

# Factors Affecting Investment Decision in Banking Sectors of Pakistan: Comparative Study Between Islamic and Conventional Banks

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## Abstract

In this research work we had aim regarding what are the factors that affect individual investor when he/she invest in banking sector of Pakistan. We took six independent variables Psychology, rate of return, religion, culture, customer perception and comparison. And one dependent variable that was investment decision making. The data obtained through survey method form customers and financial officers of conventional and Islamic banking sectors of Pakistan. Descriptive analysis was conducted for get empirical analysis in summary form with numerical presentation. And Cronbach's Alpha test applied for checking validity and reliability for survey design. Later on we did hypothesis testing for checking that factors has effect on investment decision making and the research how many factors has significant effect or insignificant effect. We concluded that Psychology, rate of return, religion and comparison research hypothesis accepted because they had significant effect on investment decision making and culture and customer perception research hypothesis are rejected because they had insignificant effect on investment decision making .in whole study and analysis we sum up that there was a statistically significant relationship between decision making and factors that affect individual investor during their investment decision making.

**Keywords:** psychology, rate of interest, culture, religion, customer perception, comparison, investment decision making, Islamic and conventional banking

## 1. Introduction:

*"You could carve out the inside of a brick and hide your money in it for safe keeping. It's certainly safer than keeping it in the bank!" Nicole McKay (June, 2012)*

Investment means spending of your money in different financial assets or institutions for uncertain future reward in return and consider risk as well in this process Alagu,( 2013) there are three types of investors like conservative, moderate and aggressive, Kavita, (2015) Traditional financial theory discuss people take decision rationally, but in the same time some people also do irrational decision as well that affect their future. Velmurugan (2015).

In traditional way investors prefer to invest in Bank accounts, in Gold, silver, mutual fund, post office, insurance companies, and in alternative way in stock market, derivatives, portfolio etc. Parimaluckanthi (2015) Equity market is public market for sale trading or purchases of shares. Renuka (2016). investor who don't want to take risk of their capital they prefer to invest in banking sector because banking offering reasonable rate of return with less risk. Rizwan (2015) Islamic banks offering to their investors Saving account in which participation of both bank and investors they share its profit and loss with fluctuations of its investment rate that don't remain same. Mona Esam Fayed (2013). In Pakistan the Investors' decision making is based on their risk taking attitude and their studies about stock performance, market conditions. M. Yasir (2014).

## 1.2 Objectives of the study

In this study, it is to investigate the effects of different factors on the investment decision in Islamic and conventional banking sectors of Pakistan. Specifically, this study aims to:

1. Determine basic driving forces of investment in Islamic and conventional banks.
2. Compare Islamic and conventional banks and contrast the investment polices of different banks and people's behavior towards them finally figuring out the positive and negative effects and reasons behind them
3. And to check which factors that effect when a person wants to invest money or save for his future, which things he demand for his investment
4. Through this study the purpose is to check the thinking of customers about their investment in Islamic

and conventional banking sectors what they think about banking polices, saving or investment plans. Why they feel uncomfortable during their decision making and how they take investment proposal that banks offer them?

## 2. Literature Review

Bakar (2016) investigated “the impact of Psychological factors on investment decision making in Malaysian stock market: A case of Klang Valley and Pahang”. The geographical area of research was Malaysia. And the independent variables of this research Bakar used were overconfidence, conservatism, herding attitude and availability bias and the dependent variable was decision making. In the Methodology his research was primary and he collected data through questionnaires. The population of the research was Malaysian stock market and the sample size was 200 respondents with profession Bank officers, executives, lecturers, students of finance who involved in Malaysian stock market. Snow ball and quota sampling used in this research and multiple regression analysis used with the help of SPSS and IBM soft wares. the conclusion is individual investor psychological factor play important role in their investment decision making according to this research there were four factors that included in psychology like overconfidence, conservatism, herding attitude and availability bias affected the investor during their decision making overconfidence and availability bias had positive impacts on decision making and others like conservatism had negative impact, herding attitude had no impact in investor’s decision making process.

