
3.5.4	Social Influence	79
3.6	Data Collection Procedure	80
3.7	Proposed Analysis of the Data	80
3.8	Ethical Consideration	81
3.9	Chapter Summary	81
CHAPTER 4 RESULTS AND DISCUSSION		82
4.0	Introduction	82
4.1	Data Screening, Data Preliminary Analysis and Response Rate	82
4.1.1	Missing Value Analysis	83
4.1.2	Pilot Study and Realibility	84
4.1.3	Assessment of Outlier	85
4.1.4	Normality Assessment	86
4.1.5	Multicollinearity Test	87
4.1.6	Linearity	88
4.1.7	Homoscedasticity	89
4.2	Non-Response Bias	90
4.3	Common Method Variance Test	92
4.4	Demographics of Respondents	92
4.5	Evaluation of PLS-SEM Results	94
4.5.1	Results of the Measurement Models	94
4.5.2	Individual Items Reliability	94
4.5.3	Internal Consistency Reliability	96
4.5.4	Convergent Validity	96

4.5.5	Discriminant Validity	97
4.6	Assessment of Significance of the Structural Model	99
4.6.1	Hypotheses of the Main Effects	100
4.6.2	Assessment of Variance Explained in the Endogenous Variables	101
4.6.3	Assessment of the Effect Size (f^2)	102
4.7	Summary of Findings	103
4.8	Chapter Summary	103
CHAPTER 5 CONCLUSION AND RECOMMENDATIONS		105
5.0	Chapter Overview	105
5.1	Recapitulation of the Research Findings	105
5.2	Discussion of the Research Results	106
5.2.1	The Relationship between Awareness and Attitudes towards Islamic Financing	106
5.2.2	Religious Obligations Attitude towards Islamic Financing	108
5.2.3	Social Influence and Attitude towards Islamic Financing	108
5.3	Theoretical Implications	110
5.4	Managerial Implications	111
5.5	Methodological Contributions	112
5.6	Limitations and Future Research Directions	113
5.7	Conclusion	113
REFERENCES		115
APPENDICES		136
	Appendix A	136
	Appendix B	140
	Appendix C	141
	Appendix D	145
	Appendix E	146
	Appendix F	147

LIST OF TABLES

Table	Page
3.1 Attitude towards islamic financing items	77
3.2 Awareness items	78
3.3 Religious obligation items	78
3.4 Social influence items	79
4.1 Response rate	83
4.2 Response rate in percentages	83
4.3 Total and percentage of missing values	84
4.4 Reliability result	85
4.5 Statistics values of Skewness and Kurtosis (descriptive statistics)	86
4.6 Correlation matrix of the independent variables	87
4.7 Tolerance value, (VIF and Condition Index Test)	88
4.8 Result of independent sampled T-Test for non-biased response	91
4.9 Respondents demographics	93
4.10 Loadings, composite reliability and average variance extracted	95
4.11 Discriminant validity (Fornell-Larcker)	97
4.12 Discriminant validity (HTMT ratio)	97
4.13 Cross loadings	98
4.14 Structural model assessment (full model)	99
4.15 Variance explained in the endogenous latent variables	101
4.16 Effect size of the latent variables on Cohen's recommendation	102
4.17 Hypothesis summary	103

LIST OF FIGURES

Figure		Page
2.1	Islamic finance: a timeline	33
2.2	Research framework	66
3.1	The output of a priori power analysis	75
4.1	Linearity plot	88
4.2	Normality plot	89
4.3	Measurement (goodness of measures)	90
4.4	Measurement model	97
4.5	Structural model main effect	100

