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Islamic Banking in Malaysia: A Study of Attitudinal Differences of Malaysian Customers

Ahasanul Haque

*Faculty of Economics and Management Sciences
International Islamic University Malaysia
Box No. 10, 50728 Kuala Lumpur, Malaysia*

Abstract

This research emphasizes attitudinal difference of Malaysian customers about Islamic banking services. The banking service providers can gain excellent benefit from Islamic banking practices upon identification of these differences. A structured questionnaire was constructed to collect the necessary data to answer the research questions as being framed on related affective factors of attitudinal differences of consumers' in Malaysia. In this research we have employed independent sample 't' test and ANOVA to test the hypotheses. Results showed that Malaysian consumers have positive attitude toward Islamic banking. Results of 't' test showed significant attitudinal differences between males and females. In addition, the results of ANOVA showed significant attitudinal difference existed only between Malay and Chinese and between Chinese and Indian, while the overall attitudes of all three races were positive toward Islamic banking. One potential limitation of this study was the size and composition of the group which participated in the study. Therefore, a generalization about the entire population of Malaysian banking customers of banking sector is inappropriate. In addition, this research could not incorporate all levels of diverse attributes of Islamic banking that might influence customers' behavior. The results of this study can facilitate the Islamic banking service providers to introduce new, innovative service offerings based on attitudinal differences and of course, in accordance with Islamic rules and regulation.

Keywords: Islamic Banking, Gender, Race, Attitudinal Difference, Malaysia.

Introduction

Attitude is an important aspect to understand or predict the behaviors of customers in some situation (Sethi, 2002). General attitudes are relatively good predictors of general behavioral likelihoods (Eagly and Chaiken, 1993). Furthermore, customer's attitude toward a product or service is influenced by a match of the product or service user image with the customer's self-concept (Ekinici and Riley, 2003; Sirgy et al., 1992; Wang and Heitmeyer, 2005). Results of the present study may help the Islamic banking service providers to find out the potential customers for expanding their services. So, it seems fundamental to understand the customers' thinking or attitudinal behavior on how they perceive about the Islamic banking.

"Islamic banking has become a substantial and fastest growing industry during the last four decades. It has followed the Islamic transactions rules and principles (Sharia'h) to carry out their business" (Henry and Wilson, 2004; Iqbal and Mirakhor, 2007; Dusuki and Abdullah, 2007). In accordance with Sharia'h principles, any payment or receipt of interest is strictly prohibited. Although,

the Islamic bank also offered more or less similar products and services which are similar to those offered by a conventional bank, such as, current accounts, credit cards, investments in securities, cheque collection, etc. (Naser et al., 1999). There are now over 300 Islamic banks and financial institutions worldwide and the estimated assets of between US\$200 – US\$300 billion (Henry and Wilson, 2004; Ibrahim, 2006; Pollard and Samers, 2007). Furthermore, according to Pollard and Samers (2007) almost 25 percent of Islamic financial institutions now operate in countries that do not have Muslim majorities and interest-based banks have opened up “Islamic windows” to attract the growing number of Muslims living in Europe and North America.

Nonetheless, Wilson (1995) states: “Islamic banking is no longer regarded as a business entity striving only to fulfill the religious obligations of the Muslim community, but more significantly, as a business that is ineluctably in need for winning over customers at the same time as retaining the old ones” (Wilson, 1995; Dusuki and Abdullah, 2007). Hinting the rapid proliferation of Islamic Banking services, Bley and Kuehn, (2005) writes, “Islamic financial services sector is growing at double digit rates”. One of the emerging, fastest growing, and progressive Muslim nations, Malaysia has already gained significant global attraction of investment opportunities. Financial and capital markets have strong foothold in Malaysia which in turn, attracted investors to expand local and global banking facilities and the operation of the subsidiaries of multinational companies. In these positive turn of economic transformations, it is vital for the Islamic Banking service providers to know the psychological and/or behavioral attitudes of the potential Muslim, as well as, non-Muslim customers toward Islamic banking services that are currently available. Yet, knowledge about customers’ attitudinal differences towards Islamic banking is very scant and research to date is also limited. In this study an affirmative stance was taken to focus on these key issues that were perceived to be worth taking in the course of transforming Islamic banking services conducive to the development of customer satisfaction, better business relations, real growth, and future developments.

