Using Theory of Reasoned Action to Model the Patronisation Behaviour of Islamic Banks' Customers in Malaysia

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ABSTRACT

The main purpose of this study is to explore the factors that influence the intention to adopt Islamic banking services in Malaysia using Theory of Reasoned Action as a model. The paper used primary data collected through survey method. The questionnaires were distributed to 350 Islamic banks' customers in Malaysia. The data were then analysed using Structural Equation Modelling. The results suggest that both behavioural belief and evaluation of outcome have a positive effect on the attitude towards Islamic banking services. At the same time, normative belief and motivation to comply were found to have a positive impact on the subjective norm. Finally, both attitude towards Islamic banking services and subjective norm were found to have a positive impact on the intention to adopt Islamic banking services in the context of Malaysia. The findings of the current study imply that Islamic banks in Malaysia should be more active in portraying themselves in real and good image of the Islamic banking practice in their operation. Establishing a good image plays significant role in determining the attitude of the customers about Islamic banking services. Furthermore, the banks should focus on the group influence as part of their strategy to strengthen the image and popularity of the Islamic banking practice in Malaysia.

Key words: Malaysia, Islamic banking, TRA, consumer behaviour

INTRODUCTION

The history of modern Islamic banks has been traced back to the saving house established in Egypt in 1963. The Islamic bank that was established through the great role of Ahmad El Najjar, was based on the principle of profit and loss sharing (Kahf, 2001). Thus, the activities of the bank are limited to trade and industry. The low popularity that earns the bank the tagged name people's enemy forced the bank to close in 1967. The perceived revival of the Islamic financial system was therefore left redundant for almost a decade.

According to Wilson (2009), three basic factors have contributed to the development of modern Islamic Banking. The first one is the agreement by the finance minister of the Organization of the Islamic Conference (OIC) in 1973 that led to the establishment of the Islamic Development Bank (IDB) in 1975. The second factor is the oil price surge of 1973-1974 that greatly contributed to the increase of the financial resources of the Gulf. This has led to the establishment of banks like, Al-Rajhi bank and other Islamic banks in the Gulf. The third factor is the immense contribution of the Islamic Scholars to this field.

Currently, more than 300 Islamic financial institutions operate worldwide with an estimated assets' value of more than $300 billion (Memon, 2007). The ambition of the financial institutions

to have access to the idle Islamic finance funds necessitates increasing numbers of Islamic banks' windows by the conventional banks. Apart from this, the resilient nature of the Islamic banks to the financial crisis has also contributed to the increasing popularity and adoption of Islamic banks across the globe.

Though a lot of studies about Islamic banking services adoption have been done, the need for further research in this area is still required based on the exploratory nature of the subject and the fact that each new finding tends to complement the existing findings. This therefore justifies the need for the current study which is expected to highly contribute to the existing literature.

Furthermore, the aspiration of Malaysia to become an Islamic finance hub makes it necessary for the decision makers in the country to understand the increasing needs of the customers in order to gain more popularity, especially in the context of the Malaysian dual banking system that makes the competition more ferocious with their conventional banks counterpart.

The aim of this research is therefore to study the factors that influence the adoption of Islamic banking services in Malaysia. As part of the specific objectives, the study attempts also to examine the factors that influence the attitude towards Islamic banking services, as well as the factors that affect the subjective norm of the customers regarding Islamic banking services in the case of Malaysia.

Overview on islamic banking development in Malaysia: The history of Islamic banking in Malaysia can be traced back to 1963 when Tabung Haji (the Pilgrims Management and Fund Board) was established by the government. It is a specialised financial institution that provides a systematic mobilisation of funds from Muslims to assist them to perform pilgrimage in Makkah as well as to encourage them to participate in investment opportunities and economic activities. In fact, due to its uniqueness, Tabung Haji is considered to be the first of its kind in the world (Mokhtar *et al.*, 2008).

