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The Influence of Customer and Organisational Religiosity on the Development of Customer Trust in Financial Services Marketing Relationships

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PhD in Management

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Declaration

I hereby certify that this thesis presented for the degree of PhD in Management, has

   i.   been composed entirely by myself
   ii.   been solely the result of my own work
  iii.   not been submitted for any other degree or professional qualification

Basem Masoud Alhazmi

Signature……………………………………………

Date…………………………………………………

Abstract

The primary objective of this thesis is to develop a testable conceptual framework that investigates the influence of religiosity on the development of trust in financial services marketing relationships. Guided by the framework for measuring trustworthiness and trust in financial services (Ennew *et al*, 2011, Ennew and Sekhon, 2007, Sekhon *et al*, 2014), a novel approach has been adopted to develop a conceptual model that integrates relevant religious constructs whose underpinnings originate from various areas of the literature. In particular, it delineates several trusting beliefs relevant to an organisation's religious and non-religious attributes that profoundly influence trust through its effect on trustworthiness. Namely, these are expertise and competence, integrity and consistency, effective communication, shared values, concern and benevolence, and organisational religiosity. Also, the model examines the role of customer religiosity on the formation of customer trust in the financial services organisation through its intrapersonal (cognitive) and interpersonal (behavioural) religious effects.

The thesis research design consists of two elements, namely an exploratory component, initially implemented in the form of semi-structured interviews and a focus group with banking customers a banking manager, to complement findings from the literature review and inform methodological procedures choices of the research, and a survey component utilised to collect quantitative data. Subsequently, the conceptual model has been validated and tested using 765 self-administered survey responses from a convenience sample of banking customers in Saudi Arabia. Then, the data were subjected to an Exploratory Factor Analysis (EFA) to assess the validity of the measurement constructs. Next, an evaluation of the research model's validity and dimensionality using Confirmatory Factor Analysis (CFA); finally, research hypotheses were examined using Structural Equation Modelling (SEM) in SPSS Amos.

The main theoretical contribution of this research is the assessment of the formation of trust in financial services marketing relationships through the

religious lens, which provides an enhanced look at how trust develops between customers and financial organisations. Notably, two organisational religiosity dimensions, namely organisational religious observance and organisational religious promotion, have positive and negative effects on organisational trustworthiness, respectively. Also, the research theoretically contributes to the understanding of how trust develops at the individual personal level and shows that two customer religiosity constructs have unique and opposite effects on trust. Mainly, intrapersonal (cognitive) customer religiosity negatively influences customer trust in the organisation, while interpersonal (behavioural) customer religiosity has a positive influence on trust. Moreover, non-religious drivers of trust, such as Care and Consistency, Expertise and Competence, Effective Communication, have been shown to influence customer perceptions of an organisation's trustworthiness. Finally, banking customers differ in their trust and perceptions of an organisation's trustworthiness based on the banking model (Islamic versus dual window) and length of the buyer-seller relationship.

The findings of this thesis provide researchers of trust with a new and fresh approach to viewing trust in financial services. Notably, they point to the customer and organisational religious commitment constructs as essential determinants of trust in financial services marketing relationships. Customer trust remains a complex, ambiguous, yet extremely crucial phenomenon to the success of financial services marketing relationships. Significant advances in the financial services literature have been made to understand the concept and unbox its mysteries. The trust–religiosity model in financial services proposed and tested in this thesis, contributes to the trust theory on this vital issue in the field. Also, findings should alert financial institutions to the importance of personal religious attributes of their customers, while formulating their marketing and promotional strategies. Banking customers may display different trusting attitudes towards their banks based on their level of religious commitment, with cognitively religious customers displaying pronounced distrust and scepticism toward their financial institutions. Conversely, customers displaying stronger behavioural religiosity hold more favourable

trusting attitudes toward their banking service providers. Furthermore, the results provide useful insights for institutions by recognising key religious and non-religious factors that should be considered in their trustworthiness maintenance strategies.

Lay Summary

Trust is one of the most important concepts to companies, but it is very complex to understand its nature and how it develops. This research looks at how religious commitment of people and companies might have an effect on how trust forms. It designs a set of relationships that highlight several trusting beliefs relevant to an organisation's religious and non-religious attributes that impact trust by influencing trustworthiness. It also looks upon the influence of cognitive and behavioural aspects of customer religiosity on the formation of customer trust.

