FACTORS INFLUENCING PURCHASE INTENTION IN PERSONAL FINANCING: DIRECT AND INDIRECT EFFECTS

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Abstract- The changes in the financial market have put a great pressure on financial service providers. It had created the competitive financial product and services emerging in the market. Therefore, it is important to enhance their competitive advantages by understanding the consumer behaviour in purchasing certain product relative to satisfaction. In this regard, previous research has fallen short in examining consumer's actual purchase intention and customer satisfaction. This paper sought to address this issue. This study developed a model of the relationship between customer satisfaction and purchase intention in finance industry focusing on personal banking. The mediating role of customer satisfaction in purchase intention is emphasized in this research model. This study measured purchase intention and three elements- service quality, reputation and marketing mix by collecting the data using self- administered questionnaire. Data were analysed using the structural equation model (SEM) and SPSS. The results showed that respondents from Islamic personal banking expressed a high purchase intention influenced by service quality and reputation. However, conventional personal banking showed that purchase intention had influenced the service quality and marketing mix. Customer satisfaction was found to be an active mediator between service quality and purchase intention for personal banking. Although the outcomes support previous studies, the results were derived from small sample size with an uneven distribution between the types of banks. This limited the generalizability of the results which calls for further research. However, practically this result contributed to create the improvement in finance and service industry by identifying and developing marketing strategies for the long run.

Keywords: Personal finance, Intention, Satisfaction, Islamic & Conventional Finance

1.   Introduction

Finance and financial institution are at the heart of modern economies, reflecting the sensitivity of macroeconomic variables to changes in financial institution. Therefore, the finance institution acts as the important element influence the development of country. In finance and financial institution today presented the dual financial system that perform by divided into two of institution there are conventional finance intuitions which practice the capitalism system otherwise the Islamic finance institution which is the system based on the Shariah compliance (Addawe, 2012; Budhwar & Fadzil, 2000).

The conventional banking theories assume that banks earn profits by purchasing deposits from the depositors at a low-interest rate, then reselling those funds to the borrowers at higher interest rate (Santos, 2000). This condition brought to the crisis of economic that pulled the global economy in to recession. It had represent an opportunity for Islamic banks to take advantage of current financial crisis to increase their financial service worldwide (Chan, 2003). It is effect from the global financial crisis had created the lack of confidence in the global financial system in the conventional (Beck, Demirgüç-Kunt, & Merrouche, 2013).

Otherwise, Islamic finance offer financial instruments that are consistent with the religious belief and culture characteristics of Muslim societies. Aylward (1999) Islamic finance need to further progress on microeconomic stability and financial sector reforms are needed in many countries to attract international capital inflows and sustain future growth prospects for sector. Moreover, it needs to breakthrough some of improvement to become a truly viable and competitive alternative to conventional systems at the global level (Khan, 2008). It had suggested some of researcher the Islamic need review some strategic to enable the industry to keep face with recent development by brings improvement in quality and perform well with the customer (Omar & Iqbal, 2000). Because of competition between Islamic and conventional the financial institution need some of the development in terms of marketing attraction that perform better performance in attract the people in to transaction (Trakic, 2013). The development of Islamic finance is related with the customer attraction and the decision making by the customer to make the transaction buy the product or service from the good performance institution (Roudaki, 2005).

Consequently, it need to better understanding the customer decision making that presents on the basis of feelings or emotion in purchasing. Financial management the decision making by customer is the important element and related with the behaviour of finance, Horne (2008) that influenced the customer purchase intention. But it found that lack of studies that investigated the purchase intention especially in financial industry. Moreover, it also lack of studies that performed the relationship between customer satisfaction and purchase intention in financial industry. According to McCarthy (2002), the purchase behaviour process consists of psychological variables, social influence and purchase situation that will influence the purchase responses and solve the problem.

Psychological Variable	Social Influence	Purchase Situation
Motivation	Family Social	Personality
Perception	Class Reference	Time
Learning (Experience and Practice)	Groups Culture	Surrounding
Attitudes		

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                    ⬇
┌────────────────────────────────────────┐
│ Person does or does not purchase response │
└────────────────────────────────────────┘
                    ⬇
┌────────────────────────────────────────┐
│         Problem solving process          │
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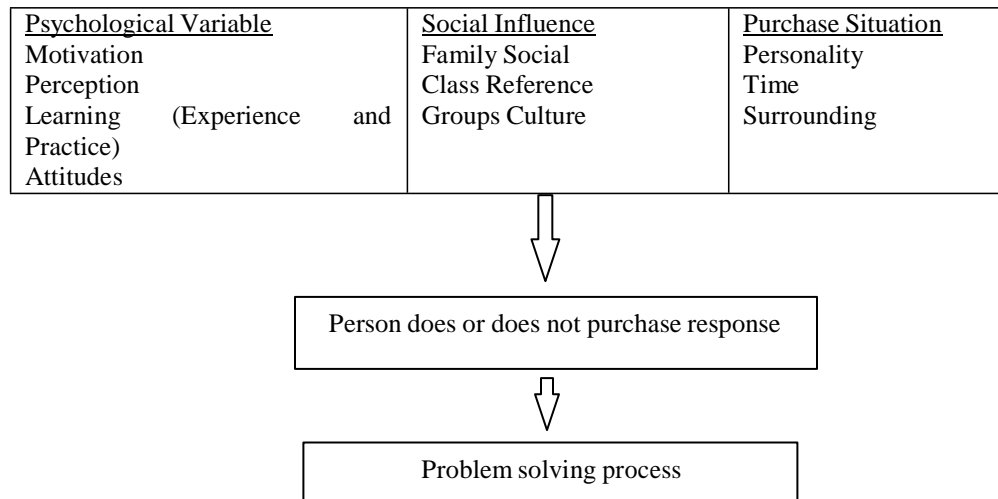
Figure 1.1: Purchase Behaviour Process
Source: (McCarthy, 2002)

