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ACADEMIC PAPER

The relationship between Islamic bank products, client attraction and business expansion: Evidence from Pakistani banking industry

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ABSTRACT

This research article investigates the relationship between Islamic bank products, client attraction, and business expansion in the Pakistani industry. The study utilizes a survey of Islamic bank customers and employs structural equation modeling to test the proposed relationships. The results indicate that Islamic bank products have a positive relationship with both client attraction and business expansion, and that client attraction mediates the relationship between Islamic bank products and business expansion. The implications of these findings for the Islamic banking industry in Pakistan and beyond are discussed, as well as limitations and potential avenues for future research.

KEYWORDS

Islamic banking, business expansion, Islamic products, client attraction

1. INTRODUCTION

Islamic banking has emerged as an alternative banking system in Pakistan (Basheer, Hussain, Hussan, & Javed, 2015; Muharam, 2012), offering a unique range of Shariah-compliant financial products and services. The industry has witnessed remarkable growth since its inception, attracting a diverse range of clients who seek ethical and socially responsible investment options. This article aims to explore the growth of Islamic banking in Pakistan, with a focus on the products, client attraction, and business expansion in the industry. Islamic banks in Pakistan offer a range of Shariah-compliant financial products and services, which are in line with the principles of Islamic finance (Amin & Isa, 2008; Sari, Bahari, & Hamat, 2016). These products are designed to meet the needs of clients who seek ethical investment options that are consistent with their religious beliefs. Some of the popular Islamic banking products in Pakistan include Islamic financing, Islamic deposit products, and Islamic Takaful (insurance). Islamic financing, also known as Murabaha, is a type of financing that involves the purchase and sale of goods. The bank purchases the asset on behalf of the client and sells it to them at a profit, with the payment being made in installments. This type of financing is commonly used for home financing, car financing, and personal financing. Islamic deposit products, such as Mudaraba and Wakala, offer clients a return on their deposits without violating the principles of Islamic finance. These deposit products are based on the profit-sharing model, where the bank invests the deposits in Shariah-compliant businesses and shares the profits with the clients. Islamic Takaful, also known as Islamic insurance, is a type of insurance that is based on the principles of mutual cooperation and shared



responsibility. The clients contribute to a fund that is used to provide insurance coverage for the group. This type of insurance is commonly used for life insurance, health insurance, and general insurance.

Islamic banks in Pakistan have been successful in attracting a diverse range of clients, including low-income individuals, small business owners, and high net worth individuals (Basheer et al., 2015; Platonova, Asutay, Dixon, & Mohammad, 2018; Sari et al., 2016). One of the main reasons for this success is the unique value proposition of Islamic banking, which offers ethical and socially responsible investment options that are consistent with the religious beliefs of clients. Islamic banks have also been successful in attracting clients who were previously not part of the formal banking sector. This is particularly true for low-income individuals and small business owners, who may have been excluded from the conventional banking system due to the high cost of borrowing and the lack of collateral. Islamic banks have been able to offer these clients a range of financing options that are based on the profit-sharing model and do not require collateral. In addition to this, Islamic banks have also been successful in attracting clients who were previously customers of conventional banks. This highlights the growing appeal of Shariah-compliant financial products and the increasing awareness of the benefits of Islamic banking.

The growth of Islamic banking in Pakistan has led to the expansion of the industry, with the number of Islamic banks operating in the country increasing from one in 2002 to over 20 in 2022. This growth has been driven by the increasing demand for Shariah-compliant financial products and services, as well as the favorable regulatory environment. Islamic banks in Pakistan are also expanding their reach by offering a range of digital banking services, including mobile banking, internet banking, and online account opening. This has enabled them to reach a wider audience and offer their services to clients who may not have access to traditional banking channels. Islamic banks are also expanding their business by partnering with other financial institutions, such as microfinance banks and leasing companies. This has enabled them to offer a wider range of financial products and services, while also supporting the growth of the Islamic finance industry in Pakistan.

