

## **Influence of Religiosity on Consumers Buying Intentions for Islamic Banking Products in Pakistan**

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This research aims to find out the impact of religiosity on the buying intentions of the customer for Islamic banking products with the special social influences in the context of Pakistan. The specific objectives of this study are to gauge the influence of religiosity in particular on the customer intention regarding Islamic banking products, in particular, Islamic auto finance and to evaluate the role of social influences in enhancing or impeding the impact of religion on buying intentions of customers for Islamic products in Pakistani banks. The study used the survey technique where self-administered questionnaires were used to collect the primary data from the users of Islamic auto finance. The quantitative data were analyzed using the regression analysis technique using IBM SPSS 23. The emergent findings reveal that there's a significant relationship between religiosity and buying intentions of the consumers for Islamic banking products where social influences strongly mediate the relationship between religiosity and buying intentions for Islamic banking products. It means that socio-cultural factors, peer group influence, and lifestyle affect the buying intentions of the consumers.

**Keywords:** religiosity, social influence, buying intention, Islamic banking products, Islamic Auto finance

It has been observed that since the inception of Islamic banking a new breed of products has emerged within the banking sector. The products were the same as offered in the conventional banking sector but were the customers are influenced by the term 'Islamic' banking. The growth of Islamic banking is largely associated with compliance with *shariah* rules and promotion of the products. This view is imposed on the customers without taking their perspective on the adoption of Islamic banking products. The customer perspective on the adoption of Islamic banking products remains unexplained (Kontot, Hamali, & Abdullah, 2016). Several studies are explaining the role of religion in promoting the use of banking products without considering customers' perspectives on their religious inclination (Butt et al., 2018; Usman, et al., 2017; Zaman, et al., 2017). Furthermore, the religion Islam is prevalent in the majority of Muslim countries but the enabler factors such as society, culture, and peer group differences in different contexts make the acceptability of the Islamic banking product a question. Therefore, the current research study endeavors to study if customers' buying intentions for Islamic banking products are shaped by religiosity and if the relationship is mediated by the social influences in the context of the Islamic Republic of Pakistan.

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There is myriad of research studies conducted on the banking sector addressing purchase behavior of the customers (Siddiqi, 2011; Awan, Bukhari, & Iqbal, 2011), however, none of the research has attempted to understand if the reason behind the adoption of Islamic banking is religiosity and if the religious aspects for such adoption are influenced by social factors of Pakistan. According to Latif (2021) State Bank of Pakistan reported a 30% growth in Islamic Banking assets that is the highest reported figure since 2012. The growing popularity of Islamic Banking products is generally attributed to the religious inclination of the Pakistani population (Salman & Nawaz, 2018). However, Ahmed et al., (2021) state that no study has been carried out on the topic in Pakistan. Therefore, this study contributes to the existing literature on buying intentions of customers in the Islamic banking sector by identifying the role of religiosity shaped by social influences in Pakistan.

### **Islamic Banking vs. Conventional Banking System**

The majority of Muslim countries around the globe have an Islamic banking system prevalent along with a conventional banking system for practicing Muslims. The core difference between conventional and Islamic banks is the interest-free loan system of the Islamic banking system which is preferred by highly religious customers who practice Islam in their regular lives (Salman & Nawaz, 2018). The entire Islamic banking policies are designed according to Islamic law (*Shariah*). All the products offered by the Islamic banking system are based on government Islamic committee policies. For the Islamic banking system state bank gives rules to follow like for the construction of an Islamic banking system the value of minimum capital is greater as compared to a traditional conventional bank (Imam & Kpodar 2020). Islamic banks follow an asset-based banking system that's why it gives higher taxes and registration costs. From the year 1971, the number of Islamic banks rapidly increase that is 15% per year with \$65 billion assets.