For this study, it had focused on the psychological variable that is specific to the learning process. Peterson (1995), defined learning based on experiential and conceptual in which both items are of different meanings. Experiential learning occurs when experience change the behaviour whereas conceptual learning is not learned through direct experience, but through observation. In this study the researcher hypothesized the influence of purchase intention by the learning process of the customers with regard to the service quality, reputation and marketing mix.

Thus, the objectives of this study is to examine the causal relationship of several antecedents of customer satisfaction and purchase intention in the context of personal loan or financing of Islamic finance and conventional in Kelantan. This paper is structured as follows. First, we review the industry literature: theoretical underpinning of study. Next, we present the research framework, methods, measures and findings. Finally, the results were discussed in terms of its contribution to the upgrading of banking services and recommendations for future research.

2. Literature Review

2.1 The Malaysian financial industry

Malaysian financial institution (FI) players need to rethink their strategies, strengths and market plans in view of the underlying trends reshaping the market. These include global market volatilities, rise and interconnectivity of Asian market, demographic and technology changes and the transformation of Malaysia's economy.

In helping FIs to shape their future direction, it need to review the intricacies of the recently released FSB and considered five areas for FS players to enhance their performance, Azmi (2011a);

i. Internationalizations of Islamic finance;
ii. Stepping up competitiveness with new technology;
iii. Staying resilient by expansion into new markets;
iv. Managing talent shortage ;and
v. Minimizing systematic risks with governance, education and risk management.

Based on financial sector blueprint 2011 that provided by bank Negara Malaysia (BNM) stated that the size of Malaysia's financial system that increased since 2000 until 2020 that presented increases the equity market capitalism by upside potential from greater internalization. From overview the Malaysia financial industry will can conclude that this industry need to review in term of development and strategies to achieve the objectives.

2.2 Relevant Concept

This study utilizes the Theory of Reasoned Action (TRA) and Theory Planned Behavior (TPB) first developed by Ajzen, (1980). The objective is to examine the antecedent of purchase intention and satisfaction among consumer towards Islamic Finance Personal Loan. To achieve this objective, the researcher developed the conceptual framework adapted and utilized by the TRA and TPB based Figure 1.
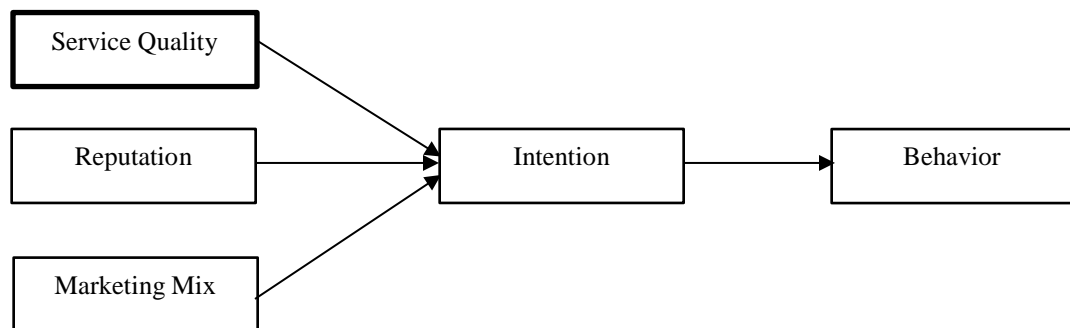

Figure 1: Theory Planned Behavior
(Source: Ajzen, 1985)

2.2.1 Service Quality, Reputation and Marketing Mix

Understanding the term "Quality" will reveal that the concept has been defined in many different ways and with different emphasis by the various quality gurus and writers on the

subject. Quality is an elusive and indistinct construct. The service quality will be present the activities or benefits that are essentially intangible and do not involve ownership of the title. The SERVQUAL instrument is accepted as standard for assessing various dimensions in service quality, Buttle, (1994). There are five service quality dimension identified by Parasuraman et al. (1988). All these five dimensions are measured with 22 multiple items. Each of the dimensions measure as follow:

i.   Tangibles   : Physical facilities, equipment, and appearance of personnel
ii. Reliability   : Ability to perform the promised service dependably accurately
iii. Responsiveness : Willingness to help customer and provide prompt service
iv. Assurance   : Knowledge and courtesy of employees and their ability to inspire trust and confidence
v.   Empathy   : caring, individualized attention the firm provides its customer.

