

Hijrah Intention and the Types of Customer Loyalty of Islamic Banks in Indonesia

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ABSTRACT

The purpose of this research is to investigate the influence of *hijrah* intention on customer loyalty in Islamic banks including the type of loyalty based on attitude and behavior. In this research, Islamic banks customers in Indonesia were used as the population, and 360 questionnaires were distributed using the convenience sampling technique. The research hypothesis was tested using Structural Equation Model (SEM) with PLS. All the indicators for the variables of interest were reflective and adapted from some previous literature. The data in this research met the requirements for convergent and discriminant validity and the results showed that *hijrah* intention had a direct effect on attitude and behavioral loyalty. Furthermore, the *hijrah* intention provides a stronger influence for attitude loyalty than behavioral loyalty. The results of this research show that the majority of Islamic bank customers were classified as latent loyal.

Keywords: *Hijrah* Intention, Behavioral Loyalty, Attitude Loyalty.

INTRODUCTION

Banking is one of the segments with very dynamic development, especially in the Islamic industry (Abou-Youssef *et al.*, 2015). Islamic banks are different from conventional banks, due to profit and risk-sharing principles. However, Islamic banks also have the potential to attract non-Muslim customers because they are perceived as fairer (Saleh *et al.*, 2017). Despite this enormous potential,



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Islamic banks are considered less popular and experienced than conventional banks (Souiden & Rani, 2015). In this challenging environment, developing and having customer loyalty is very important for the long-term survival of Islamic banks. This will also have a positive impact on business development such as the amount of savings, operating and marketing costs, customer retention rates, and subsequently future income (Saleh *et al.*, 2017; Rasheed *et al.*, 2015; Herhausen *et al.*, 2019).

Religiosity is one of the important factors that affect Islamic banks' customer loyalty (Suhartanto *et al.*, 2018; Suhartanto *et al.*, 2019; Iranmanesh *et al.*, 2019). However, religiosity is not enough to motivate customer loyalty, and this is proven by some gaps in previous research on the effect of religiosity on loyalty (Usman *et al.*, 2017).

In the Islamic system, the most sensitive aspect that is still difficult to completely abandon is the entrapment of a person or group in an established system (conventional system). This also has similarities and differences with the conventional system. In the conventional financial system, the focus is on interest which is prohibited in the Islamic concept. Furthermore, this research specifically explores the *hijrah* intention in Islamic banking.

For customers, religion is an important aspect of cultural phenomena that can influence habits and attitudes. Muslim customers believe that the values taught by Islam are the truths that bring to mashallah in this world and the next. Based on these values Muslim customers' thoughts, feelings and actions have unique characteristics when compared to other religious members. These characteristics have an impact on behavior differences of the Muslim market segment when compared to other market segments.

However, differences in each Muslim's religiosity will affect the characteristics between individuals reflected in religious commitment and orientation. Religious commitment is a representation of religiosity which shows an individual's adherence to his religious beliefs and practice, while religious orientation represents a person's motivation in following his religious teachings (Usman *et al.*, 2017).

In customer-loyalty literature, one of the most important aspects to consider is the influence of someone's intention to be 'loyal' to Islamic banks. Various research has proven that the strength of intention also influences loyalty (Haider *et al.*, 2018). In general, intention is considered an important determinant of customer attitudes and behavior. However, only a few research has examined the intention (*hijrah*-intention variable) as a

determinant of customer loyalty in Islamic banking (Hoque *et al.*, 2019). In this context, Intention is greatly influenced by Islamic values, namely *hijrah* (a strong commitment to a change of Islamic-based betterness). Therefore, *hijrah* intention is an intention to perform religious teachings in the form of intention, commitment, and efforts to leave what religion prohibits. The variable of *hijrah* intention is thought to be capable of filling the gaps in this research on customer loyalty.

In the life of a Muslim, *Hijrah* is an important concept. Hijah means a change in Muslim's attitude and behavior in pursuits for a better life under the Al Quran and Hadits and hopes to be pleasing Allah. *Hijrah* intention is an important aspect of Muslim behavior because it reflects each individual's religious orientation.

similarly in Islamic banking, not all Muslims act based on Islamic regulations which prohibit *riba* or bank interest. Despite their diverse backgrounds, Muslims are still loyal to conventional bank services. However, this condition is strengthened with the dual banking systems used by the Indonesian Banks. The Muslim communities were faced with the option of selecting an Islamic bank and/or a conventional bank. Although various research proves that religiosity affects Islamic banks' customer loyalty, several other research proves the opposite.

