Behavioral Intention to Adopt Islamic Banking in Pakistan: A Study Based on Theory of Planned Behavior

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Abstract: The aim of this study is to find out the behavioural intentions to adopt Islamic banking in Pakistan. The proposed model is based on '*Theory of Planned Behaviour*' which is widely applied in consumer behaviour studies. This theory comprises behavioural, normative and control belief structures which shape consumers' intentions. The data for the present study were collected from two cities of Pakistan, Islamabad and Rawalpindi, through survey from 186 individuals. For data collection, non-probability, judgmental sampling technique has been used. The data has been analysed by using partial lease squares structural equation modelling (PLS-SEM) technique. The result of the study reveals that behavioural, normative and control beliefs are significant determinants of adoption of Islamic banking in Pakistan. It has been found that behavioural beliefs are very important for Islamic banking adoption. However, control beliefs appear to be the most significant in adoption of Islamic banking.

1.   Introduction

Banking might played a vital role in uplifting the economy of the developing nations. However, its legitimacy has been questioned on Islamic principles and is considered against the teachings of Islam. Islamic banking, which means intermediation according to Islamic principles, is the substitute of conventional banking. It has emerged as a rapidly growing industry (Abdullah and Dusuki, 2016) and is gaining momentum in its reception and acceptance in Muslim as also non-Muslim countries (Atkinson & Messy, 2011; Iqbal & Molyneux, 2005). The driving force behind it is that it is both religiously and ethically appealing for being free from Riba, gambling and speculative risk taking (Amin et al, 2011). Ethically, the Islamic banks refrain from funding any unlawful business. The Islamic banks also share the risks and rewards of any business transaction in a more fair and just

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manner. Islamic banking is thus an important and well-established domain of the financial services industry. Statistics reveal that around 775 Islamic financial institutions are operating around the globe amongst which 220 are operating as Islamic Window (Edbiz, 2015). It is expected that the volume of Islamic assets will reach $3.8tn by 2022 (World Bank Group, 2018).

The advent of Islamic Banking in Pakistan in its current structure was marked in the year 2002 since when it is functioning in parallel with the conventional banking. Pakistan has been striving hard for promoting and endorsing Islamic Banking (Majeed & Zainab, 2017). According to the Islamic Banking Bulletin (2017), there are five full-fledged Islamic banks and sixteen stand-alone Islamic banking services units of the conventional banks operating in Pakistan. . Market share of Islamic banking assets and deposits in the overall banking industry stood at 12.4% and 14.5% respectively. In terms of branches, a total of 2581 branches of Islamic banks are operating across the country. Most of the branches are in Punjab (47.8%). Details of full-fledged Islamic banks including the number of branches and year of establishment are outlined in table 1 below.

TABLE 1. Islamic Banks and Subsidiary

Name of Bank	Year of establishment	No of Branches
Meezan Bank	2002	601
BankIslami Pakistan Ltd	2006	218
Dubai Islamic Bank Pakistan Ltd	2006	200
Albaraka Bank Pakistan Ltd	2010	180
MCB- Islamic Bank Ltd (Subsidiary)	2015	76

Source: Islamic Banking Bulletin December, - 2017 (State Bank of Pakistan)

Although the number of the branches of banks is promising, the growth of Islamic Banking is relatively slow with a considerably lower market share. This raises questions regarding the adoption of Islamic banking especially where 97% of the population are Muslims. For this purpose, the present study takes an initiative to analyse the issue by examining the behavioral aspects of Islamic banking adoption. The behavioral understanding of the potential customers provides many implications for the Islamic banking industry to devise effective marketing strategy with a clear understanding of the consumers' demographic and behavioral profiles.

1.1 Objectives

The objective of the study is to find out the factors which lead to the choice of Islamic banking. Specifically, it is to find out answer to the following questions:

i. What is the effect of attitude on adoption of Islamic banking?
ii. What is the effect of subjective norms on adoption of Islamic banking?
iii. What is the effect of perceived behavioral control on adoption of Islamic banking?

This study explains the consumer's intention to adopt the Islamic banking in Pakistan using the predictors of adoption intention of Islamic banking services. It seeks guidance from the TPB as it provides a robust framework supported by previous literature which will aid in predicting the consumer intentions related to adoption of Islamic banking services.

