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## The factors affecting customers' decisions to adopt Islamic banking

### Abstract

Attracting and retaining profitable customers to new and unfamiliar products and services is one of the challenges that the banking fraternity is faced with today. The purpose of this article is to highlight some of the important factors that influence attitude in the Islamic banking. Probability sampling was used and 250 questionnaires were distributed among participants based at a local university in Johannesburg. The results revealed that there is a positive relationship between product awareness, social norms, community influence and attitude towards Islamic banking. Also, the results indicated that most of the respondents were not aware of the Islamic banking. The bank practitioners and marketers were, therefore, recommended to take a focused approach on creating awareness of the Islamic banking. Marketers can target community leaders or opinion leaders in order to shed light on Islamic banking to the rest of their community.

**Keywords:** product awareness, social norms and community influence.

**JEL Classification:** G21, Z13.

### Introduction

Islamic banking, also known as Sharia compliant financing, has been present in the South African financial market for over three decades (Cheteni, 2014). However, this alternative banking method which complies with Islamic economic law (Vawda, 2013) is still considered an emerging market (Dusuki & Abdullah, 2007). It is not well known by many people in the country (Saini, Bick & Abdulla, 2011). A lack of awareness has led to misconceptions surrounding Islamic banking (Cheteni, 2014). Thus, Islamic banking faces some challenges due to the complexities and misconceptions which arise when clarifying the banking products to the public (Cheteni, 2014; McViety & Barbour, 2013). The product knowledge of Islamic banking is perceived as being more complex as compared to conventional banking products (Cheteni, 2014). Therefore, it is essential to study the factors that determine the survival of the Islamic banks or Islamic banking divisions (Vawda, 2013).

Previous literature has focused on the attitude and perception towards Islamic banking in countries such as Malaysia (Haque, 2010). These studies focused on the baby-boomers and generation X market (Bley & Kuehn, 2004; Loo, 2010). In a study conducted by Loo (2010), attitude was researched in conjunction with customer satisfaction. However, most of the banks that were referred to were conventional banks and did not single out consumers' attitude towards Islamic banks. Attitude is an important facet in understanding consumer behavior (Vawda, 2013). Perception is considered to be linked to attitude, as it relates to experience (Singhal & Padhmanabhan, 2008). A study conducted

in the United Arab Emirates examined students' knowledge and perception towards Islamic banking and concluded that even at tertiary level, education around Islamic banking was needed to help individuals to make better banking choices (Bley & Kuehn, 2004).

Up to now, consumer awareness, product knowledge and societal influence as predictors of consumer attitudes towards Islamic banking have not been investigated in South Africa. Saini et al. (2011) concentrated on the usage and perception surrounding Islamic banking in South Africa. The study investigated the level of consumer awareness and the use of Islamic banking products in South Africa. Perceptions, the criteria in the selection of banks and usage of Islamic banks in South Africa have been studied as predictors of consumer attitude towards Islamic banking (Vawda, 2013; Cheteni, 2014).

Given the above background information, the purpose of this article is to investigate the relationship between consumer awareness, Islamic product knowledge and societal influences and attitude towards Islamic banking in the South African context. As such, a survey was conducted in Johannesburg, South Africa. The remainder of the article provides the literature review, the research design, results and conclusions, as well as the recommendations.

### 1. Development of hypotheses

The theoretical framework of Theory of Reasoned Action (TRA), Theory of Planned Behavior (TPB) and Social Identity Theory (Mishraa et al., 2014; Guo, 2007; Strachan et al., 2015) is the basis from which to investigate what motivates people to partake in Islamic banking. The Theory of Reasoned Action (TRA) provides a framework that examines human behavior (Mishraa et al., 2014). It focuses on attitude, subjective norms, intention to use and actual use of products (Mishraa et al., 2014). Salient beliefs are considered as pre-determining factors of attitude. It has also been found to display human social behavior (Mishraa et al., 2014). The theory states that an individual's attitude

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towards a particular behavior is a determinant of their intentions to perform or not perform a certain behavior (Roberto et al., 2014).