Nevertheless, for the customers of both bank types, the choice of the bank is most likely due to logical reasons. These customers use Islamic banks to show commitment to their religious norms, but at the same time, they do not leave conventional banks, which is contrary to their religious norms. Customers of both banks are likely forced to ignore their religious norms because the Islamic banks have been unable to provide for their banking needs and desires.

Conversely, many customers used Islamic banks, even though they don't believe in the prohibition of bank interest. Additionally, because they are not tied to their religious norms many customers are more flexible in their choice of banks. Therefore, a variety of rational reasons influence the customers' decision of selecting Islamic banks (Usman *et al.*, 2017;).

Although the influence of intention has been studied in social life, marketing literature on *hijrah* intention in service-trading situations and their effects on relationship development and customer loyalty is still very limited. Moreover, despite the popularity of consumer loyalty as a research topic, no research related to *hijrah* intention in customer loyalty of Islamic banks has

been discovered. As a result, this research aims to predict the relationship between *hijrah* intention and Islamic banks' customer loyalty. In terms of the *hijrah*-intention variable, which was used as one of the variables significantly affecting customer loyalty in an Islamic bank, this research was different from previous research. Furthermore, the literature review, methodology, results and discussion, and conclusions will be covered in the following sub-section.

LITERATURE REVIEW

Many works of literature define loyalty in various ways. In general, it can be grouped into three characteristics, namely attitude loyalty, behavioral loyalty, and attitude-behavior loyalty. Here are some summaries:

Table 1 Gab Research in Operationalization of Loyalty Variables

Researcher	Approach	Definition of loyalty
(Kiran, K. & Diljit, S., 2011); (Hidayat & Akhmad, 2015); (Kashif <i>et al.</i> , 2015);	Behavioral approach	Loyalty measurement by considering consistent and repeat buying behavior. The behavioral approach conceptualizes loyalty as repetitive buying behavior, where the customer maintains the relationship because of obligations and does not have positive feelings towards the provider.
(Mukhtar & Mohsin Butt, 2012) (Wilson, 2012) (Maulan, 2016); (Levy & Hino, 2016); (Wahyuni & Fitriani, 2017) (Akkilic <i>et al.</i> , 2018) (Suhartanto <i>et al.</i> , 2018)	Attitude approach	Attitude-based loyalty measures that use attitude data to reflect emotional and psychological attachments, and are related to feelings of loyalty, involvement, and loyalty. The attitude approach represents loyalty as a psychological (affective and/or cognitive) state that a customer might acquire due to a company's relational strategy.
(Dick & Basu, 1994) (Kashif <i>et al.</i> , 2015) (Kufakunesu <i>et al.</i> , 2018) (Aisyah, 2018) (Suhartanto <i>et al.</i> , 2019)	Integrative approach to behavioral-attitude	The integrative approach of behavioral attitude is a composite measurement that reflects a combination of utilizing customer product preferences, brand switching trends, frequency and recency of purchases, and the total number of purchases.

Source: Literature review of several studies

As a result, differences in these characteristics provide biased information regarding the type of customer loyalty, and this will certainly have implications for the strategies that must be implemented to strengthen customer loyalty. Some literature proves that religion influences consumer behavior. However, several other research shows that in many areas of consumer behavior, religious variables do not have a significant effect (Tang & Li, 2015). This demonstrates that the inconsistency of the influence of religion on consumer behavior is widespread (Lubis *et al.*, 2021; Kandampully *et al.*, 2015; dam & Dam, 2021). In reality, even among individuals in the same religion, there are diversities in their faith and commitment to practicing religion. Religion's influence on consumer behavior is highly dependent on the level of commitment that each individual shows when referring to his/her religion and reflects individual attitudes and religious behavior. Therefore, religion affects consumers' behavior intention (Iltter *et al.*, 2017).