2 Literature Review

2.1 Theoretical Criticism

Intention behavior theories have long been studied in marketing and consumer behavior. The theories are mainly used to study behavioral elements that might affect consumer choices decisions. Ajzen & Fishbein (1975) have presented theory of reasoned action (TRA) which is one of the dominating theories to study human intention and concerns individual's behavior and motivation to do a certain action and helps to explain and predict human behaviour. TRA is based on two assumptions. First, most of the human actions are under volitional control and second, human actions are determined by intentions (Ajzen & Fishbein 1980).

TRA originated from psychology and has been used in many disciplines to explain human behaviour (Lada, Tanakinjal, & Amin, 2009; Law, 2010; Ramayah, Lee, & Mohamad, 2010). In the marketing domain, TRA has been used in studying intention to purchase halal products (Lada *et al.,* 2009), green products (Ramayah *et al.,* 2010) and luxury products (Summers, Belleau, & Xu, 2006). TRA has also been used in financial services context to study consumer behaviour (Omar & Frimpong, 2007; Omar, 2007; Amin & Chong, 2011). There are three constructs that constitute TRA, i.e. *behavioral intention, attitude and subjective norms*. This theory states that intention leads to certain behaviour and such intention is called behavioural intention. According to TRA, behavioural intentions are shaped by attitudes and subjective norms.

However, TRA has been criticized due to certain limitations that led to the incorporation of the theory of planned behavior (TPB) in consumer behaviour. TPB is an extension of TRA (Fishbein and Ajzen, 1975; Ajzen and Fishbein, 1980) and provides one of the most dominant conceptual frameworks to study human behaviour (Ajzen, 2001). It has a background from social psychology and concerns the connection of beliefs with behavior (Azjen, 1991). TPB extends and incorporates the behaviour affected by non-voluntary variables (Ajzen 1985). It comprises four components which are behavioural intentions, attitude, subjective norms and perceived behavioural control (Figure 1). Out of these four constructs, attitude, subjective norms and perceived behavioral control identify the intention to adopt Islamic banking in Pakistan. It extends TRA by including perceived behavioral control that takes into account the volitional factors for examining the likelihood of the human behaviour (Conner & Armitage, 1998) apart from the attitudes and subjective norms.

2.2   Attitude and Intention

Attitude is a relatively enduring organization of beliefs, feelings and behavioural tendencies towards socially significant objects, groups, events, or symbols (Hogg, & Vaughan, 2005). It is also defined as a psychological tendency that is expressed by evaluating a particular entity with some degree of favor or disfavor (Eagly & Chaiken, 1993). According to Mohd Suki (2010), attitude indicates as to what extent a person has a favorable or an unfavorable assessment of behaviour. Attitudes are used to predict human's intentions and behaviours (Phau et al., 2009). It has been proved that attitudes influence behaviours. When people are offered with different options to choose, people choose the one having a higher appraisal of attitude (Arvola et al., 1999). Previous literature has proved that attitude influences the choice of products or services (Md. Taib et al., 2008; Jamal and Ahmed, 2007).

Literature on attitude and intention is very vast and depicts its strong influence on behavioral intention. The studies have not only been conducted in Islamic financial services context, but concerning integration of technology and general consumer behavior as well.   Ali and Jama (2016) reported the influence of attitude on intention in Islamic Insurance context; Husin and Rehman (2016) Wahyuni and Arifin (2013) argued on the importance of attitudes on intention in Islamic Banking context; Gopi & Ramayah (2007) discussed attitude and intentions with respect to online trade; Ramayah & Suki (2006) argued on the importance of attitude and intention in the technology

integration in learning curriculums. So, on the basis of the past evidence, it can be said that stronger attitude leads to stronger behavioral intentions to purchase. However, some studies have found a negative relationship between attitude and behavioral intentions (Othman et al., 2012) in the context of breast cancer screening; Armitage (2005) in the context of physical activity; Omer (2007) in the context of life insurance. The review of the extant literature provides guidance for further exploration for this phenomenon in the Islamic Banking context. For that purpose, it is hypothesized as follows:

H1:   Attitude positively influences the intention of adoption of Islamic banking.

2.3   Subjective Norms and Intentions

Subjective norms are the influence of social factors i.e. social pressure exerted to adopt a certain behaviour or not (Fishbein & Ajzen, 1975). In some situations, the social pressures dominate attitude towards certain behaviours (Fishbein & Ajzen, 1980). Subjective norms comprise the underlying belief structures called normative beliefs and motivation to comply those beliefs. Normative beliefs are an individual's perception that a certain referent group influences them to perform, while motivation to comply is the importance of those referent groups. Subjective norms are the sum of normative beliefs and the weight given to those beliefs.