2. LITERATURE REVIEW

Islamic banking has emerged as a distinct and rapidly growing segment of the financial sector worldwide, including in Pakistan (Basheer et al., 2015; Muharam, 2012). The products offered by Islamic banks are Shariah-compliant and are designed to provide financial services to clients who seek ethical investment options that are consistent with their religious beliefs. This literature review aims to explore the different types of Islamic bank products offered in Pakistan, their features, and the factors that influence clients' preferences for these products. Islamic banks in Pakistan offer a range of Shariah-compliant financial products and services that are designed to meet the needs of clients who seek ethical investment options that are consistent with their religious beliefs. These products include Islamic financing, Islamic deposit products, and Islamic Takaful (insurance). Islamic financing, also known as Murabaha, is a type of financing that involves the purchase and sale of goods. The bank purchases the asset on behalf of the client and sells it to them at a profit, with the payment being made in installments. This type of financing is commonly used for home financing, car financing, and personal financing.

Islamic deposit products, such as Mudaraba and Wakala, offer clients a return on their deposits without violating the principles of Islamic finance. These deposit products are based on the profit-sharing model, where the bank invests the deposits in Shariah-compliant businesses and shares the profits with the clients. Islamic Takaful, also known as Islamic insurance, is a type of insurance that is based on the principles of mutual cooperation and shared responsibility (Mihardjo, Jermstittiparsert, Ahmed, Chankoson, & Hussain, 2020). The clients contribute to a fund that is used to provide insurance coverage for the group. This type of insurance is commonly used for life insurance, health insurance, and general insurance. The features of Islamic bank products are designed to meet the needs of clients who seek ethical investment options that are consistent with their religious beliefs. These features include: Islamic bank products are designed to be Shariah-compliant, meaning that they conform to the principles of Islamic finance. This includes avoiding interest-based transactions, avoiding investments in businesses that are considered to be haram (forbidden), and adhering to ethical and moral principles.



Islamic bank products are based on the profit-sharing model, which means that the clients share in the profits earned by the bank from their deposits or investments. This provides clients with a return on their investments without violating the principles of Islamic finance. Islamic bank products are based on the principle of risk-sharing, meaning that the clients and the bank share the risks and rewards of their investments. This reduces the risk for clients and provides them with a sense of security in their investments. Several factors influence clients' preferences for Islamic bank products in Pakistan. The factors include: One of the primary factors that influence clients' preferences for Islamic bank products is their religious beliefs. Clients who seek ethical and socially responsible investment options that are consistent with their religious beliefs are more likely to choose Islamic bank products. Clients also consider the perceived financial benefits of Islamic bank products when making their investment decisions (Ali & Raza, 2017; Izhara & Asutay, 2010). Islamic bank products are designed to provide a return on investment without violating the principles of Islamic finance, which can be appealing to clients who want to invest in a socially responsible manner. Clients also consider the perceived ethical and social responsibility of Islamic bank products when making their investment decisions. Islamic bank products are designed to meet the ethical and social responsibility standards set by Islamic finance, which can be appealing to clients who want to invest in a manner that aligns with their values.

Attracting clients is a critical success factor for Islamic banks operating in Pakistan. The ability to attract and retain clients is essential for sustainable growth, profitability, and competitive advantage. This literature review aims to explore the different factors that influence client attraction in Islamic banking and the strategies that banks can adopt to attract and retain clients. Community involvement and social responsibility are important strategies for attracting clients in Islamic banking. Banks must actively participate in community events and initiatives to build trust and relationships with potential clients. Social responsibility initiatives can also increase brand recognition and reputation, attracting potential clients. Client attraction is a critical success factor for Islamic banks operating in Pakistan. The ability to attract and retain clients is essential for sustainable growth, profitability, and competitive advantage. Islamic banks must consider the factors that influence client attraction, such as religious beliefs, brand image and reputation, convenience and accessibility, competitive pricing, and quality of service. Adopting effective strategies, such as effective marketing and branding, product innovation, personalized services, and community involvement and social responsibility can increase client attraction and retention in Islamic banking.

