

The Influence of Spiritual Brand Attributes Towards the Corporate Brand Image of Islamic Banking Institutions in Malaysia

(Pengaruh Sifat Jenama Spiritual terhadap Imej Jenama Korporat Institusi Perbankan Islam di Malaysia)

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ABSTRACT

Incorporation of religious and spiritual values distinguishes the Islamic banking institution from its conventional counterpart. Yet, only a few studies concentrated to connect the spiritual aspects of Islamic banks with customers' perceived image. This study attempts to determine the relationship of spiritual brand attributes, corporate brand image, and customer loyalty towards Islamic banking institutions in Malaysia. 499 questionnaires were administered and analysed using the Partial Least Square-Structural Equation Modeling technique. The findings indicate that ethics, corporate social responsibility, and beliefs are significant factors in influencing customers' perception towards the corporate brand image of Islamic bank. In addition, corporate brand image is also significant in influencing loyalty. The study provides empirical evidence on the effects of a less investigated construct which is spiritual brand attribute towards image.

Keywords: Spiritual; brand attributes; corporate brand image; loyalty; Islamic bank

ABSTRAK

Penerapan nilai-nilai keagamaan dan spiritual membezakan institusi perbankan Islam daripada perbankan konvensional. Walaubagaimanapun, tidak banyak kajian empirikal sedia ada cuba untuk mengaitkan aspek spiritual perbankan Islam dengan tanggapan pelanggan terhadap imej. Kajian ini cuba untuk menentukan hubungan di antara sifat jenama spiritual, imej penjenamaan korporat dan kesetiaan pelanggan terhadap institusi perbankan Islam di Malaysia. Sebanyak 499 soal-selidik telah dianalisa menggunakan teknik Partial Least Square-Structural Equation Modeling. Dapatan kajian menunjukkan etika, tanggungjawab sosial korporat dan kepercayaan adalah signifikan dalam mempengaruhi persepsi pelanggan terhadap imej jenama korporat perbankan Islam. Imej jenama korporat pula adalah signifikan dalam mempengaruhi kesetiaan pelanggan. Kajian ini memberikan bukti empirikal tentang kesan sifat jenama spiritual terhadap imej.

Kata kunci: Spiritual; sifat jenama; imej jenama korporat; kesetiaan; perbankan Islam

INTRODUCTION

The Islamic financial industry has grown tremendously with an overall total value reaching USD2.44 trillion globally in 2019 (IFSB 2020). In Malaysia alone, the Islamic banking segment has captured 28.4% market share of the commercial banking market (IFSB 2020). However, the encouraging growth reinforces competitive pressure among the Islamic banking players as well as between the conventional and Islamic banking institutions. In the context of bank which being perceived as offering homogeneous services that could easily be imitated (Mainardes et al. 2017; Maulan et al. 2016), the importance of branding, as such is unquestionable (Ahmad et al. 2011; Ashraf et al. 2015). Despite this importance, studies however found that consumers lack of awareness on the differences between Islamic and conventional bank (Al-Tamimi et al. 2009; Islam &

Rahman 2017), especially on the religious and spiritual aspect. Not only that, Islamic bank has also been accused of being interest-based rather than interest-free (Chong & Liu 2009), and the only difference with the conventional counterpart is on the Arabic terminology used, while the *Shari'ah* aspect is questionable (Khan 2010). These questions show an unsuccessful differentiation attempt that affects the image of the bank. Therefore, it is recommendable for Islamic banking institution to establish strong corporate brand image as it is considered as a form of intangible asset that cannot be imitated by competitors (Saunders & Watters 1993; Sondoh Jr et al. 2007; Yeo & Youssef 2010).

Despite the importance of brand image, only a few studies are found to understand the corporate brand image of Islamic banking institutions (Al-Tamimi et al. 2009; Fatema et al. 2013; Osman et al. 2015). Most of the works in this field tended to focus on either the emotional

dimension of image, or the functional aspect influencing image. For example, past studies have attempted to investigate the service quality aspect affecting customers' preference between the Islamic and conventional bank (Ahmad et al. 2011; Al-Tamimi et al. 2009) as well as its relationship with image (Saleh et al. 2017).