Based on Laldin (2008), the objectives of the establishment of Tabung Haji under Act 8 of Pilgrimage Management and Fund Board 1969 are as follows:

*   To enable Muslims to save gradually to support their expenditure during pilgrimage and for other beneficial purposes
*   To enable Muslims to have active and effective participations in investment activities permissible in Islam through their savings and
*   To protect, safeguard interests and ensures welfare of pilgrims during pilgrimage by providing various facilities and services

Subsequently, many parties called for the establishment of an Islamic bank in Malaysia. This resulted in the establishment of the first Islamic bank in Malaysia, Bank Islam Malaysia Berhad (BIMB) in July 1983, with an initial paid up capital of RM80 million (Sufian, 2007). The establishment of BIMB has marked a new milestone for the development of the Islamic financial system in Malaysia. It is worth mentioning that the Islamic Banking Act (IBA) was initiated in the same period.

The developments in Bank Islam Malaysia Berhad have prompted the government to look forward in expanding the Islamic banking industry in the country (Laldin, 2008). The next period was meant to create a more conducive environment for competition among the banks, as well as to give banks the opportunity to gain greater market shares (Mokhtar *et al.*, 2008). In this same period, the conventional banks acquired the right to offer Islamic banking services under what is

called Islamic window. Bank Negara had also introduced the concept of Islamic banking subsidiary and issued licenses to RHB Islamic Bank, Commerce Tijari Bank Berhad and Hong Leong Islam Bank Berhad in 2005 (Bahari, 2009).

The Malaysian Islamic banking system is currently made up of 15 banking institutions comprising of nine domestic commercial banks, four foreign commercial banks and two Islamic banks offering Islamic banking products and services under the Islamic Banking Scheme (IBS). These Islamic banking institutions offer a comprehensive and broad range of Islamic financial products and services ranging from savings, current and investment deposit products to finance products such as property financing, working capital financing, project financing, plant and machinery financing, etc. (Sufian, 2007).

Literature review

Philosophy and principles of Islamic banking: Islamic finance is a different mode of finance, aiming at fulfilling the teachings of the holly Qur'an. The basic principle of shari'ah or the Islamic common law is that exploitative contracts based on riba (interest or usury) or unfair contracts that involve uncertainty or speculation (gharar) are unenforceable (Zaher and Hassan, 2001). In addition to this main principle, there are two more that are of high importance in order to understand Islamic finance. Firstly, Islamic law reflects the totality of Allah's commands that regulate all aspects of Muslims' lives. Secondly, Islamic finance is directly involved with spiritual values and social justice Nicholas (1994), as cited by Zaher and Hassan (2001).

According to Dusuki and Abdullah (2007), there are several distinctive features that make Islamic finance unique compared to the conventional. For instance, Islamic finance strives for a just, fair and balanced society (Mirakhor, 2000; Warde, 2000). Secondly, Islamic banking is constructed upon the principle of brotherhood and cooperation, which stands for a system of equity sharing, risk sharing and stake taking. It promotes such sharing and cooperation between the provider of funds and the user of funds (Ahmad, 2000; Iqbal and Molyneux, 2005). Thirdly, Islamic banking is also characterised by ethical norms and social commitments (Ahmad, 2000; Mirakhor, 2000; Warde, 2000).

Islamic finance is in fact based on three main principles, namely, the prohibition of riba or usury, the prohibition of gharar (ambiguity) and gambling and finally the promotion of profit and loss sharing in order to protect the interest of the community members.

In practice, the Islamic financial contracts can be categorised into two main groups, namely, profit and loss sharing contracts and the cost plus mark up contracts (Khan, 2010). A third category can be the ijarah contracts including the different subgroups of Ijarah contracts. The profit and loss sharing contracts include musharakah, mudarabah, etc. The cost plus mark up contracts include murabahah, Bay' Bithaman Ajil, etc. And Ijarah has different categories such as Ijarah Mausufa Bidhimma, Ijarah Muntahia Bittamleek, etc. The difference between these Islamic services and the conventional services is the ownership of the assets, as well as the liability and risk attached to it and which should be borne by the owner of the asset. This is completely different from the interest-based loans issuance practiced by the conventional banks.