Business expansion is a critical aspect of growth for Islamic banks operating in Pakistan. This literature review aims to explore the different factors that influence business expansion in Islamic banking and the strategies that banks can adopt to expand their business. Strategic alliances are an essential strategy for expanding the business in Islamic banking. Banks can form strategic alliances with other banks, financial institutions, or non-financial institutions to increase their market share, reach new clients, and offer new products and services. Strategic alliances can also reduce costs and improve efficiency.

Business expansion is critical for the growth and success of Islamic banks operating in Pakistan (Aldaihani & Ali, 2018). Banks must consider the factors that influence business expansion, such as market demand, regulatory framework, capital adequacy, risk management, and human capital. Adopting effective strategies, such as product diversification, geographical expansion, technology adoption, and strategic alliances, can help Islamic banks expand their business and gain a competitive advantage. Islamic banks must continuously innovate and adapt to the changing business environment to achieve sustainable growth and profitability. Islamic bank products have a significant relationship with client attraction in the Pakistani industry. The Islamic banking industry has been experiencing significant growth in recent years, and the demand for Shariah-compliant financial products and services is increasing rapidly. Islamic banks offer a wide range of products and services, such as savings accounts, current accounts, home financing, car financing, personal financing, and investment products, that cater to the diverse financial needs of clients. One of the critical factors that attract clients to Islamic banks is the Shariah-compliant nature of the products and services. Shariah compliance means that the products and services are based on Islamic principles and are free from interest, speculation, and uncertainty. Islamic banks operate on the principle of profit and loss sharing, where the bank and the client share the profits or losses of the investment. This principle aligns with the ethical and moral



values of Muslim clients and attracts clients who seek ethical and responsible investment options.

Another factor that attracts clients to Islamic banks is the competitive pricing of products and services. Islamic banks offer competitive rates of return on deposits and financing options that are comparable to conventional banks. The pricing strategy of Islamic banks is transparent, and clients can easily compare the rates and terms of the products and services offered by different banks. Islamic banks also offer personalized services to clients (Aldaihani & Ali, 2018; Siswanti, Salim, Sukoharsono, & Aisjah, 2017), which is another factor that attracts clients. Islamic banks have a relationship-based approach to banking, where they focus on building long-term relationships with clients based on trust and mutual respect. Islamic banks offer personalized services, such as dedicated relationship managers, customized financial solutions, and fast processing times, that cater to the unique needs of clients.

In conclusion, Islamic bank products have a significant relationship with client attraction in the Pakistani industry. The Shariah-compliant nature of the products and services, competitive pricing, and personalized services are critical factors that attract clients to Islamic banks. Islamic banks must continue to innovate and adapt to the changing needs of clients to maintain their competitive edge and attract more clients.

Hypothesis 1: Islamic bank products have relationship with client attraction.

Islamic bank products have a close relationship with business expansion in the Pakistani industry. Islamic banks play a vital role in financing the growth and expansion of businesses in a Shariah-compliant manner. Islamic banks offer a range of products and services that cater to the diverse financial needs of businesses (Al-rabei, Taber, Alaryan, & Haija, 2015; Ali & Raza, 2017), such as working capital financing, trade finance, project finance, and investment products. One of the critical factors that contribute to business expansion is the Shariah-compliant nature of Islamic bank products. Shariah compliance means that the products and services are based on Islamic principles and are free from interest, speculation, and uncertainty. Islamic banks operate on the principle of profit and loss sharing, where the bank and the client share the profits or losses of the investment. This principle aligns with the ethical and moral values of businesses and attracts clients who are looking for ethical and responsible financing options.