Islamic Banking: Malaysian Scenario

Malaysia is well placed in the heart of South East Asia and also a member of the Association of Southeast Asian Nations (ASEAN). Excellent business opportunities exist in most of the sectors in Malaysia, not only for geographical advantage, but also for dynamic political leaderships and stability, congenial atmosphere for foreign investments, cross-cultural diversity, and many other feasible factors. The economy of Malaysia is one of the most progressive and fastest growing in South East Asian regions. Her transformation, from a mining and agriculture-driven economy in the 1970s to manufacturing in the 1990s, enabled the nation to magnetize foreign investment and increase its export capabilities substantially. The robust external environment was supported by equally strong domestic commercial activities as private consumption went up consistent with incomes and private investment that eventually enhanced productive capacity to meet ever-growing demand.

As a positive consequence of the expansion in local and external demand, opportunities for employment also strengthened. Moreover, “a distinctive and important feature of the Malaysian economy is its high degree of flexibility, which is important to mitigate the impact of external shocks and to sustain Malaysia’s growth performance for more than three decades” (Bank Negara, 2006). It is worth mentioning here that political stability also significantly energized and inspired the nation to adopt a sophisticated strategy, which had been defined in the Seventh Malaysia Plan to make the transformation of the nation into a fully developed country by 2020.

Such noteworthy development plan and subsequently, systematic implementation procedures boosted Malaysian economy and financial markets, which, in turn, inspired them to establish an Islamic banking system that operates in parallel with the conventional banking. Bank Islam Malaysia Pte (BIMB) was the first Islamic bank (Rosly and Abu Bakar, 2003) and it was established in 1983 (Banking Info, 2008). Although, Islamic banking in Malaysia can be traced from 1963 when Tabung Haji (The Pilgrims’ Management and Fund Board) was established by the government (Haque et al.,

2007a). It provides a systematic fund mobilization process for the Muslims enabling them to perform annual pilgrimage in Makkah, as well as, persuading them to take part in economic activities and investment opportunities. According to the sustained filed experience of “Tabung Haji”, Malaysian government introduced a synchronized, methodical, and efficient process of materializing Islamic financial system. Haque et al., (2007a) state, “At first they took the initiative to familiarize the process by establishing BIMB and listed on the main board of the Kuala Lumpur Stock Exchange (KLSE) on January 17th 1992, Bank Islam has developed itself as one of the most respectable financial institutions in the country”.

Gradually Islamic bank has played an important role for the overall Malaysian financial market (Dusuki and Abdullah, 2007). According to Aziz (2006) Islamic banking industry has been growing at an average rate of 18 percent per annum since 2000 in terms of assets. Aziz (2006) also added that Islamic bank constitutes 8.2 percent of the total banking system in terms of assets, with approximately 70 percent of the assets being generated by the conventional banks. At present 27 banking institutions (Nine Islamic bank and 18 conventional banking institutions) are offering Islamic banking products and services under the Islamic Banking Scheme (IBS) (Bank Negara, 2006).

Mainstream and IBS banks are governed by the banking and Financial Institution Act in Malaysia (Rosly and Abu Bakar, 2003). The Malaysian Central Bank also provides certain guidelines to operate IBS banks such that they can run along Shariah principles with similar privileges to BIMB and Bank Muamalat (Rosly and Abu Bakar, 2003). Malaysian government provide permission to commercial banks, merchant banks and finance companies to offer Islamic banking products and services under the IBS from 1993 (Banking Info, 2008). Furthermore it is necessary to ensure that the funds and activities of the Islamic banking transactions are separated from the conventional banking business. Malaysian Government also pushed Islamic finance into the bond market, which now commands more than 30 percent of market share (Rosly and Abu Bakar, 2003). Moreover, according to them al-murabahah and ijara wa iqtina (credit sale in financing) have become the common trend in Islamic banking operations in Malaysia and at present it constitute near about 90 percent of Islamic banking asset (Rosly and Abu Bakar, 2003).