Meutia (2016) investigated “empirical research on rate of return, interest rate and Mudarbah deposit”. The geographical area was Indonesia. The data range in this study is from 2012 to 2015. The variables Meutia used in his research were interest rate, profit loss sharing, Mudarbah deposit and rate of return and the dependent variable was decision making. In methodology its secondary type research and the data collected from Indonesia monthly statistical bulletin from 2012 to 2015 and regression analysis applied on data with Levine’s test. Its descriptive statistics applied with SPSS software. In conclusion find out the how interest rate and rate of return influence on Mudarbah deposit of the Islamic banks of Indonesia so after regression analysis the results was the insignificant impact of rate on return on Islamic bank deposit and interest rate also has insignificant impact on deposit in banks.

## 3. Methodology

**3.1 Nature of study:** This research will be primary in nature and the survey will conduct to identify the factors that affect investors during their investment decision making in both banking sector of Pakistan. And type of research includes quantities with questionnaires. I will collect data from different Islamic and conventional Banks’s of Pakistan.

**3.2 Population & Sample size:** The population of this study is 5 Conventional banks two Islamic banks. Habib Bank limited, MCB limited, UBL limited, Bank Alhabib, Punjab bank, Meezan bank limited, Dubai Islamic bank.  
From the population of the study I will take 301 samples from banking customers and 397 bankers who work as financial officers for this study. The total samples are 698.

**3.3 Unit of Analysis:** All Islamic and conventional banking sectors’ customers will be respondent in my research who invest in banking sectors they may be businessmen, private and Govt. job holders, students, professionals, Housewives, Muslims and non- Muslims customers.

**3.4 Model:** I will follow regression model because I want to test the impact if independent variables on dependent variable. And in past studies mostly researchers use regression model in their research that is...

$$\hat{Y} = a + b_1X_1 + K + b_pX_p$$

Decision making = a+b (religion)+b2(culture)+b3(ROR)+b4(psychology)+b5 (Customer perception)+E

### 3.5 Hypothesis:

H1= There is significant effect of return on investment on decision making of investment in Islamic and conventional banks

H2= There is significant effect of religion on decision making of investment in Islamic and conventional banks.

H3= There is significant effect of culture making of investment in Islamic and conventional banks.

H4= There is significant effect of customer perception on decision making of investment In Islamic and conventional banks

H5= There is significant effect of psychological basis on decision making of investment In Islamic and

conventional banks

H6= There is significant effect of comparison on decision making of investment In Islamic and conventional bank

### 3.6 Variables:

Dependent variables in Islamic and conventional banks:

- **Investment Decision making**

Independent variables in Conventional & Islamic banks:

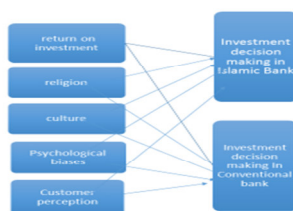
- **Religion:**
- **Culture:**
  - **Return on investment:**
  - **Psychological biases:**
  - **Customer perception:**

### 3.7 Theoretical framework:

Kahneman and Tversky (1979) make **prospect theory** according to their theory how investors take decision and explained investor's behavior and psychological factor. Kahneman and Tversky (1979) make **expectation theory** in this theory they discussed about such investors behaviors who take irrational decision because investors consider only gain and loss in all levels but don't perceive and expect risk factor.

### 3.8 Conceptual framework:

Figure 3.1



Islamic and conventional banks conceptual framework

### 3.9 Software:

The SPSS software will use for calculation.

### 3.10 Tests:

The data will be analyzed through Cronbach's alpha test, Multiple regressions, Correlation, Descriptive analysis, Multi-Collinearity, Test, ANOVA.

## 4. Analysis and Results

### 4.1 Descriptive Analysis

#### Description of the Table -1

There are the measures of dispersion and mention in bottom side of box like In case of Decision making we can see mean value of decision making variable's value is 4.8921, the median is 5.0000 and the mode value is 6.00. There are the measures of dispersion and mention in bottom side of box like in case of decision making variables its standard deviation is 2.6824, the variance is 7.195, the range is 27.00. And at the end the maximum value is 28.00, minimum value is 1.00 and the sum of comparison variable's value is 3414.67