Hence, Islamic finance promotes the values of equality and justice which gives equal opportunities to community members. Meaning that even the poor can access these services, provided that they have enough skill to make profit in the activity that they are most skilful in. For instance, the farmers have the farming skills, so they can access instruments like mudarabah or salam, etc.

Thus, the difference between Islamic and conventional finance is much more nuanced than the definition often presented in terse media accounts that Islam forbids interest. Islamic scholars, both today and throughout Islam's theological tradition, have looked to the Qur'an and Prophetic tradition in order to ascertain the divinely prescribed ordering of trade and economic relations within a society (Zyp, 2009).

Theory of reasoned action: Many studies on adoption intention and behaviour have been widely undertaken in the literatures using different methods such as Theory of Reasoned Action (TRA), Theory of Planned Behaviour (TPB) and Decomposed Theory of Planned of behaviour (DTPB).

Beiginia *et al.* (2011) explored the mobile banking adoption among EN bank customers based on Theory of Reasoned Action (TRA), Theory of Planned Behaviour (TPB) and Decomposed Theory of Planned Behaviour and compared the three models. The results of their studies indicated that, no improvement in fit was achieved using the Decomposed Theory of Planned Behaviour, however decomposed TPB provide better explanation about the attitude, subjective norm and behavioural intention compared to Theory of Reasoned Action or Theory of Planned Behaviour (TPB). The results also revealed that, the inclusion of factors such as relative advantages, compatibility, complexity, efficiency and facilitating conditions, improved the explanatory ability of the Decomposed TPB. Laforet and Li (2005) in their studies where consumers' attitude towards online and mobile banking in China was investigated also found similar results in terms of the influence of security and understanding of the benefit involved. This indicates that organization must be able to convince consumers regarding the security of their money and personal information and ensure that awareness of the existence and benefit of the product must be effectively disseminated to the consumers.

Natarajan *et al.* (2011) in a related study explored the factors that influence adoption of Self Service Technology (SST) and found that, trust in technology and self efficacy directly influences attitude towards Self Service Technology (SST). More it was found that, satisfaction of existing channel indirectly influences attitude towards adoption of Self Service Technology (SST). Related results was also found by Curran and Meuter (2005) who investigated the factors influencing the adoption of Self Service Technology (SST) by comparing three different services and indicated that, ease of use, usefulness, need for interaction and risk influenced the adoption of rate of the three products (that is, ATM, bank-by-phone and online banking). Based on this, it can be argued that, adoption rate greatly on the usefulness of the particular to the consumers.

Riyadh *et al.* (2009) aimed at investigating factors that affect SMEs' adoption of e-banking in Bangladesh using TOE framework, Technology Acceptance Model (TAM), Institutional Theory and Institutional Intervention Theory. An integrated conceptual framework for SMEs' e-banking adoption was developed. The following seven variables affecting e-banking adoption by SME were identified: organizational capabilities, perceived credibility, perceived regulatory support, ICT industry readiness, lack of financial institutions readiness and institutional influence. Van Huy, (2007) found similar results in a related study for the case of Vietnam. This indicates that the organization must show its competency and ability of implementing it. Moreover, the national infrastructure must also be made available to facilitate positive adoption rate.

In another related study, Tan and Teo (2000) did a study that is aimed at identifying the attitudinal, social and perceived behavioural control factors that influence adoption of internet banking by adopting the Theory of Planned Behaviour and Diffusion of Innovation Theory. It was revealed that, attitudinal and perceived behavioural control factors significantly influenced the intention to adopt internet banking compared to social influence.

Similarly, Lee (2009) aimed to propose a theoretical model to explain customers' intention to use online banking by synthesising both positive and negative factors through the adoption of Technology Acceptance Model (TAM) and Theory of Planned Behaviour (TPB). The results indicated that, security/privacy risk and financial risk influence the intention to use internet banking.

