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Are Belgian retail consumers considering Islamic finance loans solutions in function of their ethical profile? An opinion survey about the causality between ethical profiles and interest for those solutions.

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Are Belgian retail consumers considering Islamic finance loans solutions in function of their ethical profile? An opinion survey about the causality between ethical profiles and interest for those solutions.

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Summary

Within the management science discipline, this article is a first exploratory study of a research about Islamic finance.

This article aims to explore consumers' needs in terms of credit solutions and if personal ethics impact the decision to engage in Islamic finance credit solutions.

In order to build the problematic, a couple of concepts such as Islamic finance and ethics are introduced. Only short definitions will be presented here whereas deeper discussions will be addressed in ulterior articles.

Furthermore, defining what a consumer is and how their satisfaction is obtained is key to determine his needs. These elements are discussed alongside the consumer decision-making rationale. Through a review of contemporary literature, we observe that Jones model gives a comprehensive vision and set ethics as an essential part of the consumer satisfaction objective.

From there, the research question answers how Belgian retail consumers are considering Islamic finance as credit solutions and if their ethical profile impacts their interest in those solutions?

To reach this objective, an online consumers-based survey is administered. Thanks to Forsyth ethics position questionnaire, the ethics type of consumers is defined.

The article concludes with a discussion on the proposal that states that there is no need for Islamic finance solutions in Belgium and that the ethical type of consumer does not impact the interest in such solutions.

Keywords: Decision making process, ethics, Islamic finance, consumers.

Résumé

Dans le champ disciplinaire des sciences de gestion, cet article est une première étude exploratoire d'une recherche sur la finance islamique.

Cet article vise à explorer les besoins des consommateurs en termes de solutions de prêt et si l'éthique personnelle influe sur la décision de se financer au moyen de produits de la finance islamique.

Afin de construire cette problématique, les concepts de finance islamique et d'éthique sont abordés. Seules de courtes définitions sont ici soumises alors qu'une plus longue discussion quant à ces concepts sera abordée dans des articles ultérieurs.

En outre, définir ce qu'est un consommateur et comment sa satisfaction est obtenue sont des facteurs clefs pour déterminer ses besoins. Ces éléments sont discutés dans le cadre du processus de prise décision. Au travers d'une revue de littérature contemporaine, nous observons que le modèle comportemental de Jones nous donne une vision complète et place l'éthique comme un objectif essentiel de la satisfaction du consommateur.

A partir de là, la question de recherche répond à comment le consommateur retail belge considère des solutions de crédit de la finance islamique et si son type éthique influe sur son intérêt à investir dans ces solutions. Pour atteindre cet objectif, un questionnaire en ligne est administré aux consommateurs. Grace au questionnaire éthique de Forsyth, les types éthiques de consommateurs sont définis.

L'article finit par une discussion sur l'hypothèse qui affirme qu'il n'y a pas de besoin de solutions de finance islamique dans un environnement belge et sur la réfutation de l'hypothèse qui affirme que le type éthique du consommateur affecte son intérêt pour ces solutions dites islamiques.

Mots clés : Processus de décision, éthique, finance islamique, consommateur.

This work is part of the PhD thesis of Allaa Ridouan at the Louvain School of Management of the Université Catholique de Louvain

Are Belgian retail consumers considering Islamic finance loans solutions in function of their ethical profile? An opinion survey about the causality between ethical profiles and interest for those solutions.

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Introduction. Consumers ‘needs and their Ethics profile

This article is the first pillar of an extensive research about Islamic Finance, its various meanings, purposes, and its relevance for its actors in Belgium. It also discusses the relevance to consider ethics as a normative dimension for agents’ actions.

Indeed, literature shows an important impact of the ethics in this decision-making process (Dubinsky and Loken, 1989; Jones, 1991). The main objective of this article is to explore and discover the need and interest of retail consumers to get an Islamic finance loan and if their personal ethics profile significantly impacts that decision. How do individuals perceive those financial solutions? Is this a feasible solution for consumers? Do their ethics profile impact their decision to get an Islamic finance loan? All those answers will lead to fuel the discussion in further paper/chapter of my research.

Considering the objective and the context of the study, I have set in place a questionnaire that I submitted to Belgian retail consumers in order to measure their ethics position profile and to measure their willingness to get a loan via Islamic finance solutions.

In a first wave of questions, I discover what are the needs of the consumers in terms of credit solutions (what kind of credit do they need, what maturity, what structure, what do they mobilize in term rationale when they make a decision, is ethics a criteria of choice…).

In a second wave, I dug deeper by trying to understand and measure which type of consumer considers ethical loans. This measure is calculated upon 2 dimensions/constructs, relativism and idealism. **Relativism** is a measure of how ethics can vary from one situation to the other depending of the context. This dimension is particularly interesting as it shows how Islamic finance perception for the consumer is impacted by general perceived context and objectives[1]. The dimension of **Idealism** determines how ethically individual act if he considers the final goal as a greater achievement[2].
Beyond these measurements, the purpose of this article is to discover if retail Belgian consumers are indeed impacted by their ethical profile when considering Islamic finance solutions.

In the first chapter of this article, I go through a review literature of key concepts of what is a consumer, how his/her satisfaction is measured, what is Islamic finance, ethics and how the process of decision-making is built, more specifically with the contribution of the Jones model.

[1] The more important this dimension is, the more the consumer would consider ethics principle as not universal.

[2] The greater the importance of this dimension is, the less a consumer will consider making compromises about it.

In chapter two, I develop my research question and hypothesis which focuses on impact of ethical profile when considering Islamic finance loans solutions. I give then the scope of the research design. I explain the research protocol and the methodology I used to gather the data in this exploratory and confirmatory phase.

In chapter three, I present the findings and I discuss the main research question and hypothesis. What are the theoretical and managerial contribution of my study? What are the limitations of the paper?
Final section gives general conclusion for further research.

Chapter I. Theoretical model and literature review

1. The demand: The consumers motivations

In the « Les paradoxes du consommateur 2.0 », Antoine Dubuquoy (2011) explains that the consumers' motivations through time remain the same, although their environment change. The only new feature to consumer's behavior is that Internet and web services (banking, shopping…) are considered as additional means for consumers to make their decision. Consumers sensibility and awareness tend to increase due to various grading and 'likes' for the services they invest in. Customers tend to be socially responsible and take into considerations values beyond the budget constraint. Internet has become an important feature in the consumer rationale (Chessel, 2012). This feature has allowed the consumers to be a purchaser but also a 'marketer' in the sense that she/he can evaluate and comment on the product/services she/he will use. This is the new consumer that market and industry have to pay attention to when offering their solutions (Levine and alii, 2011). In the XXth century, the consumer is still perceived as an irrational and isolated individual (Gide, 2001) that can either buy or refuse to buy (Hirschman, 1970). In the XXIst century, the consumer is more and more considered as individual that needs to be logically convinced but also as being a part of group of consumers.
Moreover, the number of consumers has exploded (labour market access to woman, middle class development…) and their capacity to purchase has grown at the same time (Chessel, 2012).

For instance, a product can be produced in China, shipped to Germany and bought by a consumer in Belgium. In the banking industry the reality is different whether we will talk about retail consumer or a corporate consumer. Whereas the corporate consumer can be based in any country and invest into a bank/financial institution in any country due to an extreme dematerialisation, a retail baking consumer will be located in the country in which the bank is operating. He/she cannot be based in Belgium and get a loan in France, for instance. However the service provider or the bank can be based in France and offer a solution to a Belgian consumer (via a subsidiary, M&A's…). This is mainly due to the internet globalisation and to international regulation (Domina and al., 2012; Kim and al., 2007; Lee and Chung, 2008).

Thanks to this new profile of consumers, new products and solutions are shaped by the remarks and criticism made by the consumer. With their use, comments and buying, consumers force the producers, suppliers and banks to provide with adapted offers to their need (Weber, 2009).

This new retail consumer can also be a co-producer of the product/service he/she buys. For instance, we can think about an operating system such as Linux where consumers are active contributors of the product development (Fiorito and alii, 2010). Kwortnik and Ross define this consumer experience as "*une interaction du consommateur avec le produit qui soit à la fois plaisante, mémorable, et créatrice de sens*" (Kwortnik and Ross, 2007), especially in the retail market. Multiple dimensions shape the consumers identity and motivations. Antéblian B., Filser M., Roederer C. (2013) give us a broad literature review with various dimensions:

Dimension	**Items**	**Authors**
Convenience search	Distance	Westbrok and Black (1985)
	Clarity	Sinha and Uniyal (2005)
	Accessibility	Sinha and Uniyal (2005)
Pleasure search	Distraction	Tauber (1972)
	Adventure	Babin and al. (1994)
Social interaction	Role	Tauber (1972)
	Community	Borghini and al. (2009)
Economic drivers	Price	Westbrok and Black (1985)
	Promotions	Arnould (2000)

Table 1: Review literature of retail consumer experience (Antéblian B., Filser M., Roederer C. (2013)

The consumers are seeking for a satisfaction given by their purchase or consumption experience (Vanhamme, 2002). This satisfaction criteria is different from the consumers perception constructs that we can find in the literature: emotion, attitude and quality of service (Ladhari, 2007).

- Authors make a difference between satisfaction and emotion as they define the satisfaction as a cognitive state awarded for agreed efforts (Hunt, 1977). Whereas emotion is defined as feelings before the consumption experience.
- Attitude is a stable state whereas satisfaction is a punctual expression (Oliver, 1981).
- Finally quality of service is considered as the potential gap between the consumer's satisfaction and service provider's performance perception (Parasuraman and alii, 1985).