In case of psychology we can see mean value of psychology variable's value is 4.3897, the median is 5.0000 and the mode value is 6.00. There are the measures of dispersion and mention in bottom side of box like in case of comparison variables its standard deviation is 2.50846, the variance is 6.292, the range is 24.00. And at the end the maximum value is 25.00, minimum value is 1.00 and the sum of comparison variable's value is 3064.00

In case of culture we can see mean value of culture variable's value is 4.9427, the median is 6.0000 and the mode value is 7.00. There are the measures of dispersion and mention in bottom side of box like in case of culture variables its standard deviation is 2.69838, the variance is 7.281, the range is 25.00

And at the end the maximum value is 26.00, minimum value is 1.00 and the sum of comparison variable's value is 3450.00. In case of religion we can see mean value of religion variable's value is 5.1485, the median is

6.0000 and the mode value is 6.00. There are the measures of dispersion and mention in bottom side of box like in case of religion variables its standard deviation is 2.81012, the variance is 7.897, the range is 12.00. And at the end the maximum value is 13.00, minimum value is 1.00 and the sum of comparison variable's value is 3593.67

In case of Rate of return we can see mean value of rate of return variable's value is 4.6313, the median is 4.0000 and the mode value is 6.00. There are the measures of dispersion and mention in bottom side of box like in case of rate of return variables its standard deviation is 2.43716, the variance is 5.940, the range is 11.33. And at the end the maximum value is 12.33, minimum value is 1.00 and the sum of comparison variable's value is 3232.67

In case of customer perception we can see mean value of customer perception variable's value is 4.8591, the median is 4.000 and the mode value is 3.00. There are the measures of dispersion and mention in bottom side of box like in case of customer perception variables its standard deviation is 3.42877, the variance is 11.756, the range is 14.00. And at the end the maximum value is 15.00, minimum value is 1.00 and the sum of comparison variable's value is 3391.67

In case of comparison variables we can see mean value of customer perception variable's value is 5.8682, the median is 6.0000 and the mode value is 2.00. There are the measures of dispersion and mention in bottom side of box like in case of comparison variables its standard deviation is 4.17302, the variance is 17.414, the range is 51.00. And at the end the maximum value is 52.00, minimum value is 1.00 and the sum of comparison variable's value is 4096.00.

## **4.2 Reliability of the Questionnaires from both customers & bank office**

### **Description of Table -2**

Cronbach's Alpha measure the scale reliability and internal consistency and it also show the evidence the scale that we are using in question is one-dimensional. And the Cronbach's alpha is basically coefficient of reliability or consistency not a statistical test. Cronbach's alpha value should .7 that shows the reliability of questionnaires. So In our case Alpha is .729 that is more than .7. And it's showing the questionnaires are reliable and internally consistent.

## **4.3 Regression Analysis**

### **Description of Table-3**

Here in this model we can see the value that we produced. The R2 value is .746 and adjusted R2 value is .744 which means that .746 variations in the dependent variable in the dependent variable can be elaborate with this model. R2 predicted about the model and adjust R2 give the better estimation about the real population value.

The value of Durbin Watson is 1.840 it's close to 2 that thing showing there is no auto-correlation exists in our data. Our results showing it's free from auto-correlation.

## **4.4 Multi-Collinearity Analysis**

### **Description of Table -4**

Multiple Collinearity is such situation when in multiple regression models the number of variables is closely correlated with one another. And the Multi Collinearity can lead to wider confidence intervals, reliability of data and check the correlation among the independent variable of our data. We can see per variable VIF and Tolerance value for test the multi-Collinearity in data results in our case the above table is showing our data is free from multi-Collinearity. When we check our Results as per our VIF and Tolerance values that are showing no multiple-Collinearity error exist in our data. It's free from multi-Collinearity so our data have no multi-Collinearity in results.

## **4.5 ANOVA**

### **Description of Table -5**

Anova is analysis tool that help in variability exist in data that align with the proposed regression model. The model should significant for model fitness its value should .000. In our case as per above table we can see that our value is .000 that is showing our overall model is significant. Its mean our overall model is fit.

