

## **Patronage Factor of Tawarruq Home Financing in Malaysia**

### **ABSTRACT**

Recently, Islamic banking sector has undergone rapid changes in the development of new financial innovations for Shariah compliance and competitiveness purposes. Tawarruq home financing is one of the innovations added to the existing list of Islamic home financing products, which provides a source of competitive advantage to gain a greater customers' acceptance. In many cases, bank customers can determine the success of the product through acceptance and thus improving its growth through an improved demand, enabling the banks to sustain in the mortgage market. Hence, understanding customers' need is now becoming more important for Islamic banks than ever before, not only due to the changing landscape of Islamic home financing products but also because of the changing preference of prospective customers. In response to this concern, this study is aimed at explaining the patronage factors of tawarruq home financing in Malaysia. Evidently, product attractiveness, quality of maqasid compliance, financial recommendation, attitude and perceived behavioural control are jointly related to the willingness to choose tawarruq home financing. Attitude is also a significant mediating variable. The findings provide Islamic bankers with a better understanding of what attributes customers look into when choosing tawarruq home financing. Limitations and future research are provided.