While these studies provided some perspective on the corporate brand image of Islamic banking institutions, the coverage was only attributed on the functional and emotional aspects and unable to fully understand the fundamental aspect that distinguished an Islamic brand from its conventional counterparts. Since an Islamic brand goes hand in hand with faith and the ultimate objective is to please the Creator (Alserhan 2010), it is compulsory to incorporate the Islamic philosophy and principles in understanding 'brand Islam' (Maulan et al. 2016). In other words, the Islamic banking brand is theoretically shaped by its consideration to fulfil the spiritual needs of the Muslim consumers who based their actions on pleasing Allah (Alserhan 2010). Furthermore, image of Islamic bank was not only determined by the product and service quality, but also influenced by religious factors (Al-Tamimi et al. 2009). Thus, it could be said that an Islamic brand is characterised by three aspects which are functional, emotional and spiritual attributes. The spiritual attribute is closely related to religion, but it is more than just a ritual, as it is deeply ingrained in the faith and beliefs system (Ab Hamid et al. 2019; Setyawan et al. 2020). Little studies however had been dedicated to relate the spiritual aspect of brand such as ethical, belief and corporate social responsibility (CSR) (Ab Hamid et al. 2019; Aoun & Tournois 2015) with the corporate brand image and its behavioural response.

Hence, this study considers spiritual brand attributes namely ethics, beliefs and CSR in analysing the corporate brand image of Islamic banking institutions and customer loyalty. This study thus extends the current understanding towards corporate brand image which is mainly based on two key views: the functional and emotional aspects (Dowling 1988; Kennedy 1977). Incorporating the spiritual attributes in explaining corporate brand image would not only provide a better understanding towards the subject but also shed light on the difference between Islamic and conventional bank images (Dusuki & Abozaid 2007). With the objective to determine the relationship between spiritual brand attribute, corporate brand image and customer loyalty, two research questions are formed:

1. Which spiritual factor drives the corporate brand image of Islamic banking institutions? (beliefs, CSR, or ethics?)
2. Does corporate brand image affect customer loyalty towards Islamic banking institutions?

The rest of the paper is organised as follows: Firstly, the paper provides an overview on the corporate brand

image concept particularly in the Islamic banking context. Consequently, three aspects of spiritual attributes are explained, followed by the research hypotheses. The research methodology is also presented, followed by the analysis and the results. Finally, the paper concludes with the discussions, conclusions and research implications.

LITERATURE REVIEW

This study examines the drivers of Islamic banking corporate brand image specifically on the spiritual brand attributes and their relationship with customer loyalty. The relationship between these constructs is explained by Stimulus-Organism-Response (SOR) paradigm proposed by (Mehrabian & Russell 1974), in which the three aspects of spiritual attributes are considered as stimulus, corporate brand image as organism and customer loyalty as response. The following explanation details out the constructs of the study and develops the research hypotheses.

CORPORATE BRAND IMAGE

Image is a complex concept (Yaneva & Serafimova, 2020) that has been defined by different authors in a different ways (de Chernatony & Riley 1998). In the simplest term, image refers to the 'total impression an entity makes on the mind of other' (Dichter 1985; Dowling 1993). In the context of corporate brand, Leblanc & Nguyen (1996) defined corporate image as a summary of customers evaluation on various attributes of the corporation. On the other hand, corporate brand image was also viewed as a summary of receivers' mental interpretation on the various aspects of an organisation identity received through many sources (Cornelissen 2000). Thus, in the context of this study, corporate brand image is defined as customers' overall impressions and attitude towards the Islamic banking institutions developed based on their interaction with the organisations.

SPIRITUAL BRAND ATTRIBUTES AS A DRIVER OF CORPORATE BRAND IMAGE

Scholars agreed that corporate brand image was driven by various sources and cues including the functional and emotional brand attributes (Chernatony & Cottam 2006; Leblanc & Nguyen 1996; Syed Alwi & Kitchen 2014). The functional attributes refer to tangible cues that can be easily evaluated while the emotional attributes refer to feelings or psychological conditions (Duarte et al. 2010). However, in the context of brand incorporating Islamic values such as Islamic bank, studies proposed the existence of another attribute named as spiritual brand attributes (Aoun & Tournois 2015; Mourad & Karanshaw 2013) which could be easily understood as the brand association with an individual's belief system or faith (Aoun & Tournois 2015). However, only a few

studies were found to integrate the spiritual aspect into a branding approach (El-Amir & Burt 2010).