## **4.6 Correlation Analysis**

### **Description of Table -6**

After combining of both customers and bankers questionnaires data we can see now sample size become increase now we will check the correlation analysis of overall customers and bank offers perception through correlation analysis table

So when we checked our correlation table we can see our first dependent variable decision making. When we correlate dependent variable with all independent variables we can see the results that we have, like decision

making with itself has perfect positive correlation. Then Decision making with psychology has strong positive and significant correlation. Then decision making with culture has strong positive and significant correlation as well. Decision making with religion has weak but significant correlation. Decision making with rate of return has strong positive and significant correlation. Decision making with customer perception has positive moderate and significant correlation. Then decision making with comparison has strong positive and significant correlation as well.

After decision making now will check correlation of Psychology with other dependent and independent variables. We can see psychology with decision making has strong positive and significant correlation and psychology itself has perfect positive correlation. Then psychology with culture has strong positive and significant correlation with another. Psychology with religion has strong positive and significant correlation. Psychology with rate of return has strong positive and significant correlation. Psychology with customer perception has moderate and significant correlation. After that psychology with comparison has strong positive and significant correlation

Then culture with another variables correlation we can see that culture with dependent variable decision making has strong positive and significant correlation. Culture has strong positive and significant correlation with psychology. Culture with itself has perfect positive correlation. Then culture with religion has weak but significant correlation. Culture with rate of return has strong positive and significant correlation. Culture with customer perception has moderate and significant correlation. And culture with comparison has strong positive and significant correlation

After that, when we compare religion with other dependent and independent variables we can see that religion with decision making has strong positive and significant correlation. Then religion with psychology has strong positive and significant correlation. Religion itself has perfect positive correlation. Religion with rate of return has strong positive and significant correlation. But religion with customer perception has moderate positive and significant correlation. And at the end religion with comparison has strong positive and significant correlation.

In case of Rate of Return when we correlate it with other dependent and independent variables then we have different results like rate of return has strong positive and significant correlation with dependent variable decision making it has strong positive and significant correlation. And then rate of return with psychology has strong positive and significant correlation. Rate of return with culture has strong positive and significant correlation. Rate of return with religion has strong positive and significant correlation. Rate of return itself has perfect positive correlation. The rate of return with customer perception has strong positive and significant correlation. And correlation with comparison has strong positive and significant correlation.

In case of customer perception when we correlate it with other variables then we have results like customer perception with dependent variable decision making has moderate positive and significant correlation. Customer perception with Psychology has moderate positive and significant correlation. Customer perception with culture has moderate positive and significant correlation. Customer perception with Religion has moderate positive and significant correlation. Customer perception with rate of return has strong positive and significant correlation. Customer perception itself has perfect positive correlation. And customer perception with comparison has strong positive and significant correlation.

After customer perception when we correlate comparison with other variables we can see. Then comparison correlation with dependent variable decision making has strong positive and significant correlation. After that when we correlate comparison with psychology variable we can see it has strong positive and significant correlation, then comparison with culture also has strong positive and significant correlation. Then comparison with religion has strong positive and significant correlation. Rate of return also has strong positive and significant correlation with comparison. Comparison and customer perception has strong positive and significant correlation. Comparison with itself has perfect positive correlation and significant as well

#### **4.7 Bank Officers and Bank Customers combine Data Analysis**

##### **Demographic data and Distribution of Participant:**

###### **4.7.1 Bank Names**

The data shows the percentage of respondent of the bankers who took part in the fulfillment of questionnaires .13.90% of the total questionnaires filled by HBL financial officer. MCB financial officers filled 12.32% of the total questionnaires. 12.46% questionnaires are filled by Bank AL Habib financial officers. 13.04% questionnaires filled by BOP financial officers. 12.32% questionnaires filled by UBL and then Dubai Islamic Bank's officers filled 12.89% of the total questionnaires and at the last Meezan bank Limited financial officers filled 23.07% of the total questionnaires which is highest of them all.

###### **4.7.2 Gender description**

In the study the data was collected from samples. The samples that provided their gender information are 74.07% males and 25.93% females

#### 4.7.3 Marital Status Description

According to statistics 183 were married representing **63.04%** of the total samples were unmarried representing **36.82%** of response and only one who is widow that show **0.14%** in overall questionnaires.

#### 4.7.4 Educational Status Description

According to bank financial officers **30.23%** officers are graduated. **56.86%** officers who filled questionnaires are masters. **.145%** doing MPhil, **5%** did metric, **5.30%** did intermediate.