From these dimensions we understand the consumer is not a rigid concept but an evaluative construct that has several dimensions to be considered. Consumer in the XXIst century are not the one from the XXth century. Technology and globalisation (in the sense of co-operation and integration of different countries' economies, Jeffery, 2002, The Guardian) have added new dimensions to consumers identity and satisfaction. Henceforth, the decision-making process is also in constant evolution.

2. Decision Making Process models

To shape the understanding of the process in which individuals engage when making a decision, I went through what literature is discussing about ethical behaviour. What are the factors influencing such process? Is ethics part of it? What do we mean by ethics[3] ? Reading literature, we observe that ethical decision making is often composed of 3 factors: moral judgement, moral intention and the moral intensity (which is composed with 6 items: Social Consensus, Magnitude of Consequences, Temporal Immediacy, Proximity, Concentration and Probability of Effect). Hereafter, I briefly explain here those concepts and the model that I decide to work with.

a. Ferrell and Greshman model

One of the first decision making model was introduced by Ferrell and Greshman (1985) where they tried to define the individual predictive variables that impact the ethical decision. On the other side, they discussed the contextual variables that precisely impact these individual predictive variables. This double influence defines the (un)ethical consumer decision. Firstly, the consumer perceives an ethical dilemma (could be bribery, collusion, unfair judgement…). Then, the ethical decision process starts with a multi-stage process where individual factors (values, cultural background, intentions…), organisational factors (professional code, deontology) and environment factors (peers, society…) have an impact on the decision. I do not intend here to criticise this model about its exclusive binary principle: decision is either ethical or unethical. No grey zone is admitted. As a results of their research, they claim that a consumer facing an ethical concern is influenced by his personal and contextual variables when making a decision. Ferrell and Greshman contingency framework can be illustrated as below:

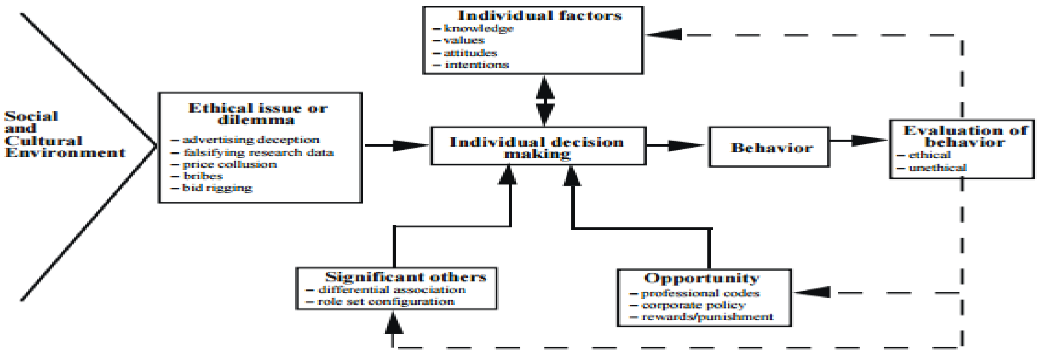


Figure 1: Ferrell and Greshman Ethical decision making process

b. James Rest model

James Rest (1986) proposes a 4 components sequence when individual are making an ethical decision. His contribution is ever since used in most of the models. His steps are: (1) identifying/sensing a moral issue, (2) making a moral judgment on it, (3) Having a moral intention/motivation (to apply the

[3] Ethics concept is widely explained in Allaa Ridouan (2019), what *are the ethical justifications offered by Belgian and French service providers of Islamic finance.* Working paper 05-2019.

moral judgement), and (4) commit in/implement a moral action. We will see that his multi-stage contribution is found in many other models (Hunt Vitell, Trevino, James…).

c. Trevino model

Linda Trevino (1986) argues that an ethical decision is a combination of individual moderators (ego, interdependency level) and contextual moderators (working conditions, peers control, management…). This moderators are impacting the ethical decision makings process as mentioned in Rest model: (1) ethical dilemma, (2) moral judgement, (3) intention, (4) action.

d. Hunt Vitell (H-V model)

Hunt and Vitell (1986) introduced the concepts of deontology and teleology. Deontology is applied when people focus on their own norms and values to base of their actions (with possible exceptions) whereas teleology focuses on the consequences of one's actions. They claim that moral issues and actions will be combined with these two theoretical positions. This research relates consumer's ethical decision making when investing into an asset (Loe, Ferrel, Mansfield, 2000). H-V model could be illustrated as below:

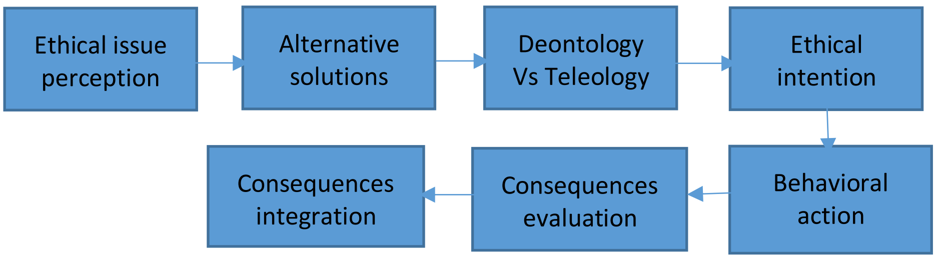


Figure 2: H-V model (a)

Where the cultural environment (religion, political system), industrial environment (informal norms), organisational environment (informal norms), and the personal experiences (religion, moral force, ethical sensitivity...) all have an impact on the ethical issue/concern perception. This model has however been mainly criticised regarding several aspects: (1) what is 'good' is difficult to identify, by nature, (2) would 'good' be quantifiable anyway, and (3) people on which consequences will be born are difficult to be identified in advance. For all those reasons, Hunt and Vitell have themselves revised their model (1993) which incorporates new developed concepts (Social contract's Donaldson and Dunfee 1994, Jones moral intensity Jones, 1991, religiosity's Wilkes, Burnett and Howell, 1986). As a result of their research, they claim that moral philosophy impacts the decision making process. From there, H-V model is illustrated as:

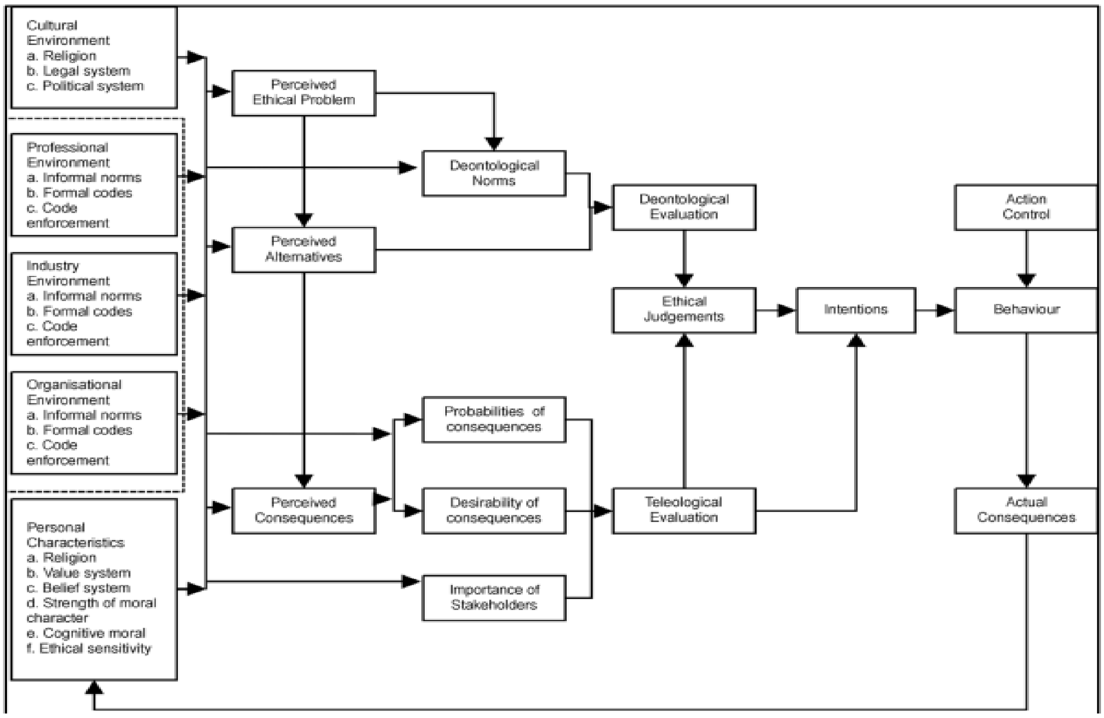
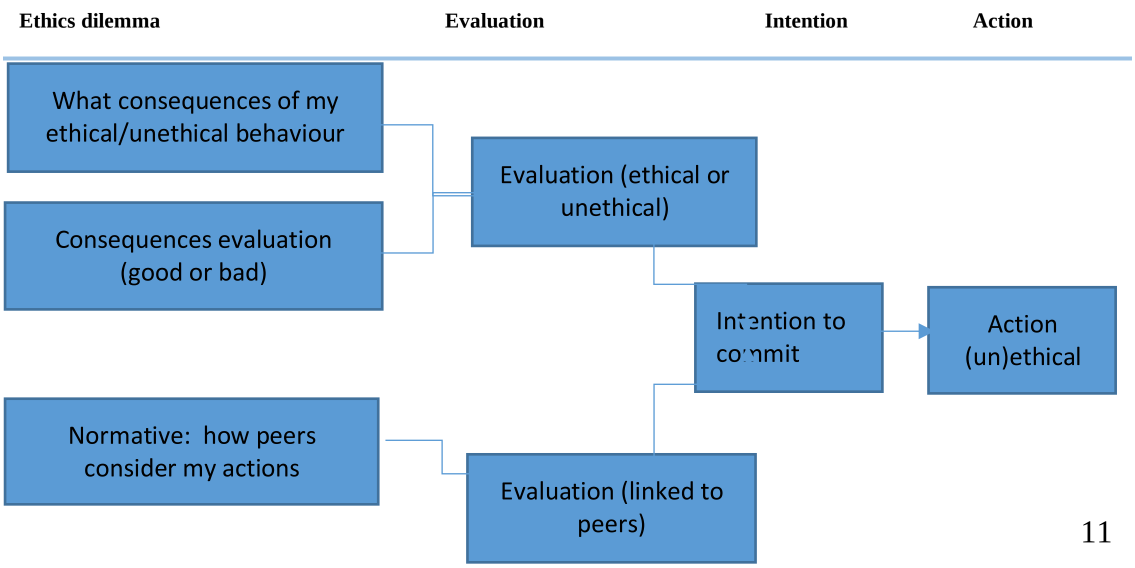