Islamic banking system never takes interest (*sud*) in loans and inhibits transaction of profit in the influence of *shariah* law (Hassan & Aliyu 2018). The conventional bank never inquires the nature of the business that customers start using the loan money as compared to Islamic banks that never give loans for businesses categorized as *haram* (unethical for Islamic society) in Islamic law. Without the implementation of the conventional system of banking run Islamic banking is quite difficult (Khan et al, 2019). Islamic banks extend financing with the policy that some percent of their business profit shall be shared with the bank without any interest. Several products are purchased by bank loan but the most common purchasing product buy with the help of bank is automobiles like cars, heavy bikes, etc. Based on monthly installment bank purchased a vehicle for the customer. After getting enough amount of loan so ownership of the product is transferred to the client (Phuon et al., 2020).

### **The Role of Religiosity in Determining the Customers' Purchase Behaviour**

Culture and religion are two main factors of the country for making sustainable development of the society. Religiosity is strongly believed and follows particular religious practices. Stable countries strongly follow religious practices as compared to unstable countries (Agarwala et al., 2019; Mitra & Basit, 2021). Strongly religious

peoples preferred Islamic banks for their account opening but, in this place, religiosity scale measure also influences the selection of the bank. A qualitative study was done on a group of 125 members to measure the religiosity scale based on 375 questions (questionnaire). Based on outcomes analysis, the bank selection criteria according to religiosity scale. Observed the same level of customer in religiosity scale which has bank account on both banking system (Soma et al, 2017).

Religiosity influences its impact on people's life, mental, intentions, and decision-making strategies. Different religion of different culture has their practices which give a sign that impact people's lives. Buying and selling product businesses are frequently done in the global market. In Pakistan, the religiosity factor influences in product business of the bank system (Muslichah & Sanusi 2020). Islamic banks have a higher number of customers as compared to the conventional bank system. It seems that the religiosity scale is an important part of customer selection of banking system for buying the banking products. Strong religious clients choose the Islamic bank to take a loan for the vehicle but some religious customers select conventional banks normally without any concern (Bananuka et al., 2019). It is inconclusive as to what factors motivate customers to choose Islamic banking products.

### **Customer Buying Intentions for Islamic Banking Products**

Customer purchase intention means the desire and curiosity of customers to buy a product via a bank loan system. The decision-making and buying intention of the customer is a major factor to purchase a product (Hoque et al., 2019). Therefore, the banking system should make policies according to customer preferences to enhance its marketing services. Ashfaq et al., (2020) were surveyed to analyze the influence of religiosity-based marketing for customer intention towards buying Islamic banking products via reliability, interest in a product, and customer-bank loyal relationship by selecting 440 customers from the Gujranwala region of Pakistan. Loyal relation measure by partial least square structural equation model (PLS-SEM) approach was adopted and observed a highly positive loyal relationship between customer and bank system on religiosity-based marketing and curiosity of purchasing product. Marketing service based on religiosity analyzes the first time to estimate the intention of customers buys products from the Islamic banking system in Pakistan. Outcomes are beneficial for other Muslim countries' religiosity-based marketing services (Ashfaq et al., 2020). The above discussion leads to the postulation of the following hypothesis:

*H1: Religiosity positively affects customer behavioral intention to adopt Islamic banking services*

Religion adds ease and responsibility to day-to-day actions, it brings character and empathy to credit the socialism in modern-day and age; one's social standing and social activities are a symbol of his religious brought up. Social factors are deciding the attitude of individuals; as such that his/her decisions are based upon the said assumptions (Ashfaq et al., 2020; Zaman, et al., 2017). This discussion leads to the development of the following hypothesis:

*H2: Social influence affects the relationship of religiosity and behavioral intentions to adopt Islamic banking services.*

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*H2a: Religiosity positively affects the social influence*

## Socially Influenced Preferences lead to Customers' Buying Intentions

Social influences are one of the major factors that can affect the buying intention of customers significantly (Guping, et al., 2021). Buying intentions are succeeded by what others around a person motivate or influence him to adopt or shall we say adapt hence purchase. The social circle an individual is encircled in does influence his emotions. It asserts that the customers can be significantly influenced by the social influence by referring to their social circle while purchasing any product or service (Junaidi, Wicaksono, & Hamka, 2021). The above discussion leads to the development of the following hypothesis