Among the available studies, different approaches had been used to understand the spiritual aspect of Islamic brand. For example, Mourad and Karanshaw (2013) based their studies on Gad's (2003) 'brand mind space' notion that concentrated on the functional, social, mental, and spiritual dimensions of a brand. However, Gad's (2003) interpretation of spiritual dimension was limited on the global and local social responsibility, without any hint of religion or faith. Adapting the interpretation, Mourad and Karanshaw (2013) applied the idea in determining the brand perception of Islamic Higher Education Institutions and found partial support for the spiritual dimension compared to the bigger effect of the functional dimension. On the other hand, Aoun and Tournois (2015) tried to understand the spiritual dimension of halal cosmetics using qualitative approach. Integrating Islamic belief system into the analysis, the study identified four attributes that reflected the spiritual values of Islamic brand, namely: (1) spiritual ethos and belief system, (2) wholesomeness and health, (3) sustainable and eco-ethical philosophy, and (4) inclusiveness.

However, the spiritual dimension discussed by Mourad and Karanshaw (2013) and Aoun and Tournois (2015) focused on different industries, products, and services types. As institutions of different nature were said to have different images (Dobni & Zinkhan 1990; Low & Lamb 2000), attributes underlying the spiritual dimension of Islamic bank were also expected to be different. Henceforth, Maulan et al. (2016) and Osman (2010) tried to determine the Islamic or spiritual attributes that differentiated the Islamic and conventional banking brands. Using the Institutional Theory as the basis, Osman (2010) proposed two dimensions which were the Corporate Social Responsibility (CSR) and God-consciousness which relates mainly with the concept of ethics, to represent Islamic bank institutional image. On the other hand, using a brand association concept, Maulan et al. (2016) proposed three dimensions which are CSR, God-consciousness and *Shari'ah* compliant to be associated with Islamic bank. However, the *Shari'ah* compliant dimension in the context of image could be categorised under the functional attributes as the items were related with products and services quality. Based on these arguments and in line with the definition, three attributes would be tested to represent the spiritual brand attributes in this study, namely beliefs, CSR, and ethics.

Beliefs Beliefs refer to the business operations or range of products which are religiously correct as they sync with the target customers' religious beliefs (Aoun & Tournois 2015). Beliefs could also be attributed to the sense of presence or connectedness with the Creator, including the sense of fear of Allah's punishment, hope for forgiveness, and yearning for Allah's love and compassion (Dasti & Sitwat 2014). Religious belief is

the essence of Islamic banking business as the objective of Islamic bank lies on Allah as the Creator of the universe and the ultimate direction of human economic activities (Mohammad & Shahwan 2013). Islamic bank is established with the purpose of providing alternative to the *riba*-based conventional financial institutions which is forbidden in Islam (Ahmad et al. 2011). Hence, Islamic banking operation cannot be dissociated with religious belief, as it covers both the worldly gain and the hereafter (Dusuki 2008a).

Theoretically, institutions' religious or beliefs characteristics are said to illustrate the corporate brand image (Aoun & Tournois 2015). In addition, there is also a growing concern on the impact of religious or spiritual and belief values towards customers' attitude and perception (Wahyuni & Fitriani 2017). Thus, it is hypothesised that:

H₁ There is a positive and significant relationship between beliefs and corporate brand image of the Islamic banking institutions.

CSR The idea of Corporate Social Responsibility (CSR) was initially introduced by an American economist in 1950s which concerned on a corporation's goodwill that would produce positive and productive impact on the stakeholders (Jusoh & Ibrahim 2017). The conventional definition of CSR entailed four responsibilities towards the society that could be fulfilled by corporations including economic, legal, ethical, and discretionary or philanthropic (Carroll 2000). Based on the definition, businesses were urged to also fulfil those communal obligations while simultaneously maintain their profitability and ethics (Carroll 2000).