Figure 3: V-H model (b)

e. Dubinsky and Loken model

Dubinsky and Loken (1989) make a synthetisation of the reasoned action (Ajzen and Fischbein, 1980) in the ethical decision-making process. Individuals are making decision by using rationally all the available data they have, à priori. The intention is determining the action. Individual behavioural action is shaped by potential outcomes. This models allows the possibility to measure the motivation and the intention of an individual. The model's limit is situated in the non-study of the intention shift to action. As a results of their research, they claim that the reasoned action influences the decision making process. Dubinsky and Loken model can be illustrated as below:



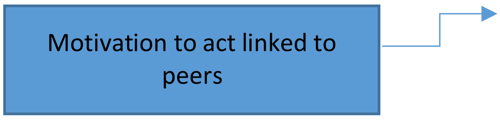


Figure 4. : Dubinsky and Loken model

f. Thomas Jones model

Thomas Jones (1991) shapes the corners of a model that discusses the influences factors in the ethical decision-making process. The relevancy of this model lays in the fact that it uses the concept of '*moral intensity*'. This concept is defined by Jones as: "*a construct that captures the extent of issue-related moral imperative in a situation*". This moral intensity nuance has an impact on the decisive steps when making a decision. The more ethics intensity is present, the stronger the action will be grounded in ethics. Moral intensity is a multidimensional construct of six characteristics[4]:

- Effect concentration (behaviour will impact a small or a big group);
- Proximity (feeling close to a victim by religion, culture, geography…);
- Temporarily close to the agent (time duration between the present and the future consequences of the behaviour);
- Social consensus (degree of social agreement between agents which says that a behaviour is evil or good);
- Effect probability (probability that a behaviour will take place and the probability that this act will harm/benefit others);
- Consequences severity (sum of harms/benefits done to agents/victims).

His contribution places moral decision-making process into a comprehensive and contextual environment where individuals are not only making ethical choice out of any context but in an interconnected and multi-level socially constructed context. Moral reasoning for a financial system is dependent of the socio-cultural environment of the agent who applies the reasoning. This is an issue-dependent mechanism. For this reason, contextual features will be taken into consideration when studying empirically the impact of ethical beliefs into financial decision-making process. **This is the existing gap this article tends to discuss when discovering what are the consumers need and if their ethical position type makes a difference in their decision-making process.** In Jones's framework, moral issue is called moral intensity as the more the moral issue is close to the agents (in terms of impact and direct consequences) the more the agent will act accordingly with intensity to the issue. The Jones model can be illustrated as below:

[4] However this six dimensions could be reduced to three, given McMahon and Harvey, 2006: consequences in time, link between the actors (agents) and social morally (not) accepted judgment of the action.

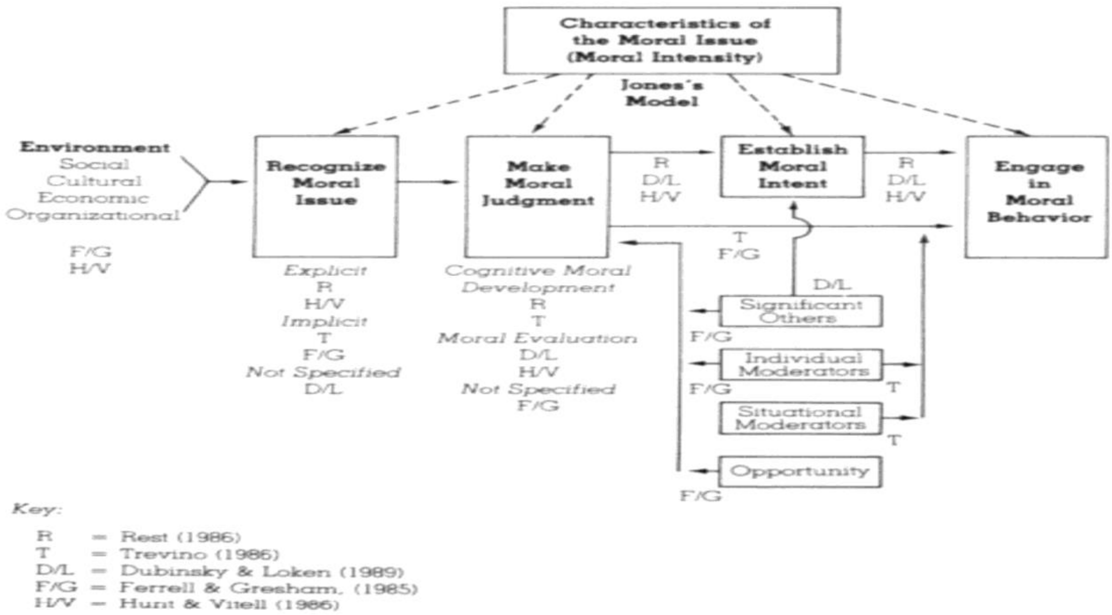


Figure 5: Jones model

g. Models Overview. The Jones model moral intensity as decision making process

Finally, I can summarize the literature review in the following table:

		1985	1986	1986	1986	1986	1991
		Ferrell & Gresham	Rest	Trevino	Hunt & Vitell	Dubinsky & Loken	Jones
Individual factors	*Values, principles*	V		V	V	V	
	Moral intensity						V
Contextual factors	*Professional*	V		V	V		
	Cultural	V			V		V
	Peers influence	V					
Making decision process steps	*Evaluation (1)*	V	V		V	V	V
	Alternative evaluation				V	V	
	Moral judgement (2)	V	V		V		V
	Intention (3)		V		V	V	V
	Engagement (ethical or not) (4)	V	V	V	V	V	V
	Reasoned action					V	V

	Consequences evaluation				V		

Table 2: Ethical decision-making process model summary

Within those models, consumer's moral concern is decided between three specific strategies when making an investment (or loans here) (Harrison, Newholm, Shaw, 2005):

- Detachment: consumer will claim that they consume less than others which is, per se, ethical.
- Rationalisation: consumer will only act with ethical concerns on some investments.
- Integration: consumer will fully consume with ethical concerns.

Depending on the field (professional, geographical origin, gender), other authors contribute to the debate by adding other factors to the decision-making process: a model applied in the Sales field (Wotruba, 1990); a model where age, education, gender and salary influence the ethical perception when making a decision (Mc Intyre, Thomas and Gilbert, 1999); a model where the more social relationship individuals have, the more ethical their decision will be (Rallapalli, Vitell, Wiebe and Barnes, 1994); a model where individualistic and societies are less ethical when taking decision (Vitell, Nwachukwo and Barnes, 1993); where managers have stronger incentive for ethical concerns (Siu and Lam, 2009); where age has an impact on a decision making model (Trevino , 1986); where religion has an impact on ethical decision (Vitell and Paolillo, 2003) and where consumers place their choices in an idealist or relativist perspective (Forsyth, 1980).

This former contribution is here below discussed as I see it an interesting add-on to the Jones' model. With Forsyth contribution, we identify different consumer's postures: either a relativistic or idealistic moral philosophy. **A high relativist profile** will reject global and universal morality and will consider a case in various contextual ways. She/he will not use moral standards for which she/he is not convinced. **A high Idealist profile** will consider the consequences obtained with proper/moral actions. She/he will try not to harm anyone. From these two moral philosophy postures, ethics is either teleological (focus on finalities) or deontological (focus on conformity to the rules). This is represented in the 2x2 below matrix:

	Low Relativism	**High Relativism**
High Idealism	**Absolutist** : Principled idealists believe people should act in ways that are consistent with moral rules, for doing so they will in most cases yield the best outcomes for all concerned;	**Situationist** : Idealistic contextualists favour securing the best possible consequences for all concerned even if doing so will violate traditional rules that define what is right and wrong;

Low Idealism	**Exceptionist** : Principled pragmatists endorse moral rules as guides for actions, but admit that following rules will not necessarily generate the best consequences for all concerned;	**Subjectivist**: Pragmatic relativist base their ethical choices on personal considerations, such as individualized values, moral, emotions, or an idiosyncratic moral philosophy.