Literature Review

Customer attitude toward a product or service is influenced by a match of the product or service user image with the customer self-concept (Ekinici and Riley, 2003; Sirgy et al., 1992; Wang and Heitmeyer, 2005). Since, generally attitude develops over time through a learning process which is affected by reference group influences, past experience, and personality (Assael, 1981), or it is a general evaluation about something, liking or disliking, and the strength of the feelings.

Demographic Characteristics and Consumer Attitudes

Since, consumers’ make product or service choice based on which combination of product attributes best meets their needs based on dimensions of value, cost, and prior satisfaction (Kotler, 1997). Furthermore, Assael (1981) added that consumer’s attitude or behavior should be studied through demographics, beliefs, and attitudes. It has been widely recognized that demographic factors have a great impact on consumer attitudes and behavior (Jayawardhena and Foley, 2000; Mattila, 2001; Karjaluo et al., 2002). Moreover, both attitude and non-attitudinal variables also influence behavior (Eagly and Chaiken, 1993). Gender is a key variable for marketing analysis (Nicovich et al., 2005; Haque et al., 2007b). So, it is important for the Islamic banking service providers to recognize them, understand them, and use them to design a gender specific strategy. Since, understanding the motivation, expectations, and desires of both provide a foundation in how to provide best service to the customers (Haque et al., 2007a). It may even provide information on making improvements in the nature of business (Naylor and Greco, 2002). Gender in this study is operational zed as a binary construct and is termed “gender” which is opposed to “sex” since gender is considered as a both

biological and sociological process (Haque et al., 2007b). Indeed, what remains is to propose and test relevant hypotheses examining perception about Islamic banking in terms of gender beliefs, attitudes, and behavior pattern. Additionally, attitudes based on direct experience are more stable and enduring than ones based on indirect experience (Fazio and Zanna, 1981; Rani and Velayudhan, 2008). On the other hand, race and ethnicity is also important for the question of effects. Since, the democratic anthropological sense describes a “whole way of life”, which is ordinary in every society and in every mind (Haq and Smithson, 2002). According to consumer behavior literature reference group often impacts on consumer behavior (Fishbein and Ajzen, 1975; Kotler et al., 1999). Since, banking sector is extremely personal in the sense as it is independent from other people’s example or influence (Karjaluo et al., 2002). Furthermore, past experience of a person about an object is, the more positive attitude he or she hold about it (Fishbein and Ajzen, 1975).

Services Attributes and Consumer Attitudes

Some studies, such as, “product related attributes” and “situational factors” (Emmelhainz et al., 1991); “retail competition” and “shopping patterns” (Verbeke et al., 1998); “consumer, situational and perceived store characteristics” (Zinn and Liu, 2001); “product, consumer and situational characteristics” (Campo et al., 2000) explained why consumers responded in the way they did. Fitzsimons (2000) approached differently by measuring consumer responses in terms of both behavioral and evaluative (consumer satisfaction with decision process) responses (Rani and Velayudhan, 2008).