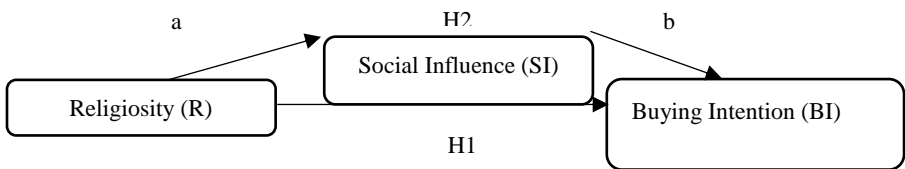
*H2b: Social influence positively affects the behavioral intentions*

## Religiosity – Customer Behavior Model

It has been established in the previous sections that consumer behavior is the outcome of different external and intrinsic factors. One of the most important factors determining the acceptability of Islamic banking products among consumers is religiosity. Religious affiliation and following the religious principles determine the decisions of the consumers including "size of the family, attainment of educational level, wealth accumulation and the type of decisions one takes in life" (Nawaz et al., 2020). Hirschman (1983) suggests that religion acts as the cognitive system affecting the beliefs, values, expectations, and behaviors (Bobokhonov & Brito, 2015).

There is little empirical evidence that buying process is the outcome of consumers' religious belief however Delener (1990) argues that intentions are shaped by the religious faith of consumers. Soesilowati (2010) proved that religiosity determines the intention of consumers towards Islamic banking products. Hence, current research adopts religiosity – consumer model suggested by Nawaz et al., (2020) to study the impact of religiosity on the buying intentions of the consumers where the relationship is nurtured by the social influences of Pakistan.

*Figure 1: Conceptual Framework*



The model presented in Figure 1 shows that though religiosity influences the buying intentions of the consumers towards Islamic auto finance, however, such influence is not independent of the social influences of Pakistan. The Islamic (religious) faith is implemented in the socio-cultural context of Pakistan more distinctly, therefore, the influence of the religion Islam cannot be determined without considering the social influences.

### **Context of the Study: Auto finance - A Best Selling Banking Product**

Auto financing is known as car finance which is offered by the bank to the customer for purchase a car with the commitment of schedule-wise cash payment with fixed interest. A fixed interest rate is decided by the bank for car loans. The banking system earns money through its product service charging interest and its extra charge for services also for approving the loan (Khanna & Martins, 2018). Product ownership remains kept by the bank until the customer pays the surplus amount of the loan with interest. There are several types of auto finance depending upon the size shapes of products:

- **Safe car loan:** Bank kept the car as security if a customer failed to pay a loan so the bank resells the car to fix its lost amount.
- **Unsafe car loan:** If the bank did not keep any backup security for recovery it depends on the customer it is a risky and uncommon type of car loan.
- **Simple interest loan:** It is a type of loan in which customers pay back the loan as soon as possible to save money.
- **Arranged loan interest:** In this type of loan total interest value is divided according to the time given by bank policy. Customer pays interest by month-wise schedule. At the time of product purchasing the amount, you pay the bank as a down payment so the same amount of down payment you should give every month to the bank.
- **Online direct finance:** Before buying a product or visiting showrooms customers already prepare for their loan amounts dealing.
- **Indirect loans:** Automobiles companies are involved in a bank loan system as a middle man. Bank gives the amount to the middle man and customers buy a car on loan from the direct car company (Song, 2021).

### ***Auto Finance in Islamic Banking System***

In several Islamic countries, a study was done to analyze customer product intention in terms of Islamic banking services. And different factors also discussed which influence the relationship between the customer and the Islamic bank system. Factors include bank status, religiosity, social and cultural interactions. Measurement of risk, complexity, and compatibility. Analysis of these all factors makes a model which helps the banking system to enhance its customer intention. To give awareness about customer intention Islamic bank system search out all factors and adopted them. Many studies confirmed a strong relationship between the Islamic banking system and religious customer intention (Mahdzan et al., 2017).

The outcomes of several papers confirmed that the quality of bank services and its financial status both are given a positive significant impact on client intention to accept the Islamic banking system (Suhartanto, 2019). Most customers check the status of the bank in the market which is the dominant name about its good services then choose to buy products and other purposes. The Bank system provides its different new services which are beneficial to customers and make it dominant from other bank status but due to complexity of that new service customer can't understand this. Customer easy understanding of the new services and its utilization is also impacted on bank customer

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intention (Brun et al., 2017). So, the customer buys products easier from bank new services which are adopted by the Islamic bank system.