LIST OF ABBREVIATION

AAOIFI	Accounting and auditing Organisation for Islamic Financial Institutions
AVE	Average Variance Extracted
AW	Awareness
ATIF	Attitude towards Islamic Financing
BBA	Bachelor in Business Administration
CB-SEM	Covariance Based Structural Equation Modelling
CMV	Common Method Variance
F ²	Effect Size
GoF	Goodness-of-Fit
HTMT	Heterotrait-Monotrait
IFSB	Islamic Finance Services Board
IF	Islamic Financing
IB	Islamic Banking
KLIA	Kuala Lumpur International Airport
M.Sc.	Master of Science
PBUH	Peace Be Upon Him
PhD	Doctor of Philosophy
PLS	Partial Least Squares
Q ²	Construct Cross Validated Redundancy
R ²	R-squared values
RO	Religious Obligation
SPSS	Statistical Package for the Social Sciences
SPM	Sijil Pelajaran Malaysia

SWT	Subhanahu Wa Ta'ala
SEM	Structural Equation Modelling
SEC	Security Exchange Commission
SI	Social Influence
TRA	Theory of Reasonable Action
TPB	Theory of Planned Behaviour
VIF	Variance Inflated Factor
CR	Composite Reliability

CHAPTER 1

INTRODUCTION

1.0 Chapter Overview

This chapter explains the background of study, problem statement, objectives, scopes and importance of the case study.

1.1 Background of the Study

Islamic finance has evolved as a new concept for replacing traditional and conventional financial systems in the world financial literature (Hassanzadeh & Ahmadian, 2022). In addition, they provide Sharia-compliant financial, commercial, and investment facilities and opportunities (Ibrahim & Mohd Sopian, 2023a). The fundamental element of the Islamic financial system that distinguishes it from others is that it aids in the process of economic growth through actual dividends that are evenly distributed and lead to stable and long-term economic growth. The return on capital productivity influences the increase in productivity brought about by capital allocation; additionally, Islamic financial institutions encourage investors to invest in banks' dividend deposits. In general, because financial debt is less important, the Islamic financial system produces copies of traditional contracts to minimize the loss of capital and wealth caused by recurring financial crises and their negative consequences; as a result, it promotes long-term economic growth (Olaide & Ibraheem Alani AbdulKareem, 2021).

There are about 600 Islamic financial institutions functioning in more than 75 countries at the moment. Furthermore, with the diversification of the variety of Islamic financial professional services offered worldwide in its modern re-emergence, the pool of Islamic financial institutions is growing; the global Islamic finance industry has

entered its fifth decade of existence. The industry is currently recognized as a significant financial development that is making inroads into conventional finance. Despite accounting for barely 1% of total global financial assets, it has maintained steady growth over the last decade. The sector was worth around USD700 billion in 2005, but by the end of 2012, it had doubled to USD1.6 trillion. Total Islamic financial assets are estimated to reach USD6.5 trillion by 2020, representing a 19.15 percent increase from 2012 to 2020 (Smolo et al., 2023) Islamic financing was created as an alternative to conventional financing to meet the needs of Muslims by providing a financial service based on the prohibitions of uncertainty (Gharar), interest (Riba), and gambling in Islamic religious law (Syariah) (Maysir). Islamic banks (specifically, participatory banks), which were launched in 2017 by Bank Al-Maghrib and are regulated by Morocco's Supreme Council of Ulemas, have emerged as a promising alternative that can strengthen microbusiness financial and economic inclusion while also attracting a new category of investors.

There are currently five Islamic banks (Umnia Bank, Assafa Bank, BTI Bank, Al Akhdar Bank, and Bank Al Yousr) and three conventional banks (BMCI Najmah, Credit du Maroc's Arreda, and Société Générale's Dar Al-Amame). These banks have undergone tremendous expansion, with their branch network increasing from 100 in 2018 to 154 in 2020. To maintain this expansion, Islamic banks must attract new customers, particularly micro-business owners. It is therefore critical to determine the elements that influence micro-business managers' decision to use Islamic finance in their businesses. The available literature has looked into the factors that influence Islamic financing acceptance in Malaysia, Pakistan, Uganda, Tunisia, and Ghana. However, no effort has been made to identify elements that improve Islamic financing among Malaysian adult employees. This is because Islamic finance has its unique

characteristics and regulatory concepts for Shariah compliance that set it apart from other financial services. The regulations and processes are based on Shariah (Islamic law), which mandates that providing institutions abide by criteria other than standard regulatory and supervisory methods.