Religious Beliefs and Consumer Attitudes

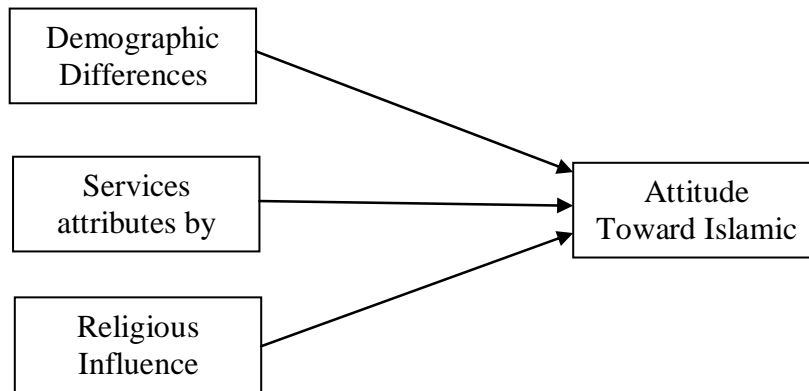
“Religion is a key element to describe a cluster of beliefs. It is more than ecology of themes for social communication rather it is a specific way of communicating. It is not just cultural arbitrariness, but it is also systematic. Religion does not just lie in its capacity for differentiation (of people), it is also lies in its ability to structure and lend meaning to the everyday, to the local world of interaction” (Haq and Smithson, 2003). Prior research also showed that reference group often impacts on consumer behavior (Fishbein and Ajzen, 1975; Kotler et al., 1999; Karjaluo et al., 2002). At the same time, Islamic banking came into existence to satisfy the financial needs of Muslims who have to observe the prohibition of interest-based transactions (Haq and Smithson, 2003). According to Warde (2000) there is sufficient flexibility to accommodate the additional changes in conventional banking that is needed to support Islamic banking. This removes a long standing argument that Islamic banking is infeasible in a regulatory sense (Warde, 2000). Moreover, all at once Western attitude are also changing, as it can be seen in the recent growth of ‘ethical’ banking, where non-Islamic customers refuse to invest in companies engaged in unethical and socially harmful activities (Warde, 2000). Currently we are witnessing a wide religious reinterpretation, spurred on by changes at national and global levels (Haynes, 1999; Haq and Smithson, 2003). The political, social and cultural values embedded within the development goals of projects shape the development and use of technology (Madon, 2000). One concern of Muslims using IT is that they are passive consumers of a technology created elsewhere, which is not value-free. IT’s close connection and integration with Western culture is sometimes viewed as a threat to Muslim societies (Ahmad, 2001). A related issue concerns the increasingly common situation where the culture of the software development environment differs to that of the implementation environment (Zakaria et al., 2003).

Theoretical Framework

Based on the literature review; this research concentrates on conceptual framework of Attitudinal Differences of Malaysian Customers under Islamic Banking in Malaysia. This framework emphasizes those variables like Demographic differences; Services Attributes and Religious Beliefs these

independent variables are positively related to the consumers' attitudes toward Islamic banks. The detailed diagram framework is given below:

Figure 1.1: Theoretical framework of this study



Methodology

A structured questionnaire was constructed to collect the necessary data to answer the research questions as being framed on related affective factors of attitudinal differences of consumers' in Malaysia. "This is a rigorous process of generating items to tap the variables and assessing their representativeness from the literature" (Deng and Dart, 1994). The survey questionnaire consists of two parts. First part of the questionnaire deals with demographic information of the respondents which include sex, age, education, income level, and race. Respondents' beliefs and attitudes toward the Islamic banking were asked in the second part of the questionnaire. A stratified random sampling method was used in this study to collect the data from the respondents. The idea of such a sampling procedure was based on Sekaran's (2003) interpretation as: "this sampling method is the most efficient when differentiated information is needed regarding various strata within the population" (Sekaran, 2003). Data were collected from the Peninsular Malaysia. The survey was conducted primarily through face-to-face interview.

A sample size of 550 was found to be adequate for this study. Even though the proportion of sample size is very small in relation to actual population, the sample size is deemed sufficient for the study. Since, Roscoe (1975) proposed a rule of thumb for determining sample size that: "if the sample size is larger than 30 and less than 500, it is therefore appropriate for most research" (Roscoe, 1975), we view our sample size seems to be consistent with this argument. The survey was conducted on the basis of distinct time frames and on different days of the week and the duration of the questionnaire distribution and data collection was carried out during December 2007 to May 2008. In this study, participants (respondents) were selected among only those, who indicated they were concerned about Islamic banking. Out of the 550 respondents 500 questionnaires were received, although the process was not as smooth as we required reminding the respondents who showed delays in completing the questionnaire. Completed questionnaires were later screened for errors, incomplete or missing responses. However, those responses that had more than 25% of the questions in the survey questionnaire left unanswered or incorrectly answered were abandoned as invalid and excluded from the process of data analysis. After the final screening process, 473 responses were effectively considered *complete and valid* for data analysis. This represents a success rate of 86%, which can be considered to be good in view of time and cost constraints.

Results and Discussion

The results of this study have been clearly explained in this section. We used SPSS software to obtain the test results. Descriptive analysis and frequency analysis were conducted to measure Malaysian consumers' attitudinal differences in their perceptions about the Islamic Banking services and to create and represent the respondents' demographic profiles. The demographics profile of the respondents of this current study was consistent with the demographics of other banking studies: the sample predominantly comprises young, male and female adults who were well-educated and of high socioeconomic status. The result indicates that the respondents' demographics are quite similar to those of other studies of banking services. According to our sample 54.76 and 45.24 percent respondents were male and female respectively (Table 1). 61.54 percent of the respondents were between 21 to 35 years of age, 26.61 percent were between 35 to 40 years, and 11.85 percent respondents were above 40 years old. From the descriptive result, demographic profile shows that the most dominant group was between 21 and 40 year in terms of age distribution.