Figure 6: Theoretical Forsyth framework

It's based on this framework and Moral intensity model of Jones that my questionnaire protocol is built. Indeed, moral values[5] assessment allow to link it to moral action (investing in ethical solution). Predicting moral behaviour from moral values is not a straightforward parity (Hartshorne and May, 1928), however moral judgement and behaviour can be thus studied with two constructs: relativism and idealism. This specific model and scale measurement will be discussed in the research design section.

3. Islamic Finance and ethics

Islamic finance and ethics concepts are widely discussed in the articles: "what *are the ethical justifications offered by Belgian and French service providers of Islamic finance*[6]" and "*Does religiosity have an influence on small and medium sized enterprise manager's decisions to use Islamic finance products*[7]". In those articles, I explain what is Islamic Finance, its definition, origin, field of application and its current situation in Middle East and in Western countries. A blueprint of its actors, products and financial solutions is also to be found.

A common definition of Islamic Finance is that it is a Sharia compliant-based finance, where Sharia is the body of laws and rules extracted from Quran and Sunna[8] (prophetic sayings and acts in the Muslim sphere). An important feature/distinction to be made here is that Islamic finance is not only trying to be efficient economically and financially speaking but it has also the imperative to be 'legally' authorised by Sharia (El-Gamal, 2010). There is a legal constraint that is supervised by a double governance principle (classical governance and a Sharia board advisory).

We observe that Islamic financial solutions are of two kinds: PLS (profit and loss sharing) and debt-based solutions. Most of these operations are supported by banking intermediary (Toussi, 2010).
The PLS solutions are partnerships (stocks, joint venture, capital-risk, entrepreneurial funding[9]) whereas debt-based solutions are based on a Sales/Buy operation (+margin) that result in a debt for the credit/loan

[5] Moral is here synonym of ethics. A complete discussion is given in next chapter of this research: Allaa Ridouan. 2019. *What are the ethical justifications offered by Belgian and French service providers of Islamic finance?* Working paper. 2019.
[6] Allaa Ridouan, 2019.
[7] Idem.
[8] Other sources (Ijma – consensus; Qiyas – Analogy…) exist but they will not be discussed here.
[9] Mudaraba and Musharaka solutions are discussed in my next article.

taker (most known and used product being the murabaha solution, a sales contract where buyer and seller agree on a margin/mark-up profit).

Although Islamic Finance is presented as a PLS – entrepreneurial funding enhancer, reality is much less prosaic as debt-based solutions are the main mechanisms for profit generation. This is a very often addressed criticism to Islamic Finance apologetics that will be discussed in a coming second article[10]. This current paper does not intent to discuss Islamic Finance economic efficiency, role and meanings but only the offer relevancy in a Belgian environment and the consumer's attitude towards it.

[10] Allaa Ridouan, 2019.

Chapter II. Research model and hypothesis: Belgian retails consumers and their ethical behaviour

1. Research question: Are Belgian retail consumers taking ethical behaviour into consideration for their interest in Islamic finance loans solutions?

My study aims to discuss the question "*Are Belgian retail consumer taking ethical behavior into consideration for their interest in Islamic finance loans solutions?*" Far from a hypothetical-deductive approach, I rather discover inductively how consumers approach their decision-making process. After defining a couple of concepts, we find out that customers satisfaction is a key factor in that process (Mc Farlane, 2013: Kehinde and alii, 2016). Discussing the customer satisfaction value helps financial institution to position their offer to the consumers. Thus, relevancy of this research lays defining if ethical type has an impact on this decision process for Islamic finance. It will then identify what type of customer would be more interested in ethical loans, such as Islamic finance solutions. We saw in the previous section that ethics impacts the behavior of actors (Haidt, 2001; Kohlberg, 1984). **I want to identify if Belgian consumers, in function of their ethical type, find Islamic finance as a relevant solution for them**. Individual ethical beliefs have an impact when judgements or decision have to be made (Barnett, Bass and Brown, 1984). Those aspects vary in function of the culture and the country of residence (Vitell and Franke, 1999). For instance, studies show that Eastern countries and cultures are much more 'relativist' than western countries (Ralston and alii, 1994).

2. Research hypothesis (RH1): Ethical type of the consumers has a significant impact on the interest for Islamic finance solutions

My article tests the hypothesis that consumer ethical position profile, whether it has a low or high degree of relativism or idealism has a significant impact on the interest for Islamic finance solutions. I try to confirm if potential differences are only due to random sampling and if they are significant or not. From there, the null Hypotheses can be formulated as below:

- **RH0a: Interest in IF is equivalent between high idealism profile and low idealism profile.**
- **RH0b: Interest in IF is equivalent between high relativism profile and low relativism profile.**

The alternative research Hypotheses are:

- **RH1a: Relativism ethical profile of the Belgian consumers has a significant influence on the interest for Islamic finance solutions.**
- **RH1b: Idealism ethical profile of the Belgian consumers has a significant influence on the interest for Islamic finance solutions.**

My research Hypotheses (RH1a/b) are bilateral and do not discuss a positive/negative correlation between these two variables. My first objective is just to claim if there is a correlation or not between ethical profile/behavior and interest in Islamic finance loans[11].

H0a: I assume that the DV and IV are unrelated.
H0a: $\eta_{aa} = \eta_{ab}$
H0b: I assume that the DV and IV are unrelated.
H0b: $\eta_{ba} = \eta_{bb}$

Where η_{aa} (Group A with high Idealism ethical type and interest in IF) = η_{ab} (Group B with low Idealism and interest in IF). Not rejecting H0 means that we do reject H1 but we cannot prove H0. Rejecting H0 means we accept H1.

And where η_{ba} (Group A with high Relativism ethical type and interest in IF) = η_{bb} (Group B with low Relativism and interest in IF). Not rejecting H0 means that we do reject H1 but we cannot prove H0.

With the rejection of these H0's, we would claim that there is a significant difference in interest in IF in function of the EP (Ethics Position) type:

H1a: Idealism EP has a significant influence on the interest for Islamic Finance solutions[12].
H1a: $\eta_{aa} \neq \eta_{ab}$

H1b: Relativism EP has a significant influence on the interest for Islamic Finance solutions[13].
H1b: $\eta_{ba} \neq \eta_{bb}$

To tackle this research Hypotheses, Forsyth Ethics Position Questionnaire (EPQ) has been amended and submitted to Belgian individuals in order to understand and measure the impact on this process. The purpose of this EPQ is to statistically explore what type of customer would be interested by Islamic finance solutions. Studying personal ethics behaviour is a complex concern. Authors have discussed and disagreed about the link between personal ethics and implied behaviour (Hartshorne and May, 1928).

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[11] My rationale tests if there is a relationship between an independent variable and a dependent variable. The null hypothesis claims that there is no significant impact between those variables and that their variation is unrelated.
[12] Unlike t-test, H1 is bilateral and not unilateral.
[13] Unlike t-test, H1 is bilateral and not unilateral.

The discussion between what is ethics and un-ethics is particularly complex. For instance, asking if death penalty is ethical or not cannot be answered without questioning the comprehensive context. For this reason, I chose a measurement scale that (1) helps to measure the research question and (2) takes into consideration the complexity of the question by defining it into two constructs: idealism and relativism.

Forsyth and Schlenker (1977) have developed this scale by introducing items that study universality and consequences of ethics. In 1981, Forsyth ended up with an amended scale which states that high relativist individuals would consider a situation on a punctual moment (limited in time and space) whereas high idealist individuals would consider a situation to be ethical when the pursuit of an objective will not hurt other people. This scale measures how people consider what is ethical or not. This measure is built on 2 constructs: relativism and idealism. The objective there is to identify what consumer is interested or not by Islamic finance solutions. Once we label those consumers in groups, we can identify who has an interest in Islamic finance. An answer could be that no group has an interest in Islamic finance.

a. Test selection and significance level

My research Hypotheses have each 2 groups (high and low EP – Idealism and Relativism) and my dependent variable is qualitative. I seek to compare these two groups to infer if there is a relationship between IV (EP) and DV (interest in IF). My variables are nominal and ordinal. I have two samples per hypothesis. **I'll use Chi-square tests**.
Chi-square analysis applies for nominal (and ordinal) variables with a limited number of categories. This test is aiming to know if there is a relationship between EPQ and the interest in IF solutions. For such purpose Chi-square studies the difference between the theoretical and observed frequencies in a contingency matrix.

b. Hypothesis rejection/acceptation

I have chosen here a level of significance of $\alpha = 5\%$ which corresponds to the probability of rejecting H0 when H0 is actually true (assuming that the interest in IF is not the same whereas they are actually the same between the groups[14]). If the significance level obtained with my calculation is smaller than 5% (Sign. Level <0.05), I reject H0 and accept H1. If the significance level is bigger than 5%, I reject H1 but I cannot say if H0 is true. Moreover, I do not suppose the strength or the direction (unilaterality) of the relationship.
The hypothetical prediction here is that a consumer with a high level of Idealism or Relativism may be more interested in IF than consumers with a low level of Idealism or Relativism.

c. Internal validity

[14] A β type error is also possible if I do not reject H0 whereas I should have rejected it and accepted H1.

