

CHAPTER 4

RESEARCH FINDINGS

4.0 Introduction

This chapter discusses in depth the results from the data analysis techniques described in the previous chapter. SPSS Version 16.0 is used to analyse the data obtained in this study. The main statistical techniques used to analyse data are descriptive analysis, chi-square test, independent-samples t-test, one-way between groups ANOVA with post-hoc tests and multiple regression. This chapter begins with details on pre-analysis data analysis, followed by results from factor analysis and reliability test. Then the analysis and results for each research objectives are presented and discussed.

4.1 Pre Analysis Data Screening

Prior to data analysis, pre analysis data screening is conducted to assess the goodness of data. Normality test which include skewness, kurtosis and histogram is conducted to assess normality of data distribution. The skewness and kurtosis tests indicate that the values of the variables are between -2 and +2. The shape of the histograms also indicates that the variables are normally distributed. The normality test results are shown in Appendix B. As the results of the normality test proves that the variables are normally distributed, parametric tests can be applied to analyse data.

The results from the normality test are attached in “**Appendix B**” and useful reference may be made thereto.

4.2 Factor Analysis

Factor analysis is a data reduction technique used to summarise large set of variables into smaller set of factors or components (Pallant, 2007). Firstly, suitability of data for factor analysis is assessed. The KMO and Bartlett's test and factor loadings for each item are examined. The KMO's value is greater than .6 and significant at .05 (Pallant, 2007). The correlation matrix shows the presence of many coefficient values of .30 or above which suggests that factor analysis is suitable to be conducted.

Principal Component Analysis (PCA) with varimax rotation is performed to identify the theoretical factors of this study. Factor analysis is performed separately for each section of this study namely perspectives on Islamic Banking, brand awareness, brand meaning and service satisfaction. The results are further discussed in below:-

a) Perspectives on Islamic Banking

Principle Component Analysis (PCA) is performed for perspectives items. One item is deleted after several run of factor analysis. The item is "The system of Islamic Banking is similar to Conventional Banking". Five components are extracted with eigenvalues exceeding 1, explaining a total variance of 57.01%. The Bartlett's test of sphericity is significant and the KMO is adequate (KMO = .814). Table 4.1 shows the results of the loading for the perspectives on Islamic Banking.

Table 4.1: Factor Analysis on Perspectives

Perspectives on IB: KMO = 0.814 ; Bartlett's Sig. = 0.000					
Willingness/Preference for IB	F1	F2	F3	F4	F5
Uninterested in IB because I have CB a/c	.794				
I have no reason to open an account in IB	.779				
IB is meant for Muslims only	.686				
I prefer conventional bank	.572				
Understanding of IB System					
Transactions in IB are according to Shariah		.774			
IB applies PLS between bank and customers		.743			
IB is based on Islamic principles		.740			
Return of IB is based on risk sharing		.694			
IB is interest-free banking		.384			
Knowledge on IB					
My knowledge on IB is very limited			.813		
Information on IB is lacking			.813		
I am not familiar with IB			.779		
Influence to use IB					
My friends/family/relatives recommended IB				.821	
My family urges me to open IB account				.743	
I knew IB from promotional campaign				.736	
Prospect of IB					
IB will be dominant banking in Malaysia					.631
IB will make Malaysia a role model					.600
IB has a bright future					.550

b) Brand awareness

Principle Component Analysis (PCA) is performed for brand awareness items. One item is deleted after several run of factor analysis. The item is “I do not pay attention to the advertisement”. Five components are extracted with eigenvalues exceeding 1, explaining a total variance of 64.97%. The Bartlett’s test of sphericity is significant and the KMO is adequate (KMO = .903) of the variance. Table 4.2 shows the results of the loading for brand awareness on Islamic Banking.

Table 4.2: Factor Analysis on Brand Awareness

Brand Awareness: KMO = 0.903 ; Bartlett’s Sig. = 0.000					
Advertisement	F1	F2	F3	F4	F5
The advertisement makes me believe that the bank is helpful and friendly	.778				
The advertisement is relevant to me	.763				
The advertisement helps me in my decision making	.741				
I like the advertisement	.723				
Brand Name					
The bank brand name tells me what to expect in the banks service outcome		.774			
The bank brand name is different from other banks		.740			
The bank brand name means a lot to me		.704			
The bank brand name is relevant to the bank		.673			
I use the services because of the bank brand name		.658			

Table 4.2(Continuation): Factor Analysis on Brand Awareness

Brand Awareness: KMO = 0.903 ; Bartlett's Sig. = 0.000					
Country of Origin	F1	F2	F3	F4	F5
I care about the bank country of origin			.746		
I know the bank country of origin (local/international)			.740		
The bank country of origin does influences me to use the services			.666		
I use the bank without knowing its country of origin			.436		
Word of Mouth (WOM)					
Word of mouth influences my attitude towards the bank				.863	
Word of mouth provides me good ideas about the bank				.858	
Word of mouth helps in my decision making to use the bank services				.796	
I care about what people say about the bank				.790	
Public Relation					
I trust the public relation relates to the bank					.811
The public relation of the bank is reliable					.810
The public relation has improved the credibility of the bank					.755
I pay attention to any public relation relates to the bank					.696

c) Brand Meaning

Principle Component Analysis (PCA) is performed for brand meaning items. One item is deleted after several run of factor analysis. The item is “The bank fee is worth value for my money”. Eight components are extracted with eigenvalues exceeding 1, explaining a total variance of 65.89%. The Bartlett’s test of sphericity is significant and the KMO is adequate (KMO = .958). Table 4.3 shows the results of the loading for brand meaning on Islamic Banking.