In contrary to the conventional ideas, CSR from the Islamic view followed a more holistic approach by integrating the Qur'an and Sunnah (Dusuki 2008b). CSR in Islam was closely related with religious, social and economic obligations with the aim of maintaining good relationship with Allah, as well as the other human being and also the environment (Bakar & Yusof 2016). In the context of Islamic bank, the CSR activities should be driven towards the objectives of realising a just and welfare life for the *ummah* (Ismail & Muqorobin 2017) and contributed towards the achievement of a fair socioeconomic equilibrium that was the basic goal behind the prohibition of *riba* (Warde 2000). In line with the religious obligations and the spirit of brotherhood as well as social equality expected from Islamic bank, Maulan et al. (2016) defined CSR as the bank's moral and religious initiatives undertaken based on the belief that Islamic bank was required to provide social welfare apart from its profit motive.

Despite the importance of CSR for corporation, studies showed that not all Islamic banks in Malaysia had their own CSR division, indicating the absence of autonomy in conducting CSR programmes (Jusoh & Ibrahim 2017). Not only that, the same study also

revealed that some Islamic banks did not contribute neither properly disclosed their CSR activities in the annual report which may affect their image.

Considering these findings and their possible consequences, numerous studies proposed the Islamic bank to put more emphasis on its CSR activities as it could soften the banks' corporate image by demonstrating its humane and benevolent side (Dusuki 2008b). Additionally, good CSR rapport could also lead to the portrayal of optimistic image thus retain their customer base (Shabbir et al. 2018). Hence, it is hypothesised that:

H₂ There is a positive and significant relationship between corporate social responsibility and the corporate brand image of Islamic banking institutions.

Ethics Ethics refers to 'the science of conduct', which deals with two opposing moral questions such as good or bad, right or wrong and virtues or vice. It involves moral practices and defined as moral values and moral ailments or ills (Dasti & Sitwat 2014). From the Islamic point of view, ethics involved three important elements which are *adl* (justice), *amanah* (trust) and *ihsan* (benevolence) (Beekun & Badawi 2005). However, the core of Islamic ethics is said to lie on the concept of tawhid or acceptance of the oneness and sovereignty of God (Mansour et al. 2015). The concept of tawhid is in line with the ethics concept of Islamic bank mentioned by Maulan et al. (2016) and Osman (2010) that stressed on the *shari'ah* principle as the foundations of Islamic financial ethics.

Furthermore, there are differences on the ethical grounds of the Islamic banking and finance as compared to the conventional views. As an example, the ethical concern of Islamic finance put more stress on the religious base of financing structure while ethics in the conventional finance based more on human faculties which stressed the importance of logic, reason and moral intuition (Mansour et al. 2015). In line with this, ethics in Islamic banking is closely related to the *maslahah*. Hence, any financing and investment decision should take into account the impact towards the society (Mansour et al. 2015). Naturally, Islamic bank is prohibited from financing any project that conflicted Islamic morality such as casino, brewery or night club which would be detrimental to the society (Ahmad 2000). Furthermore, in order to reflect an Islamic ethical virtue such as justice, transparency and honesty, products of Islamic bank are also expected to reflect the substance of Islamic finance (Maulan et al. 2016) such as the prohibition of *riba* (Maulan et al. 2016).

Hence, by operating based on these views, Islamic bank was acknowledged to offer a more secure and ethical investment as compared to the conventional bank thus lead to rapid business growth (Alserhan 2010). In contrary, studies also suggested that unethical behaviour is disastrous to the organisation especially in terms of loss of image, sales and investment (Carroll 2000). Thus, it is proposed that:

H₃ There is a positive and significant relationship between ethics and the corporate brand image of Islamic banking institutions.

LOYALTY

The objective of most marketing activities conducted by a company is directed towards the establishment, maintenance and improvement of customer loyalty (Dick & Basu 1994). Customer loyalty will result in repeating patronage or purchase and often regarded as among the most important targets of services marketing (Juhari et al. 2016).

In general, various studies have tried to examine the relationship between image and loyalty. In the context of online retailing, Da Silva and Syed Alwi (2008b) found significant influence of online corporate brand image towards customer loyalty. Coherently, the automobile industry also showcased significant effect of brand image (Mabkhot et al. 2017), likewise to the findings from the banking perspective (Ayuni et al. 2015). Based on these previous findings, the following hypothesis is proposed:

H₄ There is a positive and significant relationship between the corporate brand image of Islamic bank and loyalty.