One of the most important aspects to consider in customer-loyalty literature is the influence of someone's intention to behave 'loyal' to Islamic banks. Various research has proven that the strength of intention also influences loyalty (Haider *et al.*, 2018). According to the Theory of Planned Behavior, Intention is a major predictor of consumer behavior. Attitudes, subjective norms, and perceived behavioral control all influence Intention. Religious beliefs influence one of the attitudes, and in this case, religiosity and intention in this research are proxied by *hijrah* intention. According to TPB, customer *hijrah* intention can act as a mediating variable in the relationship between religiosity and loyalty. Moreover, *Hijrah* Intention is the development of intention as a mediating variable in TPB when measuring Islamic banks' customer loyalty. Meanwhile, strong interest or intention to move is the intention to move variable.

Relationship Marketing is not just a set of tools, techniques, and tactics, but is a philosophy of how to think about customers, marketing, and value creation. RM is an integrative or holistic design that strengthens the company's marketing competence. Long-term positive relationships that exist between the company and customers must be mutually beneficial. This is important to increase selective retention of customers (focusing only on profitable customers and want to commit to establishing long-term relationships) and customer loyalty. Building good relationships that are closer to customers will have an impact on company profits. This will increase sales by loyal customers, references made by satisfied customers with the company's products and services to friends.

Relationship Marketing is defined as identifying, building, maintaining, and enhancing long-term relationships with customers and stakeholders with mutual benefit to meet the goals of all parties or stakeholders involved (Grönroos, 2017). The key to the survival and growth of companies, especially those engaged in services such as Islamic banks, is maintaining and increasing customer loyalty through value co-creation. Although, in general intention is considered an important determinant of customer attitudes and behavior. However, only a few research have examined the intention (*hijrah*-intention variable) as a determinant of customer loyalty in Islamic banking (Hoque *et al.*, 2019). In this context, Intention is greatly influenced by Islamic values, namely *hijrah* (a strong commitment to a change of Islamic-based betterness). Therefore, *hijrah* intention is an intention to perform religious teachings in the form of intention, commitment, and efforts to leave what is prohibited by religion. The variable of *hijrah* intention is thought to be capable of filling the gaps in this research on customer loyalty.

This gap is further strengthened by the data phenomenon that the Islamic banking market share in Indonesia is still small compared to the majority of the population who are Muslim. In the literature on the behavior of Islamic bank customers, no research has ever placed *Hijrah* intention as an important and influencing factor. Meanwhile, according to a theory of planned behavior, intention is a major predictor of consumer behavior. *Hijrah* intention is the intention that a Muslim has to behave, including in the context of loyalty to Islamic banks. Also, *Hijrah* intention is a new aspect in studying the Islamic bank customers' loyalty behavior.

According to this background, this research aims to: first, explore the concept of *hijrah* intention in consumer behavior and second, investigate the intention of moving towards customer loyalty characteristics of Indonesian Islamic banks.

RESEARCH METHOD

The overall population of this research is unknown, therefore the sampling technique used is convenience sampling. Respondents consisted of 214 women and 146 men representing 28 provinces in Indonesia. The overall age ranges of respondents were 18 years to 30 years (50.55%), 31 years to 50 years (41.38%), and more than 50 years (8.07%). Respondent occupations of 54.73% were civil servants, self-employed / entrepreneur (7.5%), State-owned enterprise/ Municipally owned corporation employees (5.55%), students (8.07%), private

employees (0.55%), and the rest were other jobs. According to the history of bank usage, 70.28% used Islamic banks and 29.72% used both. Partial-least-square structural equation models (PLS) were used to test the structural model and determine the significance of the hypothesized relationship.

To obtain the research data, questionnaires were distributed in the form of google form to Islamic bank customers from all provinces in Indonesia. Furthermore, the determination of potential respondents was based on contacts on the selected WhatsApp group (WAG). This was due to the consideration that WAG consists of people who had a great opportunity to become customers of Islamic banks. From the 927 questionnaires sent to prospective respondents, 360-questionnaire forms were filled and sent back to the researcher. Therefore, the response rate was 38.8% and the sample size was ten times more than the minimum size of question-item number from all the variables of interest (Hair *et al.*, 2018).

Indicators for the variables reflecting *hijrah* intention, and customer loyalty were measured on a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). These indicators were reflective and adapted from several previous research namely: *hijrah* intention variable (modification of Theory of Planned Behavior), and loyalty variable (Maulan, 2016; Kashif *et al.*, 2015) as shown in Table 2.

