

Customer's Attitude towards Diminishing Partnership Home Financing: A Comparative Study of Malaysia and Pakistan

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Abstract

This study aims to compare the customer's attitude towards the diminishing partnership Islamic mortgage, which is offered in Malaysia and Pakistan. The questionnaires were randomly distributed in both countries and only potential homebuyers from Karachi and Kuala Lumpur were invited to participate in the study. The finding indicates that there are differences between the Malaysian and Pakistani customers' attitude towards diminishing partnership Islamic mortgage. This difference lies in the method and concept of profit-sharing in diminishing partnership home financing, the method of computing the profit, and fairness of pricing. There are various limitations that apply to this study. Firstly, the current research work is only confined to two cities which are, namely, Karachi and Kuala Lumpur. Secondly, the research scope may be extended to other cities in both the countries in order to generalise the findings. This study is one of the first comparing customers' attitude towards Islamic mortgage product in Malaysia and Pakistan.

Key words: Attitude, Diminishing Partnership, Home financing

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Introduction

House or shelter is imperative of all the necessities required for an individual to fulfill the important segments of life including protection of life and protection of wealth (Shahwan, Mohammad, & Rahman, 2013). There are a variety of different products available in the dual banking system which is either based on interest, offered by conventional banks, and interest-free products offered by the Islamic banks. Islamic home financing products being interest-free are mainly divided into two broad categories, debt-based and equity-based. *Bay bithaman Ajil (BBA)*, *Al Ijarah Thumma al Bay (AITAB)* & *Tawarruq* are categorized as debt-based Islamic home financing, whereas, *Musharakah Mutanaqisah (MM)* is categorized as equity-based home financing mortgage (Hanafi, 2012).

Bank Negara Malaysia, defines diminishing *Musharakah* as "Diminishing partnership which is technically a partnership contract between two or more parties to a particular asset or venture, which allows one of the partners to gradually acquire the shareholding of the other partner through an agreed redemption method during the tenure of the contract" (BNM, 2010). As there are different ethnic groups living together in Malaysia, therefore BNM therefore allowed the dual banking system to operate by looking at needs of mixed religious and ethnic groups. Adopting a dual banking system the Malaysian nation became the first to implement a dual banking system, hence providing the space to Islamic and conventional banks to operate in a single bank (Sadar, Ismail, & Yahya, 2004).

Like Malaysia, in Pakistan there also exists a dual banking sector and the State Bank of Pakistan (SBP) is responsible for regulating and formulating policies and guidelines for conventional, as well as Islamic, banks. However, conventional banks are still more popular than the Islamic banks in Pakistan (Sayyid, 2003). The State bank of Pakistan is putting in efforts for revival of Islamic Banks and as a result, many local and foreign Islamic banks are operating today beside conventional banks.

This study aims to identify differences in customer's attitude towards diminishing partnership Islamic mortgage between Malaysia and Pakistan, for two reasons. Firstly, the aforesaid product has been available in both the countries for almost a decade. Secondly and more importantly, according to Hantais and Mangel (1998) conducting a comparative cross-national study, leads to a different understanding of the most critical issues in different countries besides identifying gaps in the knowledge. An individual country practices one's national culture, which involves the means of feeling, thinking and ingrained acts in societal convention and common values (Nakata & Sivakumar, 2001).

In the past, various studies on the perceptions of Muslim customers were carried out in different parts of the world including the UK, Malaysia, Bahrain, Jordan, the UAE and Kuwait including ; (Ahmad & Haron, 2002; Al-Sultan, 1999; Bley & Kuehn, 2004; Erol & El-Bdour, 1989; Erol, Kaynak, & Radi, 1990; A. Hamid & Nordin, 2001; Haron, Ahmad, & Planisek, 1994; Metawa & Al-mossawi, 1998; Omer, 1992; Wajdi Dusuki & Irwani Abdullah, 2007). Apart from these studies, many researchers have compared BBA to MM but there is no comparative study on customers' attitude towards Islamic mortgage (Edib & M., 2011; Osmani & Abdullah, 2010). Additionally, there is no research that compares the differences that may exist in the customer's attitude for Islamic mortgage in two countries.

Therefore this research addresses the differences for diminishing partnership financing in two countries and adds to the literature to fill in the existing gap. Further, the remaining paper consists of different sections. Section 2 includes the literature review, section 3 discusses the methodology. Section 4 presents findings and finally, section 5 leads to discussion and conclusion.

