CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter discusses the concept and development of Islamic finance as well as selected theories and models on an individual's switching decision. Within the migration theory, different models are discussed that leads to the selection of push-pull and mooring model that makes up the overall construct of this study.

2.2 The Concept of Islamic Banking

Islamic finance is termed as the provision of financial services following Islamic jurisprudence. Shariah is the tenet, upon which Islamic finance is based and upon the teaching of which Islam prohibits interest, gambling, products with excessive uncertainty, short sales, and funding. All these prohibited activities are deemed to be harmful to the society and the individual himself (Usmani, 1998). Under the setup of Islamic finance, the parties of the agreement are required to honor the principle of fair treatment as well as the sanctity of contracts. Moreover, transactions under Shariah, as is the case in Islamic finance, has to be underpinned by real economic activities characterized by risk-sharing in the economic transactions (International Monetary Fund, 2017). Several Islamic financial institutions as well as organizations operate in an interest-free mode.

From the perspective of the Muslims, people are the trustees of God Who own all that exists. The Muslims believe that humans are responsible for the injustice, misuse, and the breaches of trust, which God has placed in them (Beekun & Badawi, 2005). In Islamic finance, practitioners must understand the fundamental concepts of

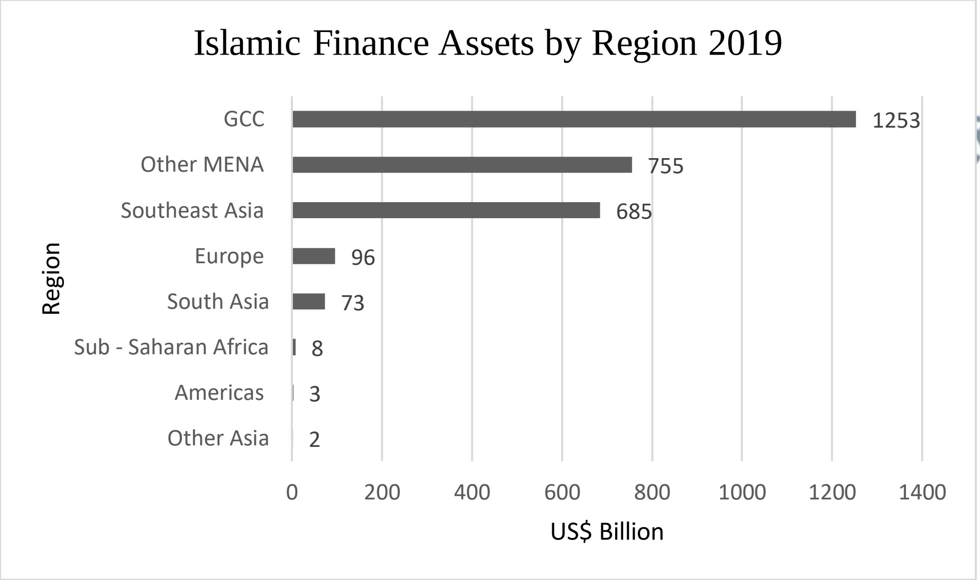
Islamic finance. Therefore, it is recommended that one should avoid causing wrong or injustice to others, to be conscious of the realities, as well as to have a sense of responsibility. It is imperative to always keep the principles of Islamic finance in mind, while negotiating a transaction with another party. The fundamental principle in Islamic finance is the prohibition of *riba* or interest while pursuing any financial transaction (Abedifar *et al.*, 2015). The Holy Quran is very particular when it comes to *riba,* where God has declared war on those who do not avoid dealing in the interest. The Holy Book of Muslims, the Quran, condemns all types of dealings that involve *riba*, participation in the activities pursuing *riba*, and witnessing any *riba*-based transactions (El-Gamal, 2006). Therefore, in Islamic finance, the word 'interest' does not exist since finance is based on Islamic norms, which is based on the fundamental principles of justice, reasonableness, fairness, and morality (Novikov *et al.*, 2020).

The main characteristic of Islamic finance is prohibition of lending at interest. This financial system meets old concerns leading to usury condemnation (Blitz & Long, 1965; Visser & McIntosh, 1998) that are not specific to Islam. Usury is also prohibited in the Holy Bible, specifically in the exodus (Chapter 22, Verse 25) and Leviticus (Chapter 25, verse 34 to 46). Even today, a number of countries limit their interest rate, such as Canada, as their criminal code stipulates that it is illegal to lend money with an annual interest rate higher than 60 percent. Therefore, Islamic finance is a paradigm as such with ethical principles, system of law and interpretation that allows some adaptation to modernity (Moisseron *et al.*, 2015).

2.3 Development Of Islamic Finance

Islamic finance is emerging as a rapidly growing part of the financial sector. It is not restricted to Islamic countries per se, but is spreading wherever there is a sizeable

Muslim community (Iqbal,1997). According to the Islamic Finance Development Report 2020, the Islamic finance industry saw double-digit growth of 14 percent in 2019 to a total US$2.88 trillion in assets. This happened despite the uncertainty felt across the largest Islamic finance markets over the past few years due to sustained low oil prices and subdued industry growth in 2018 (Mohamed *et al.*, 2020).



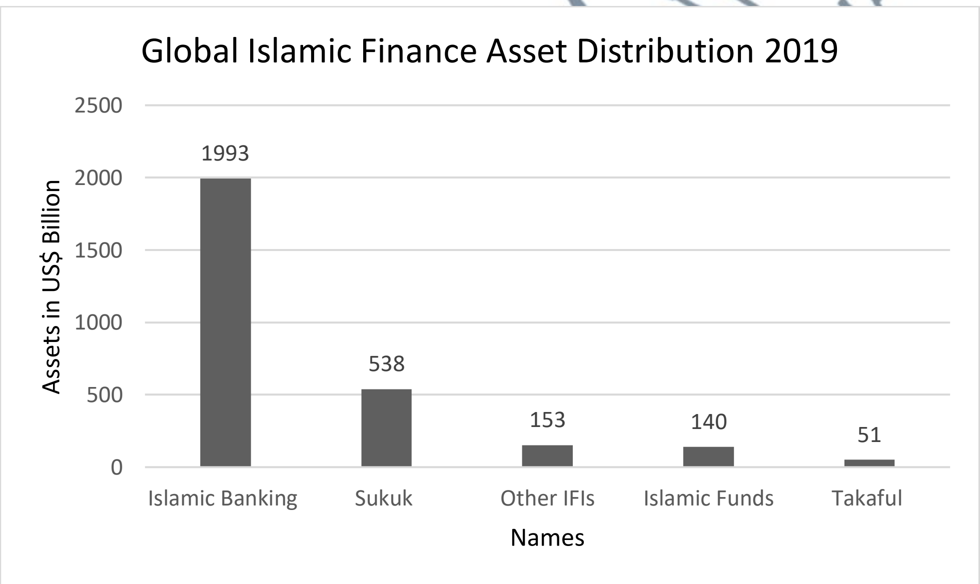
Source: Mohamed *et al.* (2020)

Figure 2.1: Islamic Finance Assets by Region 2019

The development of Islamic finance is moving at a very fast pace and is the key to almost every Muslim country that wishes to establish the Islamic financing system. The Asia Pacific region has established a strong foundation for Islamic finance. Like all other regions, the Islamic banking industry is also growing widely in this region of the world with tremendous expansion because the Muslim population makes up to 62 percent of the total region's population (Mohamed *et al.*, 2020).

The Gulf Cooperation Council (GCC) is known to be the heart of the Islamic world globally. Saudi Arabia is governed by Shariah law that hosts two holiest shrines of the Muslims in the Islamic world. Therefore, GCC is considered the center of the expanding Islamic finance, which entails insurance, fund management, investment, retail banking, and trading of Shariah-compliant securities, which is also referred to as *ṣukūk*. As per GCC, Shariah-compliant assets are estimated to be more than 1253 billion USD, while that of Iran alone is 698 billion USD, whereas, globally, the Shariah-compliant assets are around 2.88 trillion USD.

Islamic Banking shares amount to 69%, *Sukuk* 19%, other IFIs 5%, Islamic Funds 5%, and Takaful with 2% of total Islamic Finance Asset Distribution globally. The figure below shows the amount of assets in billions USD.

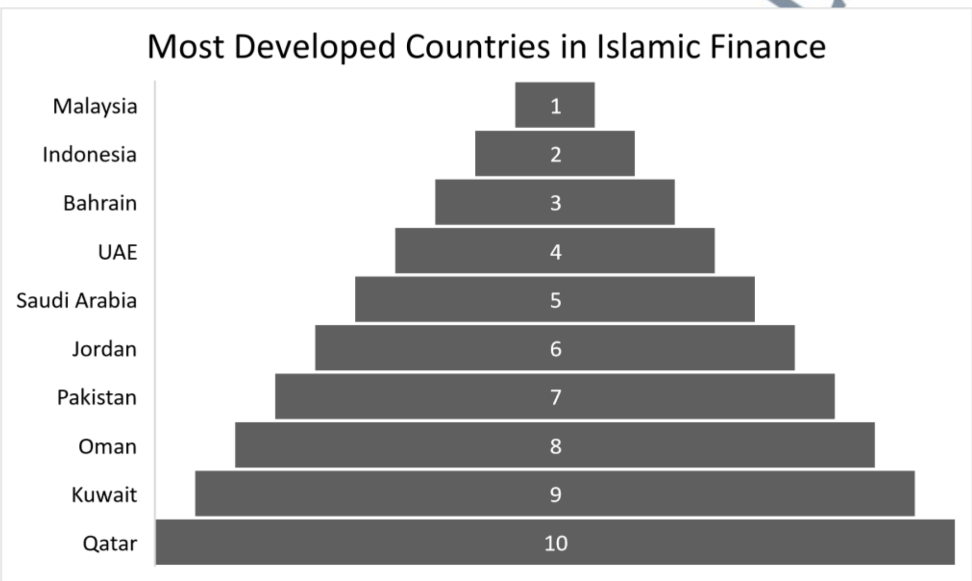


Source: Mohamed *et al.* (2020)

Figure 2.2: Global Islamic Finance Asset Distribution 2019

Islamic financial institutions have recorded a remarkable performance in the past decade, and the global assets have reached to around 2.88 trillion USD.

Figure 2.3 provides the rating given to the countries based on the global Islamic Finance Development Indicator (IFDI). It delivers a detailed analysis of the key driving factors in the Islamic finance industry to the key stakeholders. The five main indicators for the IFDI are quantitative development, knowledge, governance, corporate social responsibility (CSR), and awareness. According to the IFDI, following are the top-ranking countries:



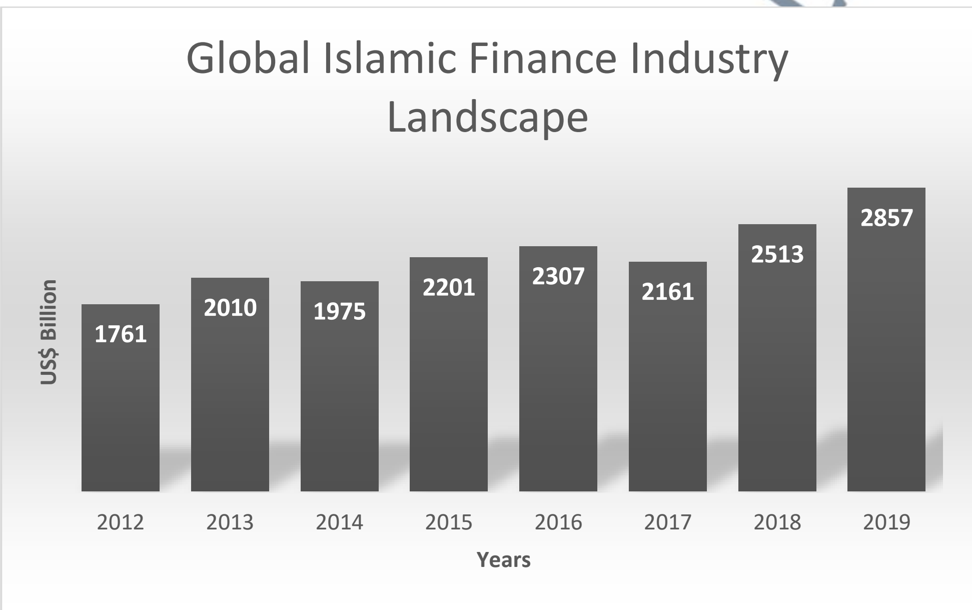
Source: Mohamed *et al.* (2020)

Figure 2.3: Most Developed Countries in Islamic Finance 2019

Islamic finance assets are still concentrated in the GCC region (45.4%), Middle East and South Asia (25.9%), and South-East Asia (23.5%). Islamic banking is considered as systemically important in 13 IFSB jurisdictions. 91.4% of Islamic banking assets are concentrated in jurisdictions where Islamic banking is of systemic importance. 83.6% of *ṣukūk* outstanding and 77.6% of *ṣukūk* issuances in 2019 were in jurisdictions where Islamic banking is of systemic importance (Mohamed *et al.*, 2020).

Malaysia is considered as the main hub of the Islamic financial industry, having established the first Islamic financial institution in August 1962 known as Lembaga Urusan Tabung Haji, which allows Muslims to invest in the interest-free accounts in the

Islamic banks. The developments do not stop there, as seen in the establishment of Islamic banks in Africa in 1982 with a total number of seven countries. As a positive outcome of this initiative, the Islamic banking industry has thrived, and even small countries offered the Islamic system in Africa (Islamic Financial Services Board, 2018).



Source: Mohamed *et al.* (2020)

Figure 2.4: Global Islamic Finance Industry Landscape 2020

Alharbi (2015) analyzes the establishment of Islamic banking system from its conceptualization as an interest-free banking to the emergence and establishment of Islamic banks (1963-1976). His study continued to the spread of Islamic banks from 1977 to present with some of the main phases associated with the modern Islamic banks which have also undergone the development effectively. Earlier Islamic banks now stand as a strong pillar for the Islamic financial system, while travelling on the road of continuous development. Later on, other Islamic banking bodies were also established to promote and regulate the Islamic finance industry in its true spirit, while the current financial crisis has significantly influenced the strong stage set by the conventional banking system. On the contrary, Islamic contractual stipulations have introduced certain features of inherent risk-return, which are sometimes not compatible with the banks' risk-return appetite (Ahmed, 2014). In addition, the accounting implication of Islamic banking products seems to be different from the products and the nature of transactions by the conventional banking system. The Islamic finance practice under the Western legal regimes has also been influenced by the Regulatory Authority approach towards Islamic banking. As per Islamic principles, the prohibitions under the law of Islam have been classified into *riba* and *gharar* where *riba* means growth or increase, which has been prohibited by Shariah, while *gharar* means danger and it also has been signified as a deception. However, *gharar* has already existed in terms of a contract or the contract object (Abedifar *et al.*, 2015)

The study by Ashraf (2013) examines the development and growth of the Islamic banking system in Pakistan. Islamic banking has been established at a very rapid pace in the last two decades in both Muslim and non-Muslim countries. In the other countries of the world, the conventional system of banking has dominated the financial system, and in various countries, they are operating side by side with the Islamic banking system. This shows that there is a diversification trend observed, such as in advanced countries like the USA and Europe. In this context, the Islamic financial instruments have also been offered by conventional banks. Moreover, the Islamic banking system has kept on growing and emerging as a strong banking system, which is not considered as a niche industry of the existing financial sector services.