Some studies have shown that subjective norms have minimum effect on behavioural intentions (Bagozi *et al.,* 2000). However, the phenomenon still needs to be explored further even though in literature there are conflicting results regarding the relationship between normative belief structures and behavioural intentions. Studies carried out by Echchabi and Olaniyi (2012), and Pedersen (2005) have indicated that subjective norms are important predictors of individual's intentions. In financial services, the relationship between subjective norms and intentions is proven in many studies (Siang and Weng, 2011).

Studies carried out in multiple disciplines have shown significant results of subjective norms on behavioural intention. For example, in Islamic insurance (Amin 2012; Omar & Frimpong, 2007), Islamic house finance products (Ali *et al.,* 2015; Amin *et al.,* 2014), internet banking (Nor, 2013; Juwaheer *et al.,* 2012; and Amin 2009) and home financing (Razak & Abduh, 2012). However, in contrast to previous literature, few studies, as conducted by Husin & Rahman (2016) and Syed *et al.,* (2012) have found that subjective norms are not a significant determinant of behavioural intentions. The conflicting results in previous studies show its importance to carry out more studies. Since the current research is being carried out in the Islamic Banking domain; therefore, following hypothesis is formulated.

H2:   Subjective norms positively influence individual's intention of adopting Islamic banking.

2.4   Perceived Behavioural Control and Intention

Perceived behavioural control (PBC) is defined as "any person's belief as to how easy or difficult performance of the behaviour is likely to be" (Ajzen and Madden, 1986, 457). According to TPB, attitude, subjective norms and PBC together determine behavioural intentions. The more favourable attitude and subjective norms along with greater PBC will lead to stronger behavioural intentions to perform certain behaviour.

Behaviour to adopt or to perform a certain act depends upon both motivation and ability to perform that certain act. When a consumer feels the lack of ability and resources to perform, there are fewer chances of performing that behaviour (Ajzen, 1989; Schifter & Ajzen, 1985). According to Madden, Ellen, & Ajzen, (1992) when individuals are not equipped with sufficient resources or

information to perform certain behaviour their intention to behave will be less despite having a positive attitude and subjective norms.

In literature, previous studies have shown mixed results regarding PBC and behavioural intention relationship. Past studies carried out in Islamic banking by Echchabi (2012); Echchabi and Aziz (2012); Husin and Rehman (2016); in Islamic Insurance by Ali *et al.,* (2015); in internet banking services by Ajam and Nor (2013); in resource planning adoption by Syed *et al.,* (2012), and Echchabi, Aziz (2012); and in credit card use by university community by Sari & Rofaida (2011), have found a positive relationship between PBC and behavioural intentions. However, a few studies have failed to establish any significant relationship between PBC and intentions, like that of Taylor & Todd (1995a) in technology adoption; and Beiginia *et al.,* (2011) in mobile banking adoption. In Islamic banking adoption most studies have reported a positive relation of PCB with intention. In the Pakistani context, where Islamic banking adoption is relatively in its initial stages, it is hypothesized as below:

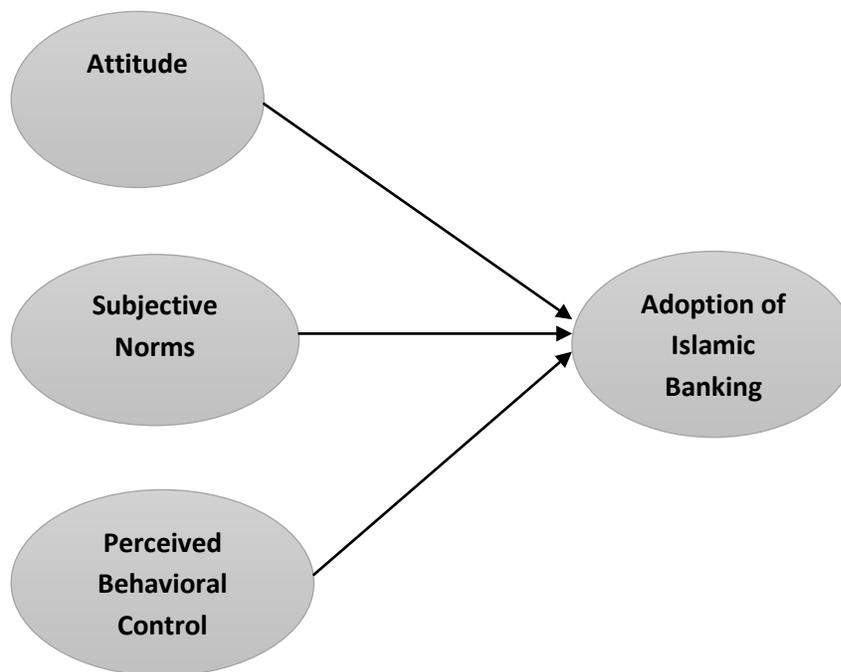H3:   Perceived behavioural control positively influences individual's intention of adopting Islamic banking.