Literature Review

Brief Overview of attitude

Fishbein and Ajzen (1975), define attitude as "an evaluative effect of positive or negative feelings of individuals in performing a particular behaviour". In the past, there have been various studies which relate attitude to behaviour including, but not limited to (Gopi & Ramayah, 2007; Ramayah & Suki, 2006; Taib, Ramayah, and Razak (2008)) and these studies find a significant relationship between behaviour and attitude. The current study focuses more on a descriptive context and does not investigate the relationships between attitude and behaviour.

Empirical studies on Islamic mortgage

There is still scarcity in terms of empirical studies on the Islamic mortgage. There exists various empirical studies with regards to Malaysia but there is a dearth of studies in the context of Pakistan. Literature on previous empirical studies in the context of Islamic mortgage is considered including (Abduh & Abdul Razak, 2011; Amin, 2008; Amin, Abdul, & Razak, 2013, 2014a, 2014b, 2016; Amin, Rahim, Dzuljastri, & Hamid, 2017; Amin, Rahman, & Razak, 2014; Ayesha and Omar (2011); M. A. Hamid, Yaakub, Mujani, Sharizam, & Jusoff, 2011; Razak & Taib, 2011; Taib et al., 2008).

Amin (2008) in his study on Islamic mortgage employs a quantitative approach. He applied independent samples T-test and analysis of variance (ANOVA) for investigating the Malaysian customer's preferences for house mortgage selection criteria. This study was unable to explore a dependent variable, whereas antecedents were established. In order to gather the responses for the perception of Malaysian customers, a questionnaire survey was used. The findings of the study are significant and furnish that the principle of Shari'ah, transparent practice and lower and flexible monthly payment, interest-free practice and 100 percent financing, are vital factors. The study limits the use of ANOVA analysis in examining religious differences as most of the respondents were Muslims. Later on M. A. Hamid et al. (2011) investigated the factors responsible for the adoption of home financing. The study finds that there is a difference in awareness level of Chinese and Malay on Islamic home financing and there also exists a significant relationship between respondents' age and education level against awareness level. Importantly, this study also finds there is a strong relationship between factors such as individual and financial institution. (Ayesha & Omar, 2011) like Amin (2008) examined the factors responsible for customer's choice towards Islamic mortgage in the context of Pakistan. They also used a similar approach to Amin (2008) using the independent T-test and ANOVA. However, this study reports that five essential factors are observed by Pakistani customers when they opt for Islamic housing finance, namely, the principle of Shari'ah, price, the reputation of the bank, fast and efficient services and flexibility in conditions of the product. Further, the result of this study cannot be generalized as the sample used is limited to 4 banks in a specific location in the city of Lahore, Pakistan with 200 samples. It is important to note here that these empirical studies on home finance which are discussed above did not make reference to diminishing partnership home financing but Islamic home financing in general. Empirical studies like Taib et al. (2008); (Abduh & Abdul Razak, 2011; Razak & Taib, 2011); which were carried out on acceptance of MM home financing and examined the behaviour of Islamic bank customers using theory of reasoned action (TRA). In a similar vein (Taib et al., 2008) collected cross-sectional data using survey and applied factor analysis, correlation and regression analysis to test TRA on MM home financing. This study finds that both subjective norms and attitude tend to be the important determinant in one's willingness to intend to use MM home financing. Further findings of the study reveal TRA to be valid for MM home financing and those postgraduate students who were respondents in the study were influenced by subjective norms to opt for MM home financing. This study has limitations in terms of examining only two factors in order to check the willingness for MM and use of convenience sample because it may not be able to gather the differences as a whole in generalizing the results. (Razak & Taib, 2011) examined MM home financing from bank clients' perception and report that IB customers are not satisfied with the terms of BBA based on price and injustice with individuals. It is also reported that in MM home financing both the bank and customer share the risk and profit with fairness and justice to them. It is empirically proven in the study that MM contract is close to the objectives of Shari'ah. Similarly, the study by (Abduh & Abdul Razak, 2011) also applied TRA and conclude that intention of the customer to use MM is more influenced by subjective norm than attitude.

Amin et al. (2013) in an effort to investigate customers' acceptance of Islamic mortgage, used an integrated model combining two theories, namely, TBP and diffusion theory of innovation (DOI). Moreover, Amin, Rahman, et al. (2014) in a similar quest for consumers' eagerness to use Islamic mortgage, applied TPB to determine those who want to be a partner in diminishing partnership Islamic mortgage facility. They used structural equation modelling in order to find the relationship between customer's willingness and attitude, perceived behavioural control and subjective norm. It was concluded that there was a significant relationship between aforesaid variables, with attitude being the most instrumental predictor.

