

Examining the influence of factors critical for the consumer to accept the offered Islamic home financing

ABSTRACT

Purpose This study aims to examine the impacts of Shariah -compliant products, value-added benefits, mortgage repayment policy and well-versed bankers on the consumer acceptance of Islamic home financing. These variables, thereafter, are called the "critical success factors" (the CSFs) for Islamic home financing.

Design/methodology/approach Guided by the Islamic theory of consumer behaviour (ITCB), this study intends to propose the specific CSFs that ensure consumer acceptance of Islamic home financing a success. The term success refers to consumers' willingness to take up the facility. A questionnaire survey was conducted to elicit responses pertinent to the level of agreement/disagreement of the CSFs. A total of 460 respondents usable responses were obtained and analysed accordingly.

Findings The results obtained indicate that Shariah -compliant products, value-added benefits, mortgage repayment policy and well-versed bankers are instrumental to influence the consumer acceptance of Islamic home financing.

Research limitations/implications Like other works, this study has confined its context to capture only a limited geographical area, and the study's contributions are restrained to the variables analysed to a specific context of Islamic home financing in Malaysia.

Practical implications The results obtained can become as a yardstick to measure the consumer acceptance of Islamic home financing.

Originality/value New proposed CSFs can help to address the new demand of Islamic home financing accordingly, where a new area of improvement is brought into play. This study also extends the applicability of the ITCB to include Islamic home financing products.