The emergence of Islamic banking has been investigated by Waemustafa (2013). The study indicates that the evolution of Islamic banking has brought great changes to the industry of finance. Until today, Islamic banking growth has proven that Islamic banks are appreciated and are demanded by the people as well as preferred by the Muslim majority. Further, the Islamic banking system can operate parallel to traditional banking products and offers a wide variety of products and services, through which Islamic banks can cater to the household and corporate customers.

In the 21st century, Islamic banks have realized that their risk exposure is considerably higher than that of conventional banks. The nature of the Islamic mode of financing has provided higher returns and risks, especially when the Islamic banking instrument is not carefully exercised according to the principle of Shariah. The role of Islamic finance in sustainable development has been investigated by Sadiq and Mushtaq (2015). The findings of the study show that the Islamic financial system has played a fundamental role in achieving the goals of sustainable development in the country. Besides, the financial institutions have established the special units to serve microfinance consumers in the Islamic banks to achieve organizational diversity and to minimize risk. Institutions of Islamic microfinance play a key role to establish sustainable avenues for the inclusion of Islamic finance effectiveness.

2.4 Major Challenges of Islamic Banking In Oman

Although the Islamic financial system has a lot of opportunities, yet it is not without challenges. Oman faces various challenges since the country established its Islamic banking industry (Syed *et al.*, 2012). The foremost challenge faced by Oman is to establish its economic industry according to Muslims' traditions, ethnicity, and beliefs. Currently, the Sultanate of Oman is supported by the conventional financial sector, which works on interest-based mechanisms, due to which it becomes a big challenge to develop a parallel Islamic banking structure as an alternative to the existing conventional financial system. The majority of the people, even Muslims, are not much aware of Shariah and its philosophy. The mechanism as defined in the Shariah philosophy is complex. If the interest from Islamic banks is abolished, it will make the Islamic financial institution akin to charitable institutions rather than commercial services that offer financial services without any return value. However, this is a completely wrong assumption. Interest-free Shariah Islamic finance is only for charity, but in commercial finance, Shariah has different procedures laid down that is very critical to be understood for consumers.

The Islamic retail banking in Oman faces various challenges. One of the greatest challenges around the globe is that supervisory and regulatory frameworks governing Islamic banking were initially developed for the conventional banking system. Such frameworks emerge as hindrances to the development of Islamic banking since they do not take into account the special nature of Islamic banking. Besides, the Islamic banking industry still lacks a proper economy of scale (Haque *et al.*, 2007). The Islamic banking industry operates in an environment where there is a weak financial infrastructure, legal and tax rules, conditions of central bank liquidity, and access to financial safety nets. In most countries where the above-mentioned conditions are available, they do not consider the special characteristics of financial infrastructure, legal and tax rules, central bank liquidity, and access to financial safety nets (Ernst & Young, 2014).

Another challenge is the size of Islamic banks in Oman. Currently, the size of Islamic banks operating in Oman is much smaller than the size of conventional banks. Following this, the infrastructure of Islamic banks is also not as strong as that of conventional banks. Therefore, the competition between Islamic banks and established conventional banks, such as Bank Muscat, National Bank of Oman, and Dhofar Bank remains quite stiff. The establishment of Islamic windows in the existing conventional banks is another challenge because conventional banks have more branches, a greater number of ATM and CDM, better mobile applications, better online banking system, and trained staff. Due to these factors, a customer finds it relatively easier to switch to the Islamic banking window of the same conventional bank where they have already an account instead of switching to a newly established full-fledged Islamic bank.

It has also been observed that Islamic windows are promoting an uneven playing field since they draw liberally upon parents' resources, and at the same time are prone to non-compliance and credibility issues with the potential to mix Islamic banks with the conventional banking sector. Currently, Oman enjoys a well-established conventional banking sector with a wide network of branches, while at the same time, full-fledge Islamic banks are trying to set up new branches. Compared to full-fledged Islamic banks, windows have a higher number of branches, which is 53 against 19, while 33 branches are outside Muscat governance compared to 12 of the full-fledged Islamic banks.

Islamic bank windows should offer only Islamic banking products and services, while the conventional bank branches shall not carry out Islamic banking business. There is co-mingling since Islamic bank windows provide finance with parent banks or other conventional banks because of a certain limitation of the Islamic bank such as Islamic banks do not have their independent core IT system and interfaces. Additionally, there is a lack of certification by credible third parties. Moreover, windows do not have their dedicated treasurer to manage Shariah-compliant instruments for their treasury functions. In such circumstances, the customer feels hesitant to move from their current conventional bank accounts to the windows of the same conventional bank because there is a lack of trust as they feel both are alike (Islamic Financial Services Board, 2018).

In all service industries, especially banking and specifically the Islamic banking sector, human inputs are considered as most important. The bankers are positive about Islamic banking products and services. However, although they deal with Islamic banking products and services throughout the day, yet, they are not much clear on the scope and mechanism of the Islamic bank and product systems. This indicates limited training facilities resulting in scant product knowledge, which is ultimately translated into bad customer service and experience. Such an inability of the Islamic banking staff turns into a relatively less proficient and inexperienced front-office staff who deal with customers because most Islamic banking employees do not have deep knowledge and enough experience in Islamic banking system (Kiran, 2014).

2.5 Theoretical Background

An understanding of theory is necessary for an understanding of the model (Weick,1989). According to Llewellyn (2003), theorizing expresses the meaning and significance of social phenomena. It discusses peoples' everyday experience and generates expectations about social world. Theory and data are interdependent in social science, and the meaning of data cannot be accessed without theory and theories cannot be validated in any straightforward way through 'data'. In this section, the Migration theory and the Push-Pull Migration model are discussed.

The literature of switching behavior shows that the term 'switching' is often assumed to indicate the switching decision of customers from their current service providers to the provider they desire. To better understand the switching decision of the customer, the current study builds upon on the migration theory, which uses push-pull and mooring factors. Out of these three factors, push factors relate to the negative factors that push the customers to migrate from their current banking system to another banking system. On the other hand, pull factors are the positive attractions that are perceived about the new destination, i.e., the Islamic banking system. However, switching decision from one service to another service is not easy and simple. There are certain barriers that influence the decision to migrate. These barriers are known as mooring factors (Misbah, 2014).

All the theories and empirical tests have a different purpose in an inquiry; hence, they all are equally important. Consistent with this, the section that follows discusses in detail the migration theory, push and pull model, and mooring factors.

It is important to define terminologies before discussing the theory. Migration is defined by Boyle *et al.* (1998) as a movement of a migrant between two places for a certain period. Cohen (1996) states that migration depends on the length of time involved; it can be permanent or temporary. The concept of migration is further bifurcated by Dadush and Niebuhr (2016) that migrants can be voluntary or refugees. Similarly, scholars attempt to describe consumer switching behavior as voluntary or involuntary witching (Keaveney,1995). Voluntary switching occurs for certain reasons, for example, due to the failure of core service or due to high competition. Contrarily, involuntary switching occurs due to the closing of other things by the service provider (Serra, 2006).

Migration is a broad concept and is viewed differently by different disciplines. Migration is a subject that carries out an interdisciplinary approach; each of the disciplines shares something either theoretically or empirically (Gheasi & Nijkamp, 2017). For example, anthropologists view migration as the network and transnational communities, while geographers show interest in spatial dimensions of migration. Sociologists and economists draw attention to the importance of social human capital and highlight the hindrances they face during migration. Political scientists focus on the interest of organizations in formulating public policies. With the help of legal scholars, the impacts of migration on sovereignty and citizenship were found (de Haas, 2021). Historians highlight the complex experience and make people understand the concept of migration through experience, and emphatic understanding of the hopes, and ambitions of the migrant. Demographics have perhaps the best empirical grasp on the movement of people across the boundaries. They discussed the theoretical and methodological tools to show how the population dynamics effects in both sending and receiving societies (Van Hook, 2003). The details of migration theories are summarized in Table 2.1.

Table 2.1: Migration Theories Across Disciplines

Discipline	Research Question (s)	Units/levels of Analysis	Dominant Theories	Sample Hypothesis
Anthropology	How does migration effect cultural and affect ethnic identity?	Micro individuals, households, groups	Relational/ structuralism and transnational	Social networks help maintain cultural differences
Sociology	What explains incorporation and exclusion?	Macro/ethnic groups and social class	Structuralism or institutionalism	Incorporation varies with social and human capital
Demography	How does migration affect population change?	Macro/populations	Rationalist (borrows heavily from economies)	Migration has a major impact on the size, but a small impact on age structure
Political Science	Why do states have difficulty in controlling migration?	More macro/political and international systems	Institutionalism and rationalist	States are often captured by pro-immigrant interest
Law	How does the law influence migration?	Macro and micro/the political and legal system	Institutionalism and rationalist (borrow from all social science)	Rights create incentive structures for migration and incorporation
Economics	What explains the propensity to migrate and its effects?	Micro/individuals	Rationalist, cost-benefits and utility maximization behavior	Incorporation varies with the level of the human capital of immigrants
Geography	What explains the spatial patterns of migration?	Macro, Meso, micro/individuals, groups and households	Rational, structural and transnational	Incorporation depends on ethnic networks and residential patterns
History	How do we understand the immigrant experience?	Individuals/micro and groups	Eschew theory and hypothesis testing	Not applicable

Source: Brettell & Hollifield (2000, p.4)

The above table shows that there is a need for research on migration in the banking sector.

2.5.1 General Theories of Migration

The first theory is called Ravenstein's law of migration. This law is based on the concept of social science to describe human migration. According to Ravenstein (1885), the majority of migrants move only a short distance in one migration. This standard further assumes that the migration process proceeds step-by-step where each current of the migration produces a counter current. The standard further examines the gender and intention of migration and states that females are more migratory than males within the country of their birth whereas males are ventured beyond the country's boundary. The analyses in terms of migrants' age show that adults as families rarely migrate out of their country of birth, and migrants moving long-distance generally go by preference to the great centers of commerce and industry. Furthermore, Ravenstein found that natives of towns were less migratory than those of rural areas, and large towns grew more by migration than by the birth rate. He further discussed the benefits of migration, such as that migration improved transportation, developed commerce, and increased the working industries. He stated that major migration was caused from agriculture to industries or commercial centers, and last but not least, that the major cause of migration was economical (Alexander & Steidi, 2012).

Castles and Miller (1993) criticized Ravenstein's laws by saying that a Push-Pull Model would predict movements from densely populated areas to more sparsely populated regions (Tobler, 1995). At a later stage, the Gravity Model was introduced to predict the interaction between two or more places. This model has been used in geography to stimulate a variety of flow patterns, such as mail flows, traffic, telephone calls, and migration (Bouchard & Pyers, 1955). The gravity model is especially used to account for any interaction or flow, which is expected to move from one place to another. The original gravity model is based on Newton's 'Law of Gravitation'. The gravity model has two-fold theoretical principles; one is that the degree of interaction is directly proportional to the size of the masses, and the second is that the degree of interaction is indirectly proportional to the distance that separates them (Haynes & Fotheringham, 1984). Ravenstein later applied these principles in the form of origin-specific, destination-specific, and network or potential models.

This model was later reformulated to account for a network of interactions between the places (Sink, 2010). However, the gravity model faced a lot of criticism related to the validity of the population size as a population force for attraction. Furthermore, the simple linear distance was used and the frequency of movement as well as the cost of transport were also considered as weak points. Another criticism of this model was that the model treated all the migrants as one homogeneous group and did not describe the age and gender selectivity of migration. Therefore, it was suggested that the model was too simple to account for a complex phenomenon like migration and had no theoretical bases in social sciences (Hua & Porell, 1979). However, later on, the model was modified to make it maximumly applicable to study various forms of flow patterns.

Later on, an American sociologist, Stouffer, modified the gravity model and formulated his Intervening Opportunity Model in 1940. He introduced the 'law of intervening opportunities' that stated 'the number of persons going to a given distance is directly proportional to the number of opportunities at that distance and inversely proportional to the number of intervening opportunities' (Stouffer,1940 p.846). He further claimed that there was no necessary relationship between mobility and distance. Instead, the reduction observed in the volume of migration was due to an increase in the number of intervening opportunities with a rise in the distance. Further, he suggested that the number of migrants from an origin to a destination was directly proportional to the number of opportunities at that destination vice versa (Mangalam & Schwarzweller, 2016).

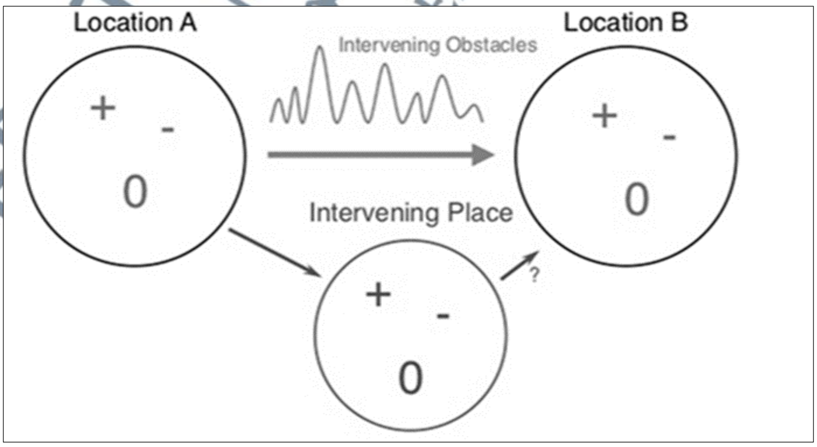
In 1966, Everett Lee proposed another comprehensive theory of migration. The theory formulates the factors that lead to a spatial mobility of the population in any area, and they are factors associated with the place of origin, factors associated with the place of destination, intervening obstacles, and personal factors. This theory advocates the idea that intervening obstacles block the migration to certain areas, whereas push and pull factors promote the migration from the old area to the new one. This model was used alongside Ravenstein's 'Law of Migration', the migration transition model and other models to show the patterns of migration comprehensively.

The "push-pull" framework (Bogue, 1969, 1977), with extensions to include intervening or mooring variables (Lee, 1966; Moon, 1995), is a dominant paradigm in migration research. Essentially, this paradigm suggests that there are negative factors in the origin that push people away, while positive factors at the destination act to pull people towards this side. The push and pull factors interact (Chang *et al.*, 2014), and tend to influence migration decision from one place to another.

The push factor is considered as anything or any number of factors that force people to move out of a certain area. There are three main types of push factors: economic, cultural, and environmental. There are other underlying factors within these three types of push factors, for example, few opportunities, discrimination, loss of wealth, and war. As shown in the Figure 2.5, the push factors are what drive people to move out of a certain Location A. Factors that induce people to move to a new location are called pull factors; a reason due to which an individual or a group migrates to a certain area. Similar to push factors, pull factors are also divided into three groups, which are economic, cultural, and environmental factors. However, unlike push factors that lead to the reason for leaving, pull factors deal with the reason for moving to a certain place, for example, job opportunities, better living conditions, attractive climate, and security. Pull factors are an integral part of Lee's migration model because they show the reasons for migrating from one place to another (Mangalam & Schwarzweller, 2016).