The research design consists of two main components; exploratory and survey. The researcher conducted an exploratory qualitative part that consists of semi-structured interviews, and a focus group to substantiate the literature review and to inform the design of methodology. Then, the researcher used a survey to ask customers about their trust in their banks, their level of religious commitment, and their opinion about the religious commitment of their bank. Next, he utilised statistical techniques to study 765 responses from banking customers from Saudi Arabia.

The results indicate that customers with strong religious beliefs are less trusting, while customers who engage more in social religious activities are more trusting. Also, customers prefer banks that show genuine characters of their religiousness like religious observance and truthfulness in their activities. Conversely, customers do not favour the use of religion in the marketing activities of financial service companies. The research also explains the influence of other company attributes that drive trust, such as competence, ability to communicate effectively, consistency of words and actions, and care for customer interest.

The main theoretical contribution of this research is the assessment of the formation of trust in financial services marketing relationships through the religious lens. It provides an enhanced look at how trust develops between customers and financial organisations. It accentuates the importance of

religion in influencing trust through its impact on customers and organisations. Companies should be mindful of the religious commitment of their customers, and religious messages they send while implementing their marketing strategies.

List of Works

Alhazmi, B. M. 2019. Religiosity and Customer Trust in Financial Services Marketing Relationships. *Journal of Financial Services Marketing,* 24(1/2), 31–43.

Alhazmi, B. M. 2015. *Study of Customer Trust in Islamic Banking: Trust & Religiosity*. [Poster]. The University of Edinburgh Business School PhD Poster Day, 1st December, Edinburgh, UK.

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"Whoever is not thankful to people will not be thankful to Allah (God)"

Prophet Mohammed (peace be upon him)

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Contents

List of Abbreviations

AIC	Aikake's Information Criteria
AVE	Average Variance Extracted
BIC	Bayesian Information Criteria
CC	Care and Consistency
CLF	Common Latent Factor
CMB	Common Method Bias
CFI	Comparative Fit Index
EXP	Competence and Expertise
CR	Composite Reliability
CFA	Confirmatory Factor Analysis
CT	Customer Trust
df	Degrees of Freedom
COM	Effective Communication
ECVI	Expected Cross-Validation Index
EFA	Exploratory factor analysis
GOF	Goodness of Fit
GFI	Goodness of Fit Index
InterRlg	Interpersonal Religiosity
IntraRlg	Intrapersonal Religiosity
KMO	Kaiser-Meyer-Olkin Measure of Sampling Adequacy
ML	Maximum Likelihood
NFI	Normed Fit Index
ORlgObv	Organisational Religious Observance
ORlgPro	Organisational Religious Promotion
TW	Organisational Trustworthiness
PNFI	Parsimony Normed Fit Index
RMSEA	Root Mean Square Error of Approximation
R²	Squared Multiple Correlations
SRMR	Standardised Root Mean residual
SPSS	Statistical Package for the Social Sciences
SEM	Structural Equation Modelling
TD	Trust Disposition
TLI	Tucker-Lewis Index
VIF	Variable Inflation Factor

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Chapter 1   Introduction to the Thesis

1.1 Introduction

This thesis is an investigation of the role of religion in explaining customer trust in the financial services context. Mainly, it builds and tests a conceptual framework to model and examine the effect of customer religiosity as an attribute of the customer on their level of trust in their financial services provider and conceptualises and examines the effect of organisational religiosity as an attribute of the organisation on its trustworthiness.

The purpose of this introductory chapter is fivefold. It starts with a background of the research topic; then, it builds the rationale of the research by highlighting significant gaps in the understanding of trust in the literature. Next, it introduces the context of this research, followed by highlighting research aims and questions along with its intended contributions. Finally, the chapter concludes by providing a clear structure of the thesis.

