

Maqasid-based consumer preference index for Islamic home financing

ABSTRACT

Purpose – Using the maqasid-based consumer preference index (MCPi), this study aims to investigate customer preference for Islamic home financing. Design/methodology/approach – The current study, based on valid 1,034 usable questionnaires and the MCPi, evaluates consumer choice for the supplied Islamic home finance products by 16 Islamic banks in Malaysia. Findings – According to the findings, all banks have a moderate value of MCPi. Bank Islam Malaysia Berhad is at the top of the list, followed by Maybank Islamic, Commerce International Merchant Bankers Islamic and Malaysia Building Society Berhad. Research limitations/implications – The MCPi is used in this study to test a new technique to measuring consumer preference. The contributions are confined to these particular variables – Educating Customer, Establishing Justice, Promoting Welfare and Fulfilling Islamic Debt Policy. The research also has limitations in terms of the facility's general setting. Future research may shed light on these issues from new angles. Practical implications – This research offers banks a new way to manage their products based on maqasid al-Shari'ah. Originality/value – In the context of Malaysia, this study introduces the MCPi, a new measure of consumer preference for home financing.