Reputation of a social entity that present the opinion about that entity, typically a result of social evaluation on a set of criteria. The reputation known as ubiquitous, spontaneous and highly efficient mechanism of social control in natural societies. The reputations are considered to be intangible assets that can contribute to competitive advantage, (Barney, 2002; Dowling, 1994). Therefore the reputation based on a favourable general estimation that the public has of an organization, which can positively impact on the public's attitude and behaviors towards organization.

Managing marketing mix makes marketing seems easy to handle and organize. Marketing is separated from other activities of the firm and delegated to specialists who take care of the analysis, planning and implementation of various marketing tasks (Borden, 1964). Moreover, it is to find out what people want and then in turn how firms can develop he right mix of the products customers want, the prices willing to pay, promotional messages can understand and distribution channels that need to be used to make product available at the places customers are willing to patronize (Bert, 2011).

2.2.2 Customer satisfaction

Based on Singh (2006), found that the customer satisfaction effected the relation to customer loyalty and retention. Kotler (2000) defined satisfaction as: "a person's feelings of pleasure or disappointment resulting from comparing a product are perceived performance (or outcome) in relation to his or her expectations". Based on Hoyer (2001) said that satisfaction can associate with feelings of acceptance, happiness, relief, excitement, and delight. In order to achieve customer satisfaction, organizations must be able to satisfy their customers' needs and wants Labarbera (1983).

Purchase intention

Purchase intentions continue to be an important concept in marketing. Intentions are "assumed to capture motivational factors that influence a behavior", Ajzen, (1990). The intentions that reflects the totality of consumer's decisions with respect to the acquisition, consumption and disposition of goods, services, activities, experiences, people and ideas by human decision making units, Jacoby,(1976). The purchase behavior process that will consists of psychological variable, social influences and purchase decision and it includes the different factors that will influence the problem solving, Weber and Villebonne, (2006)

2.3   Theoretical Framework

2.3.1   Service Quality and Purchase Intention

By understanding the quality in service, the management in the industry that will investigate the improvement of quality y in service that had disclose the information with the intention of the betterment of the future (Rizal, 2007). Moreover, the service quality acts as a motivation for customers in purchasing the product or service (Cook, 1999). This motivation found that may influence customers to investigate and learn about product and performance in industry. Therefore, in terms of marketing, it is important to develop greater service for customers to match their needs and wants because is related with their intention of repurchasing the product in the future (Hossain, 2009).

2.3.2   Reputation and Purchase Intention

In a retail banking industry, the price, reputation and service quality act as factor that contributes to consumer switching behaviour in China (Clemes, 2010). Other research also found that the factor of customers switching banks in Asian Financial market because influence by the reputation of bank. it is because that the reputation as a brand or equity that linked with the creditability and the faithfulness of the firm which is described as a social identity (Hall, 1993). Moreover, the customer also view a fair price, concerned management and institution stability as an integral component of the service process in attracting to purchase the product or service (Stafford, 1996).

2.3.3   Marketing Mix and Purchase Intention

Min (2008), investigated the effects of consumers variables such as place and promotion that influence the purchase intention towards a US apparel brand on college students. According to retailing market learned and contributed the factor affecting consumer to buy a product by looking at several factors such as product, price, place and promotion. It was found that the product design factors and the variety of product gave the greatest effect on consumer's purchase intention (Ayu, 2012). Similarly Raghubir (2006), found that the package and the design of a product have a strong influence on purchase decision that generate psychology and aesthetics.

2.3.4   Customer Satisfaction and Purchase Intention

File (1992), found that the positive word that affected the satisfaction by influencing customer behavior and bring it in a new business and development. The satisfaction will build up the decision of customer in the future behavior (Ryu, 2007). It had confirmed the significant relationship between satisfaction and intentions likelihood of recommending a product or service, loyalty and profitability (Anton, 1996). Moreover, the satisfaction particularly believed the positive influence on post purchase behaviour (Anderson, 1993; Cronin, 1992; Fornell, 1992).

2.4   Mediating Effects of Customer Satisfaction

2.4.1   Service Quality and Purchase Intention

Bolton (1991), found that thee significant relationship between service quality and satisfaction that influence customer's action in the future. It is important for the management to understand service quality and how it can be measured to identify future action and level of customer satisfaction (Iacobucci, 1994). Other researchers have considered the satisfaction as a mediator relationship between service quality and purchase intention. Cronin, 1992; Jamali, 2007), for example, found that the service quality can be seen as a determinant of satisfaction which in turn influence purchase intention.

2.4.2   Reputation and purchase intention

Reputation has been shown to be a determinant in purchase decision making as it serves as a quality signal reducing uncertainty the consumer might experience prior to buying a certain product and service (Cameli, 2005). According to Nguyen (2001), the results indicated that the degree of loyalty and intention has a tendency to create higher reputation and satisfaction of reputation in institutions. Moreover, Fornell (1992), significant relationship between satisfaction and brand reputation had influenced the repurchase of products in the institution.