Intervening obstacles are the hindrances in the migration decision, which prevents the migration decision to a certain area due to the environmental or cultural feature of the land or any other factor. Cultural intervening obstacles are cultural taboos on travel or traversing hostile territory, whereas environmental intervening obstacles can be physical features such as mountains or deserts. Intervening obstacles are key aspects of the model as they help in identifying the intervening place of location A and location B (Colgate & Hedge, 2001).

Finally, the personal factors are of the utmost importance. The reason behind it is that instead of the actual factors associated with the place of origin or destination, the perception of the individual of those factors is more influential in the actual act of migration.



Sources: Bogue (1969), Lee (1966)

Figure 2.5: Lee’s Migration Model

Although Lee's theory (push-pull) has been acknowledged as a path-breaking model as it explains migration at different periods and has stood the test of time, it also faces huge criticism. Many scholars claim that the determination of plus and minus factors at both origin and destination is difficult to be identified because they are quantitative and especially for different groups and classes of the people. Furthermore, the presence of intervening obstacles is not helpful for demographers for the identification, regarding which factor is a major influencer, and which one is a minor factor. For this reason, Lee's theory offers less practical guidance for the policy and decision-making in developing nations (Lee, 1966).

Push-pull theories are a prototype version of neo-classical theories as they see migration at the macro level as a function of income and opportunity gaps between origin and areas of destination. In a similar context, the gravity model was developed in the early 20th century by geographers and later on adopted by demographers and economists. It was derived from the Newton's law of gravity to predict the volume of migration between places and countries based on the population size and economic opportunities in destination and origin areas (de Haas, 2021).

2.5.2 Comparison of General Theories

Molho (1986) reviewed the migration theory and presented a migration analysis theme that highlights the following significance:

1) There is a perception of optimality in the decision making of people, and if people's decisions are not optimal to the extent, it is because of insufficient or incomplete information.
2) In the financial sector, it has already been acknowledged that there is hidden or incomplete information that customers/consumers do not have access to

complete a necessary information (Ennew & Waite, 2013), which creates a strong impact on the decision-making process of the people.

3) The purpose of finding a distinction between migrations of speculations for the desired opportunity. On the other side, contracted migration undertaken to find surety of opportunity, which the destination already has.
4) In terms of distance treatment, which has a strong impact on the decision of migration, it is related to the opportunities spread out in the distribution of a geographic area. The cost of space in terms of transportation, moving from one place to another as well as elements of spatial inherent to the process of search needed for access to complete information.
5) There is a relation between processes of demand-side impact on types and numbers of available opportunities for migration. On the other side, processes of supply-side are related to decisions of people like people's preferences and conditions of demand along with obstacles, and the relationship between processes of demand-supply.
6) Highlighting the force of making the movement attractive, decisions are related to residence and working place relationship, heterogeneity in movement, property, and labor market in terms of movement as well as the relationship between them.
7) Time dimension refers to the period involved in making decision related to migration, the analysis in the present and past decisions of migration, and impact on changing the environment of the national economy on decision making of the people.
8) Aggregation question associated to the relation between the behavior of people/individuals and analyzing the aggregate movement of the patterns.

Molho (1986) and Misbah (2014) posited that the analysis of migration is highly important, but at the same time due to the complexity of the area, it theoretically creates a diversity of approaches. The selected theory for this research study is Lee's migration theory.

2.6 Migration And Switching Resemblance

In 1988, Ernst Ravenstein first discussed migration theory in his report, which was published in the Statistical Society of London Society journal entitled *Law of Migration*. This shows that migration indicates a long history. Nonetheless, there is no consensus on its clear definition (Moon, 1995). Migration theory deals with the inferences of population movements and their directions (Dyen, 1956). Simultaneously, Lee (1966) claimed that distance and difficulty did not matter, rather, every act of migration involved an origin, a destination, and an intervening set of obstacles.

According to Du Toit (1990), migration is a movement in space. He emphasized that every move, either from crossing the street or moving to another country, had similar attributes for an individual. He further emphasized that migration was a movement of an intelligent human being who evaluates the condition and opt for a change that is considered as an improvement.

Thus, from the above discussion, it is reasonable to synthesize that the concept of migration resembles service switching decision in many aspects where migration terms can be replaced with the service switching terms. In other words, a service switching involves moving from one service provider to another in order to achieve better services and offers, which migration is accompanied by a certain level of obstacles during the switching process.

2.7 Migration and Switching Barriers

Migration involves the movement of person between two places. The movement has broad-range international migration (migration across countries) and internal-maternal migration (within the same country). It could be temporary or permanent (Boyle *et al.*, 1998). Hence, holidays and business trips are not considered as migration. Jackson (1986) put forward that migration could be voluntarily or forced. He also believed that there might be factors in the migrant's own situation that constrained the migration decision. The phenomenon of the service provider is reasonable and straightforward. Migrants (consumers) move (switch) from one country (service provider) to another. They may freely choose to migrate (switch) between service providers and thus become voluntary migrants. Also, they may feel they have to migrate (switch) when the current service provider closes the service. In such scenario, it would be forced migration (involuntary switching). Consumers may switch from one type of service provider to another type of service provider, such as switching from a health club membership to plastic surgery to enhance their physical appearance which is similar to international migration. Sometimes, consumers switch between the brands of service provider which is similar to national migration across urban location (Bansal *et al.*, 2005). Thus, migration theory and switching has close resemblance.

The Push-Pull model of migration has a long history, starting in the 18th century when Ravenstein's 'Laws of Migration' laid down the foundation for the Push-Pull model. Heberle (1938) fully articulated the distinction between push and pull factors (Lewis, 1982). However, Jackson's (1986) Push-Pull model represents the most important contribution in the migration literature to the present day.

Lee (1966) added 'intervening obstacles' to the push pull-pull model. His model argues that human migration receives influence from three kinds of factors; push factors related to the origin, and pull factors related to the destination. He further stated that push factors drove people away from the original place, whereas pull factors attracted them to the destination. Mooring factors, on the other hand, are the factors that hinders migration (Moon, 1995).

According to Boyle *et al.* (1998, p.64), any simple comparison between push and pull factors is complicated in the presence of intervening opportunities. Obstacles like family obligations at the origin or the high cost of moving prevent the occurrence of migration. Therefore, even though the push and pull factors are strong, an individual may not migrate (Lee, 1966).

By applying the intervening factors from migration theory, the mooring factors are the variables of switching of service such as switching cost, subjective norms, and attitude towards switching. Constrains to migration include the time and moving cost (Gardner, 1981; Lee, 1966). Service researchers (e.g., Bolton *et al.*, 2000; Jones *et al.*, 2000) state finance, time, effort, ability and switching costs have shown effect on the switching decision. In migration research, mooring factors moderate the relationship between push and pull factors. The volume of migration is related to the difficulty of surmounting the intervening obstacles. One of the most important issue in migration decision is the difficulty of intervening obstacles (Lee, 1966). By extension, it is thus expected that even if push and pull factors are strong, a consumer may remain with the current service provider when mooring factors are strong (such as, a high switching cost or complicated procedure of switching may not let a consumer to switch).

This research study is based on the identification of push-pull and mooring factors for the switching decision of the customers from conventional banks to the Islamic banks. The barriers are the 'intervening factors' or 'obstacles' that hinder the migration (switching decision).

2.8 Switching From Service

Gerrard and Cunningham (2004) define switching from service as the exit of a customer from services. Based on the studies conducted in the past, researchers have found a list of factors that created a strong impact on customers' decision-making process to stop taking specific services. Roos (1999) discussed different models developed by different researchers to identify different behaviors of customers related to switching from service. The study indicates that usually, defection in the service received leads to dissatisfaction. However, dissolution commonly takes time. In a subsequent research study, Edvardsson and Roos (2003) highlight that gradual dissolution is normally placed when customers experience some unpleasant incidents in their moving/switching history. The scholars also mention that those unpleasant incidents in the process of switching are very similar to the factors identified as reason(s) for switching. Clemes *et al.* (2010) analyzed and discussed categories as defined by Keaveney (1995) in his switching service topic in order to understand factors in which customers switch in the banking sector. Many authors (i.e., Carter *et al.*, 2016; Gilad *et al.*, 1987; Lees *et al.*, 2007) use the typology of repertoire market to group factors in related categories including S (stochastic), ED (expectation disconfirmation), and UM (utility maximization). Stochastic factors include inconvenience, ethical issues, and involuntary switching, usually seem to happen by random and not in the control of service firms. These factors are explained in the subsequent section. ED (Expectation disconfirmation) includes failing to provide core services by the service provider and the response of not meeting expectations of customers, and considered as major reasons for switching service. In general, customers evaluate their experience with the service provider and decide after comparing perceived performance with some standard of consumption (if banks fail to meet expectations of customers, it is most likely that customers switch the service provider). UM (utility maximization) consists of the competition and the price, which presumes that customers are constantly looking for better service or utility and as they succeed, they immediately or gradually switch their service brand (e.g., if another bank is offering a better offer to customers such as low charges on different services, most likely that the customer will switch brand). In UM, push factors are seen as negative factors as they are shifting customers from one service provider to another. Therefore, poor customer service, poor quality of products, and poor prices influence customers' intentions over switching.

The attitude of migrants towards decisions to migrate and the influence of migration is by which an individual holding a positive migrating attitude is inclined to migration. Subjective norms were added by Bansal *et al.* (2005) as factors that contribute to the decision making in the process of migration. He refers to subjective norms as an individual’s behavior in a certain way due to social pressure. Ajzen (1991) argued that the theory of planned behavior established that behavioral intention affected real behavior. There are different findings from different studies on subjective norms. Bansal and Taylor (2002) test on subjective norms with intentions over switching and find that there is no direct or strong relationship between them. Additionally, Bansal and Taylor (2002) state that switching intentions are influenced by attitudes related to switching costs.

Further, Al-Swidi *et al.* (2014) claim that subjective norms significantly moderate the relationship between attitude and buying intentions. The results of their study showed that subjective norms significantly moderate the relationship between attitudes and buying intention as well as between perceived behavior control and buying intention. Furthermore, subjective norms significantly influence attitude toward buying intention.

Kilic and Uray (2015) describe that electricity supply is a business of service similar to telecommunication, banking, and insurance, and undoubtedly the relationship is a key differentiator in the service market. The relationship of an organization (bank) and the customer starts with an incident that ousts a client's agenda (Jones & Sesser, 1995). Out of many switching factors, satisfaction is considered a popular switching factor. However, other variables are relevant to this relationship (Jones *et al.*, 2000). Several factors, such as switching cost, service quality, trust, price, social bonds, value, and many other variables have also been studied extensively by scholars in the developed part of the world.

Another highly elaborated conceptual model for switching of service appears in the literature in the late 1990s. Keaveney (1995) adopted the Critical Incident Technique (CIT) while examining an incident-based study, a study that outlined the procedures for the collection of observed incidents. In this study, Keaveney identified a variety of factors, such as inconvenience, pricing, failure of core service, failure of encounter service, the response in the failure of service, competition, ethical problems, and involuntary switching. Similarly, Jones and Sesser (1995) conducted a study to identify the effects of satisfaction and the cost of switching on customer loyalty. Furthermore, Parasuraman *et al.* (1985) disclosed that service quality stimulated an antecedent of switching intention in both businesses to business and business to customer settings.

Another research study by Gremler and Brown (1996) identified interpersonal bonds as an antecedent to loyalty alongside switching cost and satisfaction. Further, Bansal (1997) proposed a model, the Service Switching Model (SSM) which was established from the study of Keaveney (1995). Later, Bansal and Taylor (1999) reexamined the model and renamed the model as the Service Provider Switching Model (SPSM). Another researcher, Roos (1999) developed the Switching Path Analysis

Technique (SPAT), which was based on the CIT to study switching as a dynamic phenomenon. The researcher also classified the factors under pulling, pushing, and mooring (PPM) dimensions. Bansal *et al.* (2005) proposed another model by adapting the PPM model of migration theory in service marketing by using the similarities between them (Hussain & Rizwan, 2014).

2.9 Customer Switching Behavior in Retail Banking

The study of Clemes *et al.* (2014) identifies eight variables contributing to the switching decision of the customer in Chinese retail banking. These variables include reputation, service quality, price, effective advertising, involuntary switching, switching cost, and demographic switching. Additionally, Colgate and Hedge (2001) propose a model of consumer switching behavior in the retail banking industry. The study argues that the consumer switching process in retail banks usually starts with dissatisfaction or a problem situation with the service provider concerning the consumer who may opt to complain or not to complain. The study also concludes that consumers are likely to complain about the problems, which are explicit such as billing errors and blunders in the service. On the other hand, consumers are likely to avoid complaining where the nature of the problem is judgmental and characterized by the degree of uncertainty. In addition to this, consumers also avoid complaining about the inconvenience of location and problem with the product pricing. Thus, consumers who experience judgmental problems are more likely to avoid making formal complaints, rather they quit and switch to another service provider. The findings of the research study reveal that there are three categories of problems that generally influence the consumers' switching behavior. Firstly, the switching process from the current retail banking, secondly, failure of core service, and lastly, the problem with pricing and denied services. The study is limited as it only focuses on the retail banking industry, which makes the scope of the study narrow and it emphasizes only on transactional issues that cause service switching. Above all, it examines only one side of consumer switching and only switch from dimension, not switch to dimensions (Eappen & Pavithran, 2017).

2.10 Switching Behavior of Islamic Banking Customer

Suryani and Chaniago (2011) classify five variables that retain customers in Islamic banking. These variables are compliance with Islamic principles, switching costs, service recovery, relationship approach to customers, and risk perceived. According to Awan *et al.* (2011), most of the customers' features of the product and quality of service are major factors influencing the selection for Islamic banks. Hashim and Kadir (2010) state that poor service quality is one of the critical factors in determining the switching action among the customers of Islamic banking. Additionally, the success of an Islamic banking system largely depends on the belief and trust of its stakeholders that all the components of the Islamic banking system have fully complied with Shariah rules (Nagano, 2010). This view has been strongly advocated by Rama (2015), in that Shariah compliance is the backbone of Islamic banking and the finance system. Khan (2019) states that if the Islamic banks fail to comply with Shariah principles and rules, this may result in Shariah risk and the shattering of customers' trust. In addition to these, it may also lead to credit risk, fund withdrawal risk, reputational risk, financial losses, and failure of the bank (Ginena, 2014). Such risk is evident from the results of the study by Ibrahim and Abduh (2013), of which they find that customers tend to switch services due to the issue of Shariah. Thus, non-compliance with Shariah principles is of the most important factor that leads to switching behavior of Islamic banking customers (Suryani & Chaniago, 2011; Wong, 2013).

Abduh *et al.* (2012) conducted a research study to investigate the service quality dimensions of Islamic banking and to explore the relationship between service quality and the switching behavior of customers. The findings of the study suggest that service quality is divided into five dimensions, which are profitability, the physical appearance of the bank, bank staff, accessibility, and the cost. The results of the study indicate that out of the five dimensions, service quality and profitability do not significantly influence the customers' switching behavior. However, other dimensions such as bank staff, the physical appearance of the bank, accessibility, and costs are considered as important factors.