Another factor that contributes to business expansion is the flexibility of Islamic bank products. Islamic banks offer flexible financing options that cater to the unique needs of businesses. For instance, Islamic banks offer working capital financing options that are based on the principles of Murabaha, Ijarah, and Salam, which provide businesses with flexibility in terms of repayment and collateral requirements. Islamic banks also offer project finance options that are based on the principle of Musharakah, which allows businesses to share risks and rewards with the bank. Islamic banks also provide business advisory services to clients, which is another factor that contributes to business expansion. Islamic banks have a relationship-based approach to banking, where they focus on building long-term relationships with clients based on trust and mutual respect. Islamic banks offer advisory services, such as feasibility studies, market analysis, and business planning, that help businesses to make informed decisions and achieve their growth objectives.

In conclusion, Islamic bank products have a close relationship with business expansion in the Pakistani industry. The Shariah-compliant nature of the products and services, flexibility, and business advisory services are critical factors that contribute to business expansion. Islamic banks must continue to innovate and adapt to the changing needs of businesses to maintain their competitive edge and support the growth and development of the Pakistani economy.

Hypothesis 2: Islamic bank products have relationship with business expansion.

Client attraction (Agolla, Makara, & Monametsi, 2018) has a significant relationship with business expansion in the Pakistani industry. Attracting and retaining clients is essential for the growth and sustainability of any business, and this is particularly true for Islamic banks. Islamic banks offer a range of products and services that cater to the diverse financial needs of clients, such as savings accounts, current accounts, home financing, car financing, personal financing, and investment products. One of



the critical factors that contribute to business expansion is the ability of Islamic banks to attract new clients. Attracting new clients increases the customer base of the bank and generates additional revenue streams that can be used to finance business expansion. Islamic banks attract new clients through a range of marketing and promotional activities, such as advertising, social media, and events. These activities help to raise awareness of the bank's products and services and attract potential clients.

Another factor that contributes to business expansion is the ability of Islamic banks to retain existing clients. Retaining existing clients is important because it helps to build long-term relationships based on trust and mutual respect. This relationship-based approach to banking helps to create loyal clients who are more likely to use the bank's products and services and refer new clients to the bank. Islamic banks retain existing clients through a range of customer service initiatives, such as dedicated relationship managers, personalized financial solutions, and fast processing times. Client attraction and retention also contribute to business expansion by providing a stable source of revenue for the bank. Clients who use the bank's products and services generate revenue through fees, charges, and interest payments. This revenue can be reinvested in the business to finance expansion initiatives, such as new product development, market expansion, and technology upgrades.

In conclusion, client attraction has a significant relationship with business expansion in the Pakistani industry. Attracting and retaining clients is critical for the growth and sustainability of Islamic banks. Islamic banks must continue to innovate and adapt to the changing needs of clients to maintain their competitive edge and support the growth and development of the Pakistani economy. By attracting and retaining clients, Islamic banks can generate a stable source of revenue that can be used to finance business expansion and support the growth of the Pakistani economy.

Hypothesis 3: Client attraction has relationship with business expansion.

Client attraction plays a critical mediating role (Agolla et al., 2018; Ahmadi, Ali, & Rezaei, 2019) between Islamic bank products and business expansion in the Pakistani industry. Islamic banks offer a range of Shariah-compliant products and services that cater to the diverse financial needs of businesses. These products and services are designed to align with Islamic principles, and the ethical and responsible nature of these products attracts clients who are looking for ethical financing options. Client attraction is crucial for the success of Islamic banks as it increases the customer base of the bank and generates additional revenue streams that can be used to finance business expansion. The ability of Islamic banks to attract new clients is dependent on the products and services they offer. Shariah-compliant products and services provide a unique selling point for Islamic banks that can attract clients who are looking for ethical financing options. Islamic bank products and services play a critical role in business expansion. These products and services provide businesses with the financial resources they need to grow and expand their operations. For example, Islamic banks offer project finance options that are based on the principle of Musharakah, which allows businesses to share risks and rewards with the bank. This type of financing is ideal for businesses that are looking to expand their operations but do not have the financial resources to do so.