Table 2 Indicators Measurement

Variable & Major References	Items
<p><i>Hijrah Intention</i> Unpublished dissertation</p>	<ol style="list-style-type: none"> 1. I want to avoid sin because of <i>Riba</i> 2. I want the blessing of living in the world 3. I want to get the blessings in the hereafter 4. I convinced myself that bank interest is <i>Riba</i> 5. I convinced myself that bank interest is <i>haram</i> 6. Islamic banks are fairer 7. I want to avoid bank interest

Loyalty

(Mohsan *et al.*, 2011;
(Kishada, 2013; Vyas &
Raitani, 2014; Wang *et al.*, 2018)

1. I intend to use Islamic banks (behavioral loyalty)
 2. I intend to use Islamic banking services (behavioral loyalty)
 3. I intensely recommend Islamic banks to my friends (attitude loyalty)
 4. I intend to recommend Islamic banks to my families (attitude loyalty)
 5. I will be loyal to Islamic banks (attitude loyalty)
 6. I tend to use Islamic banks than conventional banks (attitude loyalty)
 7. I am committed to using Islamic bank products continually (attitude loyalty)
 8. I am committed to using Islamic banking services appropriately (attitude loyalty)
-

The collected data were analyzed using the Partial-least-square structural equation models (PLS). According to the procedure suggested by Hair et al. (2018), the analysis was performed in two stages. The first stage was the evaluation of the measurement model or the outer model, while the second stage was the evaluation of the structural model or inner model. Outer Model Evaluation is also known as indicator reliability testing. This aims to assess the reliability of the indicators used as measures of latent variables by evaluating the outer loading value of each indicator. The loading value > 0.70 indicated that the construct could explain more than 50% of the variance of the indicator. Meanwhile, Internal consistency reliability measures how well an indicator can measure its latent construct using the composite reliability value and Cronbach's alpha. The composite reliability value between 0.60 to 0.70 is considered as a good reliability value and the expected Cronbach's alpha value was > 0.70 . Furthermore, Convergent Validity, a construct against a reflexive indicator, is evaluated by the Average Variance Extracted (AVE). AVE value must be ≥ 0.50 . AVE values ≥ 0.50 indicated that the construct can explain 50% or more of the variance of the indicator (Wong, 2013; Henseler *et al.*, 2015). In addition, the discriminant validity test used the cross-loading value. Evaluation of the structural model begins by checking the presence of collinearity between variables and the predictive ability of the model. Then, the predictive ability of the model was measured based on four criteria, namely the coefficient of determination (R square), Cross Validated Redundancy (Q²), Effect Size (f²), and path coefficients or path coefficients. The Structural equation modeling (SEM) was performed to assess the overall fit of the proposed model and to test hypotheses.

Recently, loyalty has reflected many meanings. Some experts define loyalty in terms of several aspects, giving rise to several judgments (Fournier & Mick, 1917). Despite the substantial disagreement about the definition or nature of loyalty, a general definition of loyalty is a relationship (from very superficial to very strong) between an actor and another entity, demonstrating their behavioral or psychological loyalty to that entity regardless of the other alternatives. Also, loyalty can be defined as a commitment to repurchase preferred products and/or services from time to time, instead of adhering to competitors marketing efforts to persuade customers to switch to other banks (Aldas-Manzano *et al.*, 2011; Abou- Youssef *et al.*, 2015).

In the consumer-behavior model, loyalty is a complex multidimensional concept. In terms of brands, loyalty is a psychological commitment to a particular brand including the result of individual expectations regarding service consumption. Customer expectations will affect satisfaction and will further contribute both directly and indirectly to user loyalty (Rufin *et al.*, 2012). In the development of loyalty, analysis from the cognitive-affective dimension is very important (Rasheed *et al.*, 2015). The cognitive aspect always precedes the affective aspect. Meanwhile, the research of Aisyah (2018) and Amin *et al.* (2013), explained that the precursor to the affective component is the cognitive component. Loyalty at the cognitive stage usually uses an information base that points to a brand or product over another brand or product. For example, an Islamic bank consistently tries to provide more competitive prices than those offered by competitors (Vyas & Raitani, 2014).