2.4.3   Marketing Mix and Purchase Intention

In the tourism industry, it was found that a few marketing mix had significant relationship between satisfaction and marketing mix that influence the loyalty of customer, there are product and place (Ayed, 2010). Based on previous studied it found that a positive relationship between marketing mix factors and the satisfaction that influence the Arab tourists and foreigner's future action (Addmour, 2005). Marketing mix is an important element that effects on satisfaction, loyalty and word of mouth communication in accounting officers (Cengiz, 2007).

3.   Methodology

3.1   Sampling and Instrument

This study formulates the antecedents of customer purchase intention as shown in Figure 2. By using quantitative method the researcher had achieved the objectives by testing whether a hypothesis true for the sample and hence for the population. The target population is Islamic personal loan customers by using the non-probability techniques. A total 200 customers that applied personal loan who are patronizing different Islamic banks were requested to complete a questionnaire that contained measures of the constructs of concern.

Each variable is measured using previously developed instrument by five items measured by 7-point Likert scale as follows: purchase intention was adopted from Ryu (2003); Cole and Weber (2002); service quality adopted from Lewis (1994); Manshor (2011); Newman (1996) and Mersha (1992); reputation adopted from Hamed (2009); Helm (2006); Nguyen (2006); next variable marketing mix measured by 7 items using Likert scale adopted from Bert (2011), Cengiz (2007) and Carole (2003). Mediating variable had measured by 5 items using 7 Likert scale adopted from Ryu (2012); Gill (2007); Parker (2007). Table 1.1 shown the summary of sources for measurement of variable that used in this study.

Table 1.1: Summary of Sources for Measurement of Variables

Variables	Items	Sources
Purchase Intention (PI)	Loyalty (Pi1) Encourage others (Pi2) Motivation (Pi3) Deal for long time (Pi4) Future action (Pi5)	(Kisang Ryu, 2012; Archana Kumar, 2009; Min Young Lee, 2008; Namkung, 2007; Tian-Cole, 2002; Weber, 2002; Konstantinos, 2001; Patterson, 1997)
Customer satisfaction (CS)	First choice (Cs1) Price (Cs2) Positive thinking (Cs3) Happiness (Cs4) Feelings of acceptance (Cs5)	(Kisang Ryu, 2012; Pantouvakis, 2008; Gill, 2007; Yonggui, 2002; Mittal, 2001; Parker, 2001; Oh, 2000; LaBarbera, 1983)
Service Quality (SQ)	Reliability (Sq1) Responsiveness (Sq2) Empathy (Sq3) Assurance (Sq4) Tangible (Sq5)	(Kisang Ryu, 2012; Namkung, 2007; Arasli, 2005; Audhesh, 2004; Tian-Cole, 2002; Newman, 1996; Avkira, 1994; Lewis, 1994; Bolton, 1991)
Reputation (REP)	Active (Rep1) Trusted (Rep2) Environment (Rep3) Threats (Rep4) Expectation (Rep5)	(Hamed M.Shamma, 2009; Jonathan, 2009; Nick, 2007; Helm, 2006; Walsh, 2006; Nguyen, 2001; Selnes, 1993)
Marketing Mix (MKT)	Product (Mkt1) Price (Mkt2) Place (Mkt3) Promotion (Mkt4) People (Mkt5) Process (Mkt6) Physical (Mkt7)	(Bert Rosenbloom, 2011; Ivy, 2008; Cengiz, 2007; Addmour, 2005; Carole Page, 2003)

3.2   Data Screening and Analysis

The 200 dataset were coded and saved into SPSS version and analysed using AMOS version 18. During the process of data screening the dataset found normality as a required by (Hair, 2006).   The researcher found the normality of constructs by reviewed the all skewness and kurtosis indicated exhibited values less than 1.0. After run the measurement model it found that the variables had fall in the value of skewness that range -1.0 to 1.0. The value multivariate kurtosis lower than 50.0 as fulfil the requirement as (Hair, 2006).