Figure 1: Conceptual framework based on TPB

3   Research Design

The unit of analysis of this study are the individuals avaling banking facilities in both Islamic and conventional banks. The reason for choosing such unit of analysis is that the respondents who availed both types of banking would be able to better distinguish between both kinds of banking services, and their still using conventional banking along with Islamic banking might be showing lack of confidence in fully adapting to Islamic banking. Those who are just using conventional banking are important component to find out their likely drivers which can create intentions to adopt. Those who are using

only Islamic banking are important to provide their important factors of adoption. The data have been collected from two cities namely Rawalpindi and Islamabad. It   is due to three reasons. Firstly, Islamabad is the federal capital and Rawalpindi in the adjacent city, the both are often termed as twin cities and people from almost all ethnic backgrounds and provinces are residing in the twin cities. Secondly, the literacy rate is high in these cities. Thirdly, most of the banking facilities are available in these urban areas.

For choosing an appropriate sample size, statistical power criterion has been used. "G*Power" table was used for the calculation of minimum sample size as recommended by Hair et al., 2014. The model has four predictors, the effect size is chosen as 0.15, and power 0.95. The minimum sample size obtained as per this criterion is 129. However, the sample size selected for the present study was above the minimum sample size i.e. 186. The choice of sample size according to the method is proven advantageous and has been adopted in previous literature (Hair et al., 2014 and Yeap et al., 2016). The population base is very wide, and the data of such individuals does not exist. Hence, there was no sampling frame available for the population. Therefore, the present study used non-probability sampling technique i.e. judgmental sampling technique. This sampling technique is appropriate as the required sample should have some characteristics, and are presently availing banking facilities.

The items for each construct in the questionaire were taken from the previous liteature and were adapted according to the Islamic banking context. Some of the items have been taken from the pioneer work of Taylor and Todd (1995a, 1995b), Rogers (1983), Davies (1989), and some are taken from literature, e.g. Sharma and Bock (2005), Tan and Teo (2000), Teo and Pok (2003), Rammal and Zurbruegg (2007), Ndubisi (2004), Shih and Fang (2004), Lin (2005), To, Liao, Chiang, Shih and Chang (2008), Williams (2009), Fisher and Chu (2009), Puschel, Mazzon and Hernandez (2010), Al-Majali and Nik Mat (2010), and Beigina *et al*. (2010). The items for all the constructs has been validated in the previous studies and have been used extensively in the past empirical studies.

The data was collected through a questionnaire which comprised two parts. The first part was related to the items which were adopted from the existing literature with liket sclae 1 to7. Whereas the second part of the questionnaire included demographic profiles of the respondents. Total 250 questionnaires were distributed and 200 were received back. Due to suspecious response 14 questionnaires were discarded which left 186 usedable questionnares for data analysis.

3.1   Respondents' Profile

Out of 186 respondents, 120 were male, and 66 female. In term of marital status, 74 respondents were single, while 112 were married. Majority, 104 of the respondents held a master's degree. Majority, 54.8% of the respondents were also working in the private sector. In terms of age, 85.5% of the respondents were below the age of 40 years. In addition to that, in terms of availing banking, 38.7% were in Islamic banking, while 34.9% used conventional banking.