The Theory of Planned Behavior (TPB) is an extension of the Theory of Reasoned Action with the inclusion of perceived behavioral control (Guo, 2007). The TPB examines situations where individuals are partly in control of their behaviors (Nasri & Charfeddine, 2012). Perceived behavioral control refers to internal and external barriers to behavioral performance (Mishraa et al., 2014). The control element explains the difficult level of the planned behavior (Ramayah et al., 2009). The aim of the theory is to determine the relationship between attitude and behavior (Mishraa et al., 2014). Perceived behavioral control can influence behavior through behavioural intentions (Nasri & Charfeddine, 2012). The TRA model has the ability to predict purchase behavior and highlights the need to measure a person’s attitude towards performing those behaviors (Lada, et al. 2009).

The Social Identity Theory investigates how individuals project an identity and the manner in which they are able to make adjustments in their behavior to remain consistent with their identity (Strachan et al., 2015). Positive social identities are associated with social membership (van Zomeren & Postmes, 2008). The permeability of the group, the boundaries

and legitimacy of the group dynamics affect individuals’ thoughts on their own identity (van Zomeren & Postmes, 2008).

Figure 1 presents the hypothetical framework underlying the arguments in this article. The research model consists of four basic dimensions: awareness, Islamic banking product knowledge, societal influence and attitude towards Islamic banking. Islamic banking product knowledge, awareness of Islamic banking and societal influence are the independent variables. The attitude towards Islamic banking is the dependent variable. It can also be noted that awareness of Islamic banking is an independent variable to Islamic banking knowledge which is the dependent variable. The model was used to explore the factors that determine the survival of the Islamic Banks or Islamic banking divisions.

**1.1. Attitude towards Islamic banking.** Attitude is the perception that individuals have towards a product. It is an important predictor in understanding consumer behavior (Haque, 2010). Khaleka (2014) suggests that attitude has an effect on consumer intention. Consumer’s attitudes are formed by subjective norms (Jaffara & Musab, 2013). Attitudes towards products and services are influenced by the perception of the product, as well as an individual’s self-concept (Haque, 2010).

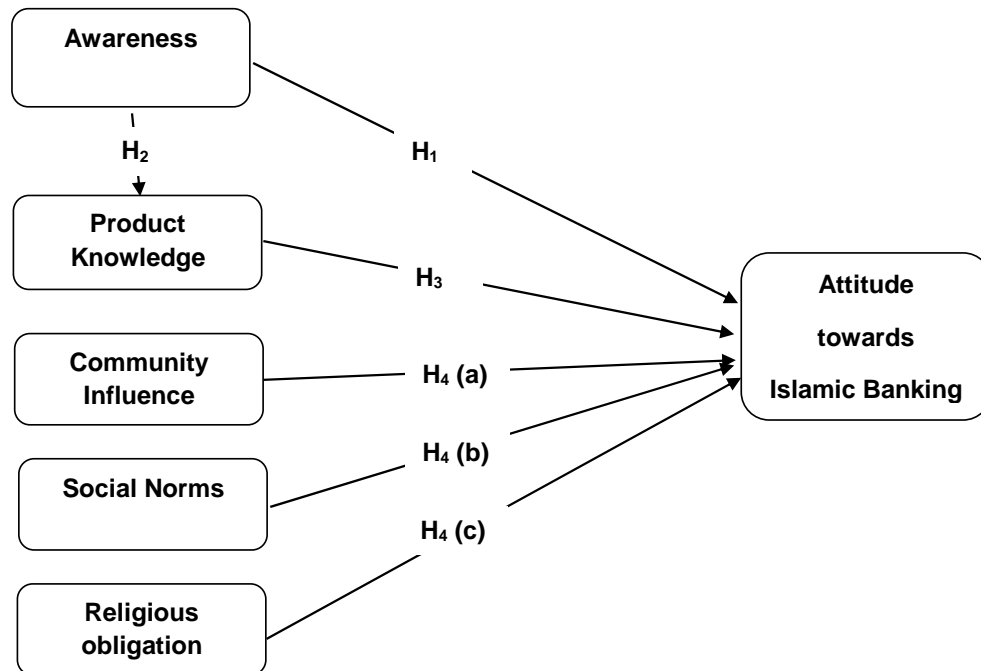


Fig. 1. Proposed conceptual model

Source: Adapted and modified from Mishraa et al. (2014) and van Zomeren & Postmes (2008).