RESEARCH METHODOLOGY

DATA COLLECTION

In order to test the conceptual model of the study, pre-test was conducted with 10 respondents to ensure comprehension and understanding of the questionnaire. Later on, a pilot test was conducted to test the reliability and validity of the items. Once the findings from the pilot test were obtained, the main data collection was conducted using a self-administered survey approach. Using purposive sampling approach, questionnaires were distributed in public and private offices throughout Kuala Lumpur and Selangor using 'drop off and collect' technique. Two qualifying criterions were dictated to select the appropriate representative sample, in which the respondents must be at least 18 years old and possess an Islamic banking account for at least six months. Data were collected over two-month period involving 700 questionnaires, with 567 questionnaires were returned representing 81 percent response rate. However, 68 questionnaires were rejected due to factors such as incomplete response and straight-lining, leaving 499 questionnaires for further analysis.

MEASURES

Table 1 displays the scales of the study. The scales used were adapted from previous studies and have been validated by scholars listed in table 1. A six-points Likert

Scale was used ranging from 'strongly agree' to 'strongly disagree'.

COMMON METHOD BIASED

To assess for common method variance, the Harman's single factor test was employed, which could show whether a single factor counts for majority of the covariance between independent and dependent variables (Podsakoff & Organ 1986). Factor analysis was performed on all the items, and the shared variance was 42.53%, which is below than the 50% threshold indicating no domination of a single factor, thus suggesting that common method bias did not significantly influence the findings.

DATA ANALYSIS

A two-steps approach was applied in the data analysis and reporting which in the first part, the validity and reliability of the construct is tested in the measurement model while in the second part evidence supporting the conceptual model is analysed through structural model (Chin 2010). The analysis was run using SmartPLS version 3.0 which is a variance based structural equation modelling. PLS-SEM is said to be appropriate for a condition of causal-predictive model with scarce prior knowledge (Wold 1979) as in the case of this study.

MEASUREMENT MODEL

The measurement model was evaluated based on the convergent and discriminant validities of the model. Table 2 displays the reliability and validity of the path model. The indicators were retained as the loadings for the indicators all exceeded the recommended value of 0.708 (Hair et al. 2017). The value of composite reliability (CR) ranged from 0.906 to 0.924 to indicate high internal consistency of constructs. Despite the fact that all CR values were above 0.90, it is still acceptable as none of the constructs were merely rephrasing the questions (Hair et al. 2014) and was expected as the

RESPONDENTS' PROFILE

Overall, the majority respondents were female (62.1%), while the average age were between 31 and 40 years old (46.4%). 99.2% of the respondents were Muslims; and majority had attended tertiary education (54.7%). 67.5% of the respondents worked in public sector, and 54.9% earned a monthly income between RM2001 and RM5000.

TABLE 1. Scales used in the questionnaire

Factor (Source)	Item	Item
Beliefs (Ab Hamid et al., 2019)	belief1	Bank X helps to protect customers' belief on their religion.
	belief2	Bank X helps customers to conduct religiously safe financial transactions.
	belief3	Bank X provides assurance on the religious acceptance of its financial service.
	belief4	Using bank X services may avoid customers from punishment in the life after death on matters related to interest (<i>riba</i>).
	belief5	Using bank X services helps customers to be nearer to God (<i>taqwa</i>).
CSR (Ab Hamid et al., 2019)	csr1	Bank X contributes back to the society through social welfare service.
	csr2	Bank X contributes some portions of its profits towards charity (<i>sadaqah</i>).
	csr3	Bank X contributes to the alleviation of poverty.
	csr4	Bank X service helps in fighting for the future of Muslim economy
Ethics (Ab Hamid et al., 2019)	ethic1	Bank X service is ethical.
	ethic2	Bank X transactions are transparent.
	ethic3	Bank X shows high integrity.
	ethic4	Bank X operation does not involve haram/immoral activities/investment.
	ethic5	Bank X contract started with promise/ <i>aqad</i> .
Corporate Brand Image (Lee, 2004; Nguyen & Leblanc, 2001)	image1	Bank X overall image is good.
	image2	Many people are impressed with Bank X.
	image3	Bank X is better than competitors.
	image4	Overall, bank X is evaluated positively in the eyes of the general public.
Brand Loyalty (Zeithaml, Berry, & Parasuraman, 1996)	loyalty1	I will say positive things about bank X to other people.
	loyalty2	I will recommend bank X to someone who seeks my advice.
	loyalty3	I consider bank X as my first choice in using banking service.
	loyalty4	I will use bank X services again in the future.