Table 1: Respondents Demographic Profile

Descriptions	Frequency	Percentage	Cumulative (%)
Gender:			
Male	259	54.76	54.76
Female	214	45.24	100.0
Age:			
21-25	43	09.09	09.09
25-30	101	21.36	30.45
30-35	147	31.09	61.54
35-40	126	26.61	88.15
Above 40	56	11.85	100.0
Race:			
Malay	173	36.58	36.58
Chinese	153	32.35	68.93
Indian	147	31.07	100.0
Education:			
STPM	17	03.59	03.59
Diploma	189	39.96	43.55
Graduate	173	36.57	80.12
Post Graduate	94	19.88	100.0
Occupation:			
Student	89	18.82	18.82
Lecturer	52	10.99	29.81
IT Professional	46	09.72	39.53
Businessmen	132	27.91	67.44
Govt. Employee	116	24.53	91.97
Others	38	08.03	100.0
Monthly Income:			
Less than 1000	34	07.19	07.19
1000-2000	27	05.71	12.90
2000-3000	139	29.39	42.29
3000-4000	178	37.63	79.92
Above 4000	95	20.08	100.0
Heard about Islamic Banking			
Yes	473	100.0	100.0
No	0	0	0
Have Account in Islamic Bank			
Yes	227	47.99	47.99
No	246	52.01	100.0

'Race' had been another important demographic factor for this study. There were three major races (Malay, Chinese, and Indian) in Malaysia. According to our sample of 473 respondents, 36.58 percent respondents were Malay, 32.35 percent Chinese, and 31.07 percent represented Indian race (Table 1). A large number (37.63 percent) of the respondents informed in their responses that their monthly income stood between 3000-4000 RM; followed by 29.39 percent respondents, who showed their monthly income as between 2000-3000 RM. Where as, 20.08 percent respondents' monthly incomes were found to be above 4000 RM. On the other hand, 7.19 percent respondents' monthly income was less than 1000 RM and 5.71 percent respondents' monthly income were between 1000-2000 RM.

With regard to education, highest numbers (39.96 percent) of our respondents completed diploma. 36.57 percent respondents completed graduation and 19.88 percent respondents completed post graduate studies. Table 2 below represents that only 3.59 percent respondents informed that they completed STPM (Sijil Tinggi Persekolahan Malaysia - in English, "Malaysian Higher School Certificate"). The respondents in our sample consisted of 18.82 percent students, 10.99 percent lecturers; 9.72 percent IT professionals; 27.91 percent businessmen; 24.53 percent Government employees, while 8.03 percent respondents belonged to other occupations. Most surprisingly we found out that 100 percent of our respondents viewed that they heard about Islamic banking, while out of them, 47.99 percent respondents had maintained accounts with Islamic banks when data was collected (Table 1). This picture postulates a fact that almost half of our sampled population kept customer relationships with Islamic Banks, which indicates an emerging financial sector.

Table 2: Independent Sample 't' test

Descriptions	Male		Female		t	Sig
	Mean	Std. Deviation	Mean	Std. Deviation		
Modern looking equipment	1.54	1.29	2.33	1.42	2.21*	.003*
Visually appealing physical facilities	1.32	1.41	2.16	1.29	-4.81*	.018*
Follow Islamic law and principles	1.63	1.24	2.12	1.62	5.67*	.001*
Transactions are secured	2.01	1.37	1.38	1.19	3.28*	.032*
Able to fulfill personal needs	1.48	1.15	1.47	1.13	2.73*	.023*
Easy to access to account information	1.51	1.43	1.07	0.71	-5.68*	.008*
Integrated value-added services using	2.14	1.36	2.31	1.02	6.39*	.000*
Staff treat customers friendly	1.77	1.56	2.24	1.57	-2.67*	.041*
Religious and profitability reasons	1.63	1.34	1.49	1.14	-1.26	.003*
Provision of profit-sharing investment product	2.07	1.39	1.59	1.09	2.79	.619