Understanding consumer attitude towards Islamic banking may help to find potential customers and room for expansion in the form of innovation (Khaleka, 2014). Vawda (2013) suggests that atti-

tudes are also seen as good predictors of consumer behavior. It is also suggested that the psychographic, along with behavioral attitude, be investigated (Vawda, 2013).

**1.2. Awareness of Islamic banking.** Awareness refers to the products, Islamic banking products, or brand recognition (Shimp, 2010). Achieving brand awareness remains a challenge in the promotion of brands (Shimp, 2010). Although Islamic banking was introduced in the late 1980's in South Africa (Cheteni, 2014), it is not well known by many people in the country (Saini, et al. 2011). According to McViety and Barbour (2013), some common misconceptions about Islamic banking include (McViety & Barbour, 2013) :

- ◆ Islamic banking is only geared towards the Muslim people;
- ◆ Islamic banking is riskier and more expensive than conventional banking.

The limited disclosure or perceived lack of marketing strategies has caused little or no information to be known about Islamic banking (Ackermann & Jacobs, 2008). Predominantly, Muslim countries experience the same struggle of gaining public awareness of the Sharia compliant financial services (Vayanos et al., 2008). Greater awareness of Islamic banking will heighten competition in the banking sector, which would put pressure on banking institutions to improve their products and become more innovative (Vayanos et al., 2008). In order for banks to be innovative, an understanding of consumer behavior and attitude is required to be known to tailor make services (Vayanos, et al. 2008). Thus, it can be hypothesized that:

H1: The level of product awareness has a significant impact on attitude towards Islamic banking.

H2: Awareness of Islamic banking is positively related to Islamic banking product knowledge.

**1.3 Islamic banking product knowledge.** Product knowledge is derived from memory and is dependent upon awareness of a product or an understanding about the product (Lin & Chen, 2006). According to Wahyuni (2012), product knowledge leads to individuals purchase intention. Purchase intention, at times, is precluded by the lack of awareness of a product (Kuang Chi & Yeh, 2009). Product knowledge is important when making decisions involving one's assets (Lin & Chen, 2006). Banking terminology can be intimidating to some banking users, yet, some are able to interpret the terms to create an understanding for themselves (Bley & Kuehn, 2004). The terminology used in Islamic banking, however, is termed in Arabic and would be difficult for non-Arabic speakers to decipher what a product offers (Bley & Kuehn, 2004). The following provides insight into the popular transactions that one may expect at any Islamic bank.

Islamic banking offers a wide range of financial products. Interest rates, which are called Riba, cannot be stipulated at a fixed amount during financial transaction, rather, profit-loss risk agreements (Vawda, 2013). Trading in financial risk products such as de-

rivatives is prohibited (Beck et al., 2010). Common terms which can be seen in Islamic financial transactions are Musharaka, Mudarabah, Murabaha. Bley and Kuehn (2004) describe the terms as follows:

Musharaka is an investment partnership in which profit sharing is agreed upon prior to the commencement of the transaction. The equivalent at conventional banks is private equity. Mudarabah is also an investment partnership whereby the bank provides capital while a third party manages the business. Murabaha, a form of credit, does not require individuals to take out interest bearing loan. Thus it can be hypothesized that:

H3: The level of product knowledge has a significant impact on attitude towards Islamic banking.