TABLE 2. Internal consistency and convergent validity assessment

Constructs	Items	Loadings	AVE	CR	Cronbach's Alpha
Beliefs	belief1	0.846	0.708	0.924	0.897
	belief2	0.844			
	belief3	0.876			
	belief4	0.821			
	belief5	0.818			
CSR	csr1	0.837	0.718	0.911	0.869
	csr2	0.869			
	csr3	0.824			
	csr4	0.859			
Ethics	ethic1	0.879	0.649	0.902	0.866
	ethic2	0.798			
	ethic3	0.843			
	ethic4	0.788			
	ethic5	0.709			
Corporate Brand Image	image1	0.863	0.708	0.906	0.862
	image2	0.837			
	image3	0.813			
	image4	0.851			
Brand Loyalty	loyalty1	0.858	0.727	0.914	0.874
	loyalty2	0.879			
	loyalty3	0.789			
	loyalty4	0.882			

TABLE 3. Assessment of discriminant validity

	Beliefs	CSR	Ethics	Image	Loyalty
Beliefs	0.841				
CSR	0.658	0.847			
Ethics	0.641	0.581	0.805		
Image	0.450	0.407	0.471	0.841	
Loyalty	0.456	0.389	0.473	0.750	0.853

Source: Fornell & Larcker (1981)

TABLE 4. Assessment of discriminant validity (HTMT)

	Beliefs	CSR	Ethics	Image	Loyalty
Beliefs					
CSR	0.744				
Ethics	0.735	0.678			
Image	0.504	0.466	0.524		
Loyalty	0.507	0.444	0.528	0.859	

TABLE 5. Hypotheses testing result

	Hypotheses	Path Coefficients	Std Error	t- statistics	sig	Decision
H ₁	Beliefs > Image	0.195	0.062	3.150	0.001	Supported
H ₂	CSR > Image	0.118	0.052	2.254	0.012	Supported
H ₃	Ethics > Image	0.278	0.054	5.107	0.000	Supported
H ₄	Image > Loyalty	0.750	0.022	34.536	0.000	Supported

indicators measured a reflective latent variables (Gefen et al. 2000; Petter et al. 2007). On the other hand, the value of AVE also exceeded the threshold value of 0.50, indicating the ability of the constructs to explain at least half of the indicators variance (Hair et al. 2014). Hence, the convergent validity for the model is considered as established.

The second condition in evaluating the measurement model is to inspect the discriminant validity. Using the Fornell and Larcker (1981) criterion, Table 3 shows that the square root of AVE is larger than the correlation between the lower order constructs. This is supported by the result of HTMT assessment developed by Henseler et al. (2015). As shown in Table 4, all the values fulfilled the criterion of $HTMT_{.90}$ (Gold et al. 2001), indicating the attainment of the discriminant validity.

STRUCTURAL MODEL

The structural model analysis was performed to test the conceptual model as well as the hypotheses. However, it is important to ensure no collinearity exists in the inner model. Assessment of the Inner VIF values for the independent variables showed that all values were less than 3.3, indicating no severe collinearity issue in the model.

Consequently, the path coefficients estimates were obtained to signify the hypothesised relationships among the constructs. Table 5 provides the structural model results including the hypotheses testing decisions.

Based on the results in Table 4, all hypotheses are supported. The results show that beliefs (H_1), CSR (H_2) and ethics (H_3) have significant effect towards corporate brand image, with ethics has the largest path coefficient ($\beta=0.278$) at five percent confidence level ($p<0.05$). This is followed by beliefs ($\beta=0.195$) and CSR ($\beta=0.118$). Finally, the finding showed that corporate brand image has a positive and significant relationship with brand loyalty. The path coefficient estimate ($\beta=0.750$) is significant at five percent confidence level ($p<0.05$), approving the proposition that higher corporate brand image propels higher customer loyalty towards a brand. Hence, H_4 is supported.

Further assessment on the data showed that the R^2 values for corporate brand image and loyalty are 0.267 and 0.562, respectively. Following Hair's et al. (2017) assertion, the R^2 value for corporate brand image is considered as weak while the R^2 value for loyalty is moderate.