Table 4.3: Factor Analysis on Brand Meaning

Brand Meaning: KMO = 0.958 ; Bartlett’s Sig. = 0.000								
Bank Operation	F1	F2	F3	F4	F5	F6	F7	F8
The bank operation is favourable	.740							
The bank operation is pleasing	.724							
The bank operation is relevant to my needs	.689							
The bank operation meets my expectation	.679							
Employees								
The bank employees practise formality in social addressing		.730						
The bank employees have high caring level		.721						
The bank employees are highly friendly		.687						

Table 4.3(Continuation): Factor Analysis on Brand Meaning

Brand Meaning: KMO = 0.958 ; Bartlett's Sig. = 0.000								
Environment	F1	F2	F3	F4	F5	F6	F7	F8
The bank ambient condition is good			.617					
The bank equipment is well functioning			.532					
The bank signage is very informative			.509					
The bank style of decoration is attractive			.485					
Features								
Have high accessibility				.771				
Have adequate number of branches				.751				
Helps in my decision making to use the bank services				.624				
Have high technology competitiveness such as online service				.591				
Perceived Fee Values								
The bank fees influence my decision					.740			
I am aware with their fees charge to me					.613			
The bank fees is unfair (deceptive charge)					.560			

d) Service Satisfaction

Principle Component Analysis (PCA) is performed for service satisfaction items. One component is extracted with eigenvalues exceeding 1, explaining 64.2% of the variance.

The Bartlett's test of sphericity is significant and the KMO is adequate (KMO = .920).

Table 4.4 shows the results of the loading for service satisfaction on Islamic Banking.

Table 4.4: Factor Analysis on Service Satisfaction

Service Satisfaction: KMO = 0.920 ; Bartlett's Sig. = 0.000	F1
Based on my experience, I am very satisfied with the bank service	.830
The bank understood and acted upon my needs	.824
The service outcome meets my expectation	.815
I have an affinity with this bank	.809
The bank has always put my best interest first	.806
I am pleased to be associated with this bank	.804
It has been a pleasure to use the bank services	.767
The bank deserves to be recognized	.750

4.3 Reliability Test

Reliability test is the commonly used to determine internal consistency of the scales by assessing the value of Cronbach's alpha coefficient. According to DeVellis (2003), the Cronbach alpha values should be above .70 to be considered ideal. The reliability for each of the dimensions are summarised in Table 4.5 below:-

Table 4.5: Summary on Scale Reliability

Variables	Number of Items	Cronbach's Alpha
Perspectives		
1. Willingness/Preference	4	.763
2. Understanding of IB	5	.722
3. Knowledge of IB	3	.816
4. Influence	3	.781
6. Prospect	3	.822
Brand Awareness		
1. Advertisement	4	.845
2. Brand Name	5	.857
3. Country of Origin	4	.580
4. Word of Mouth (WOM)	4	.887
5. Public Relation	4	.856
Brand Meaning		
1. Bank Operation	4	.890
2. Employee	3	.854
3. Environment	4	.868
4. Features	4	.836
5. Perceived Fee Value	3	.636
6. Brand Image	4	.834
7. Aroused Feelings	4	.917
8. Personality	5	.891
Service Satisfaction	8	.920

Based on the reliability results, country of origin (brand awareness) and perceived fee value (brand meaning) are omitted from this study as Cronbach's alpha coefficient is below .70. Ghazizadeh et al. (2010) also have omitted perceived fee value (brand meaning) and country of origin (brand awareness) in their study on bank's brand equity.

4.4 Descriptive Analysis

4.4.1 Demographic Profile of the Respondents

Descriptive statistics for demographic background of the respondents is obtained using the frequencies. The result is presented in Table 4.6 shows the demographic profile of the respondents. The total number of respondents is 817 which comprise 34% of male and 66% of female. The age group of 18 to 25 years old recorded the highest respondents with 75.5%. In terms of ethnic, majority are Chinese (80.4%), followed by Malay (15.3%), Indian (3.2%) and others (1.1%). In terms of religion, Buddhism recorded the highest with 65%, followed by Islam 16%, Christian 14.3%, others 2.6% and Hindu 2.1%. Majority of the respondents are students (63%) with no income (61.9%). In terms of education, majority of the respondents have Bachelor's degree (61.9%).

Table 4.6: Demographic Profile of the Respondents

Demographic	Details	Number	Percent (%)
Gender	Male	278	34.0
	Female	539	66.0
	Total	817	100.0
Age	18-25	617	75.5
	26-35	101	12.4
	36-45	52	6.4
	46-55	39	4.8
	Above 55	8	1.0
	Total	817	100.0
Ethnic	Malay	125	15.3
	Chinese	657	80.4
	Indian	26	3.2
	Others	9	1.1
	Total	817	100.0

Table 4.6 (Continuation): Demographic Profile of the Respondents

Demographic	Details	Number	Percent (%)
Religion	Islam	131	16.0
	Christian	117	14.3
	Buddhist	531	65.0
	Hindu	17	2.1
	Others	21	2.6
	Total	817	100.0
Education	High school	161	19.7
	Diploma	105	12.9
	Bachelor's degree	506	61.9
	Postgraduate	16	2.0
	Others	29	3.5
	Total	817	100.0
Occupation	Professional	64	7.8
	Manager	24	2.9
	Executive	61	7.5
	Non-executive	78	9.5
	Student	515	63.0
	Not working/retired	32	3.9
	Others	43	5.3
	Total	817	100.0
Income	No monthly income	506	61.9
	Below RM1,500	108	13.2
	RM1,500-RM2,999	125	15.3
	RM3,000-RM4,999	49	6.0
	RM5,000-RM6,999	15	1.8
	Above RM7,000	14	1.7
	Total	817	100.0

It is also discovered that 49.2% of the respondents have an Islamic Banking account whereby most of them uses saving account (49.4%), current account (6.6%) and fixed deposit account (2.4%) facilities. The most used Islamic Banks are Bank Muamalat Malaysia (61.7%) and Bank Islam Malaysia Berhad (34.4%).