**1.4 Societal influence.** Societal factors affect consumer decision making (Saini et al., 2011). As stated in the theoretical framework, the social identity theory suggests that individuals create an identity or an ideal identity (van Zomeren & Postmes, 2008). Individuals also form identities to remain part of a membership group (van Zomeren & Postmes, 2008). Social norms relate to what others think of one's decision (Hsu & Lin, 2008). Studies focusing on common human behavior revealed that in-group norms had an effect on individuals' behavior (Elliott, 2010). In a study conducted by Elliott (2010), it was noted that Ellis & Fisher (1994) concluded that roles and norms are customary factors in influencing group behaviors. Ellis & Fisher (1994) stated that role is 'a unit of socialization'. People who engage in social activities begin to identify themselves and create a character within those social settings (Elliott, 2010). Individuals classify themselves into social categories and begin to act according to the behavior present in the group (Elliott, 2010). The social identification theory is important in the creation of groups (Elliott, 2010). The theory has proved to be of importance when analyzing the psychology of members in a communal environment (Blader & Tyler, 2009).

According to Elliott (2010), a norm has a positive impact on individual's behavior. Social norms are based on the acceptance that a group has towards one's participation in the group (Elliott, 2010). Individuals' perceptions of norms can be categorized into informational and normative (Elliott, 2010). Informational norms refer to the distribution of information, whether receiving or giving information (Warner & Sloan, 2012). Normative norms refer to the behavior expected from an individual in particular social groups (Rimal & Real, 2005). Group norms are the behavioral characteristics that distinguish one social group from others (Hogg & Reid, 2006). Transfer of norms can be done through direct and indirect communication by looking at verbal and non-verbal actions (Hogg & Reid, 2006).

Religion is the shared beliefs in a particular faith or supernatural force (Parboteeah et al., 2009). Its obligation stems from teachings in religious texts and from members in that religion, which may influence individuals to partake or refrain from certain activities (Parboteeah et al., 2009). Dusuki and Abdullah (2007) concluded that religion was not the only determining factor when choosing a bank. Dusuki & Abdullah (2007) suggested that targeting prospects on the basis of religion will no longer be viable.

Hsu and Lin (2008) suggest that norms and community identification are factors that form part of social influence. Religious obligation is also seen as being part of social influence (Hsu & Lin, 2008). However, conflict of religious beliefs may be a hindrance to using Islamic banking services (Ackermann & Jacobs, 2008). Societal factors relevant to this study consist of community influence, social norms and religious obligation. Thus it can be hypothesised that:

- ◆ H4a: The level of community influence has a significant impact on attitude towards Islamic banking.
- ◆ H4b: Social norms have a significant impact on attitude towards Islamic banking.
- ◆ H4c: Religious obligation has a significant impact on attitude towards Islamic banking.

## 2. Methodology

**2.1. Sample and data collection.** To fulfil the objectives of the research, a survey was conducted at the University of Witwatersrand (Wits University) in Johannesburg, South Africa. The target population for the study was students aged above 18 years. The population consisted of both genders and of different religious categories (Muslim and non-Muslim communities). The target population was chosen, as it presents a good opportunity for banks pursuing the Islamic banking offering to assess the current situation among the potential market.

The random sampling method was used to collect data. Out of 300 questionnaires distributed, only 250 questionnaires were fit to be used in the study indicating a response of 83%. The questionnaires were handed out to students in the laboratories and on the library lawns on university campus. The questionnaire took approximately 15 minutes to be filled in. The data were collected between July and August 2014. Participation was voluntary and confidentiality was guaranteed, as the questionnaires were anonymously answered.

**2.2 Measurement instrument.** A questionnaire was designed to capture the required data for analysis. The questionnaire consisted of two parts. The first part provided a brief introduction of the Islamic banking, as well as questions related to demographics such as age, religion and gender.

The second part consisted of seven sections relating to the seven constructs. The scales to measure awareness of the Islamic banking products were adapted from Gerrard & Cunningham (1997). Furthermore, items to measure attitude and religious obligation were adapted from Gerrard & Cunningham (1997). To measure community influence in the study questions were adapted from Gu et al. (2009) and social norms from Gopi & Ramayah (2009). The questions relating to knowledge were adapted from Nepomuceno et al. (2014). Also, questions from the Algesheimer et al. (2005) study were adapted to community influence construct. Appropriate amendments to the scales were done, where necessary, to suit the context of the study. In all scales, a 5 point Likert scale was used, with 5 indicating strongly agree and 1 point indicating strongly disagree.