Another factor that influences customer intention is considered compatibility. Bank systems make and provide those new policies which are according to customer basic needs (Aziz & Afaq, 2018). From the qualitative study, it is concluded that the compatibility factor gives a good response to client intention in Islamic bank services. Previous studies defined the relationship between compatibility and customer intention towards the Islamic bank system and its role in society. Despite all these positive factors, there is one negative factor that gives a negative influence on customer intention towards the Islamic bank system is "risk". Islamic bank system searches and minimize all the risks which lie in the product purchasing process for the customer (Hoque et al., 2019). Most Islamic bank does not give surety of profit considering this risk customer avoid choosing Islamic bank instead of conventional bank system.

Sometimes new services are more beneficial as compared to the idea, process. Different researches highlighted Islamic bank system provides benefits to the religious customer in terms of society by complying with the ethical standards (Jackson & Khaleel, 2021; Haridan, Hassan & Karbhari, 2018; Gilani, 2015 ). This major advantage makes the Islamic bank system more inattentive towards the customer (Muhammad et al., 2019). Social surrounding also impacts Islamic banking customers' intention to buy products. Jackson & Khaleel (2021) in a study on the impact of the brand effect of Islamic banks on customers' perception reveal that social environment impact on customer selection of bank in strong religious environment customer always goes for an Islamic banking system that is a positive factor for it.

### ***Spatial Context: Auto finance in Context of Islamic Banking of Pakistan***

From a religious point of view in Pakistan purchasing a car by bank loan with interest consider "haram". The Islamic banking system of Pakistan cannot take loan interest mean "Riba free" auto loans policies are provided which is totally "halal". These *riba*-free loans give more attraction to religious customers to buy products via Islamic banks of the country. Pakistan Islamic bank system takes more advantage of customer intention to buy products by evaluating the following factors which influence this (Ahmad, Farooq, & Imran, 2021). There are the following Islamic banks and Islamic branches of conventional banks which provided *riba*-free auto loans. HBL Islamic car finance, Islamic auto finance by bank Islami limited, Faysal Islamic car finance, car *Ijarah*, *riba* free car loan by Meezan bank, Bank Alfalah Islamic auto loans, Allied *Aitebar* car *Ijarah*, and national bank of Pakistan all give interest-free auto finance loan in Pakistan.

Figure 1 shows the research choices made by the researchers for the current study data collection and analysis with research philosophy and approach supporting the choices. These are detailed in the following sections;

### **Method**

This research utilizes quantitative methodology, with primary data collection through online questionnaires. The population of this investigation is people who are taking banking services from different banks. The number of people taking banking services is around 21.3% of the total population according to ProPakistani (2021) statistics. The exact number of all the customers using Islamic auto finance could not be accessed because of banks' data protection rules. Being an employee of a renowned bank, the researcher took permission from the branch manager for consulting the Islamic auto finance department to get the questionnaire filled from the respondents.

Therefore, any specific method of sample size calculation is not mentioned here, however, according to Sekaran (2016), 250 samples can be taken for an unknown population. The same is endorsed by Yamane (1967). Sample size determination is important in availing statistical significance of the research project increases (Fox, Hunn & Mathers, 2009). According to Cochran (1963), the sample size should be taken larger than required to compensate for nonresponse, therefore, the number of questionnaires emailed was planned as 257 as against 250 required for the desired level of confidence and precision. Therefore, 257 customers of the bank were consulted and data was collected from them. Non-probability, purposive sampling, also known as judgmental sampling, was used. In this sampling technique, it is logically assumed to be the delegate of the population (Levine, et al., 2018). The respondents who were customers of the bank and had already availed of Islamic auto finance were selected as the respondents for this study. Due to the COVID-19 situations, considering the safety and health precautions and following the SOPs, online questionnaires were distributed among the respondents through emails. Online questionnaires were used because self-administration of the research instrument was not possible due to the lockdowns and social distancing owing to the pandemic. Using the online platform, a link was sent to all the targeted populations and they were asked to fill the questionnaire form individually. Respondents' consent was taken before sending the questionnaire through email.