4.4.2 Awareness on Islamic Banking Products

Descriptive statistics for awareness on Islamic Banking products are obtained using the frequencies as the data collected are in categorical form. The result is presented in Table 4.7 shows that generally most of the respondents do not have knowledge about the Islamic Banking products. The most unknown products are Bai'Al Inah (95.2%) and Bai' Al Salam (94.6%). On the other hand, the most known products are Al Wadiah (28.3%) and Al Mudharabah (26.8%). The results are almost similar to the previous studies that indicated low knowledge on Islamic Banking products with Arabic terminologies (Hamid and Nordin, 2001; Bley and Kuehn, 2004; Gerard and Cunningham, 1997; Ahmad and Haron, 2002; Thambiah et al., 2011).

Table 4.7: Frequency on Awareness on Islamic Banking Products

Products	Yes		No	
	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>
Al Wadiah	231	28.3	586	71.7
Al Mudharabah	219	26.8	598	73.2
Al Musyarakah	185	22.6	632	77.4
Al-Bai' Bhitaman Ajil	77	9.4	740	90.6
Al-Ijarah	81	9.9	736	90.1
Bai' Al Salam	44	5.4	773	94.6
Bai' Al Murabahah	105	12.9	712	87.1
Bai'Al Inah	39	4.8	778	95.2

4.4.3 Perspectives on Islamic Banking

Descriptive statistics for perspectives on Islamic Banking are obtained using the descriptives. The result is presented in Table 4.8 (refer page no. 60). “Knowledge on IB is limited” recorded the highest mean 4.31. This finding is concurrent with previous studies (Haron et al, 1994; Ahmed and Haron, 2002) which says that knowledge on Islamic banking is limited. It is interesting to note that most of the respondents somewhat disagree that Islamic Banking is only meant for Muslims (mean = 3.09). It is also important to note that most of the respondents prefer conventional banking (mean = 4.15).

4.4.4 Service Brand Equity of Islamic Banking

Descriptive statistics for service brand equity obtained using the descriptives. The result is presented in Table 4.9. Environment, word of mouth, public relation, brand personality and bank operation recorded the highest mean. Advertisement recorded the lowest mean.

Table 4.9: Mean of Service Brand Equity

Service Brand Equity	Mean	Std. Deviation
Advertisement	3.38	.913
Brand Name	3.54	.975
Word of Mouth	3.80	1.001
Public Relation	3.74	.893
Bank Operation	3.70	.898
Employees	3.68	.999
Environment	3.89	.898
Features	3.71	.929
Self Brand Image	3.51	.880
Aroused Feelings	3.64	.952
Brand Personality	3.72	.849

Table 4.8: Mean of Perspectives on Islamic Banking

Perspectives	Mean	Std. Deviation
<u>Willingness/ Preference for IB</u>		
1. I prefer conventional bank	4.15	1.271
2. Uninterested in IB because I have a/c with CB	3.82	1.417
3. I have no reason to open an account in IB	3.77	1.521
4. IB is meant for Muslims only	3.09	1.586
<u>Understanding of IB system</u>		
5. IB is interest-free banking	3.43	1.357
6. Transactions in IB are according to Shariah	3.95	1.170
7. IB is based on Islamic principles	4.21	1.231
8. IB applies PLS between bank and customers	3.88	1.174
9. Return of IB is based on risk sharing	3.70	1.107
<u>Knowledge on IB</u>		
10. I am not familiar with IB	4.12	1.397
11. Information on IB is lacking	4.15	1.244
12. My knowledge on IB is very limited	4.31	1.270
<u>Influence to use IB</u>		
13. My family urges me to open IB account	2.66	1.392
14. My friends/family/relatives recommended IB	2.74	1.332
15. I knew IB from promotional campaign	3.03	1.327
<u>Prospect of IB</u>		
16. IB has a bright future	3.66	1.169
17. IB will be dominant banking in Malaysia	3.34	1.193
18. IB will make Malaysia a role model	3.44	1.240

4.4.5 Perception on Islamic Banking Service Brand Development

Descriptive statistics of important for dimensions service brand development is obtained using the descriptives. The result is presented in Table 4.10. The respondents indicates that service satisfaction, environment, employees, bank feature and bank operation are the important dimensions for Islamic Banking brand development in Malaysia.

Table 4.10: Mean of Perception on Islamic Banking Brand Development

Service Brand Dimensions	Mean	Std. Deviation
Advertisement of the bank	3.97	1.214
Bank Brand Name	3.88	1.194
Bank Country of Origin	3.53	1.200
Word of mouth	3.90	1.207
Public Relation	3.96	1.122
Bank Operation	4.06	1.107
Employees	4.16	1.177
Environment of the bank	4.17	1.160
Bank Features	4.12	1.126
Perceived Fees Value	3.89	1.163
Self brand image	3.78	1.139
Brand Aroused feelings	3.91	1.141
Brand Personality	3.91	1.129
Service Satisfaction	4.16	1.171

4.5 Research Results and Discussion

4.5.1 Research Objective One

The first objective of this study is to explore the awareness towards Islamic Banking products across the demographic variables.

4.5.1.1 Hypothesis Testing

H1: Awareness on Islamic Banking products is affected by demographic variables.

