CHAPTER 7

SUMMARY OF FINDINGS AND CONCLUSION

7.1 Introduction

This chapter discusses the hypothesis developed in Chapter 2 in light of the existing literature that examines the push, pull, and mooring factors. This chapter also deliberates on the results of this study in relation to existing and earlier studies. The current study indicates that some of the findings are consistent with the findings of past studies, while some others contradict with the previous ones. In addition, this chapter also discusses how the findings of this study, which was conducted in Oman, are similar or different from the findings of other studies conducted in other parts of the world.

7.2 Summary Of Findings

The purpose of the current study was to examine the impact of the research determinants on individuals' decision to switch from conventional banks to Islamic banking in Oman. The decision to switch from conventional banks to Islamic banks included three major factors, i.e., push factors, pull factors, and mooring factors. Push factors were comprised of quality, customer satisfaction, and trust. Service quality as a multidimensional construct consisted of interaction quality, outcome quality, and physical quality. The pull factor was examined as dependent on one factor, which was perceived relative advantage, also a multidimensional construct comprising other sub-constructs that were price, religion, and social prestige. The third determinant of the study was the mooring factors, which included switching cost, locked-in, apathy, and complexity.

The research study was geared based on three objectives. First was to investigate the impact of push factors on the decision to switch to the Islamic bank. Second was to examine the impact of the pull factors on the decision to switch to the Islamic banks, and last was to determine the impact of mooring factors (switching cost, complexity, locked-in and apathy) on the decision to switch to the Islamic banks.

The research study was thus conducted to find the answer to three questions. First was to what extent do push factors (service quality, customer satisfaction and trust) affect the customer's decision to switch to the Islamic banks. The finding revealed that out of the push factors, service quality as an overall variable significantly influenced the decision to switch. Service quality encompassed three different dimensions, i.e., interaction quality, outcome quality, and physical environment quality. Out of these three dimensions of service quality, interaction quality significantly influenced the decision to switch, whereas outcome quality and physical quality had no impact on the decision to switch. Similarly, customer satisfaction and trust also significantly influenced individuals' decision to switch banking services from the conventional to Islamic banking. It was found that push factors (service quality, customer service and trust) affected the decision to switch.

Coming to the answer of the second research question, i.e., the extent to which pull factors (perceived relative advantages) affect the decision to switch to the Islamic bank; the findings revealed that pull factors also influenced the overall decision to switch the banking service. The results indicated that perceived relative advantage significantly affected the decision to switch as it strongly pulled the individuals and convinced them to switch banking service. In this study, the pull factors were further bifurcated into price, religious advantage, and social prestige, out of which religious advantage significantly influenced the decision to switch to Islamic banking. The other two factors, i.e., price and social prestige, failed to influence customers' decision to switch.

The last research question asked to what extent do the mooring factors/barriers (switching cost, complexity, locked-in and apathy) affect the customer's decision to switch to Islamic bank. The analysis of mooring factors (barriers) comprised switching cost, complexity, locked-in, and apathy. The results of the study indicated that switching cost had a significant and negative impact on the decision to switch from the conventional banking to the Islamic banking system. Further, complexity indicated a negative influence on the decision to switch. Next, the mooring factor that comprised locked-in showed an adverse effect. Although people wanted to switch from conventional banking to Islamic banking, they were locked-in with loans withdrawn from conventional banks. It is the norm for the majority of people in Oman to use the loan facility. Lastly, apathy was found to have no impact on the decision to switch.

7.3 Summary Of The Tested Hypothesis

The Push-Pull and Mooring Model (PPM) was tested on eight dimensions drawn from the migration theory that influenced the switching decision of customers from conventional bank to Islamic bank. A total of eleven variables including three push factors were investigated: (1) H1 service quality, H1a: interaction quality, H1b: physical environment quality and, H1c: outcome quality; (2) H2 customer satisfaction; (3) H3 trust; one pull factor (4) H4 perceived relative advantage, H4a: price, H4b: religion and, H4c: social prestige. Four mooring variables (barriers) against the switching decision included (5) H5 switching cost, (6) H6 complexity, (7) H7 locked-in, and (8) H8 apathy.