#### 4.7.5 Work Experience Description

From samples representing **49%** response rate have experience ranging from 1-5 and most of them having 2 and 3 years' experience. And **21.78%** responses have 6-10 years' experience. And **8.31%** responses have 11-15 years' experience. And **5.30%** have 16-20 years' experience. 19 and **4.44%** have 21-25 years' experience. And **3.58%** have 26-30 years' experience and only 1 and 6.2% have above than 30 years' experience

A/R

#### 4.8 Hypothesis statements

H1= There is significant effect of return on investment on decision making of investment in Islamic and conventional banks. **Accept**

H2= There is significant effect of religion on decision making of investment in Islamic and conventional banks. **Accept**

H3= There is significant effect of culture making of investment in Islamic and conventional banks. **Reject**

H4= There is significant effect of customer perception on decision making of investment in Islamic and conventional banks. **Reject**

H5= There is significant effect of psychological basis on decision making of investment in Islamic and conventional banks. **Accept**

H6= There is significant effect of comparison on decision making of investment in Islamic and conventional bank. **Accept**

#### Paired sample difference statistics table

##### Description of Table No-4.8

In case of Psychology null hypothesis is rejected and alternative hypothesis is accepted. Bakar (2016) sought to identify that psychology has significant effect on investment decision making. Psychological factors

In case of culture we can say null hypothesis is accepted. And alternative hypothesis is rejected. Diouf (2016) investigated in his work that only Demographic factors effect on investment decision making and he concluded in his research that investment decision making and social factors have insignificant relation.

In case of Religion null hypothesis is rejected. And alternative hypothesis is accepted

In case of rate of return null hypothesis is rejected. And alternative hypothesis is accepted. Hamza (2015) investigated in his work that rate of return and investment decision making has significant relationship.

In this case of customer perception null hypothesis is accepted. And alternative hypothesis is rejected. Sohail (2014) examined in their work that the customers have no information about Islamic and conventional investment products. So they concluded that there is insignificant relationship between customer perception and decision making.

In case of comparison null hypothesis is rejected. And alternative hypothesis is accepted. Zakiah (2016) investigated that comparison between Conventional and Islamic banking and showed significant results.

#### 5 Conclusion

Individual investor in Pakistan after fulfills their needs they have some saving for their future benefits and needs. Bank is a sector where individual investor has trust that their money is safe and secure. But individual investor is affected by different factors during their investment in banking sector of Pakistan. In this current research work on individual investor who invest in banking sector of Pakistan we sought to identify that which factors that affect them during investment decision making. We took some basic and important factor in our research like Psychology, Rate of return, religion, culture, customer perception and comparison. Multiple regression, correlation, Anova and descriptive analysis applied with SPSS software. In case of Rate of result showing that there is significant relationship between rate of return and investment decision making. After that in case of customer perception result showing that there is insignificant relationship between decision making and customer perception. And in case of comparison between conventional and Islamic bank effect on investor decision making so results showing that there is significant relationship between comparison and investment decision making. so the overall survey's results are showing that the individual investor who invest in banking sector of Pakistan they all affected by many factors like Psychology, rate of return, religion, and comparison. So the most important factor is Psychology. After that rate of return, then religion and comparison, and culture and customer perception are not important than others.

### Policy Implications:

This study will directly affect the planning and decision making of all the Banks. it will provide a framework for banks, so they can design such saving or investment plans for their customers that can satisfy or attract their customers towards their investment plans that will increase their business.

This can provide investors all the available information and they can make rational investment decision.

This study is not only for Banks but will also be helpful for regulatory authorities and exchange may also use the results to create awareness by educating investors about the importance of behavioral factors and firm level corporate Governance. Additionally it may help to increase investors' confidence.

The findings of this study are beneficial for the financial professional and investment advisors.

It can help Islamic and conventional banking managers to concentrate on their that will help them for future planning they can more improvement in their organizations,

I can help the financial institutes to judge the investors behavior and their demands toward investment.

### Limitations and future directions

In this present research we examined only six basic and most important factors but the future researcher can increase the variables

In this present research work only have top seven banks financial officers and customers opinion included but the future researcher can increase the banks number.

In this present research work not covering the whole population of Pakistan but the future researcher can do work on it.