The measurement of results is done by adopting the scales from the investigation of Sudarsono et al., (2021). Following table details the variable items and their codes used in the questionnaire for data collection.

**Table 1**  
*Measurement and Scale*

S No	Variables	Items	Reference	
1	Religiosity	R1	I try to follow commands of Islam in everything in my life	Sudarsono et al., (2021)
		R2	I always try to avoid small and big sins as the teachings of my religion	
		R3	I believe that all the ideological dimensions are based on Islam	
		R4	I know the basis of knowledge needed in my religion	
		R5	I feel sadness and dissatisfaction when I do something contrary to my faith	

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2	Behavioral Intentions	BI 1	I have an intention of adopting the service from Islamic bank in the future	Sударsono et al., (2021)
		BI2	I think I will often adopt the service from Islamic banks in the future	
		BI3	I would highly recommend others to adopt the service from an Islamic bank	
3	Social Influence	SI1	People I consider important can influence me to use Islamic banking	Sударsono et al., (2021)
		SI2	Most people that I consider important support me to use Islamic banking	
		SI3	Most of my friends/colleagues who have become customers of Islamic banking agree that Islamic banking is better than the conventional one	

The collected data were analyzed using IBM SPSS where the linear regression and correlation are used to assess the collected data. Linear regression helps to model the relationship between explanatory variables and scalar responses. Also, correlation is any statistical association, which helps to analyze the pair of variables that are linearly related (Levine et al., 2018).

### Results

**Table 2**  
*Demographic details of Respondents*

<b>Gender</b>	<b>Frequency</b>	<b>Percent</b>
Male	228	88.7
Female	29	11.3
Total	257	100.0
<b>Age</b>		
18 to 30 years	210	81.7
31-40	33	12.8
41-50	7	2.7
51 and Above	7	2.7
Total	257	100.0
<b>Marital Status</b>		
Married	69	26.8
Single	160	62.3
prefer not to say	28	10.9
Total	257	100.0
<b>Employment</b>		
Full time	157	61.1
Part-Time	64	24.9
Unemployed	36	14.0
Total	257	100.0

According to the demographic data, 88.7% of the respondents were males while only 11.3% were females. The majority of the respondents fall into the age group of 18-30 (81.7%) followed by 31-40 (12.8%) and remaining in higher age brackets. The values above indicate that number of unmarried respondents is high with 62.3%, followed by married (26.8%) and 10.9% of respondents did not disclose their marital status. The table above shows that 61.1% are full-time workers followed by 24.9% part-time workers with 14% of unemployed respondents.



**Results of the Correlations between Items of Variables of Study**

Correlation shows the relationship between the items and variables of the study. The value of correlation lies between +1 and -1, with +1 indicating the perfect positive and direct relationship between variables and -1 showing the inverse relationship. Pearson correlation (r) for the items of the study was calculated using SPSS. The results of correlation can be observed below:

