A MODEL OF BRAND LOYALTY MEASUREMENT FOR ISLAMIC BANKING IN KEDAH, PULAU PINANG, AND PERLIS

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still lead in the banking market system as compared to the islamic banking system

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4.2 Enhanced Executive Summary

(Abstract of the research) – 1 page only

This study aims to investigate the mediating effects of overall satisfaction on the relationship between relationship marketing and brand loyalty in the islamic banking industry. Based on a sample of 268 customers and using statitical programming on social sciences approach, the three dimensions of relationship marketing; trust, commitment, and communication shkill are found to have positive effects on brand equity. Subsequently, trust and commitment were having a significant effect on Brand Familiarity, leaving Communication Skill to be insignificant towards brand familiarity. Finally, the relationship between Relationship Marketing and Brand Image, it proves that, only Commitment and Communication Skills were significant towards Brand Image and Trust has no significant impact on Brand Image. On the mediating effect of Overall Satisfaction on Brand equity, Brand familiarity, and Brand Image, Trust and commitment has a partial mediation on the relationship between relationship marketing and brand equity, while communication skills proves to have a full mediation on the same relationship. Following that, Trust and Commitment had a partial mediation effect on the relationship between Relationship Marketing and Brand Familiarity, and Communication skills has no mediation effect on the same relationship. Finally, on the relationship between Relationship Marketing and Brand Image, there was no mediation for communication skill and trust , follows by partial mediation for commitment. © 2011.

4.3 Introduction

1 to 2 pages only

Introduction

Brand loyalty and relationship marketing among banking consumers especially in the islamic banking in Malaysia has captured great interest among the Malaysian public as a whole (i.e. relationship between employees and customers). This phenomena arises as there has been changes in terms of marketing philosophy adopted by most Islamic Banking system in Malaysia particulary in the areas of market orientation. One of the most important areas in marketing orientation includes relationship marketing (Petruzzelis, Romanazzi, Tassiello, 2011). Relationship marketing is not more than just getting the customers but it is also how to maintain the existing customers as much as possible (Labrecque, Krishen, Grzeskowiak, 2011).

Since the 1970s, Islamic banking has emerged as a new reality in the international financial scene. However in Malaysia, customer positive perception towards Islamic banking is far more crucial mainly due to the fact that Islamic banks have to compete with the long established conventional banks in a dual-banking system.

With the Islamic banking system in Malaysia gaining momentum, many international conventional banks have now move towards opening branches which operates in accordance with the Islamic Sharia'h principles in some Islamic countries. The Islamic banking system is expected to face strong competition not only from the Islamic banks, but also from well-established conventional banks offering Islamic products and services(International Herald Tribune, 2007).

The growing importance of benefits of Islamic Banking system has offered many advantages for the customers. However, the significant of the study has received little interest among the researcher in Malaysia. This study is very important to investigate the benefits of Islamic banking that leads to brand loyalty. This study will try to reveals factors that cause customer's loyalty for Islamic banking because of the free of interest or riba, social interaction and promote economic growth. This study is essential to recognize what are the factors that contribute to customer's loyalty for Islamic banking.

This research try to identify influencing factors through the concept of realtionship marketing among employees a bank that adopt islamic banking system in Malaysia on Brand Loyalty. The data for this study will be acquired from three Bank Islam business premises in Pulau Pinang, Kedah, and Perlis which emcomposes the northern states of Peninsular Malaysia. Several data-analytic instrument were used to analyze the data such as test of differences, reliability analysis, factor analysis, and

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