Drawing upon the ordered probit model, Amin, Abdul, et al. (2014a) found that perceived behavioural control, attitude, Islamicity of product and subjective norms tend to be the influential predictors of the consumers' acceptance. Mainly the determinant Islamicity of the product turns out to be the most significant factor that affects the consumer to acknowledge the Islamic mortgage products.

In a similar vein, Amin, Abdul, et al. (2014b) considered another angle to provide an understanding of Islamic mortgage and introduced the theory of Islamic consumer behaviour in the context of Islamic mortgage in order to investigate the determinants that affect the consumer's preferences towards the Islamic home financing. This study put forward a different approach in contrast to Amin, Abdul, et al. (2014a) and Amin, Abdul, et al. (2014b). They combined religious satisfaction with the objectives of *Shariah* formulating an Islamic framework. Thus, it is found that religious satisfaction and education are important predictors in determining the preferences of Islamic mortgage; with this in mind, still the theory of consumer behaviour has limitations and empirically may not justify them.

Moreover, Amin et al. (2017), further carried out an empirical work and examined the attitude of the consumers towards the unexplored factors, namely, Islamic debt policy, product choice, and service quality effects. The consumers' attitude in this study mediated the relationship between the product choice, consumer preference, Islamic debt policy and service quality. This study finally leads to an important finding, which is the significance of all the results of the abovementioned variables on the customer's preference.

These findings from the previous studies have mixed results. Given the fact that most of the studies attested that the theory of planned behaviour is of particular importance and all the original constructs of the TPB, as well as those added in a modified TPB model, predicts the consumers' acknowledgment for the Islamic mortgage. Above all two of the TPB constructs, namely, attitude, and subjective norm are found to be instrumental in predicting intention of Islamic bank consumer's to use its Islamic mortgage products. Nevertheless, the previous literature varies in adding different variables which have not been attested before, then examining their significance in determining consumer's intention.

Moreover, these studies have demographic and geographic limitations. This comparative study between Malaysia and Pakistan compared diminishing partnership Islamic mortgage in two different countries with entirely different financial, economic, ethnic and demographic backgrounds of respondents and filled in the gap in the literature. Furthermore, this study suggested recommendations for improvement of the Islamic home financing banking industry.

Methodology

Survey instrument

This research adopted quantitative research technique. For the collection of primary data, a self-administered survey was administered in two places in Malaysia and Pakistan, namely, Kuala Lumpur and Karachi. As stated previously the respondents were customers of an Islamic bank in Kuala Lumpur, Malaysia, and Karachi, Pakistan. Moreover, respondents chosen were supposedly potential homeowners, who had an intention to apply for Islamic mortgage sooner or later. The customers of the bank were selected randomly from Kuala Lumpur and Karachi since the attitude of customers in two cities in different countries was to be investigated.

The questionnaire used to gather the information consisted of two sections with closed-ended and open-ended questions respectively. The first section, was comprised of open-ended questions related to demographic details of the respondents, namely, highest education, age, occupation, and gender. In the following section, the respondents had to choose questions related to attitude towards DP home financing along with a 5-point Likert scale on a strongly agree-strongly disagree scale for each of the statements.

Measures

The total of 15 items in the form of statements, were added to section 2 of the survey questionnaire. In order to capture customer's attitude towards diminishing partnership home financing, these statements were adopted from (Abduh & Abdul Razak, 2011). Moreover, the 800 questionnaires were retrieved from Kuala Lumpur and Karachi.

Findings

Validity and Reliability

First of all, the reliability analysis of all 15 items was checked. Reliability analysis is the measure of the internal consistency. Table 2 exhibits the reliability analysis of 15 items in both the cities, Kuala Lumpur and Karachi. The result explains that the Cronbach's alpha exceeds the cut-off point value of 0.70 recommended by (Nunnally & Bernstein, 1994) and ranged between 0.801 and 0.834 in Karachi and Kuala Lumpur respectively. Hence, this result confirms that all factors have good reliability and internal consistency among the items.

Table 1: Reliability Analysis

Total Items	Kuala Lumpur (α)	Karachi (α)
15	.834	.801

Source: Primary data.