**Table 3**  
Inter Item Correlation

		Correlations										
		BI 1	BI2	BI3	R 1	R 2	R 3	R 4	R 5	SI 1	SI 2	SI 3
BI 1		1	.901**	.869**	.689**	.533**	.582**	.410**	.427**	.690**	.778**	.646**
		.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
		257	257	257	257	257	257	257	257	257	257	257
BI2		.901**	1	.876**	.638**	.464**	.549**	.408**	.441**	.644**	.729**	.670**
		.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
		257	257	257	257	257	257	257	257	257	257	257
BI3		.869**	.876**	1	.614**	.480**	.591**	.486**	.437**	.622**	.777**	.681**
		.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
		257	257	257	257	257	257	257	257	257	257	257
R 1		.689**	.638**	.614**	1	.905**	.885**	.685**	.743**	.703**	.699**	.605**
		.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
		257	257	257	257	257	257	257	257	257	257	257
R 2		.533**	.464**	.480**	.905**	1	.953**	.778**	.753**	.793**	.695**	.687**
		.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
		257	257	257	257	257	257	257	257	257	257	257
R 3		.582**	.549**	.591**	.885**	.953**	1	.785**	.746**	.798**	.750**	.741**
		.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
		257	257	257	257	257	257	257	257	257	257	257
R 4		.410**	.408**	.486**	.685**	.778**	.785**	1	.590**	.695**	.600**	.643**
		.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
		257	257	257	257	257	257	257	257	257	257	257
R 5		.427**	.441**	.437**	.743**	.753**	.746**	.590**	1	.633**	.553**	.480**
		.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
		257	257	257	257	257	257	257	257	257	257	257
SI 1		.690**	.644**	.622**	.703**	.793**	.798**	.695**	.633**	1	.890**	.802**
		.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
		257	257	257	257	257	257	257	257	257	257	257
SI 2		.778**	.729**	.777**	.699**	.695**	.750**	.600**	.553**	.890**	1	.776**
		.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
		257	257	257	257	257	257	257	257	257	257	257
SI 3		.646**	.670**	.681**	.605**	.687**	.741**	.643**	.480**	.802**	.776**	1
		.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
		257	257	257	257	257	257	257	257	257	257	257

\*\* Correlation is significant at the 0.01 level (2-tailed).

The results obtained from the correlation table above indicate that there is a positive relationship between items of the variables.

**Regression Analysis**

The influence of religiosity on buying intentions of customers with the mediating effect of social influences was gauged by running linear regression analysis through SPSS where Hayes process macro was used to test the mediation. The regression test ensures the influence of one variable over the other and also the predictive degree of the predictor variable for the outcome, that is; the influence of the independent variable over the dependent variable. The following sections detail the hypothesis wise statistical analysis:

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*Hypothesis 1(H1): Religiosity Positively affects Customer Behavioral Intention to adopt Islamic Banking Services*

**Table 4**

*Testing Relationship between Religiosity and Consumer Behavior*

OUTCOME VARIABLE: BI and R (IV and DV direct relationship = c)							
Model Summary							
R	R-sq	MSE	F	df1	df2	p	
<b>.6115</b>	<b>.3740</b>	.2363	152.3165	1.0000	255.0000	<b>.0000</b>	
Model							
	Co eff	se	t	p	LLCI	ULCI	
Constant	.9836	.3090	3.1828	.0016	.3750	1.5922	
R	<b>.7829</b>	.0634	<b>12.3417</b>	<b>.0000</b>	.6580	.9078	

The path (direct effect) from religiosity to behavioral intention is positive and significant (b=0.789, t =12.3417, p=0.000) indicating that religiosity is the strong predictor of behavioral intentions of the customer of Islamic banking products (Islamic auto-finance).

*Hypothesis 2 (H2): Social influence affects the relationship of religiosity and behavioral intentions to adopt Islamic banking services.*

Hypothesis 2 test the effect of the mediator (social influence) on the direct relationship of religiosity and behavioral intentions by first considering the direct effect of religiosity on social influences followed by gauging the impact of social influences on behavioral intentions and in the last step total mediation is calculated by checking the impact of religiosity on behavioral intentions in the presence of a mediator. The step-wise process is detailed below:

### H2a: Religiosity positively affects the social influence

**Table 5**

*Testing Relationship between Religiosity and Social Influence*

OUTCOME VARIABLE: SI (Mediator) and R (Independent Variable)							
Model Summary							
R	R-sq	MSE	F	df1	df2	p	
.7907	<b>.6253</b>	.1167	<b>425.5118</b>	1.0000	255.0000	<b>.0000</b>	
Model							
	Co-eff	se	t	p	LLCI	ULCI	
constant	.3019	.2171	1.3904	.1656	-.1257	.7295	
R	<b>.9194</b>	.0446	<b>20.6279</b>	<b>.0000</b>	.8317	1.0072	

The path (direct effect) from religiosity to social influence is positive and significant as indicated by P= 0.000, b =0.9194, t= .0446.