Several statistical validity tests and analysis were further conducted such as reliability (Cronbach Alpha) and composite reliability tests, validity tests using confirmatory factor analysis (CFA) for construct convergent and discriminant validity. Subsequently, the data was subjected to descriptive analysis, correlation and structural equation modelling analysis. The steps in SEM analysis are CFA analysis, measurement analysis, discriminant analysis (average variance extracted), composite reliability analysis, and direct indirect impact analysis (mediating effects), testing the fit for the hypothesized structural model and mediating model.
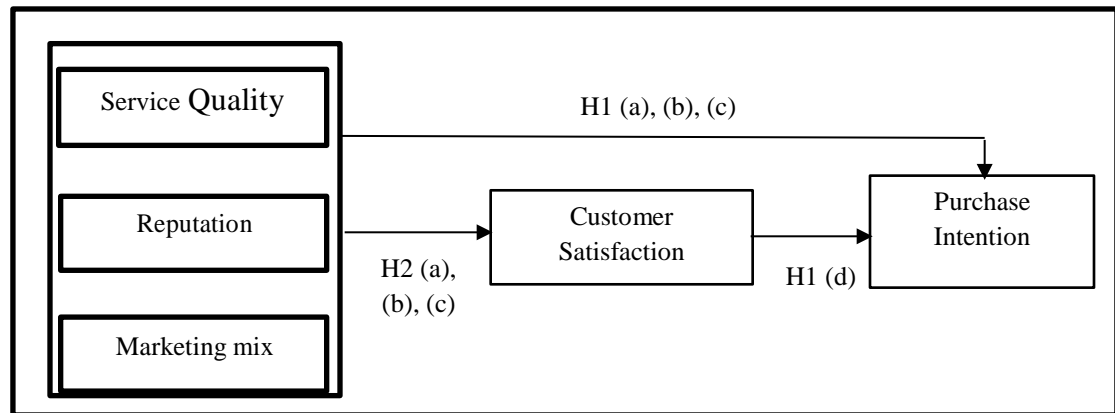

Figure 1: Research framework

4.   Result and Findings

The previous chapter discussed the methodology adopted in this study while this present chapter presents the study's findings by reporting the results of the data analysis and evaluating them according to the stated objectives and research problems. The findings are arranged in four main sections; 1) descriptive findings that summarized the frequencies with measures of central tendency (mean value) and dispersion (standard deviations); 2) reliability test for all construct; 3) Measurement model evaluation; 4) Structural Model evaluation with CFA which purpose is to test the hypothesis and mediating role to fulfill the research questions and objectives. Table 1.2 lists the steps of the data analysis process, which reflects the two-step approach in SEM analysis (Fornell & Larcker, 1981).

The first stage, this study focused on the descriptive analysis whereas to investigate the sample characteristic as shown by Table 1.3. The second stage, the researcher make the measurements model evaluation with Confirmation Factor Analysis (CFA). By the next stage, the researcher test the H1 (a-d) to declare the objective 1. The last stage, the mediating role of customer satisfaction have completed analysed so that it can be answer the research question and achieve the objective 2.

4.1   Demographic Profile of the Respondents

A profile of the social demographic and relating characteristics of customers who had applied the personal banking indicated who they are and described their purchase intention and satisfaction for transaction. Table 5.1, summarizes the demographic characteristic of the respondents. The highest frequency of age was 30.5% from 40-49 year olds for Islamic and 58.5% from 30-39 year olds for conventional. It showed different age group of respondents for Islamic and conventional personal banking customers.

In terms of gender, more female customers 70% choose Islamic banks while more male customers 52% choose conventional banks. The majority of the customers or respondents of Islamic and conventional was married; Islamic, 86.5% and conventional, 84.5%. Generally, the religion for the Muslims is 100% for Islamic banks and 69% for conventional banks.

The largest percentage of the customers' occupation is civil servants in both banks with 96% for Islamic banks and 88.5% for conventional banks. The second largest percentage is private sector's employees with 3.5% for Islamic banks and 10% for conventional banks. In terms of gross income, the respondents' general income ranges from RM 3000-3900 with 42% for Islamic banks and 36.5% for conventional banks. The second gross income is RM4000-4900 presented by 21% of the respondents from Islamic banks and 24.5% from conventional banks.

The largest groups of respondents are degree holders in education with 61.5% from Islamic banks and 56.5% from conventional banks. The second level of education that present the second largest percentage is at STPM level with 17.5% for Islamic banks and 16% for conventional banks. In terms of the number of dependents, most respondents for both Islamic and conventional banks are from 0-5 persons 81.5% and 83.5% respectively.

The statistics also indicate the years of deal for the loan from Islamic and conventional banks. The largest percentage is for 1- 10 years' time with 55% for Islamic banks and 56% for conventional banks. The most important thing in the demographic is the reasons behind customers' loan application. Based on the findings, it was found that the highest percentage of reasons for customers to apply personal banking is house renovation with 38.5% for the Islamic banks and 40.5% for the conventional banks. Business reason is the second highest percentage which is 37% for Islamic banks and 27.5% for conventional banks.

4.2   Measurement Model Evaluation

Measurement model for Islamic personal banking had achieved the requirement (X^2=244.989, df= 52, X^2/df=4.711, GFI= 0.846, AGFI=0.730, CFI= 0.902, RMSEA= 0.137). Only CFI achieved the desired value of higher than 0.90 and X^2/df < 5.0 but other

indices failed to achieve the desired value respectively. The next measurement model is conventional personal banking requirement (X^2=204.528, df= 42, X^2/df=4.870, GFI= 0.853, AGFI=0.726, CFI= 0.911, RMSEA= 0.139).

Based on findings for the both of measurement model, it found that RMSEA values aremore than 1.0 and it had failed to achieved as required for appropriate assessment CFA. According E.Righdon (2006), CFI has seen much use in applied research, whereas RMSEA has only recently been gaining attention. Moreover, RMSEA is sensitivity to the number of estimated parameters in the model and choose the model with the lesser number of parameter (Hopper, 2008). Therefore, this study indicated that the value of CFI more consider compared to RMSEA as well as the CFI indices due to be one of the measures least effected by sample size (Fan, 1999).