TABLE 2. Demographic profile of the respondents

Demographic		Number of Respondents	Percent	Cumulative percent
Gender	Male	120	64.5	64.5
	Female	66	35.5	100
Age	21-30 years	88	47.3	47.3
	31-40 years	71	38.2	85.5
	41-50 years	18	9.7	95.2

	Above 50 years	9	4.8	100
Occupational Status	Public Sector	50	26.9	26.9
	Private Sector	102	54.8	81.7
	Self Employed	16	8.6	90.3
	Student	14	7.5	97.8
	Other	4	2.2	100
Marital status	Single	74	39.8	39.8
	Married	112	60.2	100
Educational level	Diploma	4	2.2	2.2
	Professional	20	10.8	12.9
	Bachelors	47	25.3	38.2
	Masters	104	55.9	94.1
	Phd	11	5.9	100
Banking	Islamic Banking	72	38.7	38.7
	Conventional Banking	65	34.9	73.7
	Both	39	21.0	94.6
	None	10	5.4	100

3.2   Structural Equation Modeling

The analysis was carried out by using partial least squares structural equation modelling (PLS-SEM) technique by using SmartPLS software version 3.2.7. The advantage of using this technique is that it can handle non-normal data and is used when the objective of the study is to explain the variance among the target construct. PLS-SEM is two step processe where first step is the assessment of measurement model to check the reliability and validity of the data. Second, structural model assessment carried out for path analysis and hypothesis testing. Once the data was built into SmartPLS, a path model was constructed as shown in the figure 2 below:
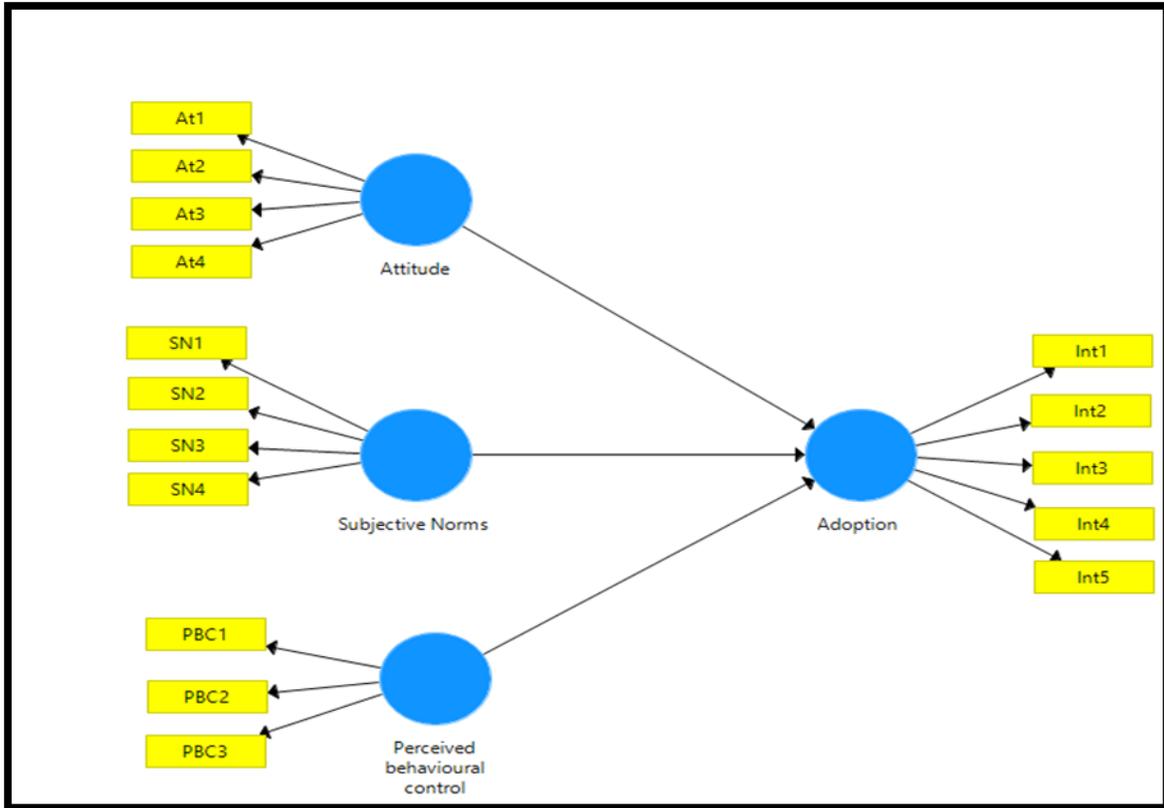
Figure 2: Path model in SmartPLS (PLS-SEM)

3.3 Measurement Model

The first step in PLS-SEM is the measurement model assessment. Measurement model shows the relationship between construct and items. For measurement model assessment, three criteria need to be followed: indicator reliability *(factor loadings),* internal consistency reliability (*Composite reliability, CR),* construct validity (*Average variance extracted, AVE*) and discriminant validity (Fornell *and Lacker (F & L) hetrotrait monotrait ratio HTMT*). The measurement results were obtained after running algorithm in smartPLS.