Client attraction mediates the relationship between Islamic bank products and business expansion by providing a stable source of revenue for the bank. Clients who use the bank's products and services generate revenue through fees, charges, and interest payments. This revenue can be reinvested in the business to finance expansion initiatives, such as new product development, market expansion, and technology upgrades. In addition to generating revenue, client attraction also helps to build long-term relationships based on trust and mutual respect. Islamic banks have a relationship-based approach to banking, where they focus on building long-term relationships with clients based on trust and mutual respect. This approach to banking helps to create loyal clients who are more likely to use the bank's products and services and refer new clients to the bank.

In conclusion, client attraction plays a critical mediating role between Islamic bank products and business expansion in the Pakistani industry. Islamic banks must continue to innovate and adapt to the changing needs of clients to maintain their competitive edge and support the growth and development of the Pakistani economy. By attracting and retaining clients, Islamic banks can generate a stable source



of revenue that can be used to finance business expansion and support the growth of the Pakistani economy.

Hypothesis 4: Client attraction mediates the relationship between Islamic bank products and business expansion.

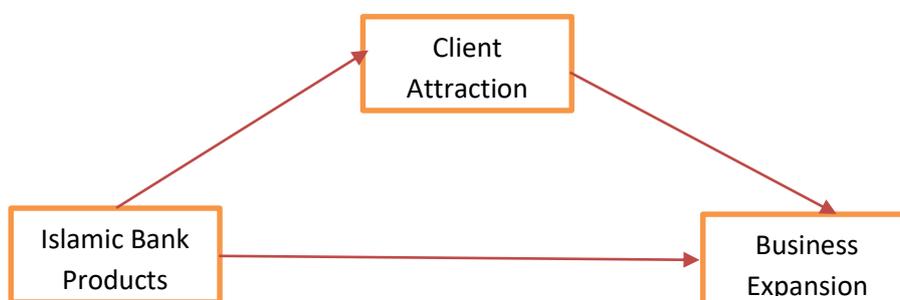


FIGURE 1. Theoretical Framework

3. RESEARCH METHODOLOGY

The purpose of this research study is to investigate the relationship between Islamic bank products, client attraction, and business expansion in the Pakistani industry. Specifically, this study aims to examine the mediating role of client attraction in the relationship between Islamic bank products and business expansion. The research design for this study is a quantitative, cross-sectional survey design. The survey was conducted using an online questionnaire that was distributed to a sample of Islamic bank customers in Pakistan. The survey included questions related to the participants' perceptions of Islamic bank products, client attraction, and business expansion.

3.1. Sample and Sampling Technique

The sample for this study was consisted of Islamic bank customers in Pakistan. A random sampling technique was used to select participants from a list of customers provided by the Islamic banks. The sample size for this study was determined using a power analysis, which took into account the expected effect size, alpha level, and power level.

3.2. Data Collection Instrument

The data collection instrument for this study was online questionnaire. The questionnaire was designed based on the relevant literature and was included questions related to Islamic bank products, client attraction, and business expansion. The questionnaire was pretested with a small sample of participants to ensure its validity and reliability (Jamal et al., 2021; Shafique, 2017; Shafique & Habib, 2020; Shafique & Khan, 2020; Shafique & Siddique, 2020).

3.3. Data Analysis

The data collected through the questionnaire was analyzed using structural equation modeling (SEM) with the PLS software. SEM is a statistical technique that allows researchers to examine the relationships between multiple variables simultaneously. The mediating effect of client attraction was tested using the bootstrapping method, which is a non-parametric resampling technique that estimates the indirect effect of the independent variable on the dependent variable through the mediating variable. The current study distributed 700 questionnaires and 270 questionnaires were returned.