- m) There is a significant difference between different gender groups
- n) There is a significant difference between different age groups
- o) There is a significant difference between different religion groups
- p) There is a significant difference between different income groups
- q) There is a significant difference between different education level groups
- r) There is a significant difference between different occupation groups

4.5.1.2 Analysis and Results

As the data for product awareness and demographic variables are categorical variables, hence Chi-square test for independence is used to obtain descriptive statistics to explore difference across demographic variables. Furthermore, prior studies on awareness on Islamic Banking products (Gerard and Cunningham, 1997; Ahasanil et al., 2007; Khattak and Rehman, 2010; Loo, 2010; Thambiah et al., 2011), also used the similar analysis. Hence, by conducting this analysis, comparison on the research findings can be made and also provides a strong basis to support the selection of the appropriate analysis.

Table 4.11 below shows the Chi square value with the associated significance level. The significant value needs to be below .05 and if the value is larger than .05, the result is deemed not significant (Pallant, 2007)

Table 4.11: Awareness on Islamic Banking Products across Demographic

Products	Gender		Age		Religion		Education		Occupation		Income	
	X ²	Sig.	X ²	Sig.	X ²	Sig.	X ²	Sig.	X ²	Sig.	X ²	Sig.
Al Wadiah	.022	.883	9.785	.044*	68.521	.000*	9.476	.050*	7.369	.288	4.542	.474
Mudharabah	.109	.741	8.157	.086	73.070	.000*	21.16	.000*	14.46	.025*	6.090	.298
Musyarakah	.644	.422	12.66	.013*	25.411	.000*	19.91	.001*	26.56	.000*	21.22	.010*
Bhitaman	.338	.561	1.659	.798	51.115	.000*	5.951	.203	12.39	.054*	4.221	.518
Ijarah	.229	.632	3.169	.530	34.793	.000*	4.064	.397	1.969	.928	1.463	.917
Al Salam	.024	.877	5.933	.204	65.616	.000*	4.364	.359	1.482	.961	6.625	.250
Murabahah	2.94	.086	1.290	.863	47.447	.000*	7.411	.116	9.387	.153	3.962	.555
Al Inah	.596	.440	6.409	.171	70.814	.000*	2.029	.730	8.544	.261	12.26	.031*

*Significant at 5%

The details from cross-tabulation on frequencies and percentages are attached in “Appendix C” and useful reference may be made thereto.

Based on the result, there are differences between awareness on Islamic Banking products across the demographic variables’ groups except for gender. The result shows that there are significant differences between different religion groups and awareness for all the products. For age and education groups, the significant differences are recorded only for Al Wadiah and Al Musyarakah. In terms of occupation groups, the significant differences are noted for Al Mudharabah and Al Bai’ Bhitaman Ajil. For income groups, the significant differences are recorded for Al Musyarakah and Al Inah. This result shows that awareness on Islamic Banking products are affected by age, religion, education, occupation and income. Hence, all the proposed hypotheses are supported expect H1(a).

4.5.1.3 Discussion

The findings indicate that more emphasis need to be given to religion groups as the awareness on Islamic Banking products are imbalanced among different religion groups (Buddhist, Muslim, Hindu, Christian and others). The significance difference for Al Wadiah and Al Musyarakah for age and education groups is probably due to the fact that majority of the respondent are students with no income while those products are considered advance for their level. Al Wadiah is for safe keeping and Al Musyarakah is for joint venture. The significance difference for Al Musyarakah for income groups is because it is product for joint venture (Al Musyarakah) thus more inclined towards project financing. However, the significance difference in income groups for Al Inah (deferred payment for asset) should be given attention as it a basic product generally used for the purpose of personal financing. Although majority of the respondents are students with no income, Al Inah is a product which will be useful for them in near future. The significance difference in occupation groups for Al Mudharabah and Bai Bhitaman Ajil is due to the fact that those products (Mudharabah is profit sharing contract and Bai Bhitamin Ajil is deferred payment sale) are more viable to working respondents. Overall, the findings are more or else similar with the prior studies' findings. It requires strong initiatives and aggressive plans to create awareness on the Islamic Banking products. Consideration also should be given to the terminologies of the products which might hinder understanding among different religion/ethnic groups in Malaysia.

4.5.2 Research Objective Two

The second objective of this study is to explore the perspectives towards Islamic Banking across the demographic variables.

4.5.2.1 Hypothesis Testing

H2: Perspectives towards Islamic Banking is affected by demographic variables.

- m) Perspectives are significantly different between gender groups
- n) Perspectives are significantly different between different age groups
- o) Perspectives are significantly different between different religion groups
- p) Perspectives are significantly different between different education groups
- q) Perspectives are significantly different between different occupation groups
- r) Perspectives are significantly different between different income groups

4.5.2.2 Analysis and Results

Independent-samples t-test is used to explore the differences on perspectives for gender. Independent –samples t-test is used to compare the mean scores of two different groups (Pallant, 2007). On the other hand, one way analysis of variance (ANOVA) between groups with post-hoc test is used to explore differences for other demographic variables (i.e. more than three categories). Prior studies (Ahasanil et al., 2010; Loo, 2010) have also used the similar analysis. Hence, comparison on the research findings can be made as well as provides a strong basis to support the selection of the appropriate analysis.

An independent-samples t-test is conducted to compare the perspectives scores for males and females. There are no significant differences in scores for males and females as shown in Table 4.12.

