

Choosing murabahah to the purchase orderer (MPO) vehicle financing: an Islamic theory of consumer behaviour perspective

ABSTRACT

Purpose – This study aims to examine the effects of Islamic altruism, level of iman and maqasid consumer index on young intellectuals' willingness to choose murabahah to the purchase orderer (MPO) vehicle financing. Besides, the role of the level of iman or faith as a mediator is examined. **Design/methodology/approach** – Earlier studies have reported the limited application of the Islamic theory of consumer behaviour (ITCB) to the vehicle financing context. This lack of theoretical foundation might provide a potential explanation for the mixed empirical support that has been found. This study, therefore, uses the ITCB to study young intellectuals' willingness to take up the facility. The data were analysed using partial least squares based on 312 respondents. **Findings** – The results obtained from this study confirm that the ITCB should be applied to understand the willingness behaviour amongst young graduates in selecting MPO vehicle financing. The level of iman was found a key factor not only as an independent variable but also as a mediator. **Research limitations/implications** – This study is limited in terms of its generalisation and research context. **Practical implications** – New insight into patronage factors for MPO vehicle financing is provided along with the applicability outcome of the ITCB. **Originality/value** – This paper applies the ITCB into the MPO vehicle financing context and using young intellectuals to examine the validity and reliability of the ITCB. **Keywords** Malaysia, Murabahah, Altruism, Islamic theory of consumer behaviour, Maqasid, Vehicle financing