4.3   Hypothesis Testing

The full structural equation model was estimated and evaluated subsequent to all latent constructs and their observed indicators acquired acceptable measurement properties. Because all hypotheses in this section are stated in a directional fashion, all tests of path coefficients and correlations and their reported *p*-values represent one tail procedure. The results of the structural model estimation were first examined for nonsensical or offending estimates (Hair, 2006).

All results had been summarized in Table 1.3 showed the structural model for Islamic and conventional personal banking.

Table 1.3: Summarized Results For Hypothesis H1 (a) - H1 (b).

Hypothesis testing	Islamic personal banking		Conventional personal banking	
	Standardized coefficient, p-value, critical ratio	Results	Standardized coefficient, p-value, critical ratio	Results
H1(a): Service quality has positive influence on purchase intention	***-0.225 0.008,-2.673	Supported	***1.09 0.001,5.639	Supported
H1(b): Reputation has positive influence on purchase intention	***0.950, 0.001,5.686	Supported	1.77 0.052,1.939	Not Supported
H1(c): Marketing mix has positive influence on purchase intention	0.217 0.053,1.936	Not Supported	***-0.253, 0.007,-1.77	Supported

Note: ***significant at p<0.001(t>±2.58)

4.4 Mediating Effect Analysis

Table 1.4 shows the indirect effect estimates to test the mediating effects of customer satisfaction between service quality, reputation, marketing mix and purchase intention. Based on indirect and direct effect mediation test, stated that if significant increase of indirect effects for the relationship compared to direct impacts it known as a full mediator (Byrne, 2001; Hair, 2006).

Table 1.4: Summarized Islamic and Conventional Personal Banking Mediating Effects.

H	Exogenous	Mediation	Endogenous	Islamic Personal Banking			Conventional Personal Banking		
				Direct effect	Indirect effect	Mediating	Direct effect	Indirect Effect	Mediating
H2(a)	SQ	CS	PI	-0.227	0.002	Mediate	0.099	0.167	Mediating
H2(b)	REP	CS	PI	0.928	0.016	Not mediate	0.218	-0.036	Not mediating
H2(c)	MKT	CS	PI	0.513	0.071	Not mediate	0.318	-0.082	Not mediating
				Standardized coeffiecient, p-value, Critical Ratio		Hypothesized	Standardized coeffiecient, p-value, Critical Ratio		Hypothesized
H1(d)	CS	⟶	PI	0.106, 0.006, 1.118		Supported	0.133, 0.009, 0.825		Supported
				Structural Model		Mediating Model	Structural Model		Mediating Model
Chi Square				138.172		244.989	123.154		204.528
Chi Square Change						106.817			81.374
Df				26		52	19		42
Df Change						26			23
ChiSq/df				5.314		4.711	6.482		4.870
GFI				0.876		0.846	0.882		0.853
RMSEA				0.147		0.137	0.166		0.139

5. Discussions and Conclusion

The general outline of the section is as follows: 1) Discussion; (2) Recapitulation of major findings; (3) Implications; (5) Conclusion; (6) Limitations; and (7) Recommendations for future research.

5.1 Discussion

In general, this study set out to test the factors that influence the personal banking customer's and purchase intention towards Islamic and conventional finance institutions. This study adopted the Theory of Planned Behavior (TPB) to approach the factors and tested the influence of purchase intention towards personal banking through the experience of taking an Islamic and conventional personal banking. The customers' evaluations on each aspect of their experience are extremely important because they subsequently affect the variables such as satisfaction and intentions.

Data were collected in Malaysia from the customer in applied personal loan. SPSS17 and AMOS19 software were used for data analysis. The analysis of this study involved descriptive analysis and multivariate analysis using the structural equation modeling (SEM). The findings of this study showed similarities as well as differences with prior studies. This study contributed to the finance literature in two areas: conceptual and empirical. In terms of practitioner implications, this study offered new insights for providers and marketers with respect to organizing and promoting personal banking.

To achieve the main objective, attempts were made to meet other specific objectives, such as the following: to identify and confirm the extent to which customers choose their personal banking be it from Islamic or conventional: to examine the impact of customers' satisfaction towards purchase intention: to recommend actions that could be taken by the finance institutions based on the analysis. Specific and detailed discussions on each of the findings related to the objectives of the study were further discussed in line with theoretical perspectives and empirical works of previous investigations.

5.1.1 Service quality, reputation and marketing mix influence on the purchase intention

RQ$_1$ of this study addresses the first latent construct of the path. The research question and objective are as follows:

Table 1.5: Research Question and Objective 1

No.	Research objective	Research question
1.	To examine whether the service quality, reputation and marketing mix influence the process of choosing Islamic or conventional personal banking	RQ1: To what extent that the service quality, reputation and marketing mix influence the process of choosing Islamic or conventional personal banking?