Table 4.12: Independent Sample T-test on Perspectives and Gender

Perspectives Dimensions	Male N = 278		Female N = 539		t	Sig.
	Mean	Std. Dev.	Mean	Std. Dev.		
Understanding of IB system	3.77	1.11	3.68	1.11	1.101	.881
Willingness/Preference	3.89	.82	3.80	.89	1.430	.941
Influence to use IB	2.93	1.15	2.75	1.11	2.152	.715
Prospect of IB	3.58	1.04	3.42	1.02	2.112	.790
Knowledge	4.15	1.07	4.21	1.13	1.660	.118

On the other hand, one way analysis of variance (ANOVA) between groups with post-hoc test is conducted to compare perspectives scores for age groups, religion groups, education groups, occupation groups and income groups. The results are shown in Table 4.13

Based on the results, there are statistically significant difference at $p < .05$ level in the overall perspective scores for the five religion groups. There is a significant difference in the age groups for willingness/preference scores and influence scores. For education groups, there is significant difference in the scores for understanding of Islamic Banking system and scores for willingness/preference. In terms of income, there is significant difference for willingness/preference score. However, there is no significant difference in occupation groups. The findings indicate that perspectives are affected by age, religion,

education and income. Hence, the proposed hypotheses which are supported are H2(b), (c), (d) and (f) only.

Table 4.13: ANOVA on Perspectives and Demographic Variables

Perspectives Dimensions	Age		Religion		Education		Occupation		Income	
	F	Sig.	F	Sig.	F	Sig.	F	Sig.	F	Sig.
Understanding of IB syst.	1.44	.783	9.39	.000*	3.10	.015*	.975	.441	1.81	.108
Willingness/Preference	3.13	.014*	43.73	.000*	5.17	.000*	1.76	.104	2.43	.033*
Influence to use IB	3.39	.010*	8.93	.000*	1.52	.194	1.05	.390	1.79	.553
Prospect of IB	1.86	.115	39.21	.000*	1.19	.311	1.44	.195	1.52	.180
Knowledge	2.27	.060	11.47	.000*	1.81	.513	1.61	.143	1.56	.169

*Significant at 5%

The details from ANOVA results on means for each of the demographic variables are attached in “**Appendix D**” and useful reference may be made thereto.

4.5.2.3 Discussion

The findings again indicate that more emphasis need to be given to religion groups as the perspectives on Islamic Banking are imbalanced among different religion groups (Buddhist, Muslim, Hindu, Christian and others) for all the aspects. This requires serious attention as Malaysia is a multiracial Islamic country and as a pioneer in Islamic finance, the government and the related parties need to joint effort to address this matter soon. This finding somehow supports the problem statements stated earlier in this study on

misconception and poor participation on Islamic Banking by the public. On the other hand, for the age groups, significant differences are found in scores for willingness/preference for Islamic Banking and influence to use Islamic Banking. This result is probably due to the fact that majority of the respondents are students and their choice of banking merely determined by the parents or word of mouth. The willingness/preference for Islamic Banking score is significantly different for age groups, education groups and income groups. This clearly shows the interrelation between those demographic variables whereby majority of the respondents are 18 to 25 years old, has or doing a Bachelor Degree and has no income. Hence, the choice or preference for banking merely determined by others and the need for an Islamic Banking account is limited or unnecessary. However, most of the higher learning institutions in Malaysia including University of Malaya have set Bank Islam for payment of tuition fee and PTPTN which requires students to have a Bank Islam account. This finding is surprising but definitely indicates a weakness in the Islamic Banking. It shows that respondents are more inclined towards conventional banking. This again requires a serious attention as on why conventional banking is more preferable than Islamic Banking and need to address the gap soon.

4.5.3 Research Objective Three

The third objective of this study is to explore the service brand equity (brand awareness and brand meaning) across the demographic variables.

4.5.3.1 Hypothesis Testing

H3: Service brand equity (i.e. brand awareness and brand meaning) towards Islamic Banking is affected by demographic variables.

- m) Service brand equity is significantly different between gender groups
- n) Service brand equity is significantly different between different age groups
- o) Service brand equity is significantly different between different religion groups
- p) Service brand equity is significantly different between different education groups
- q) Service brand equity is significantly different between different occupation groups
- r) Service brand equity is significantly different between different income groups

4.5.3.2 Analysis and Results

Independent –samples t-test is used to explore the differences on brand awareness and brand meaning for gender. Independent –samples t-test is used to compare the mean scores of two different groups (Pallant, 2007). On the other hand, one way analysis of variance (ANOVA) is used to explore differences for other demographic variables (i.e. more than three categories).

An independent-samples t-test is conducted to compare the service brand equity scores for males and females. There are no significant differences in the scores expect score for bank brand name for males and females as shown 4.14. There is a significant difference in the bank brand name scores for male ($M=3.66$, $SD =.988$) and for female ($M=3.48$, $SD=.964$); $t(815) = 2.52$, $p=.012$ (two-tailed). However, the magnitude of the differences in the mean is very small ($\eta^2 = .007$).

Table 4.14: Independent Sample T-test on Service Brand Equity Gender and Gender

Brand Awareness Dimensions	Male N = 278		Female N = 539		t	Sig.
	Mean	Std. Dev.	Mean	Std. Dev.		
<u>Brand Awareness</u>						
Advertisement	3.42	.98	3.36	.87	.726	.468
Bank Brand Name	3.66	.98	3.48	.96	2.521	.012*
Word of Mouth	3.18	1.06	3.80	.96	.157	.876
Public Relation	3.77	.91	3.73	.88	.629	.529
<u>Brand Meaning</u>						
Bank Operation	3.71	.94	3.69	.88	.104	.917
Employees	3.73	1.02	3.66	.98	.847	.397
Environment	3.91	.97	3.87	.86	.491	.624
Bank Features	3.72	.90	3.71	.94	.156	.876
Self Brand Image	3.54	.89	3.58	.87	.508	.611
Brand Aroused Feelings	3.68	.99	3.61	.93	.957	.339
Bank Personality	3.76	.85	3.70	.84	.971	.332

* Significant at 5%

On the other hand, one way analysis of variance (ANOVA) between groups with post-hoc test is conducted to compare service brand equity scores for age groups, religion groups, education groups, occupation groups and income groups. The results are shown in Table 4.15.