Then, the f^2 effect size is evaluated. The f^2 effect size refers to the change in the R^2 value when certain exogenous construct is excluded from the model (Hair et al. 2017), indicating the potential impact of the excluded construct towards the endogenous constructs. The results show that ethics (0.057) and beliefs (0.024) have small effect in producing its R^2 , while CSR (0.010) is considered as having a very small effect. On the other hand, the results show that corporate brand image (1.282) has a large effect in producing the R^2 for loyalty.

Finally, the Q^2 results are obtained through a blindfolding procedure (omission distance, $D = 7$) following the suggestion by Hair, Ringle, and Sarstedt (2013). The results show that the Q^2 values for image ($Q^2 = 0.174$) and loyalty ($Q^2 = 0.384$) are larger than zero, leading the study to conclude sufficient predictive relevance of the model.

DISCUSSION AND CONCLUSION

Numerous studies highlighted the differences between the Islamic and the conventional brands (Alserhan 2010; Temporal 2011; Wilson & Liu 2010). Among others, institutions or products using Islamic brand are said to breathe with spiritual and religious values that are not incorporated in conventional brand (Alserhan 2010; Aoun & Tournois 2015; Maulan et al. 2016; Wilson & Liu 2010). Other than the incorporation of *shari'ah* law in the products and services, values such as ethics and social responsibility are expected to be performed by institutions carrying Islamic brand (Maulan et al. 2016; Osman et al. 2015). Little studies however attempted to investigate the relationship between these spiritual aspects and the corporate brand image of the institutions.

This study tried to examine the influence of three spiritual related factors namely beliefs, CSR and ethics towards the overall corporate brand image of Islamic banking institutions. The findings show that all variables are significant in influencing the image, but only explain 27% of the overall corporate brand image, indicating the availability of other salient factors. Despite the importance of spiritual aspect that was highlighted by various literatures (Alserhan 2010; Marmor-Lavie et al. 2009; Wilson & Liu 2010), this study indirectly shows that substantial factors affecting image may be related to other areas apart from the three variables tested in this study.

On a different note, ethics appears to be the most important factor influencing corporate brand image followed by beliefs and CSR. This is in line with Maulan et al. (2016) who found association between ethics or God-consciousness with the Islamic banking brand. This findings further enhance the importance of Islamic bank to focus on 'substance' over 'form' (Dusuki & Abozaid 2007) by placing great emphasis on achieving the *shari'ah* objective rather than a mere technical issue.

On the other hand, beliefs which could be considered as a new construct in the spiritual brand attribute study, has also been found as significant in influencing overall corporate brand image. Specifically, it could be said that religiously correct products and services that is in line with an individual's safety in the world and the hereafter play a significant contribution to the image of Islamic bank. Despite its low association as compared to ethics, this positive relationship indicates that religious belief is playing some role in shaping customers perception towards the bank as it is commonly understood that the objective of Islamic bank is to fulfil the maqasid al-

shariah which lies on pleasing Allah as the creator of the universe (Mohammad & Shahwan 2013).

In addition, the study also found that CSR has the least impact towards the overall corporate brand image compared to other variables. Despite the underlying doctrine that Islamic bank is more than just a 'riba-free' entity but also bears larger responsibilities towards the *maslahah* of the ummah (Dusuki 2008b; Ismail & Muqorobin 2017), findings of this study however do not show substantial contribution from the bank social responsibility programme towards the development of its corporate brand image. The unfavourable findings could be attributed to the result of previous studies that indicated the lack of concern paid by the Malaysian Islamic banking institutions towards the CSR activities. Some of the banks are reported of not having a proper CSR division, do not disclose their CSR activities, and do not pay the zakat (Jusoh & Ibrahim 2017). Some of the contributions made are also minimal, with the aim of fulfilling government requirement and to get tax incentive (Mohd Noor & Hashim 2015). This provides empirical evidence to prompt the Islamic bank to take initiatives in ensuring its CSR programme could further contribute to the development of favourable image.

Finally, as expected, the overall corporate brand image also plays a significant influence towards loyalty. As overall corporate brand image is built upon various factors, this among others implies that loyalty is not a result of only one factor but a combination of factors. A good projection of the various spiritual brand attribute as such is needed as it would lead to a favourable evaluation of the overall corporate brand image which then would increase the tendency for customers to be loyal.