In this present research we used SPSS software but the future researcher can use AMOS software the advance form of SPSS in their research work.

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**Tables:**

**Table -1 Descriptive Analysis**

	D.M	Psych	Culture	Religion	ROR	C.P	Comp
<b>Valid</b>	698	698	698	698	698	698	698
<b>Missing</b>	0	0	0	0	0	0	0
<b>Mean</b>	4.8921	4.3897	4.9427	5.1485	4.6313	4.8591	5.8682
<b>Std. Error of Mean</b>	.10153	.09495	.10214	.10636	.09225	.12978	.15795
<b>Median</b>	5.0000	5.0000	6.0000	6.0000	4.0000	4.0000	6.0000
<b>Mode</b>	6.00	6.00	7.00	6.00	6.00	3.00	2.00
<b>Std. Deviation</b>	2.68243	2.50846	2.69838	2.81012	2.43716	3.42877	4.17302
<b>Variance</b>	7.195	6.292	7.281	7.897	5.940	11.756	17.414
<b>Range</b>	27.00	24.00	25.00	12.00	11.33	14.00	51.00
<b>Maximum</b>	28.00	25.00	26.00	13.00	12.33	15.00	52.00
<b>Minimum</b>	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Sum</b>	3414.67	3064.00	3450.00	3593.67	3232.67	3391.67	4096.00

**Table -2: Reliability of the Questionnaires from both customers & bank office**

Cronbach's Alpha	N of item
.729	21

**Table-3: Regression Analysis**

Model	R	R Square	Adjusted R2	Std. error of estimates	Durbin Watson
1	.864 <sup>a</sup>	.746	.744	1.35648	1.840

**Table -4:Multi-Collinearity Analysis**

	T	Sig.	Collinearity Statistics	
			Tolerance	VIF
(Constant)	1.208	.227		
Psychology1	4.793	.000	.398	2.510
Culture1	3.589	.000	.332	3.012
Religion1	8.422	.000	.313	3.195
RateOfReturn1	7.873	.000	.283	3.528
CustomerPerception1	.470	.639	.414	2.415
Comparison1	4.654	.000	.358	2.796

**Table -5: ANOVA**

	Sum of Squares	D.F.	Mean Square	F	Sig.
<b>Regression</b>	3743.739	6	623.957	339.101	.000 <sup>a</sup>
<b>Residual</b>	1271.464	691	1.840		
<b>Total</b>	5015.203	697			



**Table -6: Correlation Analysis**

		D.M	Psych	Culture	Religion	ROR	Perception	Comparison
<b>Decision-making</b>	<b>Pearson Correlation</b>	1	.723**	.735**	.767**	.768**	.550**	.718**
	<b>Sig. (2-tailed)</b>		.000	.000	.000	.000	.000	.000
	<b>N</b>	698	698	698	698	698	698	698
<b>Psychology1</b>	<b>Pearson Correlation</b>	.723**	1	.679**	.696**	.688**	.502**	.632**
	<b>Sig. (2-tailed)</b>	.000		.000	.000	.000	.000	.000
	<b>N</b>	698	698	698	698	698	698	698
<b>Culture1</b>	<b>Pearson Correlation</b>	.735**	.679**	1	.772**	.669**	.465**	.661**
	<b>Sig. (2-tailed)</b>	.000	.000		.000	.000	.000	.000
	<b>N</b>	698	698	698	698	698	698	698
<b>Religion1</b>	<b>Pearson Correlation</b>	.767**	.696**	.772**	1	.652**	.378**	.642**
	<b>Sig. (2-tailed)</b>	.000	.000	.000		.000	.000	.000
	<b>N</b>	698	698	698	698	698	698	698
<b>Rate of Return1</b>	<b>Pearson Correlation</b>	.768**	.688**	.669**	.652**	1	.712**	.720**
	<b>Sig. (2-tailed)</b>	.000	.000	.000	.000		.000	.000
	<b>N</b>	698	698	698	698	698	698	698
<b>Customer Perception1</b>	<b>Pearson Correlation</b>	.550**	.502**	.465**	.378**	.712**	1	.653**
	<b>Sig. (2-tailed)</b>	.000	.000	.000	.000	.000		.000
	<b>N</b>	698	698	698	698	698	698	698
<b>Comparison1</b>	<b>Pearson Correlation</b>	.718**	.632**	.661**	.642**	.720**	.653**	1
	<b>Sig. (2-tailed)</b>	.000	.000	.000	.000	.000	.000	
	<b>N</b>	698	698	698	698	698	698	698