Forsyth (1980) and Forsyth, Nye and Kelly (1988) studied the consistency and internal validity of their measures where they found out the orthogonality of the two constructs (idealism and relativism). Their Cronback alpha's range between 0.73 and 0.84. In my research, validity is agreed that the correlation between these 2 dimensions have similar alphas.
Test bias: Respondents were not repeatedly questioned.
Questionnaire bias: the survey was initially validated by researchers, students and random consumers to make sure that the questions were well formulated and understandable.
Sample bias: 137+ respondents fully answered the online questionnaire which gives more representability.

3. Research design: a consumer based online-survey in Belgium

a. Methodology

To address the research goals, a survey has been administered from 4th till 28th of January 2019 to a sample of **234** Belgian consumers. I use Lime-survey tool as an online questionnaire. Data are entered and described with Excel and SPSS (version 24). Descriptive statistics are presented in the next section. Out of the **234** administered surveys, **137** are fully completed and usable for the study (97 incomplete). Collected data showed a **58.4%** of male respondent and **41.6%** of female respondent. **Regarding nationality 90.5% (124 valid answers) of them are Belgian which is relevant to our study (73 males and 51 females).**

The questionnaire has been administered in French which means it will only reach the French speaking population. It has been translated in French by a native French speaker. Given the complexity of the wording and meanings, questionnaire has been translated back and forth from English to French and from French to English to ensure the same meaning was respected.
Most of the questions are 1-5 points Likert scale where 1 means strongly disagree to 5 which means strongly agree. The questionnaire has been given to a test group to verify its feasibility, clarity and timing. It is anonymous. The average time for completion is 10 minutes.

The survey has been adapted to answer the research question objectives. Part I of the questionnaire answers to general socio-demographic and ad hoc behaviour questions. Part II assesses the ethical behaviour decision which is the focus of the study. Idealism score is calculated by summing up the scores from items 1 to 10. Relativism score is calculated by summing up the scores for items 11 to 20. As these constructs are research scale, there is no 'norm' to which we can compare it. Nevertheless, Forsyth and alli (2008) calculated median score **3.7 (on 5) for idealism** and for **relativism is 3.1 (on 5)**. Where we stand in the low/high matrix sends us back to our previous theory about the individual moral position:

Low Relativism (<3.1)	**High Relativism (=>3.1)**
Low Idealism (<3.7)	**High Idealism (=>3.7)**

b. The variables

The independent variable (IV) is the profile type (Relativism and Idealism dimensions) is calculated with an amended EPQ (Ethics Position Questionnaire**).** It measures a score which indicates a **high relativism type if average is equal or superior to 3.1 (out of 5) and a high idealism** if the average score is **equal or superior to 3.7 (out of 5).** Idealism construct dimension is measured by adding value of each answers of the questions from 1 to 10. Then the average is calculated. Same rationale goes for Relativism by adding value of each answers from 11 to 20. Values of the answers are 1 = strongly disagree; 2 = slightly disagree; 3 = neither agree nor disagree; 4 = slightly agree and 5 = strongly agree.

The dependent variable (DV) is the interest in Islamic finance solutions: 0 being a non-interest and 1 being an interest in those solutions. An interest does not necessarily mean that the respondent will actually engage in such solutions.

Chapter III. Findings: More Ethical considerations do not lead to more Islamic finance interest

"Le ridicule, c'est la confusion des ordres[15]"

1. Testing the hypotheses: Islamic finance solutions in Belgium

a. Descriptive Statistics

For RQ1 and RQ2, descriptive statistics[16] give us the following observations[17]:

- Out of the 137 answers, only 124 (90.5%) are relevant for the studies as I'm only considering Belgian consumers.
- Sample is composed of 73 males and 51 females.

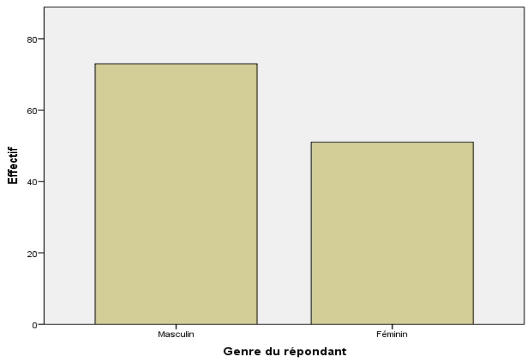

Figure 7 Male/Female proportions

- The average age of that sample is 36 years old. Min age of the relevant sample is 20 years old. Oldest respondent is 69 years old.

[15] Comte-Sponville A. Le capitalisme est-il moral. 2004. Albin Michel p.94. « The ridicule, is the confusion or orders ». The author makes reference to Pascal theory about the different sphere of legitimacy.
[16] Item of willingness to fund with IF products has been recoded as nominal qualitative question: are you willing to fund with IF: Yes (scale 4, 5) and No (scale 1, 2, 3).
[17] Most of the descriptive statistics are listed in appendix and not in the core article.

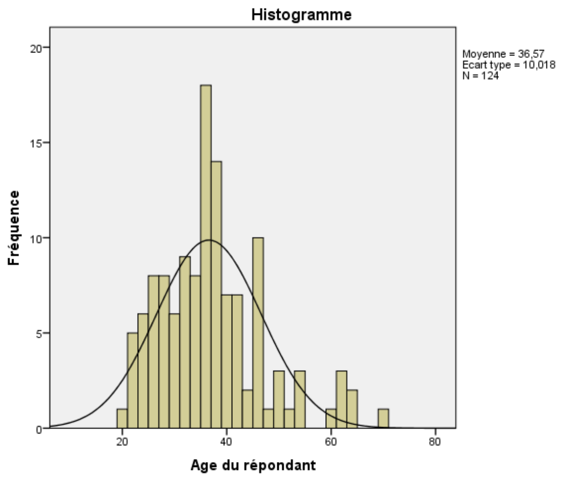

Figure 8 Age repartition

- Main occupation of the sample is Employee (63.7%) / 79 people out of 124.

Main occupation

	Frequency	%	Valid %	Cumulated %
Employee	79	63,7	63,7	63,7
Student	12	9,7	9,7	73,4
Worker	8	6,5	6,5	79,8
Retired	2	1,6	1,6	81,5
Independent	14	11,3	11,3	92,7
Unemployed	4	3,2	3,2	96,0
Other	5	4,0	4,0	100,0
Total	124	100,0	100,0	

Table 3 Main occupation table

- Sample average revenue per family is 5751.02€ Net per month
- Sample religion is summarized as below:

What is your religion

	Frequency	%	Valid %	Cumulated %
Atheist	20	16,1	16,5	16,5
Catholic	18	14,5	14,9	31,4
Protestant	3	2,4	2,5	33,9
Sunni Muslim	**72**	58,1	59,5	93,4
Chiite Muslim	**1**	,8	,8	94,2
Boudhist	1	,8	,8	95,0
Agnostic	6	4,8	5,0	100,0

Other	3	2,4		
Total	124	100,0		

Table 4 Sample Religion

Majority of the sample is Belgian Sunni Muslim: 58.1%. This proportionality leads us to investigate further into this specific sample. Discussion is led in the final section of this paper.

- To the question whether the participant knows about Islamic Finance, results are

Do you know what Islamic Finance is

	Frequency	%	Valid %	Cumulated %
Not at all	35	28,2	28,2	28,2
Very little	32	25,8	25,8	54,0
A little	30	24,2	24,2	78,2
Pretty much	19	15,3	15,3	93,5
Very well	8	6,5	6,5	100,0
Total	124	100,0	100,0	

Table 5 Knowledge about Islamic Finance

Cumulatively, it shows that 78.2% have no or very low knowledge of Islamic finance in Belgium. It is **still an unknown finance for most of the consumers.**

- To the question of whether interest rate perception is a concern for the consumer, we observe that this is not a major concern within the sample.

Are you uncomfortable with interest rate perception on your savings

	Frequency	%	Valid %	Cumulated %
Not at all	10	8,1	8,1	8,1
Very little	9	7,3	7,3	15,3
Indifferent	36	29,0	29,0	44,4
Pretty much	29	23,4	23,4	67,7
Very well	40	32,3	32,3	100,0
Total	124	100,0	100,0	

Table 6 Concerns about interest rate perception

We observe about 50% (44.4%) of the respondent are indifferent or not bother by interest rate perception, we could legitimately asked ourselves about the non-interest rate principle relevancy of Islamic finance for Belgian consumers. Prior data shows a relative non-key concern. This is not studied deeper in this article as this is out of the scope of this article/chapter.

- To the question if Islamic finance was proposed, would you be interested in such solutions, we observe a majority willing to consider such solutions (38,7%+30,6%).

If an IF loan was proposed, are you interested in such solution

	Frequency	%	Valid %	Cumulated %
Not at all	6	4,8	4,8	4,8
Very little	8	6,5	6,5	11,3
Indifferent	24	19,4	19,4	30,6
Pretty much	48	38,7	38,7	69,4
Very well	38	30,6	30,6	100,0
Total	124	100,0	100,0	

Table 7: Concerns about interest rate perception

38.7%+30.6%= 69.4% of the sample does have an interest in IF loans. The data has been recoded as below:

Interest in IF Loans

	Frequency	%	Valid %	Cumulated %
No Interest in IF Loans	38	30,6	30,6	30,6
Interest in IF Loans	86	69,4	69,4	100,0
Total	124	100,0	100,0	

Table 8: Interest in IF loans

- A majority of people from the sample are interested in IF loans
- In function of religion, the sample is divided between people willing to consider IF loan and consumers that do not interested in getting an IF loan:

Your religion * Your interest in IF Loans

		No Interest in IF	Interest in IF	
Your religion	Atheist	13	7	20
	Catholic	10	8	18
	Protestant	2	1	3
	Sunni Muslim	7	65	72

	Chiite Muslim	1	0	1
	Buddhist	0	1	1
	Agnostic	4	2	6
	Other	1	2	3
Total		38	86	124

Table 9: Religion vs interest in IF loans repartition

We observe that the major interest in IF loan lays in the Sunni Muslim population.