### H2b: Significant relationship between Social Influence and Behavioral Intentions

**Table 6**

*Testing Relationship between Social Influence and Behavioral Intentions*

Model Summary						
R	R-sq	MSE	F	df1	df2	p
.7682	.5901	.1553	182.8533	2.0000	254.0000	.0000
Model						
	Co-eff	se	t	p	LLCI	ULCI
Constant	.7311	.2515	2.9071	.0040	.2358	1.2264
R	<b>.0140</b>	.0840	<b>.1662</b>	<b>.8681</b>	-.1515	.1794
SI	<b>.8363</b>	.0723	<b>11.5744</b>	<b>.0000</b>	.6940	.9786

The path (direct effect) from social influence to behavioral intention is positive and significant (b=0.8386, t=11.5744, p=0.000).

### **Role of Social Influence as a Mediator**

As per the table above (H2b) the path (c'= direct effect of religiosity on the behavioral intention with mediation) is positive and insignificant as evident from  $P < 0.8681$  ( $P < 0.000$ ) and  $b = 0.0140$ ,  $t = 0.1662$ . Hence, the social influence has been statistically proven as the strong mediator because the c (direct effect of religiosity on behavioral intentions) is less than c' (direct effect of religiosity on behavioral intentions in the presence of social influences) as the significance of c ( $p = 0.000$ ) reduced after running the mediation and the significance of c' is reduced to  $p = 0.8681$ .

### **Discussion and Conclusion**

The data analysis has shown that there's a significant positive relationship between religiosity and buying intentions of the consumers for Islamic banking products. It means that Islamic auto finance has gained popularity in Pakistan among consumers because of the religious faith of consumers who want to adopt products that are free from *sud* and are according to the *shariah*. Furthermore, the study hypothesized that religion cannot be implemented in its true sense, rather religious practices are shaped by social influences such as peer group practices, socio-cultural practices, and the prevalent lifestyle. Ideally, social practices should have roots in religion but in the case of Pakistan, the case is different. For centuries, Muslims and Hindus shared Sub-Continent and after the creation of Pakistan, an entirely new culture and social practices were witnessed here. Though Pakistan is the Islamic Republic, however, religious faith and socio-culture practices are intertwined. The statistical results proved that social influences are strong mediators hence proving the initially hypothesized relationship.

The data analysis has shown that there's a significant positive relationship between social influences and buying intentions of consumers regarding Islamic auto finance. It means that socio-cultural factors, peer group influence, and lifestyle affect the buying intentions of the consumers.

The combined effects of H2a and H2b show that social influences positively and significantly mediate the relationship between religiosity and consumers' buying intentions for Islamic auto finance.

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This study aimed to find the impact of religiosity on the behavioral intentions of the customer for adopting Islamic auto finance by banks in Pakistan in the presence of strong social influences. The results confirmed that religiosity as shaped by the social influences strongly influences the customers' buying intentions towards Islamic banking products. The socio-cultural practices of the society shape the religious faith of the consumers. Religious faith is the key factor shaping the norms for social practices that in turn form the consumers' attitude towards the banking products in the country.

### Recommendations

Based on the findings, it is recommended to the banks while structuring new products and marketing strategies they should take consider the religious orientation of the customers. Further, social influences facilitate the spread of key religious practices in the country, therefore, the lifestyle of customers, and the socio-cultural context of the customers impact the conviction to adopt Islamic banking products. The mere introduction of the new Islamic banking products is not enough, creating awareness and convincing the customers to buy the products is equally important. Due to this reason, it is recommended to Islamic banks find the best marketing channels and platforms to market their products.

### Limitations and Future Research Directions

The limitations of the current study arise due to data access issues, time limitations, and sensitivity of the topic considered for a current research study. Methodologically the research is limited to the quantitative exploration of the role of religiosity, which is mainly a subjective phenomenon therefore, it is suggested that future investigations use the qualitative inquiry to gain an in-depth understanding. The study was cross-sectional, collecting data at one point in time. As the researcher had only one semester to carry out this research, therefore, a detailed investigation was not possible. It is suggested that longitudinal studies should be carried out for a comparative/trend analysis on why Islamic banking products are becoming more popular. Furthermore, the researcher had a data access problem that is why the data collection was limited to twin cities of Pakistan. Further exploration based on bank data from different cities of Pakistan is suggested.

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