However, the religious obligation construct was removed after an initial run of data in SPSS and AMOS, as the result from this construct failed to provide adequate results (valid and reliable).

**3.3 Respondents Profile.** The biographical information of the 250 respondents is presented in Table 1. It is important to note that there 42% of the total respondents were males while females made up the remaining 58%.

Table 1. Respondents profile

Gender	Frequency	Percentage
Male	105	42
Female	145	58
Total	250	100%
Age	Frequency	Percentage
18-21	154	61.60
22-25	81	32.40
26-29	7	2.80
30-33	2	0.80
34 and above	6	2.40
Total	250	100%
Education	Frequency	Percentage
Matric certificate	186	74.40
Diploma	5	2.00
Undergraduate degree	41	16.40
Postgraduate degree	18	7.20
Total	250	100%
Religion	Frequency	Percentage
Christianity	179	71.60
Islam	28	11.20
Jewish	9	3.60
Hindu	18	7.20
Other	16	6.40
Total	250	100%

The age categories are between 18-21 years, 22-25 years, 26-29, 30-33 and 34 and above. The majority of the respondents fell into the 18-21 years age group. The 34 and above age category had the least number of respondents of six, which accounted for to 2.4% of the total respondents. Students currently pursuing their undergraduate degree who currently hold a Matric Certificate accounted for 74.4% of the respondents. Christianity is the religious group that accounted for the majority of respondents with 71.6%, followed by Islam which accounted for 11.2% of the respondents.

**Measure validation.** Table 2 provides the results of the overall model fit. The overall model fit was represented by the following results. Chi-square ( $\chi^2/df$ ) = 1.743, Goodness of Fit Test (GFI) = 0.921, Norm Fit Index (NFI) = 0.945, Relative Fit Index (RFI) = 0.932, Incremental Fit Index (IFI) = 0.976, Tucker-Lewis Index (TLI) = 0.97, Comparative Fit Index (CFI) = 0.976, Random Measure of Standard Error Approximation (RMSEA) = 0.055.

Table 2. Model fit results

Model fit criteria	CMIN/DF	GFI	NFI	RFI	IFI	TLI	CFI	RMSEA
Indicator value	1.743	0.921	0.945	0.932	0.976	0.97	0.976	0.055

The model fit results confirm that the assessment model is fit for analysis. This is indicated by the following tests results. The Chi-square results is 1.743, which is below the recommended value of 3. GFI is 0.921 which is greater than 0.8. The NFI is 0.945 which is greater than 0.9. The RFI of 0.932 which is greater than 0.9. The IFI has a value of 0.976 which is above the 0.90 threshold. The TLI is 0.97 is greater than 0.9. The CFI is 0.976 which is greater than the 0.90, the recommended value and the RMSEA (0.055) which is less than 0.08. These results stipulate acceptability of the model. This paved the way to continue the analysis from conducting CFA to structural equation modelling.

Confirmatory Factor Analysis (CFA) and Path Modeling Analysis were examined to give further explanation of the results. CFA is conducted to verify the model fit, reliability and validity of the scales in the questionnaire. The use of AMOS 21 produced the required results for CFA and path modelling. Table 3 provided results of the accuracy analysis tests that were conducted. Reliability was measured using Cronbach's alpha, composite reliability (CR) and average variance extracted (AVE). For validity, factor analysis was used to check convergent validity, Chi-square, and inter-construct correlation. Discriminant validity along with model was examined through various indicators. Descriptive statistics will be discussed first to give an understanding of the demographics which the respondents represents.