The findings from this study did support the H1 (a) means that the service quality has positive influence on purchase intention. This hypothesis was investigated using the AMOS and it was found that significant service quality of Islamic personal banking influenced the purchase intention but it is shown in a negative relationship between the two. Service quality had found that the important element in achieved the intention in choosing the product; however it is based on suitable reasons. Raza, Siddiquei, Awan, and Bukhari (2012) had found the negative but significant relationship between service quality and intention in hotel industry. It had found that the higher income, customer will not consider on rethink about the service quality that they may satisfaction their decision making without take seriously in service quality perspective. Moreover, the customer from cultures with higher of education and income tend to have a high intention to praise even they received the lower of service and advertise (Liu, Furrer, & Sudharshan, 2001; Furrer, Liu, & Sudharshan, 2000).

Based on culture and region issues Gayatri, Hume, and Mort (2011) suggested any of transaction need to review and back the role of Islamic culture especially in service quality research. Therefore, Islamic respondents thinking the actual cultural that practices by Islamic without consider service quality (Muhamad, Melewar, & Alwi, 2011).

However, for the conventional loan, the hypothesis was accepted and showed positive relationship between service quality and purchase intention. Generally, this finding is consistent with the results of earlier studies proposing a service quality approach to purchase intention (Hashim, 2012; Gonzalez & Ryu, 2007; Antony, 2000; Hawkins, 1998). The next hypothesis is reputation has positive influence on purchase intention. The result of this study had supported H1 (b) for the Islamic personal banking. The positive relationship

between reputation and purchase intention had also been found by previous studies such as (Clemes, 2010; Gerrard, 2004; Yue, 1995; Hall, 1993; Weight, 1988). On the contrary, the result indicated that reputation did not contribute to the purchase intention for the conventional personal banking. This is similar to a study by Walsh (2006) who found a weak and non-significant relationship between reputation and purchase intention.

Then, it was found that the marketing mix did not influence the purchase intention for the Islamic personal banking. It is consistent with previous studies which found that the marketing mix may not be a strong influence on the purchase intention (Yeung, 2008; Raghubir, 2006). The result also indicated that marketing mix and purchase intention had significant relationship for the conventional personal banking but it was a negative relationship. As observed by (Peck, 2006; Carole Page, 2003; Van Waterschoot, 1992; Piron, 1991; Reid, 1980), there was a significant relationship between reputation and purchase intention.

In this study, Islamic and conventional personal banking supported the relationship between customers' satisfaction and purchase intention wherein the result for both institutions were significant. This finding highlighted the importance of ensuring customers' satisfaction to bring direct effect to purchase intention. It was supported by other studies (Chi, 2007; Yoon, 2005; Hu, 2003, Hallowell, 1996; Anderson, 1993) which found positive relationship between customer satisfaction and purchase intention.

5.1.2 Mediating role of customer satisfaction.

RQ$_2$ of this study addresses the second latent construct of the path. The research question and objective are as follows:

Table 1.6: Research Question and Objective 2

No.	Research objective	Research question
2.	To determine whether customer satisfaction mediate the relationship between service quality, reputation, marketing mix and the purchase intention in Islamic or conventional personal banking.	RQ1: Does customer satisfaction mediate the relationship between service quality, reputation, marketing mix and purchase intention to choose Islamic and conventional personal banking?

Based on the next objectives of this study as stated above, it was found that H2 (a) was supported for both of personal banking. It means that the customer satisfaction mediate the relationship between the service quality and the purchase intention. It had been supported

by other studies such as (Arasli, 2005; Cronin, 1992; Jones, 1989; LaBarbera, 1983) which also found that the satisfaction of customers had influenced the relationship between service quality and purchase intention. The other hypothesis namely H2 (b) and (c) are not supported. According to Anderson (1993), there were no significant relationship between reputation and customer satisfaction that may influence the purchase intention. The not significantly between marketing mix and customer satisfaction had found the previous study that some of marketing mix had no significant (Amzad & Ayed, 2012).

5.1.3 The suggestion to improve performance

RQ_3 of this study addresses the actions that need to be carried out by Islamic and conventional personal banking.

Table 1.7: Research Question and Objective 3

No.	Research objective	Research question
3.	To recommend some improvement that could be made by financial institutions in attracting the customer.	RQ3: What are the actions that need to be taken in order to improve the performance of Islamic and conventional personal banking?

In view of the findings in this study, the researcher identified some of improvements that could be made by both of financial institution in providing financial service and transaction. Service quality showed significant relationship with purchase intention for the Islamic and conventional personal banking and therefore both of these institutions need to make an initiative plan to undertake the focus of the most important aspect of customers' expectation. For example, the Islamic and conventional personal banking need to make improvements regarding reliability since this item had the lowest factor loading in the model. Moreover, both institutions also need to focus on the training of their employee to make improvement on the responsibility aspect to earnestly provide the best services. A feedback by means of measuring staff performances and recognizing those who provide excellent customer service must be established.