Research model and hypotheses: TRA is a well established social psychological model that is concerned with the determinants of consciously intended behaviours (Yousafzai *et al.*, 2010). It theory was initially introduced in 1967 and has been developed, refined and tested over the years (Ajzen and Fishbein, 1980). However, prior to the development of the TRA, Martin Fishbein proposed a theory illustrating the relationships between the belief about behaviour and the attitude towards that particular behaviour (Zhikun and Fungfai, 2009).

As its name implies, the theory of reasoned action is based on the assumption that human beings usually behave in a sensible manner; that they take account of available information and implicitly or explicitly consider the implications of their actions. Consistent with its focus on volitional behaviour, the theory postulates that a person's intention to perform (or not to perform) a behaviour is the immediate determinant of that action. Barring unforeseen events, people are expected to act in accordance with their intentions (Ajzen, 1991).

Though some authors consider that human social behaviour is controlled by unconscious motives or overpowering desires, or else that it can be characterised as capricious or thoughtless (Adhikari, 2011) and Ajzen and Fishbein (1980) argued that people consider the implications of their actions before deciding whether to engage or not in a given behaviour. And according to them, this is why the theory is called "Theory of Reasoned Action".

The main goal of the theory of reasoned action is to predict and understand the individuals' behaviour. It also aims at explaining the human behaviour, which is subsequently followed by identifying how and where to target strategies for changing behaviours (Ajzen and Fishbein, 1980).

As it is shown in Fig. 1, the theory suggests that intention is the main predictor of the actual behaviour. The behavioural intention is the function of two elements. The first element is the
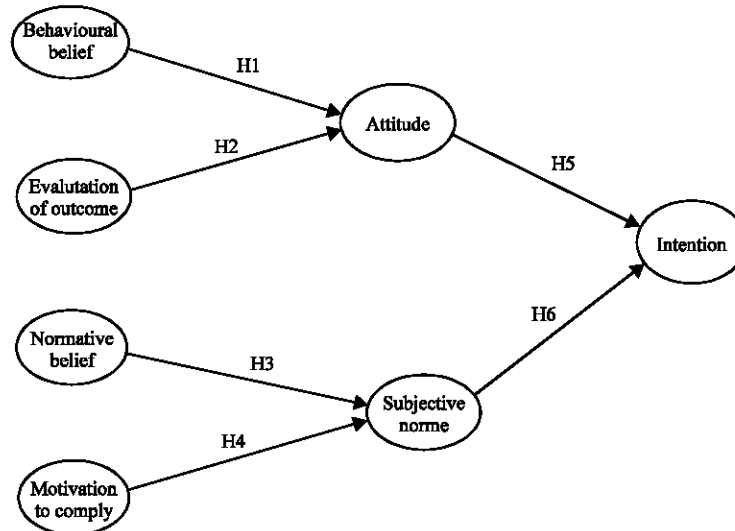

Fig. 1: Research model

attitude towards a particular behaviour. This factor is proposed to be a function of the behavioural belief as well as the evaluation of outcome. The second element is the subjective norm and it is depending on the normative beliefs and the motivation to comply.

The attitude towards behaviour is the individual's positive or negative feelings about performing the target behaviour. It is determined through an assessment of one's beliefs regarding the consequences. Formally, overall attitude can be assessed as the sum of the individual consequence multiplied by the desirability assessments for all expected consequences of the behaviour (Masrom and Hussein, 2008).

Subjective norm refers to a person's perception that most people that are important to him/her think that he/she should/should not perform the behaviour under consideration. According to the theory, the more a person perceives that others who are important to him/her think that he/she should/should not perform a behaviour, the more he/she will intend to do so. Ceteris paribus, people are viewed as intending to perform the behaviours they believe their important relatives and friends think they should perform (Crockett, 1997).