Table 3. Results of the accuracy analysis statistics

Research construct	Descriptive statistics				Cronbach's test		C.R. value	AVE value	Highest shared variance	Factor loading	
	Mean value	Standard deviation		Item-total	$\alpha$ value						
AIB	AIB1	1.920	1.917	1.299	1.312	0.871	0.918	0.924	0.803	0.724	0.952
	AIB2	1.888		1.294		0.884					0.946
	AIB3	1.944		1.343		0.751					0.780
IBPK	IBPK1	1.84	1.813	1.293	1.206	0.782	0.910	0.917	0.787	0.724	0.836
	IBPK2	1.87		1.246		0.795					0.871
	IBPK3	1.74		1.166		0.888					0.95
SN	SN1	1.96	1.964	1.156	1.135	0.825	0.942	0.944	0.825	0.360	0.85
	SN2	1.81		1.105		0.854					0.882
	SN3	1.85		1.159		0.917					0.956
	SN4	1.79		1.122		0.856					0.903
CI	CI2	3.42	3.304	1.285	1.244	0.664	0.846	0.848	0.652	0.097	0.72
	CI3	3.11		1.229		0.747					0.866
	CI4	3.38		1.218		0.731					0.83
ATT	ATT1	3.14	3.137	1.268	1.306	0.472	0.783	0.793	0.500	0.155	0.507
	ATT2	3.17		1.337		0.540					0.587
	ATT3	3.17		1.314		0.712					0.861
	ATT4	3.07		1.308		0.639					0.81

Notes: AIB - awareness of Islamic banking products, IBPK - Islamic banking product knowledge, SN - social norms, CI-community influence, ATT - attitude towards Islamic banking, CR - composite reliability, AVE - average variance extracted.

One of the measures to tests reliability is the Cronbach's alpha. Cronbach's alpha coefficients lie between 0 and +1. A good measure of reliability would be above 0.6. However, for purposes of this study,

the threshold was 0.7 as a good measure of reliability. The Cronbach's alpha results in Table 3 show all values to above 0.7. This indicates that the constructs can all be regarded as reliable.

Composite reliability (CR) value should be above 0.7, AVE value should be above 0.5. Table 3 illustrates the results of the calculations of the AVE of each construct. It can be seen that each construct obtained a value above 0.5. This indicates that each construct is valid and, thus, the model is valid. In addition, the AVE values are all above the shared variances. For example, AIB has an AVE value of 0.803 with a shared variance of 0.724  $[(0.851)^2=0.724]$ .  $0.803>0.724$ , thus, there is discriminant validity.

Inter-construct correlation matrix and the Chi-square CFA tests are methods used to check on discriminant validity of the research constructs. As indicated in Table 4, the inter-correlation values for all the paired latent variables were less than 0.851.

The results displayed in Table 4 can be summarized as follows:

- ◆ AIB is positively correlated with IBPK and the correlation is significant at 0.01 level of significance. AIB is also positively correlated with SN with a value 0.579. The p-value provides significance at a 0.01 level. Whilst AIB is negatively correlated with CI. AIB is positively correlated with ATT and the correlation significant at a 0.01 level.
- ◆ IBPK is positively correlated with both SN and ATT with correlation values of 0.600 and 0.296, respectively. Both are significant at a 0.01 level of significance. IBPK is positively

correlated with CI, but is only significant at a 0.001 level of significance.

- ◆ SN is positively correlated to CI and ATT, but the significant correlation is only found between SN and ATT.
- ◆ CI is positively correlated with ATT and the correlation is significant.

Table 4. Correlations between constructs

	AIB	IBPK	SN	CI	ATT
AIB	1				
IBPK	0.851**	1			
SN	0.579**	0.600**	1		
CI	-0.008	0.015	0.080	1	
ATT	0.312**	0.296**	0.394**	0.312**	1

\*\* Correlation is significant at the 0.01 level (2-tailed).

Notes: AIB - awareness of Islamic banking, IBPK - Islamic banking product knowledge, SN - social norms, CI - community influence and ATT - attitude towards Islamic banking.

### 3. Data analysis and results

**3.1. Path model.** AMOS 21 software for the structural equation modelling (SEM) technique was used for the data analysis. Figure 2 provides a graphical representation of the relationships of the constructs in the model. The path model developed in AMOS determines the acceptability of the hypotheses in the model. Support for the study hypotheses, which are labelled on the corresponding paths in Figure 2, were determined by testing the directionality of the path coefficients and the significance of the t-values.