TABLE 3. Validity and reliability for constructs

Constructs	Items	Loading	AVE	CR
Adoption	I will seriously consider the use of Islamic banking services	0.911	0.874	0.972
	I intend to use Islamic banking in the next three years	0.959		
	I will opt for Islamic banking services in the future	0.952		
	I intend to use Islamic banking in the next two years	0.954		
	I intend to use Islamic banking next year	0.904		
Attitude	Using Islamic banking services is profitable	0.830	0.825	0.949
	Adhering to Islamic banking services is an excellent idea	0.938		
	Using Islamic banking services is worthy	0.935		
	Using Islamic banking is a wise idea	0.925		
Subjective Norms	People important to me would think that I should use Islamic banking services	0.932	0.865	0.962
	My parents that are important to me would think that I should use	0.935		

	Islamic banking services			
	It is expected of me to engage in Islamic banking services	0.934		
	My colleagues that are important to me would think I should use Islamic banking services	0.919		
Perceived Behavioural Control	I am confident that I can easily use Islamic banking services	0.870		
	I think that I would be able to adhere to Islamic banking services if I want to	0.939	0.823	0.933
	I think that using Islamic banking services would be entirely within my control.	0.912		

The result of the measurement model is shown in table 3 above. Based on the table, all factors loading is above the cut of point of 0.7, whereby CR is above 0.7 and AVE values are above 0.5, hence establishing indicator reliability, internal consistency and composite reliability.

Further, to assess the discriminant validity, Fornell and Larcker (1981) criterion was used (Hair et al., 2014). According to this criterion, the square root of AVE of each construct was paralleled with its correlation to other constructs. As exhibited in Table 3, square root of AVE of every construct had a greater value than its correlations with other constructs. HTMT is an improved criterion to establish discriminant validity and cut off shall be less than 0.90. F & L and HTMT both criteria have been fulfilled, hence establishing discriminant validity. Therefore, the measurement model had acceptable discriminant validity. Moreover, since the measurement model of this research showed a satisfactory level of reliability and validity, the analysis could be furthered to assess the structural model followed by hypotheses testing.

TABLE 4. Discriminant Validity

Constructs	1	2	3	4
Adoption	**0.935**			
Attitude	0.852	**0.908**		
Perceived behavioural control	0.666	0.681	**0.907**	
Subjective Norms	0.749	0.721	0.654	**0.930**

Values on the diagonal (bolded) are square root of the AVE while the off-diagonals are correlations.

TABLE 5. HTMT

Constructs	1	2	3	4
Adoption				
Attitude	0.898			
Perceived behavioural control	0.714	0.714		
Subjective Norms	0.783	0.783	0.709	

3.4 Structural Model

After the measurement model was analyzed, the structural model was assessed. The structural model includes the model predictive competencies as well as the relationships among the reflective constructs. For that purpose, R^2 values and Q^2 predictive relevance were calculated. As shown in Table V, R^2 for adoption is 76% suggesting that the model has a substantial explanatory power. Furthermore,

to assess the predictive relevance of the model, blindfolding technique was used. Hair *et al,* (2014) suggested that blindfolding should only be used for endogenous variable that has a reflective measurement. If $Q^2>0$, the model has a predictive relevance. As seen in table 6, Q^2 value for adoption is 0.622.

TABLE 6. Goodness of Fit and Predictive relevance

	R^2	Q^2
Adoption	0.763	0.622

Effect-size (f^2) is another criterion used for evaluating the structural model. f^2 examine the unique effect of each independent variable to the dependent variable. [Cohen's $f2$ method measures the effect size when methods like ANOVA, multiple regression, etc. are used] According to Cohen (1988), f^2 of 0.02, 0.15 and 0.35 are classified as small, medium, large respectively. Therefore, the effect size (f^2) of attitude towards Islamic banking adoption is large and subjective norm and perceived behavioural control is small s as shown in table 7. Hence, we can say that the research model has an adequate predictive relevance.