Table 4.15: ANOVA on Service Brand Equity and Demographic Variables

Perspectives Dimensions	Age		Religion		Education		Occupation		Income	
	F	Sig.	F	Sig.	F	Sig.	F	Sig.	F	Sig.
<u>Brand Awareness</u>										
Advertisement	1.99	.903	17.33	.000*	.36	.839	1.60	.143	1.19	.089
Bank Brand Name	2.63	.033*	4.59	.001*	1.29	.270	2.00	.063	.783	.562
Word of Mouth	1.28	.295	4.39	.002*	1.52	.193	.37	.899	1.23	.293
Public Relation	1.65	.161	12.48	.000*	.846	.496	1.24	.282	2.39	.036*
<u>Brand Meaning</u>										
Bank Operation	1.58	.178	17.62	.000*	.41	.801	.74	.615	2.10	.063
Employees	1.37	.243	15.22	.000*	.34	.849	.83	.548	1.00	.415
Environment	1.86	.115	22.38	.000*	.43	.795	1.05	.390	1.27	.275
Bank Features	1.41	.229	22.07	.000*	.34	.851	1.09	.365	1.53	.175
Self Brand Image	3.08	.016*	5.39	.000*	.22	.064	1.74	.108	2.40	.036*
Brand Aroused Feelings	3.64	.006*	18.34	.000*	.86	.485	1.81	.094	1.77	.116
Bank Personality	2.63	.003*	16.02	.000*	.63	.640	2.16	.044	2.24	.049*

* Significant at 5%

The details from ANOVA results on mean for each of the demographic variables are attached in “**Appendix E**” and useful reference may be made thereto.

Based on the results, there are statistically significant difference at $p < .05$ level in the overall service brand equity scores for the five religion groups. There is significant difference in the age groups for bank brand name, self brand image, brand aroused feelings and bank personality scores. For income groups, there is significant difference in the scores for public relation, self brand image and brand personality. However, there is no significant difference in occupation and education groups. The findings indicate that

service brand equity is affected by age, religion and income. Hence, the proposed hypotheses which are supported are H2(a), (b), (c) and (f) only.

4.5.3.3 Discussion

The findings again indicate that more emphasis need to be given on religion groups as the evaluation on the service brand equity are imbalanced among different religion groups (Buddhist, Muslim, Hindu, Christian and others) for all the aspects. It is interesting to discover that different religion/ethnic groups perceive service brand equity dimensions differently which probably due to difference in cultural and religious belief. This indicates that services are affected by cultural and religion beliefs. Therefore, in service delivery or marketing efforts for Islamic Banking, important consideration should be given to cultural and religion sensitivity. On the other hand, age groups recorded difference in scores for Brand Name, Self Brand Image, Aroused Feelings and Bank Personality. This highlights the need to differentiate the Islamic Banking and indicate that majority of the respondents who are 18 to 25 years old are self image conscious and their service choice is based on their personality and emotions. For income groups, differences are noted in Public Relation, Self Brand Image and Bank Personality. This suggests that different income groups prefer direct interaction with the bank as more information and clarification can be obtained. It is also interesting to note that male and female have different views in Brand Name. However, the magnitude of the differences in the mean is very small.

4.5.4 Research Objective Four

The fourth objective of this study is to explore the relationship between service brand equity and service satisfaction.

4.5.4.1 Hypothesis Testing

H4: There is a significant positive relationship between service brand equity and service satisfaction.

4.5.4.2 Analysis and Results

Multiple regression is used to explore the relationship between service brand equity and service satisfaction as well as to explore the interrelationship the service brand equity dimensions and service satisfaction. Multiple regression is the appropriate analysis to answer the research question no. 4 on “how well do the service brand equity dimensions predict service satisfaction and which dimensions are the best predictor of service satisfaction?”(Pallant, 2007).

Assumption test is first performed whereby the correlations are checked to identify whether there is multicollinearity. The correlations results are presented in Table 4.16. The relationship values of all service brand equity dimension with service satisfaction are above .3. Pallant (2007) suggests omitting variables if the value is more than 0.07. Hence, all the variables are retained. It shows that $R^2 = .657$ which means the model explained 65.7% of variance in service satisfaction and this value is quite a respectable

result as it is more than 30 percent acceptance value (Tabachnick and Fidell, 1996). It is also significant (.000) with adjusted $R^2 = .653$

Table 4.16: Service Brand Equity and Service Satisfaction Pearson Correlation

Pearson Correlation	Service Brand Equity	Service Satisfaction
	Service Satisfaction	1.00
	Advertisement	.471
	Bank Brand Name	.428
	Word of Mouth	.378
	Public Relation	.554
	Bank Operation	.651
	Employees	.631
	Environment	.659
	Bank Features	.587
	Self Brand Image	.573
	Brand Aroused Feelings	.685
	Brand Personality	.695

Coefficients are then assessed to compare the contribution of each independent variable by assessing their beta values. Table 4.17 presents the coefficients results. The results show that Bank Personality (.283) and aroused feelings (.235) obtained the highest beta value followed by Environment (.152), Employees (.144), Bank Operation (.139) and Self Brand Image (.124). These variables are also statistically significant which indicate that these variables make a significant contribution to the prediction of the service satisfaction. On the other hand, the Bank Brand Name contributes the lowest to the service satisfaction with a beta value of .015.

The result shows that there is a positive relationship between service brand equity and service satisfaction. However, the relationship is only significant for Bank Operation, Employees, Environment, Self Brand Image, Aroused Feelings and Brand Personality. Hence, H4 is partially supported.