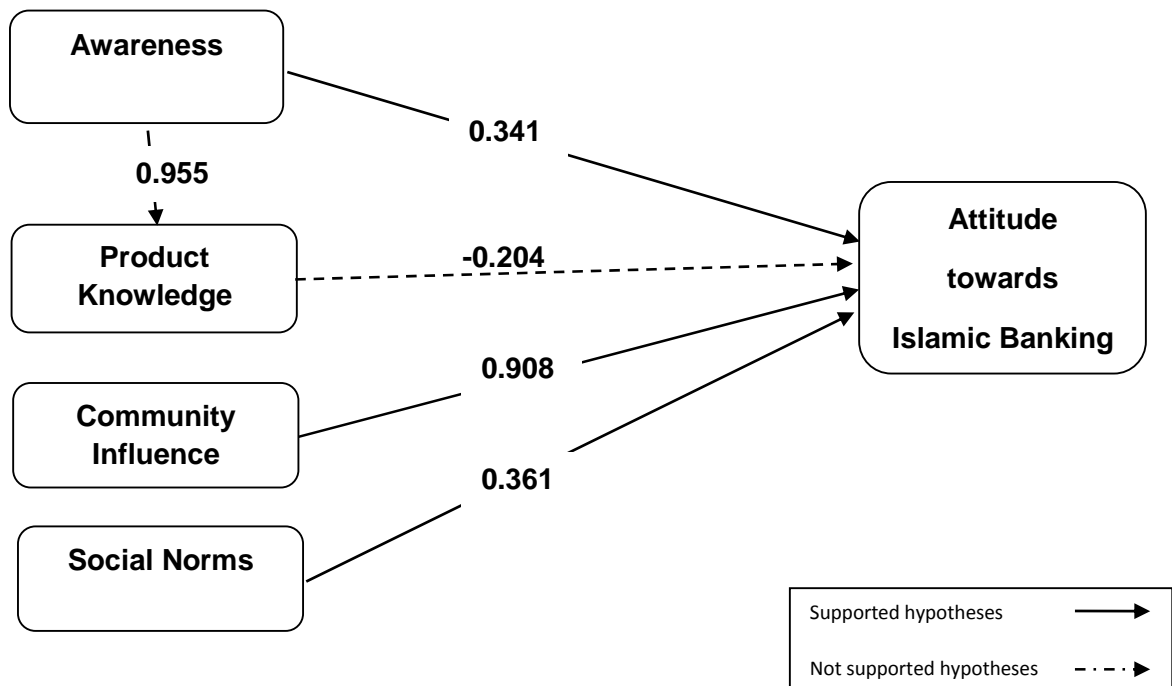


Fig. 2. Measurement and structural model results

Table 5 presents the results of AMOS on the structural model. The table displays the factor

loadings which are the path coefficients and the significant levels.

Table 5. Results of structural equation model analysis

Proposed relationship hypothesis	Hypothesis	Path coefficient	P-value	Outcome
AIB->ATT	H <sub>1</sub>	0.341	0.056	Supported and significant
AIB->IBPK	H <sub>2</sub>	0.955	***	Supported and significant
IBPK->ATT	H <sub>3</sub>	-0.204	0.225	Not supported and insignificant
CI->ATT	H <sub>4 (a)</sub>	0.908	0.001	Supported and significant
SN->ATT	H <sub>4 (b)</sub>	0.361	***	Supported and significant

Notes: \*\*\*significant at  $p < 0.01$ , as p-value is lower than 0.01.

Notes: AIB - awareness of Islamic banking, INPK: Islamic banking product knowledge, SN - social norms CI - community influence, ATT - attitude towards Islamic banking.

It can be noted that the path coefficients can be positive or negative. This distinguishes whether a relationship between variables is positive or negative and if it is supported by the model. The coefficients should be at least 0.2 and preferably, greater than 0.3 (Chin, 1998). The p-values explain whether or not the relationship is significant, i.e., supported or unsupported.