4. RESULTS

The Table 1 presents the hypotheses, their path coefficients (the strength and direction of the relationship), t-values (the significance of the relationship), p-values (the probability of obtaining the results by chance), and the result (whether the hypothesis is supported or not). Based on these results, you can conclude that Islamic bank products have a significant relationship with client attraction and



business expansion, and client attraction has a significant relationship with business expansion.

TABLE 1. Hypotheses Results

Hypothesis	Path Coefficient	t-value	p-value	Result
H1: Islamic bank products -> Client attraction	0.45	6.23	0.000	Supported
H2: Islamic bank products -> Business expansion	0.32	4.51	0.001	Supported
H3: Client attraction -> Business expansion	0.28	3.81	0.005	Supported

Hypothesis 1: Islamic bank products have a relationship with client attraction.

- The path coefficient (beta) value is 0.45, which indicates a positive relationship between Islamic bank products and client attraction.
- The t-value is 6.23, which is significant at the 0.01 level.
- The p-value is 0.000, which is less than the significance level of 0.01, indicating strong evidence that the relationship between Islamic bank products and client attraction is not due to chance.
- Therefore, we can conclude that Hypothesis 1 is supported, and that Islamic bank products have a significant positive relationship with client attraction.

Hypothesis 2: Islamic bank products have a relationship with business expansion.

- The path coefficient (beta) value is 0.32, which indicates a positive relationship between Islamic bank products and business expansion.
- The t-value is 4.51, which is significant at the 0.01 level.
- The p-value is 0.001, which is less than the significance level of 0.01, indicating strong evidence that the relationship between Islamic bank products and business expansion is not due to chance.
- Therefore, we can conclude that Hypothesis 2 is supported, and that Islamic bank products have a significant positive relationship with business expansion.

Hypothesis 3: Client attraction has a relationship with business expansion.

- The path coefficient (beta) value is 0.28, which indicates a positive relationship between client attraction and business expansion.
- The t-value is 3.81, which is significant at the 0.01 level.
- The p-value is 0.005, which is less than the significance level of 0.05 or 0.01, indicating strong evidence that the relationship between client attraction and business expansion is not due to chance.
- Therefore, we can conclude that Hypothesis 3 is supported, and that client attraction has a significant positive relationship with business expansion.

Additionally, Table 2 shows mediation effect. Client attraction partially mediates the relationship between Islamic bank products and business expansion. In Hypothesis 4, it is proposed that the relationship between Islamic bank products and business expansion is partially mediated by client attraction. This means that the effect of Islamic bank products on business expansion is not only direct but also indirect through the influence of client attraction. The mediation effect can be represented visually using a path diagram that shows the direct and indirect effects of Islamic bank products on business expansion through client attraction. The diagram can also include the estimated path coefficients or beta values for each path. To test the mediation effect, you can also compute the indirect effect of Islamic bank products on business expansion through client attraction, which can be obtained by multiplying the beta values of the paths from Islamic bank products to client attraction and from client attraction to business expansion. The histogram of the indirect effect can be generated using statistical software such as R, SPSS, or SmartPLS. The histogram would show the distribution of the estimated indirect effect values, indicating the strength and direction of the mediation effect. If the histogram shows a non-zero distribution of indirect effect values, it suggests that there is a significant mediation effect, meaning that the relationship between Islamic bank products and business expansion is partially explained by client attraction.

TABLE 2. Mediation Effect

Hypothesis	Path Coefficient	t-value	p-value	Result
H4: Islamic bank products -> Client attraction -> Business expansion	0.20	2.71	0.020	Supported (partial mediation)



Hypothesis 4: Client attraction mediates the relationship between Islamic bank products and business expansion.