The theory of planned behavior emphasized that the most dominant predictor of consumer behavior was Intention. *Hijrah* intention is a strong intention of a Muslim to become a customer of an Islamic bank because of the encouragement of faith and religious beliefs to fulfill religious requirements to avoid sins. The intention to leave *Riba* (conventional banks) and switch to using Islamic banks and always be loyal to use Islamic banks is a behavior that reflects the intention of moving. Additionally, loyalty is classified based on attitude loyalty and behavioral loyalty (Dick & Basu, 1994). According to the theory of previous studies, this research aims to investigate the effect of *hijrah* intention on attitude loyalty and loyalty behavior of Islamic bank customers. The hypothesis of this research is as follows:

H1: *Hijrah* intention affects the attitude of customer loyalty to Islamic bank customers in Indonesia

To investigate the type of customer loyalty of Islamic banks in Indonesia, the researchers classify based on the statistical results of the influence of the variable *hijrah* intention on attitude loyalty and behavior loyalty. According to the research Dick and Basu (1994), four situations of possible loyalty based on two perspectives were identified namely, the attitude perspective and the behavioral perspective (see figure 1): (1) No loyalty, which is when the attitudes and behavior of repeated purchases were both weak; (2) Fake loyalty, which is when a relatively weak attitude was accompanied by a strong repeat purchase pattern. In this case, non-attitudinal factors such as subjective norms and situational factors had more influence on purchasing behavior; (3) Latent loyalty, which is when a strong attitude is accompanied by a weak pattern of repeat purchases. For example, a person may have a positive attitude towards Islamic banking, but may still attempt to find alternatives to conventional banks due to facilities and others; (4) Loyalty, which is when consumers have a positive attitude towards a certain brand or supplier accompanied by a consistent repurchase pattern. The following are customer loyalty based on an attitude and behavioral perspective:

		Repeat buying behavior	
		strong	weak
Attitude	strong	LOYALTY	LATENT LOYALTY
	weak	FAKE LOYALTY	NO LOYALTY

Sumber: Dick & Basu (1994)

Figure 1. Loyalty based on Repurchase Behavior and Attitude

Very few customers were included in the monogamous (100% loyalty) or “promiscuous” (not loyal to any brand) loyal group, based on loyalty research during the last few decades. However, “polygamous loyalty” or customers

who were loyal to the portfolio of a particular brand in a product category is a common phenomenon. This phenomenon was due to the insignificant level of differentiation and functional similarities among various brands in the product categories, making it easy for customers to switch from one brand to another.

RESULT AND DISCUSSION

The characteristics of the respondents in this research were presented based on gender, age of the respondent, latest education, occupation, and income of the respondent. Demographic data showed that 57.5% (207) of the respondents were female. By age, respondents aged 31 to 50 years were 41.38% (149 respondents) and the remaining 8.06% (29 respondents) over the age of 50 years. In terms of educational level, 39.72% were at masters level (S2), 28.07% (101 respondents) had an undergraduate education (S1) and 17.77% (64 respondents) had a doctoral education. Most of the respondents work as civil servants, while non-lecturers and teachers were 28.07% (101 respondents). Furthermore, lecturers/teachers were 26.66% (96 respondents) with the remaining coming from the army/ police, students, businessmen and entrepreneurs, private employees, and other types of jobs. Customers of Islamic banks were only 70.28% of respondents, while 29.72% of respondents were customers of Islamic banks and conventional banks.

Before testing the hypothesis, the researchers tested the validity and reliability of the data and research instruments. Table 1 presents the loading factor of each construct item that exceeded 0.5 (Hair *et al.*, 2018). Therefore all the question items had high convergent validity and the validity indicators also showed values greater than the threshold recommended by the literature. All square-root AVE values were greater than the other coefficients for the same construction, indicating good discriminant validity (Gefen *et al.*, 2000). Discriminant validity was shown by the cross-loading value of each indicator toward the variable. The correlation between measurement items was greater than the value in other constructs (See in Table 3). Moreover, the root AVE value of each variable was lower than the correlation of the independent variable to behavioral loyalty and attitude loyalty. Finally, composite reliability (CR) was greater than 0.7, and Cronbach alpha was above 0.7. These results indicated that all variables showed good reliability.