* denotes significance at $P < 0.05$

We included ten meaningful statements to have responses for measuring consumers' attitudes toward Islamic banking which were taken from Othman and Owen (2001). The independent sample *t*-test was conducted to measure the attitudinal difference between males and females on Islamic banking services. The results revealed (Table 2) the fact that there were clear attitudinal differences between male and female on nine among ten of the attitudinal measurement statements, such as "modern looking equipment", "visually appealing physical facilities", "follow Islamic law and principles", "secured transactions", "fulfill personal needs", "easy to access to account information", "Integrated value-added services using", "friendly staff", and "religious & profitability reasons". Results of this study reflect that both males and females were agreed that they had positive attitude toward Islamic banking. But on the topic of one statement (provision of profit-sharing investment product) there was no significant mean difference between males and females. However, in general, it can be concluded from this study that males demonstrated a more favorable attitude toward Islamic banking as compared with female. Male respondents agreed that "Islamic banks use modern looking equipment" to reach the consumers and also ensured creativity for offering different types of schemes. Moreover, while hinting Islamic Banking services as compared with other conventional banks, male respondents unanimously

agreed that it is easy to access the account information; it is enjoyable, informative and useful for purchasing as well. Although the females' attitudes were not thoroughly disagreeable with these nine statements, there were significantly mean difference between male and female on the statements.

Table 3: ANOVA Test

Descriptions	Malay		Chinese		Indian		F	Sig
	Mean	Std. Deviation	Mean	Std. Deviation	Mean	Std. Deviation		
Modern looking equipment	2.03	1.37	2.12	1.07	2.07	1.29	2.91*	.021
Visually appealing physical facilities	2.61	1.16	2.82	1.49	2.43	1.32	3.33*	.027
Follow Islamic law and principles	2.98	1.19	3.43	1.64	2.63	1.48	2.39*	.032
Transactions are secured	3.57	1.41	3.87	1.52	2.61	1.26	1.65	.092
Able to fulfill personal needs	3.12	1.58	2.67	1.59	2.38	1.34	4.41*	.012
Easy to access to account information	2.82	1.64	2.39	1.17	2.22	1.20	5.66*	.027
Integrated value-added services using	2.68	1.37	2.46	1.32	2.19	1.41	2.64*	.037
Staff treat customers friendly	3.43	1.53	2.74	1.46	3.15	1.26	3.87*	.018
Religious and profitability reasons	3.36	1.61	2.65	1.28	2.23	1.09	2.36*	.018
Provision of profit-sharing investment product	2.89	1.57	2.33	1.16	1.96	1.08	2.03*	.010

*denotes significance at $p < 0.05$

On the other hand, the same ten statements were used in this study for measuring the attitudinal difference about Islamic banking among the three races in Malaysia. All three races agreed that transactions were secured in Islamic banking. Although, this was the positive attitude towards Islamic banking by all the three races, but there were some significant differences among them for the rest of the nine statements for measuring attitude toward Islamic banking (Table 3).

Dunnnett T3 test also employed for this study. Results showed that the differences exist only between Malay and Chinese and between Chinese and Indian. It can be observed from the Table 5 that most of the Malay respondents agreed that Islamic banking availed modern looking equipment. According to these respondents, Islamic banks offered secured transactions, fulfilled personal needs, provided easy-to-access account information, used integrated value-added services, their staff treated their customers as "friendly", and they had provision of profit sharing. Religious reason also played an important role behind their attitude towards Islamic banking for the Malay people. On the other hand, most of the Chinese respondents agreed that Islamic banks had been using integrated value added services. Besides that, these respondents also agreed that it was easy for them to access to their account information, staffs treated their customers as "friendly", and also they had the provision of profit sharing.

This study suggests that Islamic banking possesses a sound capability to attract customers by offering integrated value added services, they seem to be very useful for obtaining account information, and also, they use modern looking equipment. Results of this study also reflect that there was little difference concerning the usefulness of Islamic banking as compared among these three races. Nonetheless, this study finds the fact that there is a great deal of racial diversity within the Malaysian culture having similarities and differences in their perceived understanding on the operations of Islamic Banking (Table 4).