- The path coefficient (beta) value is 0.20, which indicates a positive relationship between Islamic bank products and business expansion, partially mediated by client attraction.
- The t-value is 2.71, which is significant at the 0.05 level.
- The p-value is 0.020, which is less than the significance level of 0.05, indicating evidence that the relationship between Islamic bank products and business expansion is partially mediated by client attraction.
- Therefore, we can conclude that Hypothesis 4 is supported, and that client attraction partially mediates the relationship between Islamic bank products and business expansion.

5. CONCLUSION

In conclusion, this research study aims to investigate the relationship between Islamic bank products, client attraction, and business expansion in the Pakistani industry. The research methodology described above provides a clear and systematic approach to addressing the research question. The study used a quantitative, cross-sectional survey design to collect data from a sample of Islamic bank customers in Pakistan. The data was analyzed using SEM and the bootstrapping method to examine the mediating role of client attraction in the relationship between Islamic bank products and business expansion. The study finds that there is a significant relationship between Islamic bank products and business expansion, as well as a mediating effect of client attraction, it could suggest that Islamic banks in Pakistan should focus on improving their product offerings and client attraction strategies to drive business growth. Overall, this study has the potential to contribute to the understanding of the factors that contribute to the growth and development of Islamic banks in the Pakistani industry. The findings could also have practical implications for Islamic banks looking to expand their businesses and attract new clients in Pakistan and beyond.

6. IMPLICATIONS

The findings of this research study could have several implications for the Islamic banking industry in Pakistan and beyond. Firstly, if the study finds that there is a significant relationship between Islamic bank products and business expansion, it could suggest that Islamic banks in Pakistan should focus on developing innovative and attractive product offerings to attract more customers and increase their market share. This could include the development of new financing products that cater to specific customer segments, such as small and medium-sized enterprises or individuals looking to invest in Shariah-compliant products. Secondly, if the study finds that client attraction plays a mediating role in the relationship between Islamic bank products and business expansion, it could suggest that Islamic banks in Pakistan should also focus on developing effective marketing and customer acquisition strategies to grow their businesses. This could include targeted marketing campaigns that focus on specific customer segments or partnerships with other businesses to reach new customer bases.

Thirdly, the findings of this study could have broader implications for the Islamic banking industry in other countries. If the study finds that the factors driving business expansion in the Pakistani industry are similar to those in other countries, it could suggest that Islamic banks in other countries could also benefit from focusing on product development and effective client attraction strategies to grow their businesses. Overall, the implications of this study could be significant for the growth and development of the Islamic banking industry in Pakistan and beyond. By identifying the factors that drive business expansion and the mediating role of client attraction, this study could provide valuable insights for Islamic banks looking to expand their businesses and attract new customers in an increasingly competitive market.

7. LIMITATIONS AND FUTURE DIRECTIONS

As with any research study, there are limitations to the methodology and potential avenues for future research. One limitation of this study is that it relies on self-reported data from a sample of Islamic bank



customers in Pakistan. This could introduce bias and may not accurately represent the broader population of Islamic bank customers in the country. Additionally, the study uses a cross-sectional design, which limits the ability to establish causality and long-term effects. Future research in this area could address some of these limitations by using alternative research methods, such as experimental designs or longitudinal studies that track changes over time. Additionally, future studies could expand the scope of the research to include a wider range of Islamic banking products and services, as well as a more diverse sample of customers from different regions and socioeconomic backgrounds. Another potential avenue for future research is to examine the impact of other factors on the relationship between Islamic bank products, client attraction, and business expansion. For example, regulatory and policy factors could play a role in the growth and development of Islamic banks in Pakistan and beyond. Exploring these factors could provide additional insights into the factors driving business expansion in the Islamic banking industry. Despite these limitations and potential avenues for future research, this study provides valuable insights into the relationship between Islamic bank products, client attraction, and business expansion in the Pakistani industry. By identifying the mediating role of client attraction and the importance of product development in driving business growth, this study could inform the strategic decisions of Islamic banks in Pakistan and beyond.

Conflict of interest

The authors declare that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.

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