Another research study conducted in India on the switching behavior of the customers in retail banking indicates eight factors, which are essential in order to assure the retention of customers. These factors are customer satisfaction, perceived service quality, effective advertising competition, customers' commitment, service failure, reputation and image of the bank, interest rate, and involuntary switching (Khanna & Sharma, 2017). Pirzada *et al.* (2014), in their study, conclude that the profit rate and interest rate offered by the banks also play a significant role in customer retention and loyalty. Additionally, they also emphasize that quality of service is imperative in the switching intentions of the customers. Thus, enhanced customer service leads to customer satisfaction and loyalty and the inability to provide these services will cause customers to switch banking service. Employee retention is important as the literature suggests that retaining existing customers is more profitable than attracting new customers (Chukwuemeka & Agu, 2016). Therefore, identifying and effectively managing the key drivers of switching intentions result in customer retention and loyalty.

2.11 Switching Models

Switching behavior has been described as a behavior of consumers who tend to switch to another brand due to the non-fulfillment of the customers' expectations (Chuang, 2016). In the following subsection, the main theories that have been developed are discussed in order to conceptualize consumer switching behavior from different industry contexts.

Table 2.2: Different Models of Switching Behavior

Switching Model/Theory	Author (s)	Industry Context
Product Importance Model-Based Switching Model	Morgan & Dev (1994)	Hospitality in a developed country
A Model of Consumer Service Switching Behavior	Keaveney (1995)	Contexts in a developed country
Switching Provider Switching Model	Bansal & Taylor (1999)	Developed country
A Catalytic Switching Model (SPAT)	Roos (1999)	Telecom in a developed country
The Switching Process Model	Colgate & Hedge (2001)	Retail bank in Australia and New Zealand
Three Components Model of Consumer Commitment Service Provider	Bansal *et al.* (2004)	Auto repairs and hairstyling service in Canada
Push-Pull and Mooring Theory	Bansal *et al.* (2005)	Auto repairs and hairstyling service in Canada
General Systems Theory of Consumer Switching	Njite *et al.* (2008)	Hospitality industry in developed county
Agency Theory of Consumer Switching	Aish *et al.* (2008)	Adverting agent relationship in Egypt
Prospect Theory of Consumer Switching	Marshall *et al.* (2011)	Financial markets in the Western world

Source: Nimako & Ntim (2013)

2.11.1 Product Importance Model-Based Switching Model

This model explains the consumer switching behavior in the hospitality industry, particularly in the lodging sector. The Product Importance Model develops three broad factors, all of which start with 'C'; context, control, and consumer. According to the model, the consumer considers different products differently and its importance varies. In line of this view, the importance of every given product varies from a group of customers. Product importance describes as the extent to which a consumer links a product to the salient endurance or situation-specific goals (Morgan & Dev, 1994).

Products can be perceived as instrumental or enduring depending upon its implication. The importance is instrumental when it fades away once the purpose of owing is achieved. Thus, the consumer switches the product providers easily after using the products or services with instrumental importance. For example, the importance of the hotel selected for the wedding fades once the wedding function is over. In another situation, instrumental importance is displayed when a consumer asks for a fine wine for the occasion; in such a case, the selection of fine wine becomes more important than the occasion itself. Therefore, under the contact destination, a variable plays the greatest role in the switching behavior of the customer. Morgan & Dev (1994) further identify that price is an equally important factor in the switching. Lastly, the study also reveals that under the category of the consumer, a family is a major influencer for the selection of a service provider. However, according to Kurekova (2011), this model has a limitation that it is only applicable to the hospitality and hotel industry and not applicable to other service industries. Thus, this model is not occasion-driven, and its importance does not expire with the use.

2.11.2 Model of Consumer Service Switching Behavior

This model is considered as one of the earliest theoretical frameworks for explaining consumer switching behavior. Through this model, an attempt was made to develop a generalized model of service switching behavior using an exploratory study design by way of the grounded theory techniques to classify the problems, incidents, and non-service factors. All of these motivate the customer to switch service as well as the consequences on consumer switching behavior. Although Bansal and Taylor (1999) identified eight casual antecedents to service switching behavior along with several sub-categories, however, they further suggested that more future studies are required to test the actual cause and effect of the identified variables (Nimako, 2012).

2.11.3 Switching Provider Switching Model (SPSM)

The Switching Provider Switching Model (SPSM) is a predictive model for customer switching process in the service industry. The main purpose of this model is to extend attitude-behavior to the marketing phenomenon by exploring the relationship between general attitude and specific behavior (Bansal & Taylor, 1999). This model is based on the Theory of Planned Behavior (TPB). This theory is an expectancy-value model, which is proposed in the psychology literature that provides a framework to study and explain behavior from the intentions in virtual and human behavior milieu. SPSM has been empirically tested and validated in several social science contexts. However, this model has been criticized for having a limitation, i.e., SPSM uses the TPB, which examines only the cognitive dimensions and does not include the effective dimensions or factors that ignite the switching intentions. It has also been recognized that SPSM is limited to a few mediating and moderating factors, and it requires to include the variables found in other studies to establish a comprehensive model of the consumer switching process (Morgan & Dev, 1994).

2.11.4 A Catalytic Switching Model (SPAT)

The model provides a methodology for analyzing relationships using switching behavior as a reference point. The Switching Path Analysis Technique (SPAT) covers the ending of a former relationship and the beginning of a new one. This model suggests that three main elements are involved in the switching process, namely, switching triggers, switching path, and switching determinants. Each of these is explained in the section that follows, i.e., triggers are the causes that make a consumer think about the need for switching. A trigger puts the consumer on the switching path and what the consumer expresses on the path as a reason for switching is referred to as switching determinant. This model emphasizes that as a result of the switching process, a consumer can either switch totally or partially. The model states that these triggers can be situational, influential, and reactional (Roos, 1999). Situational triggers involve certain factors in the consumer's own life such as demographic changes, which result in switching consideration, while influential triggers are factors related to the competitive situation that cause a consumer to consider the switching intention. Reactional triggers refer to the critical incidents during the interaction of customers and the service provider, which may lead the consumer to switch path (Nimako, 2012).

2.12 The Switching Process Model

This model is proposed to identify consumer switching behavior in the retail banking industry. This model states that the switching process starts with dissatisfaction or problem situations with the service provider in relation with the consumer; the consumer may hence opt to either make a complaint or not to make a complaint (Wang *et al.*, 2016). The literature suggests that the consumer is more likely to complain when the problem is more of a manifest kind that presents clear evidence showing the problem such as billing errors and service mistakes. However, a consumer may opt to avoid making a complaint where the problem is dependent upon the judgment that is characterized by the degree of uncertainty and perceptions involved such as location, inconvenience, or problem of pricing. Such type of customers, rather than making complaints, tend to quit and switch to other service providers. Colgate & Hedge (2001) stated that there are three categories of problems that generally influence a consumer to switch. These are failure of core service, pricing, and denial of the service. Out of these three problems, the failure of core service is considered as the most important factor that influences the switching decision. However, the study of (Colgate & Hedge, 2001) is not without limitations. Firstly, it is related to only retail banking industry, which makes the overall scope of the study narrow in explaining all the variables affecting consumer switching in other industries like telecom. Secondly, it focuses more on the transactional issues that cause service switching and examines only one side of consumer switching. Further, this model does not examine the issues in the given switching dimensions.

2.12.1 Three-Component Model of Consumer Commitment to Service Provider

This model addresses the role of consumer commitment to consumer switching intentions. The model equates the customer to an employee and the service provider as an employer. Bansal *et al.* (2005) drew on the concept of commitment in organizational behavior literature by developing a three-component model of customer commitment to service providers. This model conceptualizes commitment as three dimensions;

affective, normative, and continuous commitment ~~(Bansal *et al.*, 2005).~~ This model considers commitment as a center to a relationship paradigm. The three-fold construct of commitment describes that the consumer may stay with the service provider if they want to (affective commitment), ought to (continuance commitment), or they have to (normative commitment). This model is also limited to the auto-repair industry, and it focuses only on one side of the concept of switching. Further, the consumers switch from one service provider to another and refrain from complaining about the issues regarding switching while entering into a new relationship with another service provider (Nimako, 2012).

2.12.2 General System Theory of Consumer Switching (GSTCS)

This theory states that besides the push-pull and mooring framework, most of the other models have reviewed the switching behavior of consumers from a unilinear perspective or mere cause-effect relationship. These models are restrictive in nature and do not reflect the true picture (Njite *et al.*, 2008). According to the literature, the consumer service-supplier relationship can be viewed as a system, in which a change in one component affects every other component, which is perfectly captured by the General System Theory (GST). Based on GST, an alternative framework of consumer switching for the hospitality industry is needed to examine the dimensions of consumer switching phenomenon that are deeply interrelated (Bansal *et al.*, 2005), while the limitation of this theory is that it is yet to be empirically validated.

2.12.3 Push-Pull and Mooring Model

After discussing and analyzing different models of switching behavior, the push-pull and mooring (PPM) model is selected for the study. The model of push-pull and mooring has been used by many researchers to study the consumer's switching behavior in the service industry. Bansal *et al.* (2005) made another attempt to present a unifying framework to better understand the complexity of the process of consumer switching behavior named as Push-Pull and Mooring (PPM) migration model. This model identifies the issue of linearity that is displayed by existing models of consumer switching and highlights the need for a more elaborate framework that will minimize the risk of developing strategies that either understate or overstate the significance of certain variables (Ojiaku *et al.*, 2018). This model resembles the switching behavior with the migration theory to explain the marketing phenomenon. It states that the movement of people from one place to another place in human geography may provide a correspondence between the consumers' switching from one service to another service provider. This seems to be appropriate and reflects the previous work of Bansal *et al.* (2005), in which the authors have already indicated the similarity between consumer switching behavior and human migration. The present study is hence similar to that of Bansal *et al.* (2005) in which push, pull, and mooring factors are used. To note, mooring factors are used as switching barriers.

Bansal *et al.* (2005) state that quality, satisfaction, low value, trust, commitment, or price are push factors, while consumers are pulled by attractiveness and moored by an attitude towards switching, subjective norm, cost of switching, infrequent switching behavior, and variety seeking. The details of push, pull, and mooring factors used in the past are listed in Table 2.3.

Table 2.3: Push-Pull and Mooring Factors

S. No	Name of the author	Title of research paper	Push factors	Pull factors	Mooring factors
1	Bansal *et al.* (2005)	"Migrating" to New Service Providers: Toward a Unifying Framework of Consumers' Switching Behaviors	low quality, low satisfaction, low value, low commitment, high price perception	alternative attractiveness	unfavorable attitude towards switching, unfavorable subjective norms, high switching cost, infrequent prior switching, low variety seeking
2	Valenzuela (2010)	Switching barriers used to retain retail banking customer: Some empirical evidence from South American country	reversing bank mistakes, customer compensation, customer time and effort, treatment of customers, complaint handling time and power of bank employees to make decisions	organization credibility, value, congruency, relational value	organizational credibility, value congruency, relational value, difficulties of switching banks and lack of attractive banking alternatives
3	Hou *et al.* (2014)	The effects of push-pull mooring on the switching model for social network sites migration	Low enjoyment, low service satisfaction, perception of insufficient participation	difficulties of switching	low switching cost, weak social relationship, high need of variety, successful past switching
4	Zhang *et al.* (2012)	Online Service Switching Behavior: The Case of Blog Service Providers	Satisfaction	lack of attractive alternatives	sunk Cost
5	Hsieh *et al.* (2012)	Post-adoption switching behavior for online service substitutes: A perspective of the push–pull–mooring framework	weak connections and writing anxiety	enjoyment, relative usefulness and relative ease of use	switching cost, past experience
6	Chang *et al.* (2014)	The push, pull and mooring effects in virtual migration for social networking sites	regret and dissatisfaction	alternative attractiveness	switching cost
7	Misbah (2014)	Customer Switching Behavior: An Exploratory Study of Predictive Factors in the UK Retail Banking Context	poor pricing & service incidents, situational factors, positive attachments, perceived switching benefits, positive attitudes towards switching and beliefs of others	availability of alternatives	Inertia (switching barriers)

Table 2.3: Push-Pull and Mooring Factors (continued)

S. No	Name of the author	Title of research paper	Push factors	Pull factors	Mooring factors
8	Xu *et al.* (2014)	Retaining and attracting users in social networking services: An empirical investigation of cyber migration	dissatisfaction, information quality, dissatisfaction socialization support, dissatisfaction member policy and fatigue with product	alternative attractiveness	continuity cost
9	Sun *et al.* (2017)	Understanding user's switching intention on Mobile Platforms	dissatisfaction and fatigue with product	alternative attractiveness and subjective norms	effective commitment, switching cost and habit
10	Nazmul (2017)	Observing and Estimating the Switching Intentions of Existing Consumers towards New Ethnic Indian Restaurant in Helsinki	food quality, service quality, and price	alternative attractiveness	resource constraint
11	Djusmin & Dirgahayu (2019)	Psychological ownership of the behavior of switching instant messaging users	low quality, dissatisfaction	subjective norm, alternative attractiveness	commitment affective (perceived control, perceived familiarity, self-investment)
12	Lu & Wung (2021)	Factors Analysis Influencing the Switching Intention of Chinese Mobile Games based on Push-Pull-Mooring Model	dissatisfaction with the current mobile game	more attractive mobile games	habit can affect players
13	Hati *et al.* (2020)	Migration (Hijra) to Islamic bank based on push–pull–mooring theory: a services marketing mix perspective	product, price, place, promotion, people, process, physical evidence	product, price, place, promotion, people, process, physical evidence	subjective norms, switching cost, past behavior, variety seeking and religiosity

2.13 Research Based on Push-Pull And Mooring Factors

Valenzuela (2014) published a paper intending to uncover the dimensions that serve as a barrier in switching among retail banking customers. The results of the study uncover a five-factor structure to measure the switching barriers. The study indicates positive or more rewarded barriers, which are organizational credibility, value congruency, and relational value, whereas negative or punitive barriers are difficulties in switching and lack of attractive alternatives. The study further shows that customers' perception is more influenced by punitive switching barriers than rewarding ones.

Another imperative analysis conducted by Khanna and Sharma (2017) examines the switching behavior of bank customers. The findings of the study reveal that reputation, service quality, effective advertising, involuntary switching, distance, and switching costs have an impact on banking customers, which is translated into customers' switching behaviors. The study further indicates that young and high-income groups are more likely to switch banks.

Misbah (2014) uses various pull factors and emphasizes upon the availability of other alternatives as a pull factor. The study also discusses the push factors, such as situational factors, positive attachments, perceived switching benefits, positive attitude towards switching, and positive beliefs of others.

The literature suggests that it is useful to explore this kind of model for the purpose of examining the different behavioral responses concerning migration decision. The exploration of such model also provides a theoretical framework that allows the explaining of the migration population (Hoffmann *et al.*, 2019). The decision to migrate is a complex phenomenon, where the push-pull factors remain unsuccessful in uncovering it completely. Some of the earlier studies have recognized the analogy that exists between customer services and the decision to migrate to another service. For example, Bansal *et al.* (2005) identified 12 different factors for service switching decision and examined them in a framework using push-pull and mooring factors. In this study, push effects included commitment, quality, perception about price, trust, value, and satisfaction. In addition, the study further developed negative statements to highlight the factors that discourage or push people away from the origin. These factors were called pull factors or positive factors. On the other hand, the mooring factors included moving costs, norms, seeking variety, and infrequent behavior, which could mediate/moderate the push and pull factors. Earlier studies on this topic indicate that service switching decision is not influenced by a customer on the evolution of characteristics of a service provider as compared to social/personal factors and attraction in alternatives (Bansal *et al.*, 2004).