IMPLICATIONS

Theoretically, the study contributes to academic knowledge in several ways. First, the study added a new perspective towards the enactment of brand especially in the context of an Islamic brand such as the Islamic banking services. In contrast to a conventional brand that comprises a functional and emotional value, this study proves the existence of a spiritual aspect as one of the Islamic brand attributes.

Second, the study tested a newly developed spiritual brand attribute scale by Ab Hamid et al. (2019) and found significant relationship between the three factors namely beliefs, ethics and CSR with overall corporate brand image. Compared to previous studies that have looked into the aspect of ethical and CSR in understanding the spiritual aspect of Islamic bank (Maulan et al. 2016; Osman 2010), this study tested the existence of another attribute named as beliefs.

Third, the study confirms the findings of previous studies that the overall corporate brand image of an organization leads to customer loyalty. In contrary to Osman (2010) that measured image from the aspect of emotional and spiritual only and unable to find the

relationship between image and loyalty, this study, however, provides evidence that in the context of the Islamic bank, the overall corporate brand image indeed is able to influence customer's loyalty.

On the other hand, managerially, findings of the study could provide insights to the bank management to improve the Islamic bank brand positioning strategy. Empirically, the study indicates that Islamic bank should be developed with an Islamic identity by emphasising several aspects including beliefs, *shari'ah* features that enhance the ethics, moral value (Ginena 2014), and socioeconomic contribution.

In term of ethics or God-consciousness, Islamic bank should ensure that its operations do not only comply to the technical issue of *shari'ah* but also able to achieve the objective of *shari'ah* (Dusuki & Abozaid 2007; Mansour et al. 2015; Mohammad & Shahwan 2013). Islamic bank is also expected to display the Islamic ethical values such as justice, transparency and honesty (Maulan et al. 2016) to enhance its image which would eventually influence customer loyalty. With such efforts, Islamic bank is hoped to prove its existence is not a mere depiction of the conventional banking (Khan 2010).

Secondly, the beliefs aspect highlights the need for the Islamic bank to assure the customers that its business and operation is in line with the religious teaching. As beliefs involves the spiritual and soul elements, it is highly crucial for Islamic bank to justify that every decision and action by the bank does not contradict the faith and religion. With such move, customers will believe their involvement with the bank is not detrimental to their religion and their life in the hereafter. Emphasising on beliefs is very important as it is among the aspects that distinguishes the Islamic bank from its conventional competitors (Osman et al. 2015).

Thirdly, the Islamic bank should further improve its corporate social responsibility efforts. Apart from charity, various other philanthropic areas can be explored including fair employee treatment and an environmental-friendly usage of resources (Dusuki 2008b). Not only that, it is also very crucial for Islamic banks to disclose and publicise its social responsibility programmes to ensure the customers are aware of such activities within the organisation (Jusoh & Ibrahim 2017) and lead to surge of better image.

Finally, as the study shows that overall corporate brand image plays a substantial impact towards customer loyalty, it is therefore important for Islamic bank to ensure that the bank is able to maintain a favourable image. However, since spiritual aspect contributes only a quarter of image development, Islamic bank needs to find other factors that could establish stout image and direct its effort towards improving it.

LIMITATIONS

There are several limitations that may affect the generalisation of the study. First, the study was only

conducted in two states in Malaysia, which may not reflect the overall image of Islamic bank throughout the whole country. Future research could replicate the study by expanding the research scope to other states in Malaysia as well as other countries, particularly in countries with strong Islamic value for comparison purpose. Secondly, the study only covered the spiritual aspect of the brand which is unable to reflect a substantial factors influencing image. Future studies may include the functional and emotional aspects of brand to holistically examine its effect towards the overall corporate brand image. Finally, the study excluded customers' religious background factor which may actually act as a moderating factor in determining the different views of individuals.

CONCLUSION

In summary, the study tried to empirically test the influence of spiritual brand aspects namely ethics, beliefs and CSR towards corporate brand image. All three aspects were found to have positive and significant relationship with the overall corporate brand image. Ethics was found to have the biggest impact towards image, followed by beliefs and CSR. The study also found that corporate brand image significantly affected customer loyalty towards Islamic bank.

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