As proposed in hypothesis one, the results show that there is a positive relationship between awareness and attitude towards Islamic banking. The standardized coefficient is positive (0.341) with a p-value of 0.056 which is less than 0.01 ( $p < 0.01$ ). Thus, it is significant at a 0.01 level of significance. This shows that level of awareness of Islamic banking has an influence on attitude towards Islamic banking. In agreement with the second hypothesis (H<sub>2</sub>), the findings indicate that there is a positive relationship between awareness and knowledge of the Islamic banking product. The standardized coefficient is positive (0.955) and is significant at 0.01. Thus, the level of awareness influences the knowledge of Islamic banking product. The empirical findings for hypothesis three (H<sub>3</sub>) shows that relationship between knowledge of and attitude towards Islamic banking is negative and insignificant. The outcome is denoted by a negative standard coefficient (-0.204) and a p-value (0.225) of greater than the 0.01.

The results for hypothesis four A (H<sub>4 (a)</sub>) show that there is a positive relationship between social norms and attitude. The standardized coefficient is positive (0.908) and significant at the 0.01 as  $0.001 < 0.01$ . This indicates that social norms influence consumer attitude towards Islamic banking. Finally, as proposed in hypothesis four b (H<sub>4 (b)</sub>), the results show that there is a positive relationship between community influence and attitude towards Islamic banking. The standard coefficient is posi-

tive (0.361) and significant at the 0.01 level ( $p < 0.01$ ), thus, community influence can affect attitude towards Islamic banking.

The findings of the study confirm that there is positive association among the investigated constructs. This implies that awareness and knowledge play a crucial role in decision making and investor attitude towards Islamic banking. Social norms and community influence seem to be at least two of the social factors in determining attitude towards Islamic banking.

## Discussions and conclusions

The findings of the study show that awareness of Islamic banking products had a positive relationship with attitude towards Islamic banking. Also, the relationship between awareness of Islamic banking products and Islamic banking product knowledge was positive. This implies that awareness directly impacts the product knowledge of Islamic banking products and facilities. The finding supports Bley & Kuehn's (2004) assertion that once banks have an understanding of consumers' attitude towards Islamic banking, they will be able to nurture consumer attitudes that are in line with the aims of the bank. However, the relationship between Islamic banking product knowledge and attitude is considered negative. Thus, product knowledge has no direct impact on attitude towards Islamic banking.

In addition, the results of the study indicate that social norms have a positive relationship with attitude. Thus, social norms can have direct impact on customer attitude towards Islamic banking products. Community influence was found to also have a positive relationship with attitude. Community influence has a direct impact on attitude towards Islamic banking. The findings are in line with Frings & Albery, (2015) who indicated that societal influences mould individuals' attitudes, that is, social influences which include group membership, influence the decision individual consumers make (Frings & Albery, 2015)

However, the relationship between religious obligation and attitude towards Islamic banking was statistically invalid and, unfortunately, conclusive results on this construct could not be obtained and discussed.

## Implications

The findings of the article indicate that generally, the respondents were not aware of Islamic banking. In order for the Islamic banking to be viewed in a favourable light, greater awareness campaigns must be implemented by marketers. Marketers can target community leaders or opinion leaders in order to shed light on Islamic banking to the rest of their community. This may prompt greater awareness and greater willingness to use Islamic banking.

### Limitations and areas of further studies

The purpose of this study was to investigate the relationship between awareness of Islamic banking, Islamic banking product knowledge and societal influence on the attitude towards Islamic banking. As such, a conceptual model was created in which hypotheses were then drawn up. The study contributed to existing literature surrounding Islamic banking and the various facets attached to it. In particular, the relationship between consumer attitude and awareness, knowledge and community influence were analyzed.

However, the current literature on attitude towards Islamic banking has not adequately dealt with the issues of gender, age, education and race diversities and the impact that they could have on consumer behavior. Therefore, further research on these dimensions could yield some fascinating findings and could also significantly impact on the delivery of communication mix to attract more banking patrons. In addition, marketing strategies to target individuals to use Islamic banking can be looked into. Religious obligation and societal influence could be examined differently to draw conclusive results relating to the attitude towards Islamic banking.

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