To test the hypothesized relationships among the constructs, the estimates were attained for the path coefficients. For that purpose, PLS-SEM algorithm was performed. Bootstrapping was exercised for 5,000 sample. Table 7 presents a summary of the hypothesized relationships among the constructs. H1 represented the relation between attitude and adoption of Islamic banking, which is supported having a B=0.618, P<0.01 and T statistics 9.793. H2 presented the relation between subjective norms and adoption of Islamic banking which is supported with B= 0.253, p<0.01and T statistics 3.639. H3 revealed the relation between perceived behavioural control and adoption of Islamic banking which is also supported with B=0.083, p<0.01 and T statistics 1.590. Hence the data for the current research supported all three hypotheses having important research implications for Islamic banks.

TABLE 7. Hypothesis Testing

Hyp	Relationship	Beta	Std Error	T-value	Decision	f^2
H1	Att-> Adopt	0.618	0.063	9.793**	Supported	0.652
H2	SN-> Adopt	0.253	0.069	3.639**	Supported	0.118
H3	PBC-> Adopt	0.083	0.052	1.590**	Supported	0.014

P*<0.005, P**<0.01

3.5   Model Fit

For model fit, smartPLS provide values of standardized mean square values (SRMR), while the cut off for acceptable level of model fit is less than 0.080. For the present study the value of SRMR was 0.041 which shows acceptable value for model fit.

TABLE 8. **Model fit value**

Criterion	Value
SRMR	0.041

3.6   Importance Performance Map Analysis

The importance performance map analysis showed that attitude is the most importance factor in determining adoption of Islamic banking which is followed by subjective norms and perceived behavioural control. However, perceived behavioural control has the highest performance within the model followed by attitude and subjective norms as shown in table 9.

TABLE 9.   **IMPA Results**

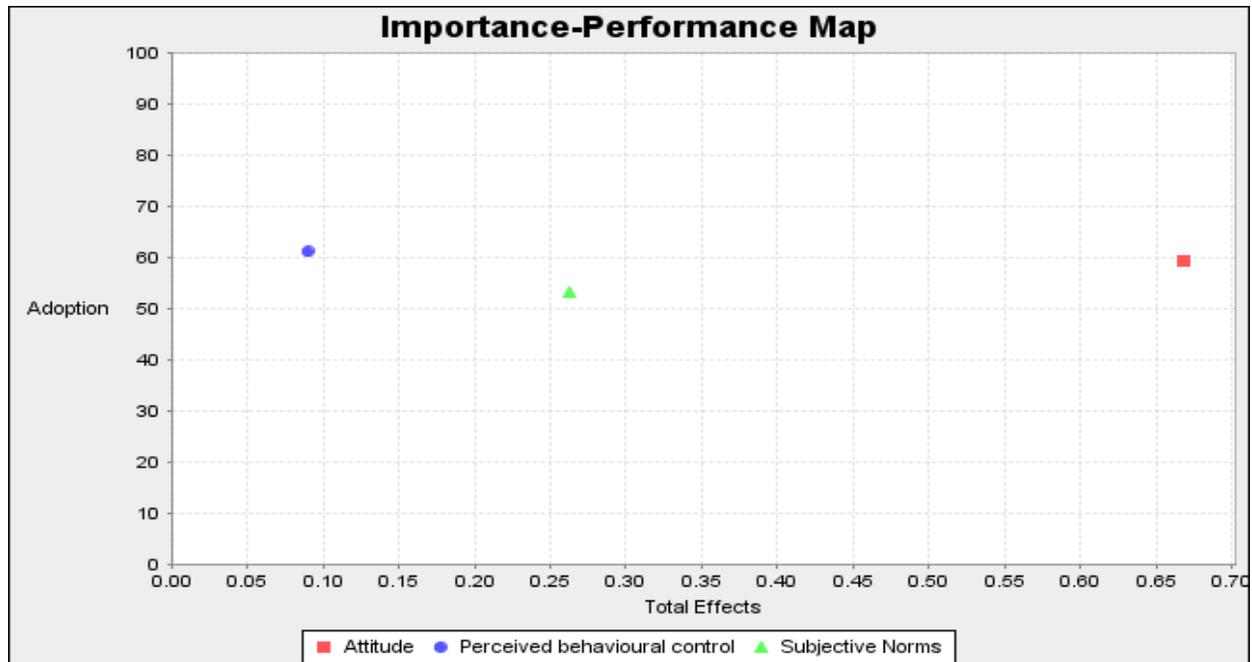| Latent Variable	Intention to adopt	
	Total Effect (Importance)	**Index Value (performance)**
Attitude	0.668	59.33
Subjective norms	0.263	53.18
Perceived behavioural control	0.090	61.12

Figure 3: Importance performance Map Analysis

4   Discussion

This study has been carried out to understand whether attitudes, subjective norms and perceived behavioral control shape a positive intention in Islamic banks potential clientele to adopt Islamic banking system. Taking on a theoretical guidance from the theory of planned behaviour, three predictors have been empirically tested for their influence on the behavioural intention to adopt Islamic banking services.

The results of the study indicated that all the chosen constructs are significantly influencing the intention to adopt the Islamic banking services. Three hypotheses were formulated to address the objectives of the study. Hence, it hypothesized that attitude positively influenced the adoption of Islamic banking. The findings of this research have supported this testable statement. According to the results of this study, if a consumer has positive attitude towards adopting Islamic banking, he will also have a positive intention towards adopting the Islamic banking services.   The results are in line with the previous literature (Ali *et al*.; 2014, Amin *et al*.; 2015). The attitude has been found to be the most important predictor. This signifies that attitude plays an effective role to motivate a consumer to develop positive intention (Gopi & Ramayah, 2007). It further signifies that the favorable attitude would increase the chances of Islamic bank customer using the product.

This study also aimed to find out whether the subjective norms positively influence the intention to adopt Islamic banking. The results proved to be in line with the previous literature (Ali *et al*., 2014, Amin *et al*., 2014, Razak & Abduh, 2012) positing a positive relation of subjective norms with intention to use Islamic banking Services. This means that the opinion of the people who are close to the potential consumer is also important in developing a positive intention for the adoption of Islamic banking services. The inadequate knowledge and lack of awareness makes a person count on the advice and support of his referent group. Subjective norms could be increased if the when the important people to the consumer are in favor of using the Islamic banking services.

5 Conclusion

The study has established that positive attitude, subjective norms and perceived behavioural control are the important indicators of adoption of Islamic banking in any society. The level of adoption has been low in Pakistan as Islamic banks have been unable to develop a positive attitude among the target population. This shows the lack of satisfaction among the existing customers of the Islamic banks. To enhance the customer base and to capture a substantial market share, several actions should be taken. First, Islamic banks need to launch such campaigns which can enhance and create a positive attitude among the target population as positive attitude is a significant determinant of adoption of Islamic banking. Second, Islamic banks need to enhance the level of quality services which will enable dissemination of positive word of mouth, which is also an important and significant determinant of adoption.

5.1 Theoretical Implications

The results of this study provide precious theoretical implications by finding out that attitudes, subjective norms and perceived behavioral control not only influence the intentions of the people in Islamic banking and finance, but they also shape positive intentions for persons intending to use Islamic banking services.

5.2 Practical Implications

Practically implied, this study has interesting insights for the Islamic banking sector. Islamic banks outreach can be enhanced by efforts made at improving the perceived behavioral control measures. They can gauge on the attitudes, subjective norms and perceived behavioral control to ensure present customer retention and future consumer engagement. Those conventional banks, which wish to broaden up their customer base could introduce the Islamic banking services, could tap on the attitudes, subjective norms and perceived behavioral control of the prospective consumers and devise effective strategies to engage customer attention and ensure positive intentions to use Islamic banking services.

Positive attitude can be created through launching of awareness campaigns. These campaigns can be through electronic and print media along with arranging awareness programs by involving peers in communities. The focus of such campaigns should be increasing the awareness in terms of shariah compliance of Islamic banking practices. To spread positive word of mouth, quality of services should be improved to enhance satisfaction of existing clients. It is because the satisfied clients can spread positive word of mouth which can bring in new clients for the Islamic banks.

5.3 Future Research Direction

The future studies can be carried out by collecting the data from more cities to increase the generalizability of the results across the country. The study has used the theory of planned behavior while the attitude, subjective norms and perceived behavioural controls have been used as the main constructs. The future studies can be carried out while decomposing these belief structures and antecedents of these constructs can be incorporated within the model which will enhance the level of understanding from managerial perspective. Apart from that, a time lagged study could be conducted to ensure its robustness.

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