Malaysian Islamic money is likewise undergoing rapid development as a result of global robust finance. Shariah standards and regulations must be followed by Islamic financial institutions (Hoque, 2023). The evolution of Islamic finance in Malaysia has followed the global financial services industry's innovation. Competitive retail offers, sophisticated corporate banking products, creative project finance solutions, and commercial banking are the logical growth of the Islamic finance business. Since its inception, Muslim clients have expressed a need for alternative financial and investing options that adhere to their Islamic views. Islamic banking products and services, especially in terms of pricing and service offers, were not as competitive as those offered by the already established conventional system in the early years. However, research by Ibrahim & Mohd Sopian, (2023b) shows that Islamic banks may compete with and outperform their conventional counterparts. Recognized that Islamic precepts limit Islamic banks in some ways, allowing them to maintain some comparability with traditional banks.

Malaysian Islamic money is also rapidly changing as a result of global strong finance. Shariah standards and rules must be followed by Islamic financial institutions (Smolo, 2017). In Malaysia, Islamic finance has progressed in lockstep with global financial services industry innovation. Competitive retail offers, sophisticated corporate banking products, creative project finance solutions, and commercial banking are all part of the Islamic finance industry's natural growth. Muslim clients' demand for options to acquiring financial and investment goods that conform with

their religious views has grown since its launch. Islamic banking products and services, particularly in terms of pricing and service offers, were not as competitive as those offered by the already established conventional system in the early years. However, research conducted by Akbar et al., (2023) shows that Islamic banks may compete with and outperform their conventional counterparts. Recognized that Islamic precepts limit Islamic banks in some ways, ensuring that they are comparable to traditional banks.

There are two ways to accomplish this. To begin with, Islamic banks can invest in high-quality (low-risk) Sukuk. The developed sukuk market also provides banks with a variety of sukuk issuance options with varying credit quality, allowing them to reduce and manage risk (Joudar et al., 2023). In recent years, the Sukuk market has exploded. The wide variety of financial instruments is one of the primary elements influencing economic growth. The importance of financial innovation in the economy is heightened by the centrality of financing in the economy and its importance for economic growth (Hassan et al., 2023). Despite the fact that corporations and firms constitute a vital element of the country's economy, they confront funding issues that are the most significant roadblocks to their expansion. As a result, Islamic financial institutions can play a key role in boosting financial inclusion (Jaafar & Brightman, 2022). It's especially crucial to learn more about Islamic financing's knowledge, religious requirement, societal influence, and attitude. Numerous studies have examined business and individual consumer attitudes and intentions regarding traditional banking (Aziz & Bhatti, 2022; Hoque et al., 2022; Junaidi, 2022; Mustafa et al., 2023). Similarly, a lot of study has been done on customer attitudes, views, and understanding of Islamic banking (K. Ahmad, 2022a; Gabarre & Al-gasawneh, 2021; Hanic & Smolo, 2023).

Attitude studies on Islamic finance have been conducted in order to better understand the major aspects that influence people's perceptions and attitudes about Islamic banking and financial practices. Strong business backing and religion (Junaidi et al., 2022) have been found to have a significant impact on business firms' attitudes toward Islamic finance. Muslims are drawn to Islamic banking because of the religion aspect, or Shariah compliance (Mindra et al., 2022). The failure of Islamic banking and finance to adhere to Shariah principles has been a key stumbling block in the selection of Islamic banks (Saiti et al., 2019). Other considerations include Islamic banks' image and reputation (Maryam et al., 2022) as well as cost benefits or profitability (Junaidi, 2022). Customers' intentions to employ Islamic house financing are heavily influenced by recommendations from friends and relatives (Jaafar & Brightman, 2022).