2.14 Determinants of Customers' Switching Behavior From Previous Studies

The determinant of customers' switching behavior derived from the existing literature are provided in Table 2.4.

Table 2.4: Determinants of Customers' Switching Behavior from Previous Studies

S. No	Author(s), Year and Country	Variables										
		Religion	Family & friends	Service quality	Marketing strategies	Switching cost	Alternative attractiveness	Trust	Image	Price	Customer satisfaction	Other variables
1	Awan & Azhar (2014) Pakistan	√	√	√	√				√	√		Low service charges
2	Vyas & Raitani (2014) India			√	√				√	√		
3	Akhtar *et al.* (2016) Pakistan				√							Customer loyalty
4	Al Ghammari & Ahmed (2017) Oman					√				√		Clearance of existing loans, time and effort
5	Ahmed *et al.* (2010) Pakistan	√		√					√		√	Customer loyalty
6	Okyireh *et al.* (2017) Ghana											Age, gender, income, education
7	Mahapatra & Kumar (2017) India			√						√		Commitment, involuntary dissolution, communication

Table 2.4: Determinant of Customers' Switching Behavior from Previous Studies (continued)

S. No	Author(s), Year and Country	Variables										
		Religion	**Family & friends**	**Service quality**	**Marketing strategies**	**Switching cost**	**Alternative attractiveness**	**Trust**	**Image**	**Price**	**Customer satisfaction**	**Other variables**
8	Shahrinaz *et al.* (2017) Malaysia	√	√	√								
9	Mosavi *et al.* (2018) Iran			√							√	Customer loyalty, Perceived value
10	Deyalage & Kulathunga (2019) Sri Lanka			√				√		√	√	Privacy, fulfillment, product offering, website design, perceived usability
11	Soomro & Al-Sehli (2020) Saudi Arabia			√		√				√		Value added services

There are different reasons for people to switch from one thing to another or in other words, switching behavior varies from person to person. To understand switching behavior, earlier studies used a general framework of customer switching from one service provider to another. This general model is based on the migration theory (MT), in which the highlighted factors of the switching were due to negative experience or perception of the origin, and positive perception for the destination. There is a theoretical framework developed by keeping in view the migration theory, which emphasizes on a particular reasoning of switching services. They are known as particular aspects of the behavior and customer loyalty and retention related to switching behavior. Previously, a research study was conducted in general services switching behavior. However, the focus of the study was more on telecommunication and the banking sector in Canada, USA, and Asia, but not in Oman. The purpose of earlier studies conducted on switching behavior from an organizations' point of view was to identify the reasons that influence consumers to switch from one organization to another.

Consistently, this research study highlights a set of factors concerning the switching behavior and has been replicated numerous times by others, finding the crucial factors that lead to in-depth knowledge of the switching factors. From an organizational point of view, switching factors are of great importance, but from researchers' view, this is a tool used for retention and loyalty. Researchers suggest to consider dissatisfied customers' switching behavior intentions as well as the views of satisfied customers. Panther and Farquhar (2004) examined a loyal group of customers. Similarly, Yanamandram and White (2006) recognized the reasons which force a consumer to stay with a service provider despite being dissatisfied. The study also found that inertia is a part of the obstacles in making decisions over switching. In the switching behavior, according to the literature, switching to rivals and switching forms occur. Although not very common, switching still affects the service providers because their customers are switching to other service providers. Particularly, in the banking industry, switching refers to losing a number of customers or allowing the customers to switch to their rivals. Switching from the rivals is considered as a positive attitude for other banks as customers are adding in. In this competitive business environment, it becomes essential for banks to understand customers' behavior in order to stay competitive in the market. Thus, the identification of factors that influence customers to switch enables the banks to improve their working relationship with the customers and to prevent undesirable behavior among customers.

2.15 Selected Scientific Theory: Lee's Theory of Migration

A comprehensive migration theory was presented by Everett Lee in 1966. The formulation of his theory began with some factors which led to the spatial mobilization of the population in an area. The factors included:

1) Factors associated with the place of origin
2) Factors associated with the place of destination
3) Intervening obstacles
4) Personal factors

According to Lee, each place possesses a different set of positive and negative factors, in which positive factors hold the people to migrate, and negative factors push people to other areas (Lee, 1966). In addition, there are some factors which are considered as neutral, and people are usually indifferent to these factors. However, some of the factors affect people the most, while other factors tend to have differential effects. According to Lee, people who are involved in the migration decision have a perfect assessment of the factors in the place of origin due to their long association. However, it may not be true for the area of destination. There is always some probability of ignorance and uncertainty with the relevance of the migrants in the new area (*ibid*).

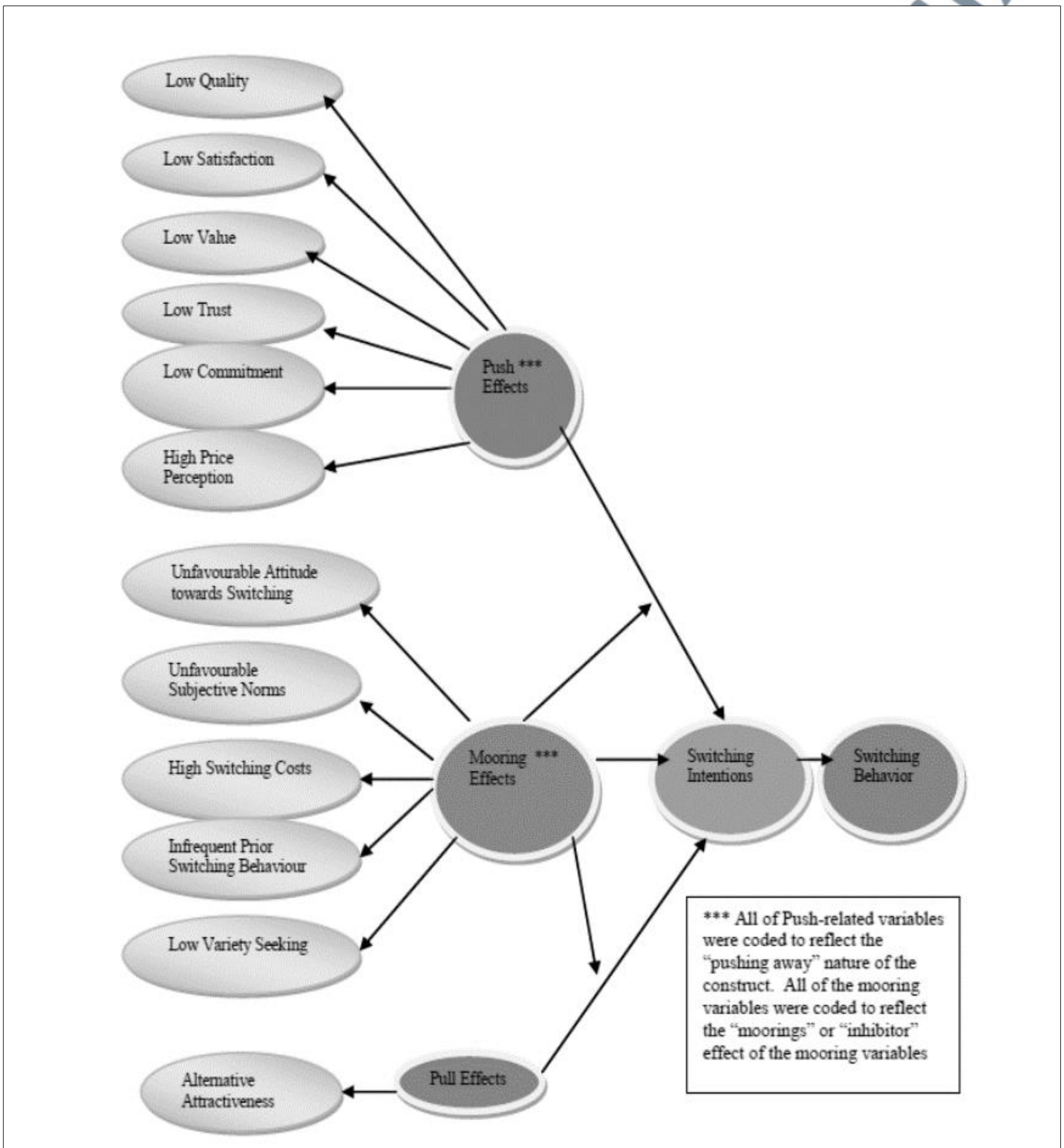
In addition to that, there is another point which is quite significant and is perceived as a difference between the area of origin and destination and that is related to an individual's life cycle. If the association of the origin is long, then it may cause an over-evaluation of the positive factors and under-evaluation of the negative factors. Similarly, the perceived difficulties may lead to an inaccurate evaluation of positive and negative factors in the area of destination.

The final migration decision depends upon the place of origin and destination instead of a balance between positive and negative factors. The balance in favor must be strong enough to overcome the intervening obstacles and natural inertia. Moreover, the effect of these intervening obstacles varies from individual to individual.

Apart from these factors, there are several personal factors as well, and they demotivate migration in any area. Some of these factors remain constant throughout the lifespan of an individual, whereas other factors may tend to vary with the different stages of an individual's life cycle. However, one point needs to be noted, in which real situations prevailing at the place of destination and place of origin are not significantly important in affecting the migration as an individual's perception of these factors. To a large extent, the process of perception depends on personal factors such as awareness, intelligence, culture, and other related factors.

Thus, the decision to migrate interplays among all these factors. As per Lee's view, the decision of migration may not be completely rational. Consequently, all the people who migrate may not make the decision by themselves solitarily, rather, the opinions of their wives and children also matter as families move together.

See Figure 2.6 on Bansal's migration factors.



Source: Bansal *et al.* (2005)

Figure 2.6: Bansal's Migration Factors

CHAPTER 3

FRAMEWORK AND HYPOTHESIS

3.1 Introduction

The preceding chapter emphasizes on the details and previous literatures on the push, pull and mooring factors, which influence the switching decision of the Omani retail banking customers. The migration theory is the base of the research, of which from migration theory, the switching theory is selected for this study. Further, this study opts for the push-pull and mooring factors to explore the consumer's switching behavior. The mooring factors are considered as barriers in the switching decision. All the variables in this study are adopted from previous studies. Therefore, in relation to the above arguments, this chapter continues to discuss the conceptual model of the study. As a result, the formation of hypotheses is conducted based on the theory and previous studies.

3.2 Proposed Theoretical Model Overview

The Push-Pull and Mooring (PPM) model is a useful tool to assist organizations in mapping competing forces that influence the movement of their customers. This model is a unifying framework for understanding consumers' switching behaviors. It addresses the theoretical justification for the inclusion of certain predictive variables. Also, it underscores the importance of mooring variables as drivers of migration. PPM provides a theoretical foundation of identifying key moderating relationships among drivers of service provider switching. Further, the PPM model and migration theory can be used to suggest new predictors of switching to understand other facets of switching (Bansal *et al.*, 2005).

Push factors measure the attributes of the origin point of switching or the conventional bank side, while pull factors measure the attributes of the destination or the Islamic bank (Hati *et al.*, 2020). Mooring factors represents those personal and social factors that influence the switching decision (Chang *et al.*, 2014). Push factors drive people away from the original place, while pull factors attract people to the destination and mooring factors represent the lifestyle, cultural and social issues that facilitate or hinder migration (Moon, 1995).

The current study considers mooring factors as barriers that slow down the switching process of customers from the conventional banking system to the Islamic banking system. This study supports establishing an understanding of the switching behavior of customers in the retail banking sector. It adopts the push-pull mooring model that highlights the customers' intentions to stay on with or switch from their current banking service providers. The literature review provides a detailed understanding of the switching behavior, yet there are some gaps that need to be further explored by analyzing the push, pull, and mooring reasons which influence the decision process on switching from the conventional to the Islamic banking system. It is obvious from the literature that there have been limited studies conducted on the switching behavior of banking customers from the conventional bank to an Islamic bank. Therefore, this study fills this gap by examining the push, pull, and mooring factors to observe the reasons, due to which customers intend to switch in the Sultanate of Oman.

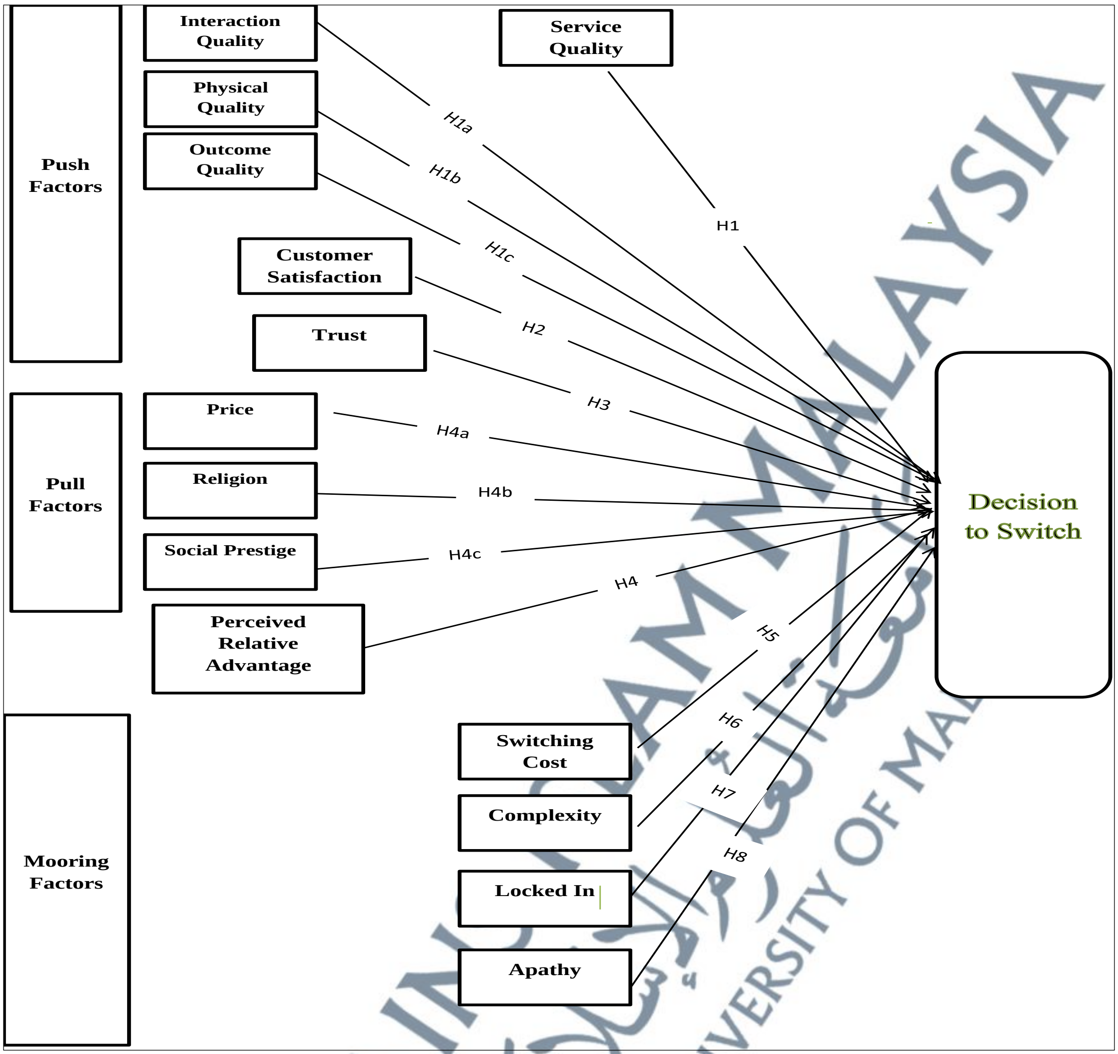


Figure 3.1: Theoretical Framework

3.3 Development Of Hypothesis

Hypotheses are defined as a single tentative statement, which is assumed for the testing of the issue under investigation. This further tends to devise a theory or in planning the experiment, which is intended to be given a direct experimental test when possible. Rogers (1995) described the hypothesis as a conjectural statement of a relation between two or more variables. Similarly, Kerlinger and Lee (1999) as well as Prasad *et al.* (2001) considered hypothesis as a formal statement that presents the expected relationship between an independent and dependent variable.

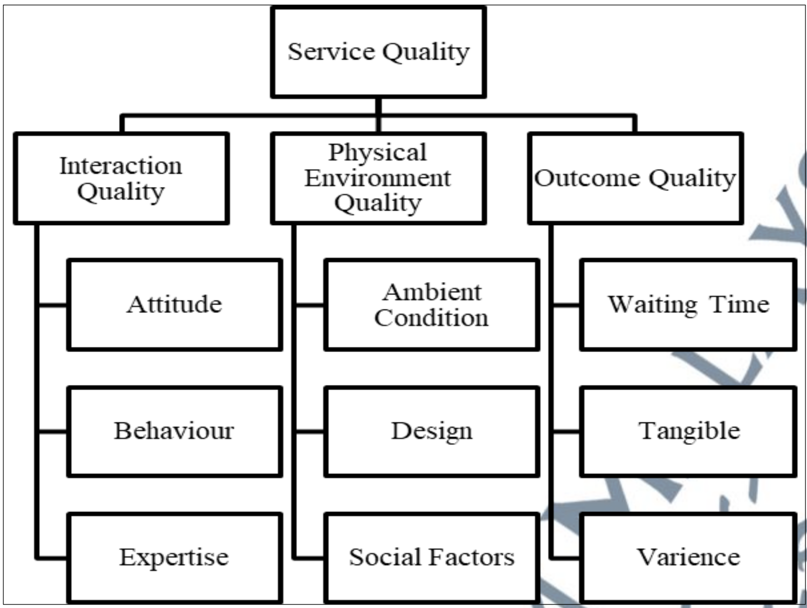
3.4 Variables of the Study

The sections that follow discuss the variables of this research study.

3.4.1 Service Quality

Service quality is an important determinant of intention to switch (Monferrer-Tirado *et al.*, 2016; Juga *et al.*, 2010; Li & Zheng, 2013; Singh & Das, 2013; Sommerville *et al.*, 2010). Quality can be translated in terms of financial service quality, customer satisfaction, and loyalty (Monferrer-Tirado *et al.*, 2016). Attempts have been made to identify the different dimensions of service quality, including bank staff, profitability, the physical appearance of the bank, accessibility, and cost (Abduh *et al.*, 2012). Hence, a better relationship and treatment of bank staff with customers reduces the chances of the customer switching the service.

To measure the service quality for this research study, a hierarchical model is used. However, there is no general agreement on one particular model to be used as the measurement model of the perceived service quality. This hierarchical model was refined by Brady *et al.* (2001) following its adoption from Dabholkar *et al.* (1996), of which the original models state that service quality perception is multilateral. This model was further adopted from previous models like those of Grönroos (1984), Rust and Oliver (1994), as well as the SERVQUAL model.



Source: Ghotbabadi *et al.* (2015)

Figure 3.2: Hierarchical Model (Brady *et al.*, 2001)

This model was selected due to its generic nature and its capability to be applied to a variety of service industries. Further, this model has the ability and flexibility to have different factors depending on the diverse businesses (Brady *et al.*, 2001; Pollack, 2009). Some researchers adopted the hierarchal model and further developed it by modifying its dimensions or/and sub-dimensions based on specific service industries (Chahal, 2010; Dagger *et al.*, 2007), healthcare (Akter *et al.*, 2010), and mobile health (Pollack, 2009) in phone service subscribers and hairdressers.

Figure 3.3: Adapted Model Hierarchical Model (Brady *et al.*, 2001)

Service is intangible in nature, and service quality is an impression of customers about inferiority and superiority of the service providers. Inferior service is also one of the determinants of poor loyalty and unfavorable behavioral intentions. In contrast, a high level of service quality is essential to prevent banking customers from switching (Chukwuemeka & Agu, 2016).

According to Parasuraman *et al.* (2005), service quality exists when there is a fulfilment of the desires and expectations of the customers. On the other hand, Kotler and Keller (2006) conclude that service quality is a competitive edge, which some organizations hold to satisfy the needs of its customers and remain in the competitive environment. Clemes *et al.* (2010) state that service quality has a positive relationship with customer switching behavior, particularly in the banking sector. Their study further suggests that customer satisfaction is positively related to the quality of products and services. In addition, Ramzi and Mohamed (2010) conclude that organizations, which are offering quality services, are successful in making customers loyal. Contending with the same idea, Wong and Sohal (2003) also link loyalty to the quality of products and services.

Several earlier studies identify service quality as an antecedent of relationship quality (Monferrer-Tirado *et al.*, 2016; Juga *et al.*, 2010; Li & Zheng, 2013; Singh & Das, 2013; Sommerville *et al.*, 2010). However, perceived financial service quality and its impact on customer satisfaction and loyalty do not only depend on honesty and good intentions, but also on having sufficient capacity such as technical, financial, and human resources (Monferrer-Tirado *et al.*, 2016) to serve the customers. Another study conducted by Abduh *et al.* (2012) indicates that the service quality dimensions in Indonesian Islamic banks are divided into five sub-dimensions. These sub-dimensions are bank staff, profitability, the physical appearance of the bank, accessibility, and cost.

Further, the study shows that profitability is unable to influence the customers' switching behavior significantly. The study also states that bank staff, bank physical appearance, accessibility of the bank, and cost are factors that influence the switching behavior of customers. Thus, the study confirms that the better the performance in staff-customer relationships, applied cost and charges, and bank accessibility, the lower is the likelihood of the customers to switch banking service.

Therefore, the interactions between a service provider and its customers create opportunities to evaluate the service. Hence, the service quality is determined by assessing how well the service level is delivered as compared to the overall service expectations of the customers (Kumar, 2014). Ennew and Binks (1996) also identified three sub-dimensions in service quality; knowledge and advice offered by the service provider, personalization in the service delivery, and general product characteristics.

From the literature, it is recognized that service quality plays a vital role in the success of any business organization and tends to enhance customers' satisfaction. Contrarily, unfavorable service quality leads to switching intentions (Chakravarty *et al.*, 2004; Clemes *et al.*, 2010; Mavri & Ioannou, 2008; Vyas & Raitani, 2014). Besides, Eappen and Pavithran (2017) forward that when banks do not meet the expectations of service quality, the customers' intention to switch increases. Another study conducted in the Asian banking industry by Gerrard and Cunningham (2004) finds that 90 percent of switching happen due to three primary reasons. These reasons are pricing, service quality, and inconvenience. Thus, the Reserve Bank of India largely regulates pricing, thereby making service quality as a significant factor for customer retention. Studies on service quality in a traditional face-to-face retail banking have predominantly adopted the SERQUAL Model (Parasuraman *et al.*, 1985, 1988), while the banks that focus on and do extremely well in the service quality experience an increase in the level of customer retention. Therefore, service quality has a significant relationship with the retention of the customers (Eappen & Pavithran, 2017). Another study conducted by Pookulangara *et al.* (2011) concludes that the influence of family and friends is not the main factor, but the effective information, which gives the customer a chance to evaluate the product or service offered. The study also highlights that the majority of the customers uses nontraditional aids like blogs, reviews, word of mouth, and these factors ultimately have more effect on the switching decision.

In the context of Islamic banking, Awan *et al.* (2011) state that the customers mainly focus on product features and quality of service as major factors in selecting a banking service provider. Poor service quality is considered as one of the critical factors in determining the switching behavior to Islamic banking. In contrasts, Hashim and Kadir (2010) conclude that customers who are highly satisfied with the service quality are highly committed and loyal to their service providers. Similarly, Rama (2018) states that customer satisfaction, service quality, and price significantly affect customers' switching behavior in Islamic banking. Additionally, Wyas and Raitani (2014) also report that price, customer satisfaction, service quality, service products, reputation, and competition also significantly influence customers' switching behavior. Therefore, based on the literature, we suggest that service quality significantly influences the switching behavior of the customers. Thus, it is hypothesized:

H1: Service quality has a significant and positive impact on switch decision.

3.4.1.1 Interaction quality

Mustelier-Puig *et al.* (2018) posit that face-to-face interaction plays a vital role in the service sector, through which customers and employees get to know each other and leave a positive or negative impression. Similarly, Brady *et al.* (2001) state that the services are inherently intangible and characterized by inseparability, so, the interpersonal interaction during service delivery often has the most significant effect on the perception of service quality. Grönroos (1982, 1984) and Parasuraman *et al.* (1985) are among the few researchers who have used the word IQ (interaction quality). Grönroos posited that within a service encounter, the employees' behavior with a customer is crucial and determines the fate of the customers' switching behavior. Further, Chahal (2010) describes the dimensions of service quality interaction as attitude, friendliness, helpfulness, and responsiveness as critical drivers of customer satisfaction. Similarly, Wu *et al.* (2015) explored the service competencies of the frontline employees and indicate that service quality has positive relation. Additionally, Echeverri and Salomonson (2017) identified six general behavioral practices during the customer-employee direct interaction. These general behaviors include mood, caring, connecting, responding, substantializing, and embedding. The study indicates that each of these behaviors includes some reciprocal activities, such as explaining, adjusting, small talk, paying attention, knowledge gaining and alike. Numerous past studies have identified that the employees' expertise or knowledge is imperative to enable interaction with customers (Brady *et al.*, 2001; Crosby *et al.*, 1990; Spake & Megehee, 2010; Wu *et al.*, 2015). This notion is also advocated by the study of Pirzada *et al.* (2014) and Grönroos (2003) that banks personnel must have full competency in their field, and they must work professionally for all their customers. Therefore, contending upon the above literature, we argue that high interaction quality is positively related to switching decision. Thus, the following hypothesis is established:

H1a: Interaction quality has a significant and positive impact on switch decision.

3.4.1.2 Physical environment quality

Özdemir (2018) describes the concept of the physical environment and states that it is explained differently by different researchers. Kotler (1973), for the very first time, evaluated the physical elements under the concept of 'atmosphere'. He defined atmosphere as the conscious designing of the space to create certain effects of buyers. Later, Bitner (1990) introduced another concept for the physical environment as 'servicecape', and defined it as a man-made environment, in which service is served (Shu, 1994). Özdemir (2018) supports the idea of Kotler and defines the physical environment as a conscious design of a place to influence positively the preferences and purchasing decisions of the people.

Lehtinen and Lehtinen (1982) as well as Parasuraman *et al.* (1985) described three dimensions of service quality, i.e., physical quality, corporate quality, and interaction quality. Physical quality represents the tangible aspects of service, such as building, parking, machines and alike, whereas corporate quality involves the image, or profile of service provider, and interaction quality represents the interaction between the service provider and the customers. Thus, we argue that the characteristics of the physical environment play a significant role for the customers in favor of switching decision. Therefore, based on this argument, the following hypothesis is established:

H1b: Physical environment quality has a significant and positive impact on switch decision.

3.4.1.3 Outcome quality

Grönroos (1984) described outcome quality or technical quality as a service. This is the service which a customer receives after the service delivery process and when buyer-seller interactions are complete. Brady *et al.* (2001) indicate that outcome quality has a significant impact on the overall perception of service quality by the customers. Thus, outcome quality is one of the significant factors to determine service quality. Similarly, Lim (2006) reveals that outcome quality, for example in mobile communication providers giving accurate and understandable billing, has a significant impact on customers' overall perception of mobile communication service quality. Thus, clear and accurate information is viewed positively by customers.

Further, Shu (1994) conducted a similar kind of study in China's mobile communication market, and the results showed that outcome quality had a significant impact on customers' overall perception. Keeping in view the literature support, we argue that outcome quality is seen affirmatively by the customers and have a deep influence on the switching decision of the banking service. Therefore, based on the above argument, the following hypothesis is established:

H1c: Outcome quality has a significant and positive impact on switch decision.

3.4.2 Customer Satisfaction

Customer satisfaction is another antecedent of the customer's intention to switch. We again argue that high customer satisfaction will stop the consumer from switching the banking service. To maintain customer loyalty in the competitive business environment in the banking sector is one of the biggest challenges of this era. Chukwuemeka and Agu (2016) argue that retaining existing customers is more profitable than attracting new ones. Therefore, identifying and effectively attracting the key drivers of customer switching intention help to improve customer retention. Customer service is defined as the number of customers or the percentage of total customers who reported with a firm, its products or its services which exceeds specified satisfaction goals (Angelova & Zekiri, 2011). According to Kotler and Armstrong

(2013), the satisfaction of the customer depends on the products and the perceived performance in relation to the expectations of the buyer. If the performance of the product matches the expectations of the customer, resultantly, the customer feels satisfied. However, if product performance exceeds the expectations, the customer is highly satisfied, while the inability of the product performance results in customer dissatisfaction. Huat *et al.* (2012) and He and Song (2009) identify customer satisfaction as one of the defining factors of customer loyalty. Contending on the notions of these studies, we believe that there is a strong and positive relationship between customer satisfaction and customer loyalty.

Customer switching behavior is similar to customer defection (Garland, 2002). It can be total or partial (Colgate & Hedge, 2001; Stewart, 1998). Total defection is traced through customers' acts, such as the customer closes all his/her accounts and switch the entire business to another service provider. Customer defection may be full or partial. Similarly, partial defection means losing part of the business from a customer, but this is difficult to trace. Amin *et al.* (2011) as well as Mohsan *et al.* (2011) highlight the interrelation between customer satisfaction and customer loyalty and its impact on the customers' intention to switch from Islamic banks. In addition, Amin and Isa (2008) examined the role of customer satisfaction in enhancing the loyalty of Islamic banking customers and its influence on the intention of switching in Malaysia. Findings of this study show that there is a significant positive relationship between customer loyalty and intentions to switch for both non-Muslims and Muslim customers. Altwijry and Abduh (2013) as well as Hussain and Rizwan (2014) in their research study find that customers intend to switch when they experience a low-quality performance on the location of ATM, internet banking, staff ability to handle issues, and the cost of service.

Kotler and Armstrong (2013) define service as an activity, benefit or satisfaction offered for sale, especially intangible and does not result in the ownership of anything. Thus, this shows the extent to which perceived services meet customers' expectations. Further, it is considered as one of the key factors in the success of any tangible or intangible product offered by an organization, particularly in the service industry such as banking, insurance, and healthcare. Boerkamp *et al.* (1997) determined that the best way to increase the profit of an organization was to develop long term relationships with customers to make them loyal by investing in the quality of service.

Hence, customer satisfaction has become an increasingly important factor for the success and survival of the banking industry. Several banks have started using quality service as a sustainable competitive advantage as most of the banks are offering identical or duplicated products (Clemes *et al.*, 2010). The importance of customer switching behavior is indicated in the literature stating that the drivers of switching behavior do not work in isolation of the outcome of the negative experience of customer service (Ur Rahman & Anwar, 2016; Vyas & Raitani, 2014).

Bank image is a set of traits and associations that a customer holds related to a brand name (Biel, 1992). The literature suggests that a positive image helps a firm to make customers more loyal (Kandampully & Suharto, 2000; Koo, 2003). Therefore, customer satisfaction becomes more important when we talk about the banking industry. As suggested by the literature, it is critical to build a positive image and to make it different from other banks if every bank offers the same kind of products or services in the industry (Harwood, 2002; Patawayati *et al.*, 2013; Rehman & Afsar, 2012). Studies have further found a strong and affirmative effect of bank image and customer loyalty. However, Davies and Chun (2002) find that there is an indirect relationship between loyalty and brand image as it is mediated by the customer.

Contending on this literature, we argue that a strong customer service tends to satisfy customers who in turn decides to stay with their existing banking service provider. Therefore, based upon this argument, it is hypothesized:

H2: Customer satisfaction has a significant and positive impact on switch decision.

3.4.3 Trust

Trust is considered as a belief, an attitude, a behavioral intention or any possible combination of all or any one of them (Bhattacherjee, 2002). The literature has identified that the term 'trust' has been addressed from different perspectives. For example, Zhang *et al.* (2012) as well as Yousafzai *et al.* (2009) identify trust from three different perspectives: (i) social and psychological perspective; (ii) the views of personality or psychology theorists; and (iii) the economists and socialist's viewpoint. The first perspective conceptualizes trust in terms of expectations and willingness of the trusting party involved in a transaction. It further refers to the risks associated with the acting on such expectations, and the contextual factors that either enhance or inhibit the development and maintenance of trust (Yousafzai *et al.*, 2009). The second perspective views trust as invariable characteristics of the personality in an individual, and the third perspective, the sociologist analyze the term 'trust' from an institutional standpoint, which serves as the development of a legal framework (Bhattacherjee, 2002). The first perspective is more relevant to the current study. Trust is taken as one of the push factors, in which the perspective can be used for trust on conventional banks (López-Miguens & Vázquez, 2017).

However, the 2008 financial crises had a strong impact on trust in the institution than on generalized trust in the USA (Knell & Stix, 2015). Further, the outbreak of financial crises results in a dramatic drop in trust on the banks and the financial markets

(Guiso, 2010). This pattern is quite similar in European countries and confirms the drop in trust as universal (Knell & Stix, 2015). Ananyev and Guriev (2016) studied the 2009 economic crises in Russia and confirmed that crises reduced the generalized trust. In addition, Diepstraten and van der Cruijsen (2017) focused on personal crises experiences and provided evidence that such experiences reduced the trust in banks as well as the generalized trust.

Trust shows a significant impact on the decision process of the users, be it in human migration or studies related to IT switching (Curran & Saguy, 2013; Lai & Wang, 2015; Peng *et al.*, 2016; Zhou, 2016). Researchers have developed three types of constructs: institution-based trust, knowledge-based trust, and transfer trust. The current study emphasizes the institution-based, knowledge-based, and transferring trust. Institutional-based trust is defined as a situational belief about societal structures such as legislation (Wang & Benbasat, 2008), and the knowledge-based trust relies on prior experience. Thus, in switching behavior, the users do not have enough experience with the new service, whereas transfer trust refers to a personal referral mechanism that a third party receives. The trust of an individual is received from mature trust towards a known person or object that has a certain connection with the third party. For example, consumers may transfer their trust towards offline stores to online stores (Lee & Chung, 2009), or from online stores to mobile stores as these stores are owned by the same organization (Wu *et al.*, 2017).

Consumers of conventional banks do not understand the operational system of Islamic banks and Shariah laws on the operations of Islamic banks because they have not firmly believe that the practices of Islamic banks are compliant with the Shariah. Conversely, the conventional bank customers who understand the operational system of Islamic banks and Shariah laws on the operations of Islamic banks believe that the practices of Islamic banks are correct and such customers have a desire to become the customers of Islamic banks in the future. The trust of Muslim customers has no significant influence on the desire to become the customers of the Islamic bank. It means that the Muslim customers of conventional banks do not believe that the Islamic banks have implemented the risk-sharing system and Shariah system appropriately. The customers also do not believe that the risk-sharing system is based on higher justice than the interest-based system. Consequently, they believe that the risk-sharing system advocated by Islamic banks is the same as the interest-based system practiced by conventional banks.

With regard to the religious factors, it is argued that religiosity has a very significant impact on the customers' desire to become the customers of Islamic bank. However, when the trust variable is positioned as the mediator variable, the adjusted coefficient is dropped. These findings indicate that the trust variable is a suppressor variable. Therefore, this suggests that the Muslim customers of conventional banks believe that the risk-sharing system practiced by Islamic banks is the same as the system of interest. Thus, we argue that low trust in the Islamic banking system will reduce the chances of switching the banking services.

Contending on the above, it is also argued that trust influences the decision-making process of the users. Earlier studies (i.e., Curran & Saguy, 2013; Lai & Wang, 2015; Peng *et al.*, 2016; Zhou, 2016) identified three types of trust, as noted earlier. We argue that the switching decision will be influenced by the degree of trust. Therefore, the following hypothesis is established:

H3: Trust has a significant and positive impact on switch decision.

3.4.4 Perceived Relative Advantage

Perceived relative advantage plays a significant role in influencing the decision of consumers in accepting a service brand or Islamic banking. Therefore, if people are informed in advance about the services and facilities offered by Islamic banking, they will be in a better position to opt for the banking service, i.e., existing or Islamic banking. The relative advantage of a brand is a very important predictor for the rate of adoption (Sadiq & Shanmugham, 2003). However, if the Islamic banking system requires non-Muslims to adopt Islamic banking, they must be provided with a relative advantage of Islamic banking as compared to conventional banking. The Muslim population will also gauge the relative advantage of Islamic finance before adopting such an idea or brand. Usually, the relative advantage most consumers are looking for in new products and services include prices and the cost of adoption (Haque *et al.*, 2007). As a sub-dimension of relative advantage, individuals will look for economic profitability, the immediacy of reward, savings in effort and time, social prestige, decrease in discomfort, and low initial cost. Consumer adoption of Islamic products and services has to consider the benefits the banking system offers as compared to existing or conventional banks (Dusuki & Abdullah, 2007).

The perceived relative advantage of the Islamic banking concept in the Anambra state of Africa is explained by Ezeh and Nwankwo (2014). The influence of religion on the behavior of the consumer can be divided into either a positive approach or a negative avoidance. When religion is associated with some motivational factor, it leads to more activities of consumption like rejecting or accepting the Islamic banking system. Consumers' religious consideration affect the perceived relative advantage of Islamic banking. In addition, culture is another influencing factor that motivates and affects the individual values, motives, thoughts, and lifestyle. Various studies also indicate the relationship between consumer behavior and culture over the relative advantage.

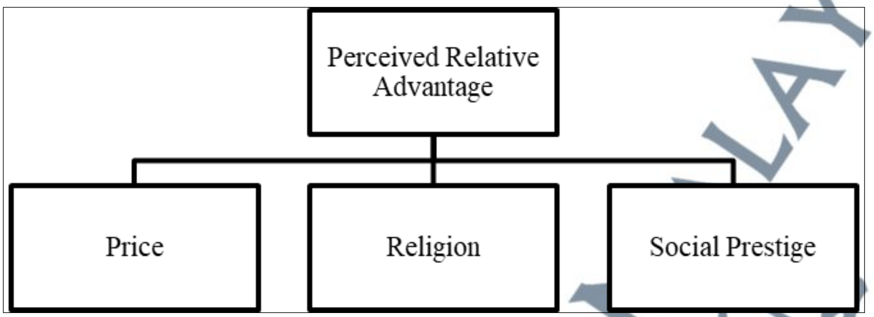


Figure 3.4: Perceived Relative Advantage Dimensions

Islamic banking is based on the Islamic religion and provides a financial service that operates with the objectives of implementing and materializing the economic condition. The operation of Islamic banking is based upon the principles of Islam in the arena of banking. Thus, Islamic banking is owned by the shareholders and establishes banking activities and investment programs in accordance with the Islamic law with its associated articles (Iqbal, 1997). The perception of the relative advantage in Islamic banking is significantly higher among religious groups.

Some researchers analyze the main influence of the relative advantage in the consumer's perception and intention of using the Islamic banking system (Siddiqui, 2016). The relative advantage of the Islamic banking system is embedded in its ethical and functional benefits that include service quality. This provides a base of knowledge and the competency of the personal bank efficiency in the delivery of services and the pricing policy, which is the cost and benefits of the Islamic products and services and social responsibility practices of the Islamic banking system. This gives equitable profits, risk, and losses sharing in all business conducts of banking, social welfare contribution from the Islamic community, and sustainable development promotion.

Hassan (2007) studied the perception of people towards Islamic banking in lieu of the concept of relative advantage. The study indicates that the rate of interest for deposits is not a matter of concern for individuals in the Muslim community. Muslims always prefer the permissible or legitimate return in their investment, whether the return is high or low as compared to the conventional banking system's interest rate and inflation. Even though the majority of the population in Muslim countries adheres to the religion of Islam, they hold an account in the conventional bank too. This is due to the lack of knowledge about the Islamic banking products and services and the relative advantage gained from these services as they function with the practices of the Prophet Muhammad (PBUH) as the supreme code of life.

A religious group in Nigeria has shown a significant difference among the perceptions of the relative advantage of Islamic banking at significant levels. The religious considerations of the consumers have affected how the customer perceives the relative advantage of Islamic banking. Islamic banking has a higher attachment in religion, and hence considered as part of the culture. Ezeh & Nwankwo (2014) consider the relative advantage as the most important factor, which also drives the acceptance. The relative advantage factor has the capability to derive acceptance or rejection of the Islamic banking concept in Nigeria among the religious groups and predicted that there is no significant difference in the perception of the relative advantage of Islamic banking by the segments of the consumer, which emerged based on religion. Various categories equally rated the perceived relative advantage of the Islamic banking concept, which also seems to be very low, while other members rated it high. Chikezie & Chuks (2015) also predicted that there is no significant difference in the perceptions of the relative advantage of Islamic banking by the consumers. Relative advantage emerges based on the readiness to accept change, cosmopolitans, the perceived need for innovation, and religious consideration. The cosmopolitans of consumers have affected how they perceive the relative advantage of the concept of Islamic banking.

Different marketing programs have been used to attract the various categories, which are not comparable. Most of the consumers rated the perceived relative advantage of Islamic banking as high (Ugwu *et al.*, 2015). Moreover, they also perceive Islamic banking as beneficial to them. Therefore, we argue that perceived advantage of Islamic banking will be higher in Oman as it is a Muslim country and Islam is practiced in the letter and spirit. Thus, based on the above discussion, the following hypothesis is established:

H4: Perceived relative advantage has a significant and positive impact on switch decision.

3.4.4.1 Price

According to Keaveney (1995), price is one of the critical factors and significantly influences the switching behavior. It is because switching behavior is related to prices, rates, fees, charges, surcharges, penalties, service charges, price deals, and price promotions or coupons. Similarly, in the banking services, the role of price has a wider implication than in other service industries. Gerrard and Cunningham (2004) note that price is more influential on the switching behavior of banking customers than service failure and inconvenience. Another study conducted by Colgate and Hedge (2001) in Australia and New Zealand reveals that price is the most important determinant of the switching behavior followed by other elements, such as service failure and denial of service.

Similarly, the study of Lalita and Manrai (2007) suggests that the nature of competition for different aspects of bank services plays an important role in the decision of the customer to stay or to switch. The study further indicates that if a customer is not satisfied with the service, and if a customer receives a similar competitive offering, the customer may opt not to switch. In addition, financial aspects play an important role in switching decision, and if a financial offering is similar, the customer will not switch to another banking service. With regard to the above findings, we argue that pricing significantly influences the customer's switching decision. Therefore, the following hypothesis is established:

H4a: Price has a significant and positive impact on switch decision.

3.4.4.2 Religion

Islamic banking refers to a financial institution which status, rules, and procedures express the commitment to the principle of Shariah and restrict all interest-based receipts and payments on its operations. Thus, the religious perspective is an essential factor to identify the degree of customer satisfaction. Usman (2015) suggests that a religious perspective has a positive effect on customer satisfaction. However, it is also observed that a religious perspective alone may not be considered as important if the bank does not have superior quality service and cooperative staff to lead to customer satisfaction and to win customer loyalty (*ibid*). The findings of some of the research studies show that majority of the customers signify religion as the primary motivation in the use of Islamic products and services (Al-Sultan, 1999; Bley & Kuehn, 2004; Metawa & Almossawi, 1998; Metwally, 1996; Omer, 1992). In light of this literature, we argue that religion stands as one of the imperative factors to determine the switching decision. Therefore, the following hypothesis is established:

H4b: Religion has a significant and positive impact on switch decision.

3.4.4.3 Social prestige

According to Weber (1979), status includes the subjective aspects of stratification, including how much honor, respect, and deference is given to someone. Social prestige ascribes as something, about which individuals feel proud of. This may be a result of social roles emerging from occupation, status in the organization of the society, and sociopolitical or leisure activity. Individuals may enjoy social prestige due to certain characteristics, such as the ability to take the initiative, courage, intellect or beauty. Other sources of social prestige include property, consumer goods, cultural values, social groups, affiliation with institutions, and organizations. Social prestige also includes the authority, respect, and influence on others. Thus, bearer of social prestige is the individuals who experience or endowed any of the above traits of social prestige either him/herself or by society (Panday,1983).

Social prestige influences the value orientation, such as different occupations have different social prestige over others (Wegener, 1992). This helps in earning respect, high admiration, and a source of motivation for the bearer individual, who in turn encourages beneficial activities for the development of the society. Further, efficient and creative employees serve to earn social prestige for the organization they work for. To strive for greater social status, people intend to buy high-status products (including goods and services). This behavior allows people to link themselves to a certain group or class in society (El Mallouli & Sassi, 2021).

Social status measures the social value (Sauder *et al.*, 2012) enjoyed by the people who possess it. Specifically, it refers to the relative advantage based on the degree of respect, honor, competence, and deference accorded to people, certain groups, and organizations. Thus, social prestige is something which a person holds more or less social value (Sedikides & Guinote, 2018). Status hierarchies depend upon the possession and use of status symbols; this helps in determining the degree of a status hold by an individual. Based on this degree, other people decide the treatment (Koski *et al.*, 2015). However, there is a limited consensus on the definition of social status or the social role (Ridgeway & Cornell, 2006).

Every society is composed of formal, informal status hierarchies. Status hierarchies are present in all societies, and sometimes come with certain rights, duties, and lifestyle practices. In this modern era, occupation is one of the determinants of status (Gerstl, 1961). Furthermore, status can be achieved with the help of education, occupation, and marital status. This leads to people judged based on success in matching important values. In contrast, status differentiation varies as well and sometimes can be quite rigid. Status is a source of social stratification, i.e., by maintaining and stabilizing the status.

Through socialization, people meet and socialize with each other and adopt values from their parents, communities, and continue their class position. Similarly, people who belong to the same class share association with one another by means of residence, schooling, and involvement in activities of similar interest. Moreover, social status is reflected in the habits, tastes, and the pattern of consumption, such as fashion, leisure activities and alike. Following the new economic growth, new elites have been created who in turn create a new, distinctive lifestyle, and consumption of goods and services. Following the same line, in Oman, people are more conscious about the banking service and concerned about the religious factors as well. Therefore, people in Oman prefer to use Islamic banking service as this will add to their religious beliefs and give them inner peace and satisfaction.

Social prestige is considered as a relative advantage. Rogers (2003), Aziz *et al.* (2015), Echchabi and Aziz (2012), and Thambiah (2012) agree that the advantage of Islamic banking in form of the functional, ethical and social benefits that customers acquire comes from service quality, pricing policies, CSR and social prestige (Sudarsono *et al.*, 2021).

Further, to classify themselves in a particular class, people are inclined to avail the services of Islamic banking. Hence, as per the above literature, we argue that Islamic banking will become part of social prestige and will serve as a pull factor for attracting consumers. Therefore, based upon the above, the following hypothesis is established:

H4c: Social prestige has a significant and positive impact on switch decision.

3.4.5 Switching Barrier

Jones *et al.* (2000) describe switching barriers as factors, which make it more difficult and costly to change service providers for the consumers. In the context of the current study, the aim is to identify the barriers that slow down the switching decisions of customers from conventional banks to Islamic banks. These variables are called mooring factors and are the dependent variables of the study. The selection of these variables was based on the findings of previous studies and their recommendations.

The concept of switching barriers in the literature is mainly revolves around the benefits customers may gain from being in a relationship and the costs which the customers have to pay for terminating the relationship with the service provider. The switching barriers of relational benefits, switching costs, and availability and attractiveness of alternatives (AAA) are used frequently in many studies conducted in the banking context (Colgate & Lang, 2001; Goitom & Birch, 2011; Jones *et al.*, 2000; Valenzuela, 2010). Similarly, the relational benefits, switching costs, and AAA are used in this study as the switching barriers within the banking context. Bansal *et al.* (2005) mention that the most common drivers of switching banking service are quality, switching cost, and alternative attractiveness. If the cost of switching is higher, there are fewer chances of switching as it creates switching barriers. Thus, as per the above discussion, we argue that a higher switching barrier will lower the chances of switching the banking service.

The coming subsections discuss the barriers adopted for empirical examination in this research study.

3.4.5.1 Switching cost

Switching cost is a powerful antecedent of switching intention (Clemes *et al.*, 2010; Murad, 2011; Murungu, 2013; Ramaiyar & Jayalaksh, 2012). Usually, the switching cost is perceived as an added cost which serves as a disadvantage, resulting in the termination of the current relationship (Christoph *et al.*, 2014). This cost can be in the form of monetary and non-monetary factors. For example, monetary cost includes the financial risks and factors, while non-monetary factors include psychological cost, uncertainty, loss of social bond, and procedural costs associated with the intention to switch (Edward & Sahadev, 2011). Thus, switching decision is based upon several factors (Al Ghammari & Ahmed, 2017). Switching barriers also tend to influence the retention and include various types of costs, such as search costs, transaction costs, learning costs, loyal customer discounts, and emotional costs (Trubik & Smith, 2000). Thus, the literature suggests that switching cost is an imperative factor. Therefore, switching cost serves as a potential moderator with an ability to influence the relationship between pull and push factors, and the intention to switch decision.

The literature suggests that switching costs are a prominent variable that determines the consumer's switching intention (Christoph *et al.*, 2014; Clemes *et al.*, 2010; Murad, 2011; Murungu, 2013; Ramaiyar & Jayalakshmy, 2012). According to these researchers switching costs are mainly conceptualized as an additional cost, and these costs serve as a disadvantage to terminate the current relationship. These factors can be technical, financial, or psychological that make it costly for the customers to switch to another competitor or banking service provider. The costs may encompass monetary and non-monetary (psychological) costs for changing from one service provider to another service provider. The economic part of the switching covers the financial and performance risks associated with trying a new service provider, whereas psychological costs include the uncertainty related to the potential loss in a relationship, social bonds and procedural cost, such as time, search, and evaluation (Edward & Sahadev, 2011). This notion is also supported by the study of Ghammari and Ahmed (2017), of which concludes that the customer's intention to switch their current bank is influenced by many factors, such as the cost of switching, fee, and prior loans.

Switching barriers are also likely to influence retention, both independently and in tandem. Keaveney (1995) analyzed critical incidents and identified that critical incidents served as one of the first factors to examine switching barriers as a determinant of customers' switching behavior (Ranaweera & Prabhu, 2003). Usually, these switching barriers are used as a marketing strategy to make it costly for a customer to switch to another organization and it includes search costs, transaction costs, learning costs, loyal customer discounts, and emotional costs (Trubik & Smith, 2000). Switching costs are one of the most important categories of switching barriers, and without proper understanding, the whole concept of switching behavior is incomplete (Colgate & Lang, 2001). As per the above literature, we argue that customers tend to evaluate the switching costs. Costs which come out to be on the higher side restrict the customers from switching banking service. Thus, based upon the above argument, the following hypothesis is established:

H5: Switching cost has a significant and negative impact on switch decision.

3.4.5.2 Complexity

The complexity involved in the process and features of the product and services of the Islamic bank is also a significant factor that influences the decision to switch the banking service. The study of Fazlan and Mohammad (2007) advocates that the higher the complexity, the minimum is the chance to switch. Further, the Islamic banking system is still in its infancy in Oman. Therefore, its products and services are not easily understood by the common people, which adds to the complexity. This results in customers' reluctance to switch the banking service. Furthermore, the addition and description of Shariah principle itself is a deep subject to comprehend and require thorough knowledge of the religion and banking system. In the same vein, Shariah principles are different for Islamic banking products and service, such as in the case of home finance, car lease, and loan agreement (Sundararajan & Errico, 2002), i.e., *Murabaha* and *Musharika*. Hence, customers may find these products to be complicated as compared to the conventional bank products. The literature also suggests that complexity is negatively related to the decision to switch the banking service. Complexity is indicated as the level of difficulty to learn and understand the product and service (Gumel & Othman, 2013).

In the current study, complexity is considered as another determinant toward the switching decision of the customers to Islamic banks from conventional banks. It shows the level of difficulty in understanding and using Islamic banking products and services. Due to the complexity of products and services, it is not easy for consumers to switch. Therefore, the higher the complexity of a product, the lower the switching decision (Fazlan & Mohammad, 2007). In the case of banking, the complexity of Islamic banking is viewed in regard to its banking principles (Aziz, 2006). Further, Islamic banking products are not common, and it becomes difficult for consumers to understand the terms and conditions associated with Islamic banking products and services. Hence, when consumers perceive Islamic banking services and products as simple and easy to use, then they are likely to avail these services.

In the lending process, Islamic banking applies the non-profit and loss sharing (PLS) principles because of the complexities and risks that are accompanied by the profit and loss methods. Non-PLS methods are known as *'Salam'* and *'Ijarah'*. For example, under the profit and loss sharing, Islamic banks need to thoroughly determine the quantification of clients, which seems difficult. In Islamic banking service, the revenue is not guaranteed since they do not collect the collateral, so the banks need to give more effort for selection and monitoring the informational rents, which are not exacted by the borrower. Further, Islamic banks cannot transfer ownership as practiced in the conventional lease, and the consumers have to bear all the complexities until the period of the lease (Sundararajan & Errico, 2002). In addition, Islamic banking agreements are not straightforward contracts like those of conventional banking loans even for non-PLS methods.

Generally, in the lease-based finance like *Murabaha*, the Islamic banking system arranges for the projects that have to be purchased and then sold or rented by clients. Therefore, in Islamic banking, the customers act as an agent for making a further purchase. This framework is much complicated as compared to conventional loan contracts. The Shariah may not authorize some jurisdictive rules or penalties, and the banks use the system of rebates (Khan & Ahmed, 2001). Finance arrangement mark-up covers the return of banks and defaults component of penalty implicitly. If the client repays the loan in time, then they can avail the benefit of rebate. On the contrary, in conventional banks, the complex stands as default payment of interest calculated over the delay in the payment period, whereas Islamic banks collect the delayed payment over the whole of the financial period.

Yahaya *et al.* (2016) studied the relevance of relative advantage and complexity on the usage of Islamic banking products in Nigeria. Complexity was found to be insignificant to explain the adoption and the result indicated that it had no significant relevance on the use of products and services of Nigerian Islamic banks. The majority of research studies have reported that complexity is negatively related to the switching/adoption of products and services. In fact, the complexity in the understanding of products poses some difficulty in relation to the usage of the product of Islamic banks. Moreover, the level of understanding of customers lowers their perception on the complexity of the products and services. In general, complexity has led to skepticism on the adoption of particular services. The literature points out that complexity has been equated with the knowledge of lower-level to some extent, and this plays a significant role in the adoption of products and services. The perceived complexity of customers has also created a negative impact on the Islamic banking usage in Nigeria. Gumel and Othman (2013) analyzed that attitude is decomposed into a relative advantage, compatibility, and complexity. Complexity is referred to as the degree to which the product/service is perceived to be difficult to learn and understand. The attitude of the customer and social influence help in predicting the behavioral intentions to adopt the new facility highly.

In this research study, complexity is added as a variable that influences the switching decision of the customers from the conventional banking system to the Islamic banking system. Thus, with regard to the above literature, we argue that the higher the complexity of the products and services offered by an Islamic bank is, the more difficult will be for customers to switch the banking services. Therefore, the following hypothesis is established:

H6: Complexity has a significant and negative impact on switch decision.

3.4.5.3 Locked-in

Locked-in is described as an understanding and predicting the desire to stay with the same retail bank, and being locked into the relationship has been found to be significant (Misbah, 2014). Colgate *et al.* (2003) relate locked-in with the idea that customers may not move or maybe find it very difficult even if they want to move. Harrison *et al.* (2012) describe locked-in as a situation where a customer feels bound to his/her relationship with the service provider and is hesitant to switch the service provider. It has been used as a strategy to prevent customers from switching. Liu (2006) suggests that suppliers attempt to lock in their customers by introducing relationship-oriented activities and practices for a long period of time. This may also work out to be an effective strategy for customer retention.

Locked-in is also considered as one of the switching barriers that hinders customers from switching. Listyarini (2009) suggests that if service providers wish to retain customers, it is essential that they create barriers to reduce the switching behavior. Locked-in may take the form of high switching cost or create a feeling of apathy - which issue is discussed in the next section. The study of Al Ghammari and Ahmed (2017) identifies some of the major barriers associated with bank switching. They include clearance of the existing loans, fees and interest, and new life insurance. In Oman, a loan is granted against the main account of the customer, and the customer needs to clear all the loans taken against that main bank account (normally salary account) before switching to another bank. Thus, due to this, people of Oman feel locked-in and they refrain from switching their banking service provider. Hence, the following hypothesis is established:

H7: Locked-in has a significant and negative impact on switch decision.

3.4.5.4 Apathy

Apathy is a response by the people in which they consider to switch decision, but practically refrain from taking this decision. It is a state of uncertainty where people believe that it will not be financially viable to switch to a new banking service (House of Commons Treasury Committee, 2011). This notion is supported by Colgate and Lang (2001), since the majority of customers believe that the services of all banks are alike and switching decision will not bring any meaningful change. Thus, people appear to be pessimistic and do not consider Islamic banking as promising. They further state that apathy is the biggest influence which keeps people from changing.

Most commonly, apathy is considered as a lack of emotion, interest, feeling or concern. Apathy is a state of indifference, in which customers who does consider to switch the banking service, but chose not to do it as people do not think that it would be financially worthwhile, or if they would get better service in the new bank (House of Commons Treasury Committee, 2011).

However, it is not common to observe apathy. The symptoms of apathy must be severe or prominent enough to affect people's social life, job, interests, and other parts of life. An apathetic person indicates an absence of interest or concern about the social, emotional, spiritual, physical life, and the world. Further, apathetic individuals lack a sense of purpose and meaning in life. Such people also demonstrate insensibility and sluggishness. In the positive sense, an apathetic individual feels that they do not have the required skill set to confront the challenges of the banking service provider, especially Islamic banking. Apathy is something which people face in some capacity and at some point in time of their life. Apathy turns out to be a natural response to disappointment, dejection, and the feelings of stress. The feelings of apathy can be either short-term or long-term. Long-term feelings of apathy are when deeper social and psychological issues persist over a period of time (Robert *et al.*, 1991).

Similarly, when the customers of conventional banks visit or review Islamic banking products and services, they appear to be challenged to understand the products and services. Thus, customers feel apathetic and become stressed. However, if Islamic banking products and services are simple in nature and easy to understand, they will tend to switch behavior. Thus, we argue that in the presence of apathy, consumers will not decide to switch their banking service. Therefore, the following hypothesis is established:

H8: Apathy has a significant and negative impact on switch decision.

3.5 Summary Of Hypothesis Testing

The push-pull and mooring model is used to test ten dimensions drawn from the theory of migration that influence customers switching decision: (1) H1 service quality (2), H2 customer satisfaction, and (H3) trust are considered as push factors; (4) H4 relative perceived advantage is taken as a pull factor; and (H5) mooring factors/switching barriers are (H5) switching cost, (H6) complexity, (H7) locked-in, and (H8) apathy which are tested against switching decision.

Hypothetically, the underlying assumption of migration theory in relation to switching decision is that push factors are the factors that push customers from the current position to the destination. It is associated with all the negative feelings or the experiences a customer encountered. Service quality, customer satisfaction, and trust are considered as push factors. Hence, it is hypothesized in H1 and H2 that service quality and customer satisfaction will push the customers towards Islamic banks, while pull factors are the attractions that pull customers to a new destination from the current service provider. In this research, it is hypothesized in H4 that perceived relative advantage is a pull factor that attracts the customers towards Islamic banks. The main purpose of this research study is to identify the switching barriers, which are the mooring factors that directly affect the customers' decision toward their switching decision. Thus, H3 is based on a switching barrier with the assumption that switching barriers are related with the switching decision. Switching barriers lead to switching from conventional banking to Islamic banking. The result of the study identifies the barriers, against which the Islamic banks will form strategies to eliminate or reduce the impact of these barriers and to ease the switching process, while conventional banks will develop strategies to retain their existing customers.

The research problem clearly shows that the switching intentions of Omani banking customers in 2011 are taken into account, in which the customers showed the decision to switch. This research study focuses on the identification of the factors that create barriers in the switching process and the elements which attract the customers towards Islamic banking. There are chances that customer satisfaction, service quality, (push factors), and price (pull factor under perceived relative advantage) will play a significant role in determining the switching decision.