- As for the ethical position, the sample average idealism score is: 4.07 (out of 5) and the Average relativism is: 3.35 (out of 5). This means that in average, our sample is on high idealism (above and/or equal to 3.7) and high relativism group (above and/or equal to 3.1).

	N	Minimum	Maximum	Average	SE
Idealism Score	124	1,30	5,00	4,0702	,67112

Table 10: Idealism score

	N	Minimum	Maximum	Average	SE
Relativism Score	124	1,80	5,00	3,3532	,66802
N valide (liste)	124				

Table 11: Relativism score

b. RH1a: A group with high Idealism has a higher interest in IF than a group with low Idealism ?

Participants are divided in two groups: Low idealism (Idealism score < 3.7) group A and High Idealism (score => 3.7) Group B.

High/Low Idealism group

	Frequency	%	Valid %	Cumulated %
Low Idealism group	32	25,8	25,8	25,8
High Idealism group	92	74,2	74,2	100,0
Total	124	100,0	100,0	

Table 12: Idealism group repartition

Hypothesis RH1a where I test whether the group B with high idealism ethical profile has a different interest in IF loans compared to group A with low idealism ethical profile. To test the dependence between these two qualitative variables, I'm using SPSS to compute a Chi-squared analysis.

High/Low Idealism group * Your interest in IF Loans

		No interest in IF	Interest in IF	Total
Groups	Low Idealism group	12	20	32
	High Idealism group	26	66	92
Total Frequency		38	86	124

Table 13: High/Low Idealism vs interest in IF repartition

khi-2 tests

	Value	ddl	Signification asymptotique (bilatérale)	Sig. exacte (bilatérale)	Sig. exacte (unilatérale)
khi-2 - Pearson	**,954a**	**1**	**,329**		
Correction pour continuité(b)	,568	1	,451		
Rapport de vraisemblance	,932	1	,334		
Test exact - Fisher				,376	,224
Linear association	,946	1	,331		
N valid	124				

a. 0 cellules (0,0%) ont un effectif théorique inférieur à 5. L'effectif théorique minimum est de 9,81.

b. Calculée uniquement pour une table 2x2

Table 14: comparative/inferential analysis. Chi-Squared test

- Sample size in each group is A= 32; B= 92
- Chi-squared value= 0.954
- Signification (asymptotic) level bilateral=0.329
- Alpha error =0.001
- Degree of freedom=1 (N-1)
- P-value is the alpha error (risk of committing a mistake by claiming that a difference in proportion between the two groups (A and B) exists when it does not.
- Significance level (asymptotic in the table) is here > 0.05
- **Which means I can NOT reject H0. Given my data, my variables are unrelated (independent). Idealism ethical profile does not have an impact on the interest in IF loans (H1 is false). There is no significant difference in proportion. Difference between the two groups is thus not significant (chi-squared =0.954, df = 1, N=124, p<0.05). We can conclude that high idealism ethical profile does not influence the interest in getting IF loans. IV and DV are non-related.**

c. RH1b: A group with high Relativism has a higher interest in IF than a group with low Relativism ?

Informants are divided in two groups: Low Relativism (Relativism score < 3.1) group A and High Relativism (score => 3.1) Group B:

High/Low Relativism group

	Frequency	%	Valid %	Cumulated %
Low Relativism group	9	7,3	7,3	7,3
High Relativism group	115	92,7	92,7	100,0
Total	124	100,0	100,0	

Table 15: Relativism group repartition

High/Low Relativism group * Your interest in FI Loans

		NO interest in IF	Interest in IF	
Groups	Low Relativism group	3	6	9
	High Relativism group	35	80	115
Total		38	86	124

Table 16: High/Low Relativism vs interest in IF repartition

Khi-2 Tests

	Value	ddl	Signification asymptotique (bilatérale)	Sig. exacte (bilatérale)	Sig. exacte (unilatérale)
khi-2 - Pearson	,033[a]	1	,856		
Correction pour continuité(b)	,000	1	1,000		
Rapport de vraisemblance	,033	1	,857		
Test exact - Fisher				1,000	,559
Linear association	,033	1	,856		
N valid	124				

a. 1 cellule (25,0%) a un effectif théorique inférieur à 5. L'effectif théorique minimum est de 2,76.

b. Calculée uniquement pour une table 2x2

Table 17: comparative/inferential analysis. Chi-Squared test.

- Sample size in each group is A= 9; B= 115
- Chi-squared value= 0.033
- Alpha error =0.001
- Signification (asymptotic) level bilateral=0.856
- Degree of freedom=1 (N-1)
- P-value is the alpha error (risk of committing a mistake by claiming that a difference in proportion between the two groups (A and B) exists when it does not.
- Significance level (asymptotic in the table) is here > 0.05
- **Which means I can NOT reject H0. Given my data, my variables are unrelated (independent). Relativism ethical profile does not have an impact on the interest in IF loans (H1 is false). There is no significant difference in proportion. Difference between the two groups is thus not significant (chi-squared =0.033, df = 1, N=124, p<0.05). We can conclude that high Relativism ethical profile does not influence the interest in getting IF loans. IV and DV are non-related.**

2. Testing the hypotheses (2). A Muslim sample.

a. RH2a: Muslim with high Idealism have a higher interest in IF than Muslim with low Idealism

Muslim Participants are divided in two groups: Low idealism (Idealism score < 3.7) group A and High Idealism (score => 3.7) Group B:

	Interest for IF		
	No	***Yes***	***Total***
Low Idealism Muslim (A)	1	9	10
High Idealism Muslim (B)	7	56	63
Total	8	65	73

Table 20: Idealism repartition for Muslim population

Hypothesis RH2a where I test whether the Muslim group B with high idealism ethical profile has a different interest in IF loans compared to the Muslim group A with low idealism ethical profile. To test the dependence between these two qualitative variables, I'm using SPSS to compute a Chi-squared analysis.

khi-2 tests

	Valeur	ddl	Signification asymptotique (bilatérale)	Sig. exacte (bilatérale)	Sig. exacte (unilatérale)
khi-carré de Pearson	,011[a]	1	,917		
Correction pour continuité[b]	,000	1	1,000		
Rapport de vraisemblance	,011	1	,916		
Test exact de Fisher				1,000	,700
Association linéaire par linéaire	,011	1	,917		
N d'observations valides	73				

a. 1 cellules (25,0%) ont un effectif théorique inférieur à 5. L'effectif théorique minimum est de 1,10.

b. Calculée uniquement pour une table 2x2

Table 21: comparative/inferential analysis. Chi-Squared test

- Sample size in each group is A= 10; B= 63
- Chi-squared value= 0.011
- Signification (asymptotic) level bilateral=0.917
- Alpha error =0.001
- Degree of freedom=1 (N-1)
- P-value is the alpha error (risk of committing a mistake by claiming that a difference in proportion between the two groups (A and B) exists when it does not.
- Significance level (asymptotic in the table) is here > 0.05
- **Which means I can NOT reject H0. Given my data, my variables are unrelated (independent). Idealism ethical profile does not have an impact on the interest in IF loans (H2a is false). There is no significant difference in proportion. Difference between the two groups is thus not significant (chi-squared =0.011, df = 1, N=73, p<0.05). We can conclude that high idealism ethical profile within Muslim population does not influence the interest in getting IF loans. IV and DV are non-related.**

b. RH2b: Muslim group with high Relativism has a higher interest in IF than a Muslim with low Relativism

High/Low Relativism group * Your interest in FI Loans

	Interest for IF		
	No	***Yes***	***Total***
Low Relativism Muslim (A)	2	19	21
High Relativism Muslim (B)	6	46	52
Total	8	65	73

Table 22: Relativism repartition for Muslim population

khi-2 tests

	Valeur	ddl	Signification asymptotique (bilatérale)	Sig. exacte (bilatérale)	Sig. exacte (unilatérale)
khi-carré de Pearson	,062[a]	1	,803		
Correction pour continuité[b]	,000	1	1,000		
Rapport de vraisemblance	,064	1	,801		
Test exact de Fisher				1,000	,583
Association linéaire par linéaire	,061	1	,804		
N d'observations valides	73				

a. 1 cellules (25,0%) ont un effectif théorique inférieur à 5. L'effectif théorique minimum est de 2,30.

b. Calculée uniquement pour une table 2x2

Table 23: *comparative/inferential analysis. Chi-Squared test*

- Sample size in each groups is A= 21; B= 52
- Chi-squared value= 0.062
- Alpha error =0.001
- Signification (asymptotic) level bilateral=0.803
- Degree of freedom=1 (N-1)
- P-value is the alpha error (risk of committing a mistake by claiming that a difference in proportion between the two groups (A and B) exists when it does not.
- Significance level (asymptotic in the table) is here > 0.05
- **Which means I can NOT reject H0. Given my data, my variables are unrelated (independent). Relativism ethical profile does not have an impact on the interest in IF loans (H2b is false). There is no significant difference in proportion. Difference between the two groups is thus not significant (chi-squared =0.062, df = 1, N=73, p<0.05). We can conclude that high Relativism ethical profile does not influence the interest in getting IF loans. IV and DV are non-related.**

Where 69,4% of the global sample is Muslim (Chiite or Sunni), Chi-analysis show that this sub-sample has the same conclusion as the entire sample. Ethical profile does not affect the decision-making process to use Islamic finance loans, whether the population is mixed (Muslim and non-Muslim) or only with Muslim.