1.2 Research Background

Trust is an essential concept to building long-term relationships with consumers and a primary function of financial services firms, which leads to a number of favourable consequences, such as higher levels of loyalty (Johnson and Grayson, 2005, Nguyen *et al*, 2013), commitment (Mukherjee and Nath, 2003), and satisfaction (Chiou *et al*, 2002). It is an essential component of the development and maintenance of marketing relationships. Since the advent of the relationship marketing paradigm and the popularisation of the concept, the focus of marketing has shifted from merely acquiring customers to maintaining and retaining existing customers (Berry, 1995). Grönroos (1994) asserts that relationship marketing is of particular importance to services marketing and notes that the concept began appearing in the service literature since the early 1980s. Berry and Parasuraman (1991) have identified in their seminal work on marketing services six sub-roles of a service provider's strategy, one of which is managing trust and its role in a service provider's marketing strategy

success. The concept of trust has become the cornerstone to successful marketing relationships and is linked to several desirable outcomes in relationship marketing including commitment, satisfaction, and loyalty (Sirdeshmukh *et al*, 2002, Morgan and Hunt, 1994).

In financial services, specific inherent characteristics of these services intensify the need for trust. Contrary to products, services have no physical presence or existence; thus, a financial service is said to be high in credence qualities, such as intangibility, inseparability, and complexity (Zeithaml *et al*, 1985). These qualities make it difficult for the customer, if not impossible, to evaluate the performance and quality of their financial services objectively. As a result, consumers make their purchase decisions on the basis of trust by taking a leap of faith and relying on a set of promises from the service provider (Harrison, 2003). Further, a financial services exchange is characterised by intense levels of risk and vulnerability, due to elevated levels of uncertainty and information asymmetry (Ennew *et al*, 2011, Ennew and Sekhon, 2007, Harrison, 2003). Also, conditions in the financial services industry instigated by the financial crisis in 2008 and mismanagement scandals in recent years have caused levels of trust to erode (Moin *et al*, 2015, Ennew *et al*, 2011). Given these conditions, it is not surprising that financial institutions have built their customer relationship management strategies around the concept of trust (Harrison, 2003). Some researchers have gone as far as describing financial services as "the business of trust" to emphasise the vital role of trust to the survival of financial institutions (Knights *et al*, 2001, p. 318).

Given this background of trust within the context of financial services, a sizeable stream of research within the marketing literature has emerged to understand how trust develops in the financial services organisation. Specifically, researchers have investigated the influence of several trust antecedents including firm-related drivers (communication, competence, integrity), or consumer state- or situation- related characteristics (satisfaction, familiarity, service performance) (Choi *et al*, 2010, Flavián *et al*, 2005, Johnson and Grayson, 2005, Nguyen *et al*, 2013, Sekhon *et al*, 2014). However, less is

known about the influence of religious factors on the formation of trust in the context of financial services. Crucially, more general questions have been raised in recent years about the integration of religion in marketing activities and the extent to its impact on customers (Minton, 2015, 2019, Minton and Kahle, 2014, Alhouti *et al*, 2015). In financial services, the rise of religious banking and finance is a prime example of the shared ground between religion and business activities. Islamic banking or participation banking has been founded on religious principles to meet the needs of religious customers. However, issues of trust and confidence in the industry remain at large. The lack of a standardised regulatory framework, ambiguity about the functions of *Sharia* boards (Aldossari, 2010), and the gap between market and religious knowledge of these board members (Harrison and Ibrahim, 2016) are all issues that contribute to an overall atmosphere of uncertainty and risk (Marliere, 2013, Mansour *et al*, 2016). Nevertheless, this is not uncommon, as the use of religion in marketing has engendered much debate in recent years (Alhouti *et al*, 2015), and is perhaps a by-product of the collision between the secular goals and sacred intentions on which these institutions are founded (Haniffa and Hudaib, 2010).

Therefore, given this background, this research aims at investigating the trust phenomenon in financial services through the religious lens, by developing a conceptual framework that emphasises the role of religiosity as an organisational element and a customer attribute in influencing trust. The context of this research is the Saudi Arabian banking industry, which is characterised by a strong presence of institutions offering Islamic banking services and highly influenced by religious values. Ultimately, this research will provide a novel and unique approach to understanding trust in financial services marketing relationships, and uncover some of the mysteries surrounding its nature and development.

1.3 Research Rationale

The literature review, presented in Chapters 2 and 3, reveