Chapter 7

LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

Chapter Overview

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Chapter Overview

This chapter presents an overview of the limitations faced by the researcher during various stages of the research. Directions for future researchers have also been discussed.

7.1 Limitations

All studies have some limitations and the present study is no exception. In the following section the limitations faced by the researcher are being mentioned. The sole purpose for mentioning them here is that the readers of this study may bear in mind these limitations and future researchers may try to minimize these limitations in their studies.

- Limitations of time, funds and willingness of the respondents dictated that the sample could not be larger than the present one. Although this limits the generalizability of results, it is believed that it represents a necessary and economical first step in identifying useful concepts and relationships which could be later tested in more elaborate research designs and representative samples.

- There is a lack of extensive prior research in this field in India. This limitation affected the present research as there did not appear to be a strong foundation upon which this research could be built.

- India being a multilingual, multi religious and multi-regional country, and the sample drawn may not be representative of the entire population and therefore, generalization warrants a cautious approach. The findings cannot be generalized to the whole country owing to its diversity in socio-cultural and socio-economic setup.
• The twelve determinants of Islamic banking were identified on the basis of extant literature and experts' opinion. If more literature is searched and a new set of experts is interviewed, perhaps more determinants of Islamic banking in India can be identified.

• Purposive sampling places restrictions on the generalizability—though not necessarily on the applicability of findings. Specifically, the external validity of the findings is limited by the fact that the sample was a convenience sample.

• The study is limited by the constructs measured. The fact that all surveys were applied with the same polarity of the response scales might have also generated or strengthened a one-sided response effect. A self-report questionnaire was the primary measurement instrument, although every respondent received the same examples as part of the instructions for the survey, their imaginary processes may have led to different interpretations of the proposed collaborations, possibly creating inconsistent results.

• It is always a problem to get an enthusiastic response. There were not many willing participants; lack of cooperation remains an aberration in most of the survey based researches. The same was observed in the present study. Respondents had excuses like lack of time, disinterest, unwillingness to answer and some appeared reluctant to participate for reasons unrevealed.

• Respondents might have given strategic answers i.e. they may have answered in a way which they feel might influence the outcome of the study to their benefit.

• There may be a fundamental difference in the manner in which the respondent makes a hypothetical decision as compared to an actual decision which one may need to take later, when Islamic banking is actually introduced in India.

• There is every possibility of respondent's bias due to the conservative social norms prevalent in India. The respondents might have given socially desirable answers.
• Respondents might not have taken the tolerance level of rates for lending and borrowing question seriously, since they do not have to deal with the stated rates.

7.2 Directions for Future Research

Islamic banking being in its nascent stage in India, the scope for further research is enormous. As a natural sequel to this study it is desirable that future studies may be undertaken on the foundations of the present research. Based on the insights gained from the present research and the limitations faced by the researcher, an attempt is made to detail out some of the areas in which future research can be done, but this list is by no means exhaustive.

• Further research is recommended in several areas. First, a follow-up study should be conducted to confirm the results of the present study.

• Additional studies could also expand the geographic coverage in data collection because residents in other parts of the country may have different opinions and attitude with respect to Islamic banking.

• The highly competitive nature of the industry and pace of changes necessitate regular research in this area so that the stakeholders can feel the pulse of the market. Therefore regular research may be necessary to incorporate other new determinants not included in this study. The model proposed in the present research needs to be further tested utilizing more determinants.

• Probabilistic sampling design, such as geographical cluster and random sampling, could be considered for future research.

• Research on the subject needs to be conducted taking into consideration not only banking products but also other financial product categories as well. Efforts should be made to replicate the study in the other financial sectors keeping in mind the tremendous growth potential in this field.
• The present study is an exploratory one which has a limited scope with respect to its contribution to theory and practice. The researcher strongly feels a pressing need to conduct descriptive research on consumer attitude towards Islamic banking in the Indian context.

• Aspiring researchers may replicate this study in other countries and culture on respondents with varied demographic backgrounds to validate the findings of the present study so as to improve the generalizability. While this study could serve as a foundation for understanding customer attitudes towards Islamic banking, it would be necessary to carry out local studies using the scale developed for gauging the cultural and demographic differences in customer attitude towards Islamic banking.

• Another area which should be considered by future researchers is a comparative study between conventional bank customers and Islamic bank customers. It could help them to understand consumers' behavior and attitude more clearly.

It is suggested that future researchers should endeavor to further reduce the limitations mentioned in this study to extend and refine this research.