Based on the proposed model, research hypotheses are posited regarding the effect of both behavioural beliefs about Islamic banking and evaluation of the outcome of that belief on the attitude towards Islamic banking, the effect of the normative belief and motivation to comply on subjective norm and finally the effect of both subjective norm and attitude on intention to adopt Islamic banking services. The hypotheses are as follows:

H1: Behavioural belief will have a positive influence on the attitude towards Islamic banking services

H2: Evaluation of outcome will have a positive influence on the attitude towards Islamic banking services

H3: Normative belief will have a positive influence on the Subjective norm

H4: Motivation to comply will have a positive influence on the Subjective norm

H5: Attitude towards Islamic banking services will have a positive influence on the Intention to adopt Islamic banking services

H6: Subjective norm will have a positive influence on the Intention to adopt Islamic banking services

METHODOLOGY

Since the current study is conducted in the context of Malaysia, the target respondents are the Malaysian Islamic banks' customers. A total of 350 questionnaires were randomly distributed to the customers of Bank Islam Malaysia Berhad as well as those of Bank Muamalat Malaysia *Berhad*, located in Kuala Lumpur, Kelantan, Penang as well as Johor. Out of the distributed questionnaires, 335 were returned and properly filled. Thus, a response rate of 95.7% was reached.

As the current study uses the Theory of Reasoned Action to test the factors that determine the intention of the banking customers to adopt Islamic banking services, the questionnaire used in this study was derived from the original instrument designed by Ajzen and Fishbein (1980). The instrument was subsequently adjusted to suit the Islamic banking services adoption in Malaysia. The questionnaire was made of two main parts, the first part was meant to measure the seven latent constructs of the TRA using a five points likert scale ranging from 1 as strongly disagree to 5 as strongly agree while the second part was meant to explore the demographic information related to the respondents.

The data were subsequently analysed using Exploratory Factor Analysis as a preliminary step to Structural Equation Modelling (SEM). Furthermore, the analysis was done through two main softwares, namely, AMOS 18 and SPSS 18.

The results indicate that 55.5% were male, while 44.5% were female. In terms of age grouping, majority of the respondents are between 20 to 30 years old that is 48.4%, then 34.3% are between 31 to 40 years while 17.3% are between 41 and 50 years. Overall, 61.8% are single while the remaining 38.2 percent are married.

Regarding the level of education, 48.1% are holding a bachelors' degree, 34.6% are holding masters degree, 14.0% are holding a PhD degree and 3.3 percent are holding a diploma. For the type of employment, it is worth noting that 29.8% are students, 27.2% are self employed and 23.3% of the respondents are working in the private sector, while 19.7% are working in the public sector.

On the other hand, by looking at the duration of customer-ship with the banks, we find that 39% of the respondents have been customers with the bank for more than five years. Another 38% have been customers with the bank for three to less than 5 years while the remaining 23% of the customers have been with the bank for 1 to less than 3 years.

RESULTS

Exploratory factor analysis: Prior to the Structural Equation Modelling analysis, it is necessary to perform exploratory factor analysis as a preliminary step. In this regard, after checking the correlation and anti image matrix, we reached the final result amounting to seven factors, whereby, the first three factors contain 7 items each, the fourth and fifth factor contain 4 items and lastly the sixth and seventh factors contain three items each.

The KMO value is 0.926 which largely exceeds the threshold of 0.5, showing a high degree of sample adequacy as suggested by Hair and Anderson (2010). Furthermore, all the individual KMOs are greater than 0.5 which is also an evidence for the sample adequacy as recommended by Field (2000).

Validity measures: The measurement model and the model summary shown in Table 1 indicate good fit indices, whereby, the Chi-square value is 2353.683, the normed Chi-square is 4.509, the RMSEA is 0.102 and the CFI value is 0.832 which is an acceptable model fit according to the threshold suggested by Browne and Cudeck (1993), Hu and Bentler (1999) and Kim and Forsythe (2010).

The validity of the model is an important step in applying SEM. According to Hair and Anderson (2010), validity is simply defined as the extent to which research is accurate. One of the primary objectives of the confirmatory factor analysis is to assess the construct validity of a proposed measurement theory. Construct validity is the extent to which a set of measured items actually reflects the theoretical latent construct those items are designed to measure. Construct validity is made up of four components that will be discussed based on the above results.

Table 1: Model fit summary

Model	NPAR	CMIN	DF	P	CMIN/DF	RMSEA	CFI
Default model	143	2353.683	522	0.000	4.509	0.102	0.832
Saturated model	665	0.000	0				1.000
Independence model	70	11489.833	595	0.000	19.311	0.234	0.000

The convergent validity means that the items that are indicators of a specific construct should share a high proportion of variance in common. According to Hair and Anderson (2010), there are several ways to estimate the relative amount of convergence validity, including the factor loadings, the average variance extracted as well as the reliability test.

For the factor loadings, Hair and Anderson (2010) suggest that, they should be greater or equal to 0.5 in order to be acceptable. This criterion is met in our case, since all the factor loading are greater than 0.5 as shown in Table 2. On the other hand, Hair and Anderson (2010) consider that a good reliability should be 0.7 or higher and this criterion is also met because the lowest reliability estimate is 0.822 for the behavioural belief construct. Finally, the average variance extracted is recommended to be 0.5 and above (Hair and Anderson, 2010). This condition is also met as shown on Table 2 with the minimum average variance explained of 0.502 for the evaluation of outcome construct.

The second measure of validity to be considered is the discriminant validity which is the extent to which every construct is distinct from the others. In order to test for discriminant validity, Hair and Anderson (2010) propose to fix the correlation between any two constructs to be equal to 1 and subsequently compare the fit of the two models. If the fit of the two models is significantly different, then this will provide evidence of discriminant validity of the model.

The two-construct model i.e., the model where the correlation between two of the existing constructs has been fixed to 1. In fact, all the constructs correlations have been fixed to 1, in one analysis after the other and all of them amounted to the same result.

Table 3 shows the Chi-square values for the baseline model as well as the two-construct model, together with their degrees of freedom and the change in both the Chi-square values and the degrees of freedom.

The change in the Chi-square value is 128.971 while the change in the degrees of freedom is 1. By comparing these values to the critical value extracted from the Chi-square table, corresponding to a degree of freedom of 1 and a confidence margin of 0.05, which is a value of 3.84, we can conclude that the Chi-square difference test is significant. Thus, the model does have discriminant validity.

In addition to the convergent and discriminant validity, the face validity and nomological validity have also been performed by referring to the specialists and professionals in the field of bank marketing and Islamic banking and Finance.

Table 2: Construct reliability and AVE

Constructs	Construct reliability	Average variance extracted (%)
Behavioural beliefs	0.822	52.862
Evaluation of outcome	0.942	50.240
Attitude	0.877	51.743
Normative beliefs	0.830	52.549
Motivation to comply	0.901	65.423
Subjective norm	0.893	64.366
Intention	0.925	54.868

Table 3: Discriminant validity comparison

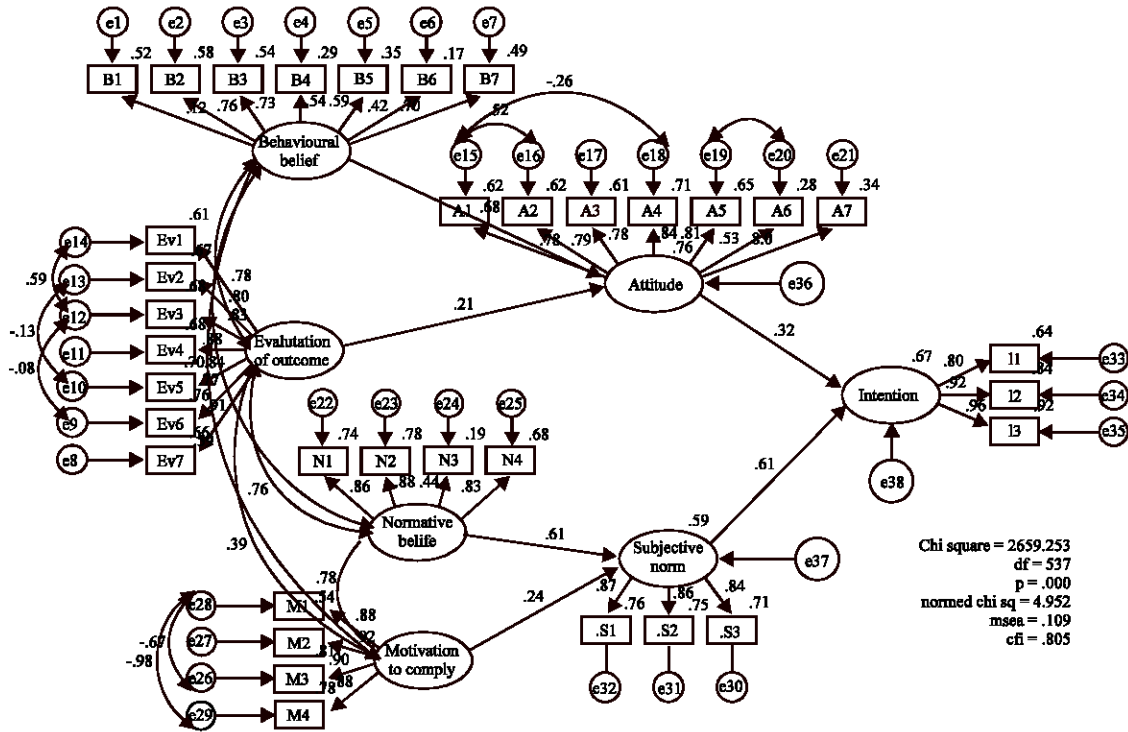| Elements	Chi-square	DF
Baseline model	2353.683	522
Two-construct model	2482.654	523
Change	128.971	1

Fig. 2: Structural model

Table 4: Standardised direct effects

	Normative	Evaluation	Behavioural	Motivation	Subjective	Attitude
Subjective	0.612	0.000	0.000	0.242	0.000	0.000
Attitude	0.000	0.212	0.679	0.000	0.000	0.000
Intention	0.000	0.000	0.000	0.000	0.607	0.315

Finally, the model was validated using a split method, whereby the data used in the current study was split into two groups of 168 and 167, respectively. The results of the split indicate that the fit indices are similar for the two groups and are also showing good and acceptable fit for the model based on Browne and Cudeck (1993), Hu and Bentler (1999) and Kim and Forsythe (2010).

The above results thus provide evidence on the convergent validity, the discriminant validity, face validity as well as nomological validity. Additionally, the validity test that has been performed using the split method also provides enough evidence that the model is valid.

Structural model: The structural model in Fig. 2 shows a Chi-square value of 2659. 253, a normed Chi-square of 4.952, an RMSEA of 0.109 and a CFI value of 0.805 which is good and acceptable model fit based on Browne and Cudeck (1993), Hu and Bentler (1999) and Kim and Forsythe (2010), that consider a CFI value of 0.8 and higher as acceptable.

Table 4 and 5 show the direct and indirect effects, respectively. The results indicate that, behavioural belief about Islamic banking has a positive influence on the attitude towards Islamic banking services as shown by a path coefficient of 0.68. This supports hypothesis 1 which states that behavioural belief has a positive influence on the attitude towards Islamic banking services.

Table 5: Standardised indirect effects

	Normative	Evaluation	Behavioural	Motivation
Subjective	0.000	0.000	0.000	0.000
Attitude	0.000	0.000	0.000	0.000
Intention	0.371	0.067	0.214	0.147

Furthermore, evaluation of outcome was also found to have a positive influence on the attitude towards Islamic banking services, indicated by the path coefficient of 0.21 which is still greater than the minimum of 0.2 suggested by Byrne (2010). This supports hypothesis 2 stating that evaluation of outcome has a positive influence on the attitude towards Islamic banking.

The findings suggest also that normative belief has a positive influence on subjective norms, illustrated with a path coefficient of 0.61. This result supports hypothesis 3 claiming that normative belief has a positive influence on the subjective norm in the case of Islamic banking services.

On the other hand, the results also indicate that motivation to comply has a positive influence on subjective norm and this is shown by the path coefficient of 0.24 which is still greater than the minimum requirement of 0.2. In fact, this supports hypothesis 4 stating that the motivation to comply will have a positive influence on the subjective norm.

The above results suggest also that the attitude towards Islamic banking has a positive influence on the intention to adopt Islamic banking services with a path coefficient of 0.32. And effectively this supports hypothesis 5 stating that the attitude towards Islamic banking services will have a positive impact on the intention to adopt them.

Finally, subjective norm was found to have a positive impact on the intention to adopt Islamic banking services with a path coefficient of 0.61 and this, in turn supports hypothesis 6 claiming initially that subjective norm will have a positive impact on the intention of the customers to adopt Islamic banking services.

Furthermore, the results suggest that normative belief, behavioural belief and motivation to comply have a significant positive indirect effect on the intention to adopt Islamic banking services, while the indirect effect of the evaluation of outcome on the intention to adopt Islamic banking services is not significant.

CONCLUSIONS

The current study aimed at finding the factors that influence the intention to adopt Islamic banking services in the context of Malaysia, based on the Theory of Reasoned Action. The results of the current study support the concept of the TRA approach in the context of Islamic banking services adoption intention.

The findings suggest that, both behavioural beliefs and evaluation of outcome have a significant influence on the attitude towards Islamic banking services. The findings also suggest that, both normative belief and motivation to comply have a significant positive influence on the subjective norm. More so, it was found that both attitude towards Islamic banking services and subjective norm, have a significant positive influence on the intention to adopt Islamic banking services.

Based on the finding of this study, it is suggested that both the full fledged Islamic banks as well as the conventional banks that operate Islamic windows in Malaysia should focus on these aspects in order to attract and retain more customers. The belief about Islamic banking services, the outcome of adopting Islamic banking services as well as the attitude towards Islamic banking

services can all be enhanced by educating the existing customers as well as the potential customers. This can be done through awareness campaigns about both the Islamic banking services and the Islamic teachings and values. Doing this may serve as an incentive for the customers to patronise Islamic banking services, instead of the conventional counterpart.

Furthermore, the Islamic banks need to inspire confidence in the existing as well as the potential customers. In fact, this is one of the ways the banks can rationally use these three factors of normative belief, motivation to comply as well as subjective norm. Customers that are confident in the Islamic bank and the services the banks provide will influence others such as friends and relatives to patronise the bank. Since the motivation to comply has also a significant positive influence on the subjective norm, then the potential customers are more likely to comply with the recommendations of their peers and subsequently end up adopting Islamic banking services.

Beside the above implications for the practitioners, the findings of the study have great implications for the body of knowledge as well. In fact, the study could expand the theory of reasoned action to a different area which is the study of Islamic banking services, particularly, the patronisation behaviour of Islamic banks' customers. The study also provides a modelling of the customers' perception and patronisation behaviour by identifying the main stimulators and channels of the customers' behaviour regarding Islamic banking services in Malaysia.

Future researches are recommended to explore the determinants of the intention to adopt Islamic banking services in other countries. Meanwhile, the future researches can also be directed to use different models in the context of Malaysia, to find more detailed results, such as the factors that influence the behavioural beliefs about Islamic banking services. In addition, it is recommended to focus on specific kinds of Islamic financial services, especially those that were not widely launched up to date.

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