Table 3 Reliability dan Validity Indicators

Variables	Items	Factors Loading
Hijrah Intention CA = 0.784 CR = 0.843 AVE = 0.644	X ₁₃	0.879
	X ₁₄	0.899
	X ₁₅	0.904
	X ₁₆	0.706
	X ₁₇	0.768
	X ₁₈	0.637
	X ₁₉	0.783
Behavioral Loyalty CA = 0.929 CR = 0.940 AVE = 0.637	X ₂₀	0.966
	X ₂₁	0.967
Attitude Loyalty CA = 0.947 CR = 0.957 AVE = 0.761	X ₂₂	0.810
	X ₂₃	0.839
	X ₂₄	0.846
	X ₂₅	0.930
	X ₂₆	0.883
	X ₂₇	0.928
	X ₂₈	0.861

CA= Cronbach's Alpha; CR= Composite Reliability;
AVE= Average Variance Extracted

Table 4 Discriminant Validity

Variables	Attitude Loyalty	Behavioral Loyalty	Hijrah Intention
Attitude Loyalty	0.872		
Behavioral Loyalty	0.795	0.967	
Hijrah Intention	0.697	0.779	0.802

Partial-least-square structural equation models (PLS) were used to test the structural model and determine the significance of the hypothesized relationship. The models of this research were tested (n = 360) as in Table 3.

Table 5 shows that the antecedent of the attitude loyalty model which is statistically significant was *hijrah* intention ($\beta = 0.867$; p-value <0.01) positively (H1). Then, *hijrah* intention predicts behavioral loyalty ($\beta = 0.779$; p-value <0.01) positively (H2). With the results of the structural model testing (to see the goodness-of-fit model), which showed the value of R-square = 0.750 and Adjusted-R square = 0.751 (attitude loyalty), 75% of the variability

of the attitude loyalty construct can be explained by the *hijrah* intention construct. The value of R-square = 0.605 and Adjusted-R square = 0.606 (behavioral loyalty), showing that 60,5% of the variability of the behavior loyalty construct can be explained by the *hijrah* intention construct.

Both attitude loyalty and behavioral loyalty of customers were built through *hijrah* intention which had a stronger role in influencing loyalty. Significantly, *hijrah* intention had a direct effect on customer attitude loyalty (H1). The *hijrah* intention variable also had a significant effect on behavioral loyalty (H2). According to the coefficient of models, *hijrah* intention had a stronger effect on attitude loyalty of sharia bank customers compared to loyalty behavior. By having attitude loyalty, customers' loyalty to Islamic banks tends were expected to be true loyalty. As explained by Dick and Basu, strong attitude loyalty supported by strong behavioral loyalty will create true loyalty. Meanwhile, strong loyalty not supported by behavioral loyalty will create latent loyalty. Also, weak attitude loyalty balanced with strong behavioral loyalty will create fake loyalty.

These results fully supported the theory of planned behavior, that is, intention can be used to predict behavior (loyalty). Moreover, the loyal behavior of Islamic-bank customers is determined by the strength of the *hijrah* intention of customers. Therefore, the stronger their *hijrah* intention, the higher their attitude loyalty to Islamic banks. The results of the calculated test are shown in figure 1.

Table 5: Results of testing Hypotheses

Measurement	Model Coefficient (t-stat)	Hypotheses Result
<i>hijrah</i> intention → attitude loyalty	0.867*** (51,437)	H1 supported
<i>hijrah</i> intention → Behavioral loyalty	0.779*** (29.720)	H2 supported
Adjusted R ² Attitude Loyalty	0.750	-
R ²	0.751	
Adjusted R ² Behavioral Loyalty	0,606	-
R ²	0,605	