3. Qualitative empirical observations

In the online survey, I have decided to add an open qualitative question about the wish or not to **have additional information about Islamic finance.** Answers gathered deserve to be listed. They will be here not studied but will serve for further reflexion in our conclusion. Relevant answers are:

- *Je ne connais pas assez ce système ;*
- *Parce que je ne veux pas d'une éthique fondée sur une religion quelle qu'elle soit, et que je connais trop ce que sont en réalité les banques islamiques pour être leurrée par leur discours.*
- *Je n'ai à priori plus besoin de contracter un prêt, quelle que soit sa nature ;*
- *Pas de raison particulière ;*
- *Je suis client dans ma banque depuis de nombreuses années et je ne compte pas en changer ;*
- *Par simplicité ;*
- *Probablement par peur de financer des mouvements islamiques radicaux ;*
- *Pas intéressé ;*
- *Au-delà du produit bancaire en lui-même, je ne cautionne pas les valeurs actuelles défendues au nom de l'islam notamment le rôle de la femme dans la société ;*
- *Déjà assisté à plusieurs conférences sur le sujet. Pas convaincue ;*
- *Indifférent ;*
- *pas envie pour le moment ;*
- *Conceptuellement, le fait de lier la religion à des décisions privées ne m'enchante pas ;*
- *Pas intéressé ;*
- *Car il n'y a aucune garantie que la finance soit vraiment islamique et je n'ai pas non plus les connaissances requises pour pouvoir l'évaluer!;*
- *Finalement le taux d'intérêt est transformé par des frais de dossier. Il s'agit donc juste d'un jeu de vocabulaire ;*
- *Raison probablement absurde mais peu de personnes autour de moi en ont fait l'expérience. J'ai donc peu de retours et je n'oserais (en partie) de ce fait, probablement pas m'y aventurer. En revanche, si j'étais avec une personne pour qui l'intérêt représente un réel frein au crédit, j'envisagerai clairement cette option ;*
- *Si je dois en faire un, c'est avec les banques BENELUX ;*
- *Si j'ai bien compris, je devrais payer un surplus qui n'aurait aucune raison d'être* dans mon *chef vu que je ne suis pas musulmane ;*
- *Parce que ce qui m'intéresse est davantage lié à l'éthique qu'à la dénomination "islamique" ;*
- *Je n'ai aucun problème à souscrire à un prêt pour lequel je dois payer des intérêts ;*
- *Absence d'affinité, préférence pour la finance éthique "a-religieuse" ;*

- *Je n'ai pas besoin d'un prêt ;*
- *Mon prêt actuel correspond parfaitement à mes besoins ».*

Many of remarks show a mistrust or a lack of information and affinity with Islamic finance solutions. The idea here is not to quantitatively measure those considerations but to keep them in mind as a potential reason for not engaging into these solutions. This will be discussed in the final section.

4. Theoretical contributions

Results of the study show that there is a significant interest in those type of loans and that consumer's decision are not impacted by their ethical profile when considering Islamic finance solutions. Findings show that, no matter the religion or the level of idealism/relativism, the cost of the loan stays a major concern. This à priori-contradiction leads us to think that (1) there is an interest for IF loans, (2) Consumers are interested in IF loans, not for its Ethics nature but for funding/cost opportunities. This is not the ethics aspect that is depicted by the consumers when referring to Islamic finance in Belgium.

Based on Forsyth model of Relativism and Idealism, I empirically observe that those variables have no impact on the interest in Islamic finance loans. The Spearman correlations for each scale gave us a good estimation of the correlation within the scale's questions. Those evidences allow to define people into groups with a low and high level of ethics.

The Chi-Squared tests help to determine the relation between the two nominal qualitative variables. The results allow to depict ethical type (idealism and relativism) and interest in IF are non-related. The empirical quantitative data showed a low interest in IF loans within the sample when religion is not Sunni Muslim. It raises the question of relevancy to offer such solutions globally to a Belgian, non-Muslim, environment. The qualitative data showed many factors of doubt, concerns and mistrust about a finance that presents itself with religious ethical values. Islamic finance is there seen as a communitarian or window dressing operations (vocabulary, hidden interest rate…).

However, we observed the most frequent criteria of choice when getting a loan is his/her personal ethics. This means consumer will be cautious about the institution that grants them the loan and the nature of the funds. Even if the monthly cost of the credit appears in 46.8% of time as either 1st of 2nd choice in terms of criteria of importance, personal ethics appears 35.5% of time as either 1st or 2nd choice:

1st criteria when getting a loan

	Frequency	%	Valid %	Cumulated %
Le coût mensuel du crédit	19	15,3	16,4	16,4

	La nature éthique du crédit/ de la banque	12	9,7	10,3	26,7
	La durée du crédit	9	7,3	7,8	34,5
	Le montant total du crédit	24	19,4	20,7	55,2
	La facilité d'obtention du crédit	20	16,1	17,2	72,4
	Votre éthique personnelle	**32**	**25,8**	**27,6**	**100,0**
	Total	116	93,5	100,0	
Other		8	6,5		
Total		124	100,0		

Table18: 1st criteria when getting a loan

2nd criteria when getting a loan

		Frequency	%	Valid %	Cumulated %
	Le coût mensuel du crédit	39	31,5	33,9	33,9
	La nature éthique du crédit/ de la banque	20	16,1	17,4	51,3
	La durée du crédit	22	17,7	19,1	70,4
	Le montant total du crédit	13	10,5	11,3	81,7
	La facilité d'obtention du crédit	9	7,3	7,8	89,6
	Votre éthique personnelle	**12**	**9,7**	**10,4**	**100,0**
	Total	115	92,7	100,0	
Other		9	7,3		
Total		124	100,0		

Table19: 2nd criteria when getting a loan

This confirms that main criteria of the loan is what it will cost by month to the consumer. Ethics come in a second position when engaging into a loan.

This study also shows the rejection of these solutions which can be also explained by a lack of knowledge about it. We observe a 78,2% of respondents who have little to no knowledge about it.

Do you know what Islamic Finance is

	Frequency	%	Valid %	Cumulated %

	Not at all	35	28,2	28,2	28,2
	Very little	32	25,8	25,8	54,0
	A little	30	24,2	24,2	78,2

Further research could be led in order to assess if there is a correlation between the lack of knowledge about IF solutions and its rejection.

5. Managerial implication

Defining in what a customer will be interested in and gets satisfaction from is an important task of a marketing and financial department. Based on the results, ethics is placed as a satisfaction value for the consumer and this should be taken into consideration when offering a value proposition to the consumers. Satisfaction objective needs thought in terms of the product/service efficiency but also customer image perception.

This article discusses whether individual's ethics have an impact on their decision to use Islamic loans solutions. Results of the study state that there is an interest in such solution but that interest is not linked to their ethical profile. Given the high proportion (69,4% of the entire population) of Muslim (Sunni + Chiite), I have decided to zoom on this specific population (73) and to see if we can retrieve the same conclusions.

6. Limitations of the study

This paper results lead us to determine if customers are impacted by their ethics profile when deciding to consider Islamic finance loans solutions[18]. Given the relatively small size of the sample, we hardly can define that our proxy sample would represent a larger scale in Belgium population. External

[18] But the research question does not answer to the question of having IF loans solutions in Belgium

validity is here questionable: We obviously picked a sample where Sunni Muslim population is overrepresented. Sampling has not selected such criteria of choice. This will not be tackled in this article. This exploratory study has thus limited scope of generalisation.

On the other hand, Forsyth's constructs are important factors in the decision process model, but it doesn't say how important they are in the decision process for Islamic finance solutions. Given this specific niche industry, what would be the ponderation value of ethics in the rationale to decide? Factors such a risk of image, lack of information, political perceptions are also factors that can impact a decision-making process. These risks analysis is beyond the scope of this article.

Is the ethical decision-making process different between a Muslim and a non-Muslim environment? Do different ethical profile lead to different ethical behaviours? These are further investigation questions that could be asked in follow-up research.

While 69.4% of the studied sample has an interest in IF loans, this paper does not answer to the question of relevancy to have Islamic finance solutions proposed to consumers in Belgium but more if they associate their ethics behaviour into their rationale. Islamic ethical principles related to finance are either unknown, assumed or bypassed by the consumer. These considerations are vital for any organisation and especially for Islamic finance providers (via an Islamic window or an Islamic institution) who needs to position themselves in a non-Muslim environment. This also means that working together between the marketing, product management and financial teams is part of the success for a niche industry such as the Islamic finance industry.

Finally, with an approximative 23% of Muslim population in Brussels[19], opportunity of having such solutions should be asked but not on the ethics perspective which, given the study, is not a main criterion of interest but more on a financial/economical level. This angle of study is tackled in the next papers of this study.