Respondents' profile

Firstly in this section, descriptive statistics of respondents are demonstrated and include the demographics, which is the frequency of different gender, age groups, respondent's qualification and occupation in both cities Kuala Lumpur and Karachi. In Table 1 detailed demographic characteristics are exhibited.

Table 2: Frequency Statistics

Demographic information		Malaysia		Pakistan	
		Frequency	Percentage	Frequency	Percentage
Gender	Male	212	53.0	232	58.0
	Female	188	47.0	168	42.0
Age	Less than 20	28	7.0	20	5.0
	20-40	264	66.0	196	49.0
	41-60	88	22.0	84	21.0
	60 and above	20	5.0	100	25.0
Education	High School	36	9.0	28	7.0
	Advanced Diploma	168	42.0	144	36.0
	Bachelor Degree	116	29.0	124	31.0
	Master Degree	80	20.0	104	26.0
Occupation	Full-Time	272	68.0	22	5.5
	Part-Time	24	6.0	48	12.0
	Self-employed	92	23.0	100	25.0
	Student	12	3.0	230	57.5

Source: Primary data

The demographic details were placed in section 1 of the questionnaire, which exhibits a profile of respondents in terms of gender, age, qualification, and occupation. In section 1 the comparison between different respondents from the two cities Kuala Lumpur and Karachi are shown. It was interesting to note that the ratio of respondents from both cities in terms of gender i.e. male and female, age, qualification was almost same and occupation as well to a certain extent. For instance, the findings depicted that 212 (53%) of the respondents in Malaysia were Male and advance diploma holders 168 (42%). Similarly, 232 (58%) of the respondents in Pakistan were male also and advance diploma holders 144 (36%). In terms of occupation, most of the respondents were full time workers in Malaysia with 272 (68%) whereas 230 (57.5%) were students in Pakistan. From the above demographic profile, it is evident that most of the respondents in both countries had a high level of education and qualification. As such, they are eligible to participate in this survey without suspicion of response bias regarding selecting the propitiate sample.

Comparative Analysis

To identify differences in customers' attitude towards diminishing partnership home financing, Table 3 compares the mean analysis of each component of attitude in Kuala Lumpur and Karachi, accordingly moving from "Strongly disagree (1) - Strongly agree (5)" on a Likert scale where a higher mean explains more attitude towards diminishing partnership.

The findings in Table 3 show that the responses from Kuala Lumpur surpass Karachi due to a higher standard deviation as well as better mean than responses from Karachi. Moreover, Table 3 explains and gives a clear picture of the difference in respondents' attitude for diminishing partnership home financing between Kuala Lumpur and Karachi. It is worth mentioning here that responses which were collected from Kuala Lumpur mostly weigh as much as the responses which were collected from Karachi. The item "profit sharing concept in diminishing partnership home financing is not similar to conventional home financing" scored the high mean of 4.20 in Kuala Lumpur however for Karachi the mean score was 4.14. Hence, this demonstrates that the respondents in Kuala Lumpur consider diminishing partnership home financing more different from conventional home financing and might have better awareness. The same item "profit sharing concept in diminishing partnership home financing is not similar to conventional home financing" also scored highest in Karachi. For this item, the mean value difference is 0.0725. Among all the observations the least scored item for Kuala Lumpur was "Diminishing partnership home financing does not cause hardship and harm to the individual" with a mean value of 3.6100. Interestingly, the mean value for the same item in Karachi is also lowest by all means and stands at 3.4625. The value for standard deviation was also highest for this statement with 1.32374 for Kuala Lumpur and 1.37962 in Karachi. This shows that respondents in both cities do not agree that diminishing partnership home financing really solves the problems relating to hardships that customers may face in case of default and the fear still persists that diminishing partnership may not necessarily resolve the imminent hardships to the prospective customers arising from Islamic home financing in Malaysia and Pakistan. Another lowest observation that "Usury (riba) does not exist in diminishing partnership home financing" scored 3.6150 in Kuala Lumpur and 3.6050 in Karachi respectively. For this item, the mean value difference is 0.01. It elaborates that respondents are well-aware of diminishing partnership to contain an element of riba to some extent and do not consider diminishing partnership to be free from riba in Malaysia and Pakistan. Regarding "the pricing of diminishing partnership home financing is fair because it is based on the rental value of the property" the customers of Islamic banks in Karachi are more optimistic than customers in Kuala Lumpur as the variation is -.0625. This is because respondents in Karachi are given available information on different banks' websites as to how the valuation of the property is carried out and the success of diminishing partnership home financing with a lower rate of default as well as abandoned projects because most of the banks only finance the outright purchase of property already constructed.