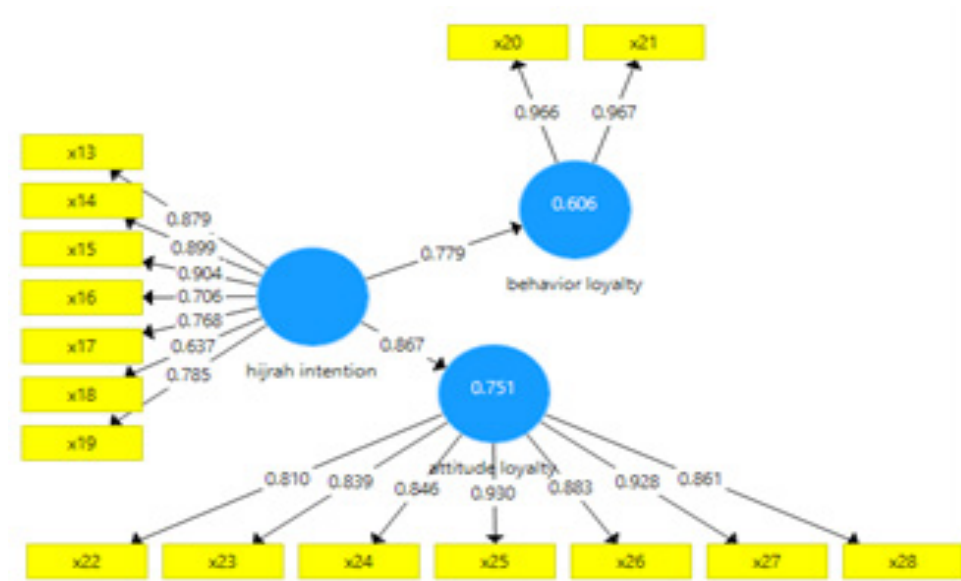


Figure 2. *Hijrah Intention and Loyalty Models*

The results of this research provide empirical support for previous related research to customer loyalty. Rizwan et al. (2014) found a positive customer attitude towards Islamic banking. In addition, various research discovered that while choosing a bank, religious perspective always affected customers' decisions. However, the literature showed that religious factor is not the only factor of customer loyalty. The researcher discovered that the intention, in this case, a strong *hijrah* intention affected the level of customer loyalty of Islamic banks. This was in line with the results of research conducted by Wan Abdullah et al. (2019), and Abdullah et al. (2012). The effect of *hijrah* intention on attitude loyalty and behavioral fidelity differs, indicating that *hijrah* intention strengthens attitude loyalty. According to Dick and Basu (1994), latent loyalty is reflected in a strong attitude accompanied by weak re-purchases. Latent loyalty can be attributed to the influence of non-attitudinal factors which is fairly strong and even tends to be stronger than attitude factors in determining re-purchase or loyalty of Islamic banks.

The results of this research also showed that the latent loyalty type needs to be improved towards the committed buyer (true loyalty). Overall, respondents who had reached the level of the committed buyer were limited. Therefore the Islamic banking industry should continue to foster public awareness of Islamic banks to use services through outreach programs and well-managed and sustainable promotion.

CONCLUSION

This research investigates the relationship between *hijrah* intention and customer loyalty (attitude loyalty and behavioral loyalty) in Islamic banks. To prove that a direct effect of *hijrah* intention on loyalty exists, the results show that there is a direct influence of *hijrah* intention on attitude loyalty, and behavioral loyalty. The important point of the findings of this research is that *hijrah* intention had more influence on attitude loyalty to Islamic banks than behavioral loyalty (from the perspective of attitude loyalty, and more inclined to have the latent-loyalty type). Therefore the characteristics of customer loyalty of Islamic banks in Indonesia are more likely to be latent loyalty, namely loyalty that is reflected in strong attitude towards Islamic banks (due to the influence of religion and *hijrah* intention) but they tend to be less in their loyalty behavior.

Also, this research recommends that the Islam religion has a great influence on the loyalty of Muslim consumers. Islamic banks whose countries are majorly populated by Muslims, and intend in penetrating the Muslim countries should consider the aspects of religion in the development of products and marketing activities. This includes developing, promoting, pricing, and placing new products as these are some of the main concerns of Muslim consumers today.

LIMITATION

The data was collected based on convenient sampling because time constraints made it impossible to collect data from customers of all banks. After that, a sample size of 206 respondents was collected. A large and more diverse represented sample size was recommended for further research to get more generalize results.

Finally, regarding future research on customer behavior, especially loyalty, building a path in customer loyalty is very important. Mapping the determinant variables of loyalty needs to be done in various research, especially loyalty in the financial services industry. Pathways can be mapped regarding loyalty perspective in terms of attitude loyalty, behavioral loyalty, and integrative loyalty. Future research may consider the moderating effects of other demographic factors (such as education and income).

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