This study was based upon three different determinants with a dependent variable of the decision to switch. The three determinants were categorized as pull factors, push factors, and mooring factors. These factors had direct connectivity with the DV and mooring also influenced the dependent variable. Push factors comprised service quality, customer satisfaction and trust, while pull factors entailed perceived relative advantage, and mooring factors encompassed apathy, locked-in, switching cost, and complexity.

The hypotheses of the study were generated as the direct relationship of all pull, push, and mooring factors with the DV.

The push factors' hypothesis stated that service quality, customer satisfaction, and trust had a significant impact on switch decision, which were an impact on the DV, and thus the hypothesis was supported.

As for the pull factors hypothesis, the effect of the variables PRA as a whole and its dimensions (price, religion, and social prestige) was tested on the DV. The results confirmed that PRA as a whole impacted the switch decision, and thus the hypothesis was supported. However, from the dimensions, religion was supported, while price and social prestige did not affect the hypothesis, and thus were not supported.

As for the mooring factors, switching cost, complexity and locked-in were shown to have an impact on switch decision, and thus the hypothesis was supported. On the contrary, apathy was not found to impact switch decision, and thus the hypothesis was not supported. The details are shown in Table 7.1.

Table 7.1: Summary of Tested Hypothesis

Variable	Statements	Results
Service Quality to Decision to switch	H1: Service quality has a significant and positive impact on switch decision.	SUPPORTED
Interaction Quality to Decision to switch	H1a: Interaction quality has a significant and positive impact on switch decision.	SUPPORTED
Physical Quality to Decision to switch	H1b: Physical environment quality has a significant and positive impact on switch decision.	NOT SUPPORTED
Outcome Quality to Decision to switch	H1c: Outcome quality has a significant and positive impact on switch decision.	NOT SUPPORTED
Customer Satisfaction to Decision to switch	H2: Customer satisfaction has a significant and positive impact on switch decision.	SUPPORTED
Trust to Decision to switch	H3: Trust has a significant and positive impact on switch decision.	SUPPORTED
PRA to Decision to switch	H4: Perceived relative advantage has a significant and positive impact on switch decision.	SUPPORTED
Price to Decision to switch	H4a: Price has a significant and negative impact on switch decision.	NOT SUPPORTED
Religion to Decision to switch	H4b: Religion has a significant and positive impact on switch decision.	SUPPORTED
Social Prestige to Decision to switch	H4c: Social prestige has a significant and negative impact on switch decision.	NOT SUPPORTED
Switching Cost to Decision to switch	H5: Switching cost has a significant impact on switch decision. and negative	SUPPORTED
Complexity to Decision to switch	H6: Complexity has a significant and negative impact on switch decision.	SUPPORTED
Locked-in to Decision to switch	H7: Locked-in has a significant and negative impact on switch decision.	SUPPORTED
Apathy to Decision to switch	H8: Apathy has a significant and negative impact on switch decision.	NOT SUPPORTED

7.4 Contribution Of The Research Findings

Firstly, this study contributes to the additional knowledge and application of the migration theory in the switching of service from conventional to Islamic banks. Secondly, this research study is comprehensive in the range of variables to explain the switching decision of customers from conventional banks to Islamic banks. The major strength of this study is the approach which combines all three components of push, pull, and mooring factors in one model to explain switching decision. There are several other more or less similar studies such as those by Colgate and Lang (2001), Patterson and Smith (2003), Clemes *et al.* (2010), Panther and Farquhar (2004), Murad (2011), Ramaiyar and Jayalakshmy (2012), Abduh *et al.* (2012), Murungu (2013), Munazza and Ilhamie (2014), Marinkovi and Vladimir (2014), Awan and Azhar (2014), Vyas and Raitani (2014), Akhtar *et al.* (2016), Al Ghammari and Ahmed (2017), and Rehman and Alharthi (2016). These research studies discussed the determinants of customers' switching behavior, but this study goes further into understanding customers' switching decision.

Several studies have been conducted using the push-pull-mooring (PPM) model in the service sector such as that by Bansal *et al.* (2005), Valenzuela (2010), Hou *et al.* (2014), Hsieh *et al.* (2012), Chang *et al.* (2014), Misbah (2014), Xu *et al.* (2014), Sun *et al.* (2017), Nazmul (2017), Lu *et al.* (2020), and (Hati *et al.*, 2020). Nevertheless, the current study is most probably the first study to explore the push-pull-mooring model in Omani retail banking sector, especially in terms of switching decision from conventional to Islamic banks.