Besides that, it is also interesting to note that respondents in Kuala Lumpur attained a mean of 3.7800 for diminishing partnership home financing pricing differing from conventional home financing. Whereas respondents of Karachi are more in support of diminishing partnership home financing differing in pricing than conventional with a mean score of 3.8075.

In Malaysia, there is much more criticism for pricing of diminishing partnership home financing, which argued to mimic conventional home financing and being similar in computa-

tion. There is much awareness in respondents regarding pricing issues in diminishing partnership home financing may be because of the media campaign and such cases are available in Malaysia as a precedent, whereby Islamic banks are criticized for charging exorbitant amounts in name of profit. Such cases are not much highlighted in the case of Pakistan and maybe that is the reason why most of the respondents are not aware of pricing issues, which are present in current diminishing partnership model practices of most of the Islamic banks.

However, the response for "the price using rental rate in diminishing partnership is lower than interest rate" and "Diminishing partnership home financing is Shari'ah complaint because there is the real purchase of property and the bank takes ownership risk" the mean score is the same 3.9300. This implies that respondents in Kuala Lumpur are moderate for both the statements.

Further in the last 2 columns in Table 3, the mean difference between both cities, which are Kuala Lumpur and Karachi, is exhibited. The difference in Mean, M is denoted by $\Delta (M)$ and the difference in standard deviation, SD is denoted by $\Delta (SD)$. However, the difference of mean ($\Delta (Mean)$) is mostly positive values except for a few negative values; this depicts that in Kuala Lumpur and Karachi the respondents had more mixed perceptions for attitude towards diminishing partnership. Similarly least of the values of $\Delta (SD)$ in the last column of Table 3 are negative with few positive values. For this study the item "Diminishing Partnership home financing product is based on justice and equality" had a much distant mean with a difference of 0.2075 (3.75 – 3.54). It means that the customers from Kuala Lumpur do have more faith in the diminishing partnership home financing product to be fair, which is offered by Islamic banks in Malaysia, meaning that customers believe diminishing partnership home financing is based on the premise of justice and equality.

On the other hand, the perception of respondents from Karachi is not much different than their counterparts in Kuala Lumpur. It shows that respondents from both the countries agree that DP is more close to the spirit of Shari'ah with the element of justice and equality. The mean difference of 0.2075 in both the countries can be explained by the justification that Malaysia is considered a hub for Islamic finance due to research and promoting Islamic finance by the initiatives taken by the government of Malaysia.

Therefore Islamic banks are also able to promote product awareness at a higher level compared to the government of Pakistan, which are still striving to promote Islamic finance and lag behind their Malaysian counterpart. Therefore it ascertains that even though people in Pakistan are aware of diminishing partnership home financing to be near to justice and equality, still Malaysian respondents are a bit better off in terms of awareness. As stated earlier the majority of respondents in Malaysia and Pakistan agree with most of the statements and consider diminishing partnership home financing to be different from conventional home financing and above all nearer to the objective of Shari'ah due to the presence of profit-sharing and fairness.

Table 3: Descriptive Statistics of Attitude for DP home financing

Attitude for DP Islamic home financing acceptance	Kuala Lumpur (MAL)	SD	Karachi (PAK)	SD	$\Delta = (MAL-PAK)$	
	Mean		Mean		Δ Mean	Δ Std. Deviation
The profit sharing concept in DP home financing is not similar to conventional home financing	4.2200	.99704	4.1475	1.08798	0.0725	-0.09094
The method of computing profit in DP home financing is not similar to conventional home financing.	4.1000	.92311	4.0650	.91261	0.035	0.0105
The pricing of DP home financing is not similar to conventional home financing as rental rates replace interest rate.	3.7800	.96640	3.8075	.96839	-.0275	-0.00199
The pricing of DP home financing is fair because it is based on the rental value of the property.	3.9900	.99618	4.0525	.99610	-.0625	0.00008
The price using rental rate in DP is lower than interest rate.	3.9300	1.05255	3.9100	1.05579	0.02	-0.00324
DP home financing is Shariah compliant because there is the real purchase of property and bank takes ownership risk.	3.9300	.98363	3.9075	.98304	0.0225	0.00059
The bank takes liability on the defects of my house in DP home financing.	3.9000	.92311	3.8825	.91968	0.0175	0.00343
DP home financing product is based on justice and equality	3.7500	.98485	3.5425	1.08911	0.2075	-0.10426
DP home financing does not cause hardship and harm to the individual.	3.6100	1.32374	3.4625	1.37962	0.1475	-0.05588
There is no need for me to pay the bank rental if the house is abandoned and not completed.	3.6550	1.07184	3.6700	1.06486	-0.015	0.00698
DP home financing contributes positively to the equitable distribution of wealth and income.	3.6200	1.10845	3.6075	1.09382	0.0125	0.01463
DP home financing reflects the true spirit of Islam in promoting the well-being of society.	3.6650	1.08892	3.5675	1.18489	0.0975	-0.09597
Usury (<i>riba</i>) does not exist in DP home financing.	3.6150	1.09534	3.6050	1.12345	0.01	-0.02811
The bank can easily assist me during financial difficulties under DP home financing.	3.9600	1.01537	3.8975	1.08625	0.0625	-0.07088
If I apply for home financing, I will seriously consider taking DP home financing.	3.8950	.99320	3.8325	1.06644	0.0625	-0.07324