Table 4.17: Service Brand Equity and Service Satisfaction Coefficient

Service Brand Equity	Beta	Sig.
Advertisement	.032	.255
Bank Brand Name	.015	.603
Word of Mouth	.031	.216
Public Relation	.037	.224
Bank Operation	.139	.000*
Employees	.144	.000*
Environment	.152	.000*
Bank Features	.043	.175
Self Brand Image	.124	.000*
Aroused Feelings	.235	.000*
Bank Personality	.283	.000*

4.5.4.3 Discussion

The finding shows that service brand equity dimensions explain or predict 65% of service satisfaction. 65% is a respectable acceptance value which shows that service brand equity leads to service satisfaction (Schuler, 2002). Hence, emphasis should be given to those dimensions that lead to service satisfaction. Based on the findings, five dimensions of service brand equity that give significant contribution to service satisfaction have been identified. The most significant contributors are the Brand Personality and Aroused Feelings. This shows that emotional ties are an important aspect in service satisfaction as

suggested by Aaker (1997). The second significant contributor is the Environment of the bank. Therefore, it is important for Islamic Banks to have a good service ambient which include cleanliness (Arora et al., 1996). The third significant contributor is the Employees. Hence, Islamic Banks should provide comprehensive training to their staffs. The fourth significant contributor to service satisfaction is the Bank Operation. As banking services are highly interactive and process driven, the operation of the Islamic Banks should be relevant and meet the expectation of the customers for fast and efficient services. The fifth and final significant contributor for service satisfaction is the Self Brand Image. Therefore, it is important to take into consideration the image element in any of the marketing efforts of Islamic Banking. Different demographic variables possess different image or personality and therefore a customised service to cater each of the different segments should be studied. It is interesting to note that all the significant contributors are from Brand Meaning dimensions. This result concurs with Berry's (2000) findings which indicate that brand meaning is the main source of brand equity. Although the findings reveal that Brand awareness dimensions (i.e. Advertisement, Brand Name, Word of Mouth and Public Relation) are not significant contributors to service satisfaction, it does not mean that they can be ignored. It is important to note that although they are not significant contributors but they are also positively related to service satisfaction. Furthermore, brand awareness is experience induced antecedents that strengthen brand's presence in the mind of the consumers (Ross, 2006).

4.5.5 Summary of Research Results

The table below summaries the results from the hypothesis testing from the above sections:

Table 4.18: Summary of Hypotheses Testing Results

Hypothesis	Result
<p>H1: Awareness on Islamic Banking products is affected by demographic variables.</p> <p><i>a) There is significant between different gender group</i></p> <p><i>b) There is significant difference between different age groups</i></p> <p><i>c) There is significant difference between different religion groups</i></p> <p><i>d) There is significant difference between different income groups</i></p> <p><i>e) There is significant difference between different education groups</i></p> <p><i>f) There is significant difference between different occupation groups</i></p>	<p>Not Supported H1(a)</p> <p>Supported H1(b)</p> <p>Supported H1(c)</p> <p>Supported H1(d)</p> <p>Supported H1(e)</p> <p>Supported H1(f)</p>
<p>H2: Perspective towards Islamic Banking is affected by demographic variables.</p> <p><i>a) Perspectives are significantly different between gender groups</i></p> <p><i>b) Perspectives are significantly different between different age groups</i></p> <p><i>c) Perspectives are significantly different between different religion groups</i></p> <p><i>d) Perspectives are significantly different between different education groups</i></p> <p><i>e) Perspectives are significantly different between different occupation groups</i></p> <p><i>f) Perspectives are significantly different between different income groups</i></p>	<p>Not Supported H2(a)</p> <p>Supported H2(b)</p> <p>Supported H2(c)</p> <p>Supported H2(d)</p> <p>Not Supported H2(e)</p> <p>Supported H2(f)</p>
<p>H3: Service brand equity (i.e. brand awareness and brand meaning) towards Islamic Banking is affected by demographic variables.</p> <p><i>a) Service brand equity is significantly different between gender groups</i></p> <p><i>b) Service brand equity is significantly different between different age groups</i></p> <p><i>c) Service brand equity is significantly different between different religion groups</i></p> <p><i>d) Service brand equity is significantly different between different education groups</i></p> <p><i>e) Service brand equity is significantly different between different occupation groups</i></p> <p><i>f) Service brand equity is significantly different between different income groups</i></p>	<p>Supported H3(a)</p> <p>Supported H3(b)</p> <p>Supported H3(c)</p> <p>Not Supported H3(d)</p> <p>Not Supported H3(e)</p> <p>Supported H3(f)</p>
<p>H4: There is a significant positive relationship between service brand equity and service satisfaction.</p>	<p>Supported H4</p>

CHAPTER 5

CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the overall conclusion and implications from this research. The results obtained are further discussed and the implications of this study to both theoretical and managerial are presented. In addition, the limitations of this study and suggestions for future research are also included.

5.1 Discussion

This study proves that awareness on Islamic Banking products are still at very low level. Most of the respondents do not have knowledge about the Islamic Banking products. The most unknown products are Bai' Al Inah (95.2%) and Bai' Al Salam (94.6%). On the other hand, the most known products are Al Wadiah (28.3%) and Al Mudharabah (26.8%). The results are almost similar to the previous studies that indicated low knowledge on Islamic Banking products with Arabic terminologies.

In terms of perspectives, the finding is concurrent with previous studies (Haron et al, 1994; Ahmed and Haron, 2002) which says that knowledge on Islamic banking is limited. It is interesting to note that most of the respondents somewhat disagree that Islamic Banking is only meant for Muslims. This indicates that the non-Muslims will accept Islamic Banking products/services if they possess sufficient knowledge about the system and the products. Another important finding is that most of the respondents prefer conventional banking

(mean = 4.15). It is important to address the disadvantages of Islamic Banking compared to conventional banking as well as to upgrade their services. Banking is a highly competitive sector and therefore service quality and service satisfaction are the essential aspects to gain competitive advantage.