7.5 Theoretical And Managerial Contributions

The present research is unique in nature, and it contributes in numerous ways. It contributes to both theory and practice, which clearly strengthens the significance of the study.

7.5.1 Theoretical Contributions

This study was conducted based on the theory of migration. The study aimed to identify the barriers that slow down the decision to switch to Islamic banking in Oman.

The result of the study suggests that among the causes to switch as informed by the respondents are the existing push, pull, and mooring determinants. These factors were studied in alignment with the existing literature that clearly expresses these determinants' impact on the decision to switch. These determinants were previously studied by other researchers, such as Patterson and Smith (2003), Panther and Farquhar (2004), Colgate and Lang (2001), Gerrard and Cunningham (2004), Naumann *et al.* (2010) and Misbah (2014) who investigated the different aspects of push, pull, and mooring factors on switch decision. However, the present research investigated a combination of push, pull, and mooring factors and their impacts on customers' decision to switch in the context of Oman's retail banking industry.

7.5.1.1 Push factors

This study further investigated three push factors, which were service quality, trust, and customers satisfaction. The service quality factor was trifurcated into three dimensions, which were interaction quality, physical quality, and outcome quality. The theoretical contribution of this study is reflected in the context of service quality, customer satisfaction, and trust that have a significant impact on switch decision, with interaction quality being the only one that has an impact, while the remaining two dimensions are not impacted. The result of the study shows that service quality is a significant determinant that triggers a customer to switch from one bank to another bank as described in previous studies such as those of Chukwuemeka and Agu (2016) as well as Parasuraman *et al.* (2005). Furthermore, the customer satisfaction and trust factors are also integral indicators that push a customer to switch from one brand to another brand or one organization to other organization. An organization that offers better services and providing a higher level of customer satisfaction motivates customers to switch to the organization (Farris *et al.*, 2010; Kotler & Armstrong, 2013). Similarly, as customers' trust is built towards one organization as compared to other organizations, the customers are likely to switch from the existing organization to a new organization (Yousafzai *et al.*, 2009; Zhang *et al.*, 2012). These results affirmed the results of previous studies, and they simultaneously confirmed the theory of migration-based model. In other words, it can be concluded that the push factors play an integral role in switching customers to a new organization.

7.5.1.2 Pull factors

The pull factors as the determinants attract customers to use the product from the organization. It varies from person to another person and one segment to another segment. In this research and as per theory of migration, the pull factors are perceived relative advantage, which has three dimensions that are price, religion, and social prestige. Based on the results of the study, religion is the only determinant in the pull factors that is attracting customers and acts as a source for switching from other banks to Islamic banks. These determinants are part of the theoretical contribution of the study besides the existing pricing and social prestige determinants. In Oman, religion is the highest authority, and people follow the rulings of the Islamic religion as part of their daily practices and in every aspect of life. As such, religion is also a great determinant to pull the customers to switch to Islamic banks.

7.5.1.3 Mooring factors

The mooring factors are the greater aspect of this research. They play a direct role towards the switch decisions. The mooring factors were complexity, switching cost, locked-in, and apathy. As per the results of the study, they reveal that switching cost, complexity, and locked-in are great influencers that influence to switch decisions, while apathy does not play any role in influencing to switch decisions. The results suggest that the customers who are bearing the lowest switching cost expense, not much complex procedures, and are not locked-in with existing banks are likely to switch to Islamic banks from conventional banks. However, in the situation of apathy, the people have the perception that organizations are offering the same products and services. They do not differentiate between the conventional and Islamic banking services. Due to this perception, they remain with the existing organization and do not switch. These are the significant theoretical contributions along with switching barriers that also play an integral part for the customers to move from one organization to another.

This model is the prime object of the study and was tested scientifically. This is the key contribution to the body of knowledge, having theoretical and industrial implications. As per the results, should customers face the issue of complexity in terms of procedures and getting the perceived relative advantage, then it results in a significantly combined effect in the customers switching from their existing banks to the Islamic banking systems. In addition, the study also confirms that if the customers have no locked-in issues and are not getting the perceived relative advantage, then they may also easily switch to the Islamic banking system from other banking systems.