Source: Primary data.

Discussion and Conclusion

The present study was an attempt to primarily investigate the differences in customer's attitude towards the diminishing partnership home financing product. Although a number of studies have examined the perception of customer's attitude and behaviour towards Islamic Bank products; very few studies have attempted to explore customers' attitude towards diminishing partnership home financing in two different countries, namely, Malaysia and Pakistan. As a result, this study has provided some evidence concerning the differences in customer's attitude towards diminishing partnership home financing product and has shown that there are not many dif-

ferences between the Malaysian and Pakistani customers' attitude towards the diminishing partnership home financing contract. To elaborate, the perceptions of the Malaysian customers considered diminishing partnership much more different from conventional and have better awareness compared with the perception of the respondents from Pakistan. This can be explained by the justification that Malaysia is considered as a hub for Islamic finance due to research and promoting Islamic finance by the initiative taken by the government of Malaysia. As a consequence, Islamic banks are able to promote product awareness at a higher level compared to the government of Pakistan, which is still striving to promote Islamic finance and lag behind their Malaysian counterpart. Therefore it ascertains that even though people in Pakistan are aware of

diminishing partnership home financing, still Malaysian respondents are a bit better off in terms of awareness.

In addition, the findings of this study revealed that the customers of Islamic banks in Karachi are more optimistic than customers in Kuala Lumpur for the pricing of diminishing partnership home financing and consider it fair and reasonable compared to conventional products. This is because customers in Karachi are given available information on different banks' websites as to how the valuation of the property is carried out and the success of diminishing partnership home financing with a lower rate of default as well as abandoned projects because most of the banks only finance the outright purchase of a property already built. In contrast, Islamic banks in Malaysia are criticized for charging exorbitant amounts in name of profit. Such cases are not greatly highlighted in the case of Pakistan and maybe this is the reason why most of the respondents are not aware of pricing issues, which are present in current diminishing partnership model practices by most of the Islamic banks in Malaysia. It is also interesting to note that respondents of Karachi are more in support of diminishing home financing differing in pricing than conventional financing compared to Malaysian customers. This is because in Malaysia there is much more criticism regarding pricing of diminishing partnership home financing, which argued to mimic conventional home financing and be similar in computation. The results also showed that respondents in both cities do not agree that diminishing partnership home financing solves the problem relating to hardship that customers may face in case of default and the fear still persists that diminishing partnership home financing does not necessarily determine the imminent hardship to the prospective customers arising from Islamic home financing. In general, the majority of the respondents in both cities agreed with most statements and consider diminishing partnership home financing to be different from conventional home financing and above all close to the spirit of Shari'ah with the element of justice and equality.

To sum up, the findings of this research represent a general outlook of the differences in customer's attitude towards the diminishing partnership home financing product in two different countries. It provides a better understanding of customer's attitude and offers a variety of propositions by offering indicators of attitude towards diminishing partnership home financing. Therefore, the results of this study are expected to assist Islamic banks in Malaysia and Pakistan in making decisions regarding the development of home financing products particularly diminishing partnership. Policy makers and top management can also use the findings of this research as a valuable input to justify their efforts in developing and implementing appropriate learning and improvement to support diminishing partnership home financing which, in turn, will help the policy makers and managers of Islamic banks better understand the attitude of customers in both countries.

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