**Table No-4.8: Paired sample difference statistics table**

	Mean	Std. Deviation	Std. Error Mean	95% CI Lower	95% CI Upper	t	df	Sig. (2-tailed)
<b>DecisionMaking1 – Psychology</b>	.50239	1.93808	.07336	.35836	.64642	6.848	697	.000
<b>DecisionMaking1 – culture</b>	-.05062	1.95778	.07410	-.19611	.09487	-.683	697	.495
<b>DecisionMaking1 – rate of return</b>	.26074	1.75781	.06653	.13011	.39138	3.919	697	.000
<b>DecisionMaking1 – religion</b>	-.97612	2.92148	.11058	-1.19323	-.75901	-8.827	697	.000
<b>DecisionMaking1 – customer perception</b>	.03295	2.97115	.11246	-.18785	.25375	.293	697	.770
<b>DecisionMaking1 – comparison</b>	-.25645	1.87748	.07106	-.39597	-.11692	-3.609	697	.000

**Appendices/Supplementary:**

**: Survey Questionnaires on Factors Affecting investment Decision in banking sectors of Pakistan:**

Comparative study b/w Islamic & conventional banks (April, 2017)

Dear prospective Participant

The following questionnaire is designed to define the profiles of individual investors and their financial preferences in Pakistan. The information gathered here will constitute a source for an MPhil degree thesis. Therefore, you are asked to fill out the following questionnaire as precisely and accurately as you can. The results will be used for a general assessment and your answers will be used only for this study confidentially.

Officer Name	Gender
Officer Age	Marital status
Officer Educational status	Occupation
Officer Work experience	Bank Name

Please read each statement carefully and rate each statement according to scale below to indicate how much agree with them.

Statements	Strongly agreed	agreed	neutral	Dis agreed	Strongly disagreed
Does investor's psychology about banking Reputation effect on investment decision in banking products?	1	2	3	4	5
Does investor's psychology about previous investment experience effect on investment decision making in banking investment products?	1	2	3	4	5
Does investor's personality and overconfidence effect on investment decision making in banking investment products?	1	2	3	4	5
Does investor's family structure effect on investment decision making in banking investment products?	1	2	3	4	5
Does social media effect on investment decision making in banking investment products?	1	2	3	4	5
Does social interaction effect on investment decision making in banking investment products?	1	2	3	4	5
Does different religious orthodox in Pakistan effect on investment decision making in banking investment products?	1	2	3	4	5
Does Pakistani investor feel religious satisfaction during their investment decision making in banking investment products?	1	2	3	4	5
Does ethical judgment of religion effect on investment decision making in banking investment products?	1	2	3	4	5
Does religious and non- religious both investors consider rate of return during their decision making in banking investment products?	1	2	3	4	5
Does rate of return is ultimate factor that can effect on investment decision making in banking investment products?	1	2	3	4	5
Does investor's financial literacy effect on investment decision making in banking investment products?	1	2	3	4	5
As investor what perception you have which factor is a basic factor that affect during investment in banking investment products?	Rate of return	psychology	culture	religion	another

Statements	Strongly agreed	agreed	neutral	Dis agreed	Strongly disagreed
As investor what perception you have which factor is most important factor that affect during investment in banking investment products?	Rate of return	psychology	culture	religion	another
As investor what perception you have when you want invest in banking investment products?	Rate of return Affect me	Psychology Affect me	culture affect me	Religion Affect me	Another Reason
As investor what you think conventional banking system is better where you want to invest your money?	1	2	3	4	5
As investor what you think conventional Banking products services and polices are better?	1	2	3	4	5
As investor are you satisfied with interest based conventional Banking investment products?	1	2	3	4	5
Does investor's need their family's assistance during their investment decision making?	1	2	3	4	5
Does investor's consider banking officer's advice during his decision making?	1	2	3	4	5
Does investor's make decision himself when he invests in banks?	1	2	3	4	5