Table 4: Dunnett T3 Test for Measuring Differences

Descriptions	Mean Difference		Mean Difference		Mean Difference	
	Malay & Chinese	Sig.	Malay & Indian	Sig.	Chinese & Indian	Sig.
Modern looking equipment	.39*	.012	.14	.614	-.21	.139
Visually appealing physical facilities	.41	.158	.08	.897	-.31	.158
Follow Islamic law and principles	-.12	.891	-.06	.978	.05	.915
Transactions are secured	-.42*	.019	-.28	.238	.19	.616
Able to fulfill personal needs	-.49*	.012	-.05	.916	.41*	.009
Easy to access to account information	-.38*	.021	-.14	.895	.42*	.011
Integrated value-added services using	.43*	.026	.18	.784	-.27	.181
Staff treat customers friendly	-.37*	.027	-.31	.272	.19	.761
Religious and profitability reasons	.40*	.031	.19	.766	-.32	.056
Provision of profit-sharing investment product	.37*	.016	.12	.798	-.41	.061

*denotes significance at $p < 0.05$

Such diversity demands attention by bankers and researchers in order for the creation of value-based services that can best suit with the needs of the entire population regardless of their racial diversity. Therefore, differences in cultural values among the three races are important to understand them. Chinese mostly have positive attitude towards Islamic banking. Perhaps the Chinese are very conscious of the different type of schemes and services offered by the both conventional and Islamic banks. On the other hand, the Malays are concerned about the religious and profitability reasons. Despite these differences between the Malays and Chinese, the mean values of responses indicate that all those three races accepted the schemes and services offered by the Islamic banks.

Malaysian culture is the one of the unique cosmopolitans as it is composed of Malays, Chinese and Indians culture. Moreover, racial unity and interactions formed a diverse and vibrant society based on sharing mutual respects. This is perhaps an example of a unique society. This has been the main catalyst for Malaysia's political stability and growth. On the other hand, Indians have also made enormous contributions to the resilient and prosperous socio-political and economic structure in Malaysia. The Chinese like to enjoy the urban lifestyle and they have high ambitions, which make them dynamic force in Malaysia's economy. The Indian community represents an integral and vital component of Malaysian society and thus they, along with all other Malaysians are justly proud of their accomplishments and their contributions to Malaysia's success (Info Center Malaysia, 2007).

Conclusion

This study effectively delineates empirical evidence on the attitudinal differences of Malaysian customers' toward Islamic banking services. As the competition among the banking service providers rose rapidly, concerns on customers' attitudinal behaviors in the banking markets virtually became the focus of academic and field researches. The results of this study were encouraging in numerous perspectives. In this study, gender is a measurable variable and the findings provide straight forward application in the decision-making process of Islamic Banking services. Findings further indicate that males seem to exhibit greater positive attitude toward Islamic banking, relative to female. This is one of the first efforts to show how the Malays, Chinese and Indians differ in terms of attitudes toward Islamic bank. This study has laid down the foundation for future research to be directed toward examining these attitudes in greater details about banking service providers.

Therefore, given these findings, it is desired that this research impart a fundamental step toward establishing a theoretical plus empirical basis for understanding the interaction of gender and banking sector. It is also necessary that the government and, as well as, the Islamic banking authorities will take action plans directed toward spreading the culture of Islamic banking via specialized courses and organized seminars as in the case of traditional banking. This would catalyze the power of the financial

structure besides incrementing the fullest capacity of the Islamic banking system and boosting its future growth and development.

Limitations

One potential limitation of this study was the size and composition of the group which participated in the study. Therefore, a generalization about the entire population of Malaysian banking customers of banking sector is inappropriate. In addition, this research could not incorporate all levels of diverse attributes of Islamic banking that might influence customers' behavior. For example, the questionnaire that was used in this study did not include specific scheme of Islamic banking to know the customers' opinion on that scheme. Finally, this study only considered what the specific segments of the customers were thinking about the Islamic banking in a particular country. In this study, it was assumed that respondents appropriately understood the term "Islamic banking" and could differentiate it from the "conventional banking". With such limitations, findings of this study must not be used as generalized thoughts, rather a scope for further investigations toward expanded research.

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