[19] http://worldpopulationreview.com/world-cities/brussels-population/

Conclusion: A decision-making process that does not encompass ethics

Discussions about decision making process and measurement tools have been widely studied and debated (Hogan, 1970; Rest, 1986). However, the nature of Islamic finance niche industry makes it interesting and complex. Indeed, various factors that are taken into account when deciding to subscribe to such credit solutions. Literature doesn’t provide studies regarding the factors that make consumers choose an Islamic finance solution or not, especially in non-Muslim consumers environment. Most of the published literature tend to be descriptive of focusing on financial comparison between the conventional industry and the Islamic finance industry. The nature of this new industry tries to incorporate the ethics variable in the process but also other variables such as the media coverage, risk of image, political perceptions… This study is only a preliminary step within a global discussion about the relevancy of such niche industry implementation in a non-Muslim and retail context. Forsyth dimensions questionnaire give however a good indicator of what ethics have an impact on the decision to use Islamic finance credit solutions. Similar studies should and could be led in a Muslim environment context.

Based on the Jones model that sets moral intensity as a key factor in the decision process, it was observed that indeed morality is a significant criterion of decision making (2nd most important factor) but it has not a significant impact on Islamic finance solutions. This is mostly explained by the poor knowledge about Islamic finance, various fears about Islamic principles and the importance of the loan cost.

There is an imperative for morality in this decision making but consumers do not associate that morality intensity (cfr Forsyth score) when considering Islamic finance solutions. To be fully considered as ethical, the construct of morality is based on the 6 previously mentioned criteria: Effect concentration, Proximity, Temporarily close, Social consensus, Effect probability and Consequences severity. Further investigations could question what feature is missing to fully consider, Islamic finance in Belgium as an ethical solution.

Also, regarding the proximity dimension, due to a non-proximity with Islamic ethical principles may be one of the major factors for not considering Islamic finance as a relevant solution.

These conclusions are only valid in regards to specific study in a Belgium environment. Authors have stated that ethical decision-making may differ depending of region where it is taken. An Asian context will be thus different from a Western context (Jackson and alii. 2000; Ralston and alii, 1994).   For example, Lee and Sirgy (1999) founds, by example, that Korean had a higher score for idealism than relativism which leads to believe that doing what is good/right is key in their rationale.

Finally, results draw the attention towards the fact that whilst Islamic finance is presenting itself as a finance based on ethical principles, these are either unknown or are not primary elements in the decision-making process of the consumers. Given a general trend of more ethics in economy (Puel, 2010, consumers are subject to individual ethical action than a systematic ethical solution. These contributions are in line with the discussion of André Comte-Sponville (2004) when identifying capitalism neither moral nor immoral but just a-moral: it's not the system in itself that which is moral or not, it's on the individual's that actions/decisions find their morality. **Islamic finance is an economical proposal that lays on financial rules and constraints. Can we really consider it as a finance ruled by ethics? These elements will be discussed further in the final conclusion of the thesis**.

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Appendix

A. Online-based Questionnaire

Part I

These socio-demographic questions are encoded in Limesurvey tool.

Part II

This EPQ questionnaire has been translated in French in Limesurvey tool.

The Ethics Position Questionnaire

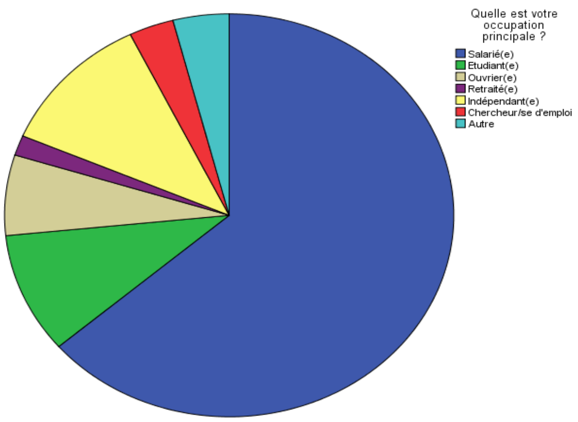
Please indicate if you agree or disagree with the following items. Each represents a commonly held opinion and there are no right or wrong answers. We are interested in your reaction to such matters of opinion. Rate your reaction to each statement by writing a number to the left of each statement where: 1 = completely disagree 2 = slightly disagree 3 = neither agree nor disagree 4 = slightly agree 5 = completely agree

1. People should make certain that their actions never intentionally harm another even to a small degree.
2. Risks to another should never be tolerated, irrespective of how small the risks might be.
3. The existence of potential harm to others is always wrong, irrespective of the benefits to be gained.
4. One should never psychologically or physically harm another person.
5. One should not perform an action which might in any way threaten the dignity and welfare of another individual.
6. If an action could harm an innocent other, then it should not be done.
7. Deciding whether or not to perform an act by balancing the positive consequences of the act against the negative consequences of the act is immoral.
8. The dignity and welfare of the people should be the most important concern in any society.
9. It is never necessary to sacrifice the welfare of others.
10. Moral behaviours are actions that closely match ideals of the most “perfect” action.
11. There are no ethical principles that are so important that they should be a part of any code of ethics.
12. What is ethical varies from one situation and society to another.
13. Moral standards should be seen as being individualistic; what one person considers to be moral may be judged to be immoral by another person.
14. Different types of morality cannot be compared as to “rightness.”
15. Questions of what is ethical for everyone can never be resolved since what is moral or immoral is up to the individual.
16. Moral standards are simply personal rules that indicate how a person should behave, and are not be applied in making judgments of others.
17. Ethical considerations in interpersonal relations are so complex that individuals should be allowed to formulate their own individual codes.
18. Rigidly codifying an ethical position that prevents certain types of actions could stand in the way of better human relations and adjustment.

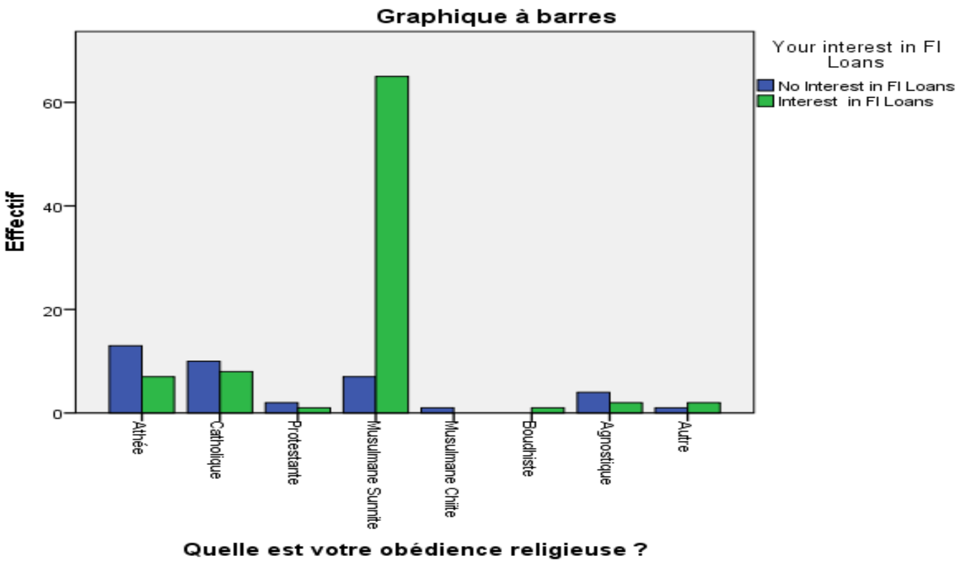
19. No rule concerning lying can be formulated; whether a lie is permissible or not permissible totally depends upon the situation.

20. Whether a lie is judged to be moral or immoral depends upon the circumstances surrounding the action.

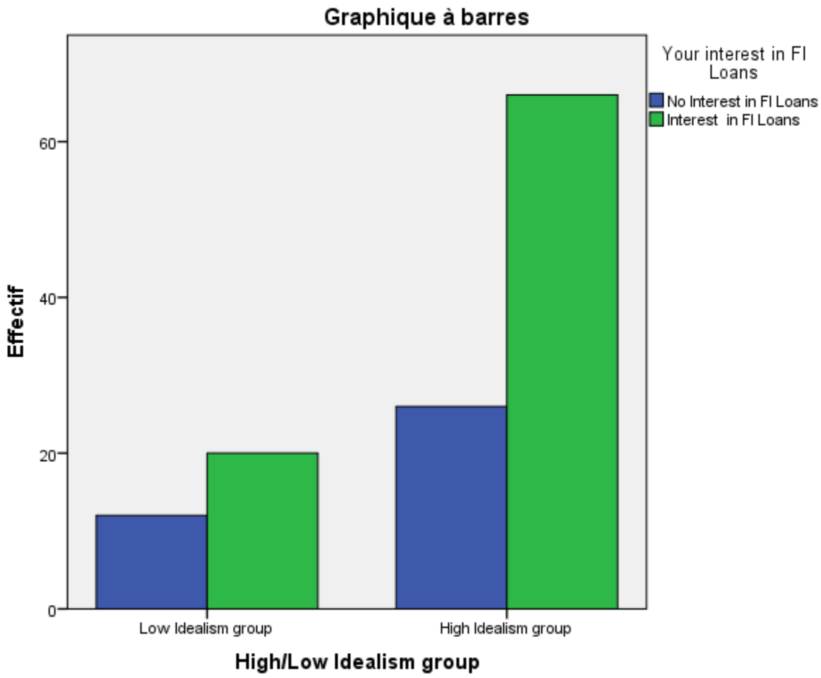
B. Descriptive statistics: socio-demographic results



Main occupation figure



Interest in FI, given your religion



Interest in FI, given the idealism score