Such has been the summarized findings established from the push determinants examined and investigated in the Omani banking industry and tested on the Omani people towards Islamic banking. The study's results reveal that customers are highly concerned about these factors in making the decision to switch from conventional banking to Islamic banking. More importantly, the research of this nature was done for the first time in the Omani context.

The pull factors are also playing an integral role. From the study's results and discussion, it clearly shows that as a whole, perceived relative advantage plays a significant role in customers' switching from the conventional banking to Islamic banking. However, to the better and deep understanding and separate testing of the dimensions, religion is determined as the most powerful key determinant that triggers a person to switch from the conventional banking to Islamic banking. This determinant was tested for the first time in the Omani context.

In terms of the mooring factors, switching cost, complexity, and locked-in performed as successful determinants that play a vital role for switching from conventional banking to Islamic banking, while apathy does not seem to function the same. A probable reason to that is the customers may perceive that the products and services are the same as to what conventional banks offer.

As per the theoretical research approach, it was hypothesized that mooring factors have a significant impact with the push and pull factors combined, or with their interaction towards the switch decisions in the Omani context. However, the results of the study reveal that complexity and locked-in with pull factors work together and significantly impact on the switch decision in the Omani context.

A possible justification to explain the phenomenon behind these findings is that the Omani people are not much concerned about switching cost or other factors. However, if these factors are combined with the complexity and perceived relative advantage factors, especially the religion factor, locked-in, and perceived relative advantage towards switch decision, then they might switch from conventional banking to Islamic banking.

As this model was developed and tested for the first time in the Omani context, the findings are therefore the greater contributions to the existing body of knowledge, especially in the banking sector in Muslim countries where the Islamic banking industry aims to attract Muslims to switch their accounts and banking services from the conventional banking to Islamic banking.

7.5.2 Industrial or Managerial Contributions

The management of Islamic banks must acknowledge that to compete with commercial banks, more focus needs to be given on interaction quality in designing the positioning strategy of Islamic banks. The staff must have required hard skills and soft skills to provide quality in interaction with the customers. Human resource department needs to put more focus on staff training and developmental programs. Banks should seek to develop strategies to enhance customer satisfaction, service quality, and put efforts to gain the trust of customers. By improving quality of service, customer satisfaction and trust, Islamic banks can attract more customers.

Further, banking terms and conditions, along with the interpretation of Shariah, process and procedures should be understandable. The findings of this study illustrate that religion is the key pull factor to attract the customers to make the decision to switch. Managers should focus on the strategies in identifying the ways to show the importance of Islamic banking from a religious point of view. The utilization of high technology such as talk shows on TVs and radios, social media advertisement, webinars etc. to showcase Islamic perspective brings awareness among the customers. In addition, open question sessions in which people can ask their queries about the concept and application of Islamic banking may bring more awareness among customers.

This study also gives a significant contribution to the Omani Islamic banking industry. Being an Islamic Sultanate, the country is concentrating on the Islamic banking system and trying to engage customers from the conventional banking system to the Islamic banking sector. The banking sector professionals deeply focus on the determinants of how they can capture a high number of conventional banking customers and to attract them to switch to using their services. This research has discussed in detail that apart from service quality, customer satisfaction, trust, and other pre-requisite as well as compulsory services, the perceived relative advantage, especially religion, is the key determinant for attracting customers. Therefore, the corporate executives of Islamic banking should deeply focus on Islamic banking products and promote them, which is a greater source for customer attraction. Moreover, the banking expert should concentrate on the simplicity of procedures, lowering the switching cost, offering a wider range of unique services, of which these will become the greater advantage for the customers who want to switch from the conventional banking to Islamic banking.

In a nutshell, the corporate executives and governing bodies of Islamic banking should take serious actions and should perform strategic planning to attract the customers by using the research findings of this study as a guideline. By doing so, they might be able to gain a huge customer base and convert conventional banking customers to Islamic banking customers.

7.6 Implications And Conclusion

This study has implications for the corporate professionals, executives, and government for them to take necessary actions to successfully establish the Islamic banking sector in Oman. It is the responsibility of the Islamic banking experts to devise products and services in a way which is easily understood by the common public. Further, to make these products and services of the Islamic banks available for the common public, Islamic banks should define simple procedures and steps, enabling the people to take maximum advantage of the Islamic system and to switch from conventional banks due to the elimination of the barrier of locked-in. This will most likely result in attracting more customers to Islamic banks. Besides enhancing the customer services through improved interaction with the customer, the banks should also provide better training and professional education to Islamic banking officers. Islamic banking corporate should also focus on physical quality and outcome quality. Lastly, the results of this study also have useful insights that can be used by the Government of Oman to take action in developing a strong Islamic network across the country to facilitate people who desire for the Islamic banking system.