In exploring differences across demographic variables, religion groups showed difference for all the scores (awareness on Islamic Banking products, perspectives and service brand equity). This indicates that more emphasis need to be given to religion groups as the awareness and perception on Islamic Banking are imbalanced among different religion groups (Buddhist, Muslim, Hindu, Christian and others). This requires serious attention as Malaysia is a multiracial Islamic country and as a pioneer in Islamic finance, the government and the related parties need to joint effort to address this matter soon. This finding somehow supports the problem statements stated earlier in this study on misconception and poor participation on Islamic Banking by the public.

It is also interesting to discover that different religion/ethnic groups perceive service brand equity dimensions differently which is probably due to difference in cultural and religious belief. This indicates that services are affected by cultural and religion beliefs. Therefore, in service delivery or marketing efforts for Islamic Banking, important consideration should be given to cultural and religion sensitivity.

On the other hand, the finding also reveals that service brand equity dimensions explain or predict 65% of service satisfaction for Islamic Banking. Hence, emphasis should be given to the dimensions that lead to service satisfaction which are Brand Personality, Aroused

Feelings, Environment, Employees, Bank Operation and Self Brand Image. This result concurs with Berry's (2000) findings which indicate that brand meaning is the main source of brand equity. Although the findings reveal that Brand awareness dimensions (i.e. Advertisement, Brand Name, Word of Mouth and Public Relation) are not significant contributors to service satisfaction, it does not mean that they can be neglected. It is important to note that although they are not significant contributors but they are also positively related to service satisfaction. Furthermore, brand awareness is an experience induced antecedents that strengthen brand's presence in the mind of the consumers (Ross, 2006).

Finally, the respondents also indicates that Service Satisfaction, Environment, Employees, Bank feature and Bank operation are the important dimensions for Islamic Banking brand development in Malaysia. Hence, the related parties should utilise these findings to further improve and strengthen Islamic Banking in Malaysia.

5.2 Theoretical Implications

The findings of this result can be highly useful and important to Islamic Banking management and marketing researchers and theorists. Previous Islamic Banking studies are generally on service quality and service satisfaction as well on comparative study between conventional banking. Few studies have been undertaken to examine the awareness and perspectives on Islamic Banking. However, there is no comprehensive study on Islamic Banking in terms of marketing. This study uses service brand equity model for the first time in the context of Islamic Banking. It also explores difference

across the demographic variable which provides greater insight for market segmentation and target market. It also reveals the fundamental weakness in terms of products awareness and perspectives on Islamic Banking. Hence, this study contributes to literature on both Islamic Banking and marketing by providing a comprehensive insight for improvements of Islamic Banking.

5.3 Practical Implications

There are a number of major implications for Islamic Banking management, marketing and branding managers of Islamic Banks arises from the findings of this study. Firstly, the awareness on Islamic Banking products is generally very low. Hence, this requires both education campaign and informative advertisement need to be designed and implemented.

Secondly, the understanding and knowledge on Islamic Banking system are still low. Hence this requires education campaign, seminars and more inputs in brand awareness through various marketing efforts such as advertising, direct mail and promotion activities. Another alternative would be by organizing competition on awareness.

Thirdly, the result of this study reveals that there are differences among different religion/ethnic groups in terms of awareness on products, perspectives and perception on service brand equity. Therefore managers should formulate a plan and strategies to address this problem.

Fourthly, this study also reveals that majority prefers conventional banking to Islamic banking. This need serious attention and top management of Islamic Banking should formulate a strategy to differentiate and highlight its core competencies to the public.

Fifthly, the results from the service brand equity evaluation reveals that advertisement scored the lowest. This indicates that the current advertisement efforts are ineffective. Hence, informative and effective advertisements need to be formulated.

Finally, the result from the respondents' perception on service brand development for Islamic Banking reveals that environment of the bank, employees and service satisfaction are the important dimensions for service brand development. Hence, management of Islamic Banking need to take these findings into consideration when formulating their branding and marketing strategies.

5.4 Limitation of the Study

The main limitation of this study is the choice of sampling design. A proportionate stratified random sampling or quota sampling would be the suitable sampling design for this study as it explores difference across demographic variables. However, this study has adopted the convenience sampling after taking into consideration of the time and financial restrictions. The use of students is another limitation of this study.

5.5 Suggestion for Future Research

Future research might be undertaken using additional demographic variables such as place (rural vs. urban), education background (local graduate vs. overseas graduate), marital status as well as user versus non user of Islamic Banking by using the proportionate stratified random sampling or quota sampling.

5.6 Conclusion

Overall, this study investigated the three main issues of Islamic Banking – awareness, misconception and brand recognition. This study has presented an empirical investigation to study the awareness on Islamic Banking products, perspectives on Islamic Banking and perception on service brand equity of Islamic Banking. The findings of this study revealed that awareness and perspectives on Islamic Banking and its' products are lacking. This study reveals that religion is the main focus as there is significant differences for all the aspects studied – perspectives, awareness and service brand equity. This study also indicates important dimensions for Islamic Banking service brand development namely employees, environment, service satisfaction, bank operation and bank features. In addition, the relationship between service brand equity and service satisfaction is also investigated and it reveals that 65% of the service brand equity dimensions predicted service satisfaction and the strong contributors being brand personality, aroused feelings, environment, employees, bank operation and self brand image. Besides that, it also revealed that there is a need to improve its advertisement and the need to educate the consumers as well as to strengthen its brand equity. It is hoped that the findings of this study will provide valuable insight to the Islamic Banking management and marketers in Malaysia.