Another aspect that needs to be improved by Islamic and conventional personal banking is reputation. Both banks need to show their strength in facing any threats and changes in the market. It may influence level of confidence among customers in choosing the personal banking. Besides that, the banks also need to take the initiative for marketing aspect. By focusing on the 7P's in the marketing mix concept, the researcher found a weakness in

completing the process and physical perspectives. Therefore, both banks need to review some of the improvements and suggestions regarding the information and waiting time for the transaction and the attractiveness and effectiveness of the facilities in delivering the service and product. Other than that, clear and informative guide in mentioning any charges to the customers' needs to be applied by both banks.

It is important to improve the performance of banks that has been influencing the customer intention and satisfaction to purchase the loan in the future. It is also important for banks to attract their customers since the customer value and action influence the development and success of the institution. Therefore, based on Azmi (2011c), financial system needs to review the five areas to enhance their performance;

  i.   Internationalizations of Islamic finance
  ii. Stepping up competitiveness with new technology
  iii. Staying resilient by expansion into new markets
  iv. Managing talent shortage
  v.   Minimizing systematic risks with governance, education and risk management

5.2   Contribution to Theory

This research was developed and empirically tested the customer satisfaction and purchase intentions through the personal banking from Islamic and conventional finance institutions. The existing and new variables, as well as new paths, which have been proposed but not empirically tested, were included to assess their potential effect on the customer purchase intentions. As such, this study expands the existing theoretical understanding of the relationship of purchase intentions variables towards the personal banking.

Second, this study offers a new sight through the analysis of the dimensionality of service quality, reputation and marketing mix in a context that is rarely studied in the financial industry. Unlike previous studies, this study's impact is not limited to a single context but rather advances the literature more broadly by including the customers' satisfaction.

Thirdly, this study demonstrates the presence of new empirical evidence of mediating effects on the nature of the relationship between the two constructs. The inclusion of mediating effects that supports the marketing theory suggests that the nature and extent of the relationship between satisfaction and purchase intention varies according to consumer decisions. Based on the finding of this research, the personality and psychological characteristics of individual's opinion and decision reflect the activities, judgments, evaluations and the behavioural intentions.

5.3   Practitioners Implication

The practitioners in both Islamic and conventional banks can use the findings of this study to identify the dimensions that determine the purchase intention and customers' satisfaction in their own transactions. The banks' priorities vary depending on the origin of the customers' actions. In Islamic and conventional personal banking, it is clearly the service quality that is the most important dimension for predicting the intention and satisfaction among customers. Therefore, these findings suggest that the bank managers should implement customer oriented strategies.

Besides that, this study sheds the light on the impact of the studied factors on the customers' future behavioural intentions. It showed that different types of individuals have different satisfaction level for their purchasing experiences. For the customers with an adventures character, their satisfaction has greater effect on behavioural intention. Thus, satisfaction plays a significant role in influencing the future intentions towards the personal banking. The results of this study offer an enhanced understanding of customers. The providers and marketers should avoid the traditional assumption that every customer is similar, which results in management, operation and marketing strategies that treat customers as homogeneous whole.

5.4   Conclusion.

This study was divided into five chapters. The first chapter indicates the research gaps, issues and research objectives. Next, chapter two discusses the literature review and theoretical framework study. This chapter further elaborates on the research gaps and explains the significance of the study in response to the research gaps. Chapter three focuses on the research design and methods employed in this study. It explains the data collection and analysis techniques using Structural Equation Modeling (SEM). The fourth shows the findings for the proposed hypotheses and the segmentation analysis and it had supported the further discussion of the study findings, the major contributions of the study, limitation and direction for the future research. The results are in line with the hypotheses for both of personal banking except H1 (b) for conventional personal banking and H1(c) for Islamic personal banking. The proposed mediating variable of customers' satisfaction was found to influence the strength of satisfaction that is related to the behavioural intentions relationship. Customers' satisfaction had direct and indirect mediating effect between the service quality and purchase intention in choosing the personal banking. Interestingly, this study also provides a further understanding of complex interaction between satisfaction and purchase intention. All the results have been proposed to some improvements for both banking institutions.

5.5   Limitations and Suggestions for Future Research.

The findings from this study are subject to several limitations that suggest a prolific direction for future research. First, this study uses of a non-probability sample that has been argued by many, as it is susceptible to biases and might decrease external validity. However, because of an unidentified sampling frame, the collection of data via convenience sampling is justifiable. Although the generalizability of the findings might be limited, convenient sampling has been commonly used in social science studied (Sekaran, 2005).

Nevertheless, given the limited sample size and scope, the interpretation of the survey results has to be done cautiously. The small sample size between the Islamic and conventional banks customers call for future studies to consider a more balanced and even larger sample size across the different banking institutions, both local and foreign. Moreover, the findings could not be generalized to the whole nation because it was only conducted in one of the states of Malaysia, Kelantan. This model has shown some interesting findings which could be applied for utilization in research on a bigger scale to include the whole of Malaysia and Asian region. Moreover, this field of study had suggested by previous research that allow the statistical testing and analysis to figure out the main factors and emerge as the fastest growing industry of the global finance (Manshor, 2011).

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