Thus, the study concludes that the people of Oman warmly welcome the Islamic banking system. The study also concludes that by improving the factors of trust, customer service, and religious belief, Oman is a prospective and positive place for Islamic banking services to thrive.

7.7 Limitations Of The Study

The present study was conducted using the cross-sectional method to investigate the impact of the determinants examined in the study on bank customers' decision to switch. Like other studies, this study is also not without limitations. Firstly, this study was carried at one point in time which represented the general overview of the determinants. Data collected in longitudinal and time-lag methods may produce different opinions and may result in various other options involved in switching decision.

Secondly, the study collected data through a quantitative method, i.e., survey questionnaire method. A self-administered questionnaire was used for the collection of data. Data collection using qualitative techniques or mixed-method approach, i.e., qualitative and quantitative, may generate different opinions of the people of Oman.

From this method, the better the results can be obtained with the ability for generalization.

Thirdly, the data was collected from 400 respondents from three major cities availing the services of conventional banks only. The opinions of the existing customers of the Islamic bank windows operating in Oman may bring some different opinions. Also, the data should be collected from the banking staff and the institutional financial experts as well. Moreover, an increased number of sample size will further authenticate the findings, enabling a higher generalization of the results. However, due to time limitation, the data was only collected from 400 respondents.

Lastly, the data was collected from three locations (i.e., Muscat, Sohar, and Salalah). Data collection from other cities would have further clarified the opinions of the people of Oman. The limit of three locations was determined due to resource and cost constraints. It is recommended that the data should be collected at the national level from all big cities in Oman for better understanding and generalizability of the results.

7.8 Future Research Directions

This study provides various insights for the future exploration of researchers in the field. The hypothesized model was examined by a self-report data collection, which may have a tendency towards common method bias. The present study was based on three major determinants; push factors, pull factors, and mooring factors in response to the decision to switch. The push factor consisted of service quality, customer satisfaction, and trust. Service quality had three dimensions; interaction quality, physical quality, and outcome quality. Future research should be carried out by including other push factors than the ones used in this study to find out how these factors impact the decision to switch. Furthermore, other service quality models should be explored and tested on the decision to switch determinants.

The study proposes that other perceived relative advantages other than price, religion, and social prestige should be explored and tested for a better understanding of this model. Oman is an Islamic country, where religion is the stronger pulling factor that requires further exploration. In addition, it is recommended for future researchers to identify other factors that can influence the Omani people in attracting them to switch from conventional banking to the Islamic banking system.

The present study examined four mooring factors, i.e., switching cost, complexity, locked-in, and apathy. It is recommended and proposed for future studies that other mooring factors should be explored and examined to find out the interaction effect for this model. The factors examined in this study are the major determinants that play an integral role in customers' decision to switch, but further indicators should be explored and examined for better understanding and generalizability of the research of similar nature.

The present research collected and examined data within the realm of the quantitative research design. Hence, future studies should be carried out using the mixed-method research along with quantitative data and qualitative data collected from respondents and experts for better understanding of the model. Moreover, it is suggested in the qualitative method that numerous methods to be carried out, i.e., interviews, focus group discussions, and individual discussions. From this point of view, not only that data is gathered in a quantitative way, but also detailed qualitative data that provides deep causes should be explored to find out the impact on the decision to switch.

The present research was carried out in the major cities of Oman. Therefore, future research is suggested to be conducted in different countries of the Gulf region in order to compare the results in various Gulf countries.

Lastly, it is recommended for future researchers to implement advanced statistical tools other than AMOS, i.e., Mplus, SmartPLS, and R language for multi-level modeling.

7.9 Chapter Summary

This chapter has focused on the practical implications, conclusion, limitations, and the direction of future research. It has provided an overview of the thesis statement and discussed the implications as well as conclusion, all of which had particular benefits to the related industry and the Government of Oman. The limitations as well as corresponding recommendations were duly forwarded as well.