Even among countries of the same religion, the impact of religion on purchasing behavior differs. Kassem (2022) discovered that Christian religiosity has a higher impact on American consumers, a weaker impact on New Zealanders, and a non-significant impact on Japanese consumers. Similarly, some evidence suggests that a customer's faith does not always predispose them to choose an Islamic bank (Oladapo et al., 2019). When it comes to purchasing Islamic financial products, choosing an Islamic bank, and getting Islamic house finance, religion has been found to be the most influential factor for Muslims (Ahmad et al., 2018). According to these studies, Islamic banks have a relatively solid power base among clients who value adherence to Islamic values in the financial institutions they choose.

The role of social impact in explaining and comprehending human behavior is crucial (Slavich, 2022) . People's social uniqueness leads them to exert and accept mutual influence on one other's attitudes, values, and behaviors. Social norms were

used to exert this influence. Several authors claim that they have a role and are effective in predicting individual behavior (Ajzen, 1985; Cialdini et al., 1991; Fishbein & Ajzen, 2011). These norms generate rules and standards that guide and/or limit social behavior without the force of law, and which are understood by members of a group (Bobek et al., 2007). They are introduced implicitly or openly through human interaction, according to these authors. Any violation of these guidelines is sanctioned by the social media platform. This shows that customers' intentions to employ Islamic financial practices may be influenced by social pressure. In light of the foregoing, it is critical and valuable for the researcher to focus on the antecedents of attitude when examining the elements that influence attitude toward adopting or continuing to adopt Islamic financing. There has been a significant literature on individual customers' attitudes about Islamic finance, but there has been few research on adult employees' attitudes toward Islamic financing. To the best of the researcher's knowledge, no study has particularly evaluated working adults' attitudes regarding Islamic financing in Malaysia.

Furthermore, none of the studies on the attitudes of working adults toward Islamic funding have used Ajzen's (1991) Theory of Reasoned Action (TRA) as the theoretical framework. The TRA can explain the relationship of attitude, subjective norms when the intention factor will be related to the behavior. TRA is a popular and credible theory that has been used for many years in management research including banking and finance. Authors from various countries, developed and developing, adopt this TRA. While earlier research has looked at working adults' attitudes regarding Islamic financing, few have identified attitude as a factor affecting Islamic financing, and even fewer have attempted to explain the components that influence working adults' attitudes toward Islamic financing (Alshater et al., 2022; Hoque et al., 2022;

Mindra et al., 2022). The variables that influence working adults' attitudes toward Islamic financing in Malaysia, as well as their relationship with awareness, religious obligation, social influence, and attitude toward adopting a theoretical framework derived from the multi-attribute attitude model, and therefore, the theory of reasoned actions will be investigated in this stud. Only attitude and a few variables affecting attitude are included in this model.

The objective of this study is on adult workers' attitudes about Islamic financing products. Studies on people's attitudes about Islamic finance have been conducted in order to determine the major aspects that influence people's perceptions and attitudes toward Islamic banking and financial services. Customers' intentions to employ Islamic house financing are heavily influenced by friends and relatives. For the reasons stated above, it is critical and desirable for the researcher to investigate if adult workers will use Islamic financing products.

1.2 Problem Statement

The interest of the global investment community to Islamic forms of financing has expanded substantially because of the global financial system's crisis, which is linked to the crises of sectors in the financial market. The fact that the Islamic finance industry is one of the world's fastest expanding sectors in modern times has heightened interest in it (Jorayev, 2021). In Malaysia, Islamic banking and the traditional banking system coexist today. Because of the Islamic financial system's comprehensiveness, non-bank Islamic financial intermediaries are also permitted to supply Islamic financial products and services. With its three primary components, Malaysia supports and plans to actualize Islamic finance's goals and objectives by providing legal rights, framework, Shariah advisory, and academic and research support (Nor et al., 2016).

The current Islamic finance institutions, as well as those that will be established in the future, promise to improve and advance Islamic finance in Malaysia, spanning a wide range of financial operations. Despite the government's support for Malaysian Islamic banking, some obstacles persist, including a lack of human resources, misconceptions about Islamic money, and difficulty with standardization and harmonization (Shah et al., 2017). Islamic banks, Islamic capital markets, and takaful institutions are three of the most important elements of Malaysia's Islamic financial system. Lack of awareness and comprehension of the Islamic finance industry is a serious challenge for clients, investors, and other players in the Malaysian Islamic finance industry.

The financial industry's Islamic financing sector is expanding. The economy is, however, still in its early stages. The knowledge of clients is a critical step in achieving the company's business and social-welfare goals by following Islamic commercial law (Bashir et al., 2021). There are currently sixteen (16) Islamic banks in Malaysia, eleven (11) of which are local and five (5) of which are international Islamic banks, serving a variety of Islamic banking services in all states and cities (Malaysian Islamic Banks Dashboard, 2021). Despite widespread support and steady growth, Islamic banks continue to face concerns and obstacles, including late payment costs for tauk (compensation) and gharamah (penalty), as well as meeting the maqasid al-Sharah and providing profit-sharing based financing (Janah et al., 2020). With the rise of the Islamic banking and takaful industries, the Islamic capital market has become more important. Furthermore, there is a scarcity of Islamic financial instruments that can supply more Shariah compliant products and services in the Islamic financial system.

As a result, Islamic capital markets must provide Shariah-compliant instruments and meet investor demand (Franzoni & Allali, 2018). Furthermore, Islamic capital markets in Malaysia have used both methodologies to meet market demands. The Islamic capital market currently controls a significant chunk of the capital markets, accounting for 60.55 percent in 2018. ICM has a total market capitalization of RM 1,880.73 billion. This sum is made up of RM 1,036.52 billion in Shariah-compliant stocks and RM 844.21 billion in Sukuk (Atal et al., 2022). Despite the use of a variety of strategies to construct Islamic capital market products, the notion of bay al-dayn in Sukuk remains unanswered in Malaysia's Islamic capital markets (Kurbonov, 2021).

Few previous research has looked into the elements that influence working persons' attitudes about Islamic banking. They employed the TRA as their theoretical model and the theory of planned behavior as their theoretical model. Amin et al., (2021), for example, used the theory of planned behavior to examine the acceptance of Islamic home financing in Malaysia. The study is unique in that it adds additional functions to the theory of planned behavior's initial framework, including "simplicity" and "relative benefit." The study discovered that these two factors influenced attitudes, and that attitude served as a mediator between these factors and the desire to use Islamic home finance. Md Husin and Abdul Rahman (2016) used the theory of planned behavior to better understand the acceptability of Islamic insurance; the model was also updated to include other elements that influence attitude. Attitude was found to be highly influenced by awareness, knowledge, and exposure. Also, Sabirzyanov (2016) used the theory of planned behavior to assess customers' intentions toward Islamic finance; he also included awareness as a factor impacting attitude in the model, and the results revealed that

awareness had a significant impact on attitude. Finally, Amin et al., (2021) studied customer attitudes and preferences in the Islamic home finance market using the theory of planned behavior and the TRA. They included three attitude-influencing components to the theoretical model: service quality, product choice, and Islamic debt policy; the paper demonstrated that these aspects influenced attitude. Kaakeh, Hassan, and Van Hemmen Almazor (2019) examined the impact of the following elements on bank customers' attitudes and intentions to adopt Islamic banking in the UAE was explored.

The study used a theoretical model based on the multi-attribute attitude model, the theory of reasoned actions, and the theory of planned behavior to investigate the mediating role of attitude in that model. As predictors of attitude, they absorbed awareness, image, sharia conformity, and individuality.

Because multiple prior research have revealed that public awareness of Islamic funding is quite low, awareness is included in this study (Albaity & Rahman, 2019a; Hidayat & Rafiki, 2020). Even if a person has a strong attitude and/or subjective pressure, if they lack the necessary knowledge to commence an activity, their behavioral interest will be low (Utomo & Sekaryuni, 2020). The most critical factor, though, is how to raise customer awareness. The level of client understanding has a big impact on whether or not they choose to use Islamic banks (Bakar et al., 2020). According to Hasan et al., (2020), customers with high awareness can be persuaded that a product is likely to suit their demands. The role of awareness, according to Bordoloi et al., (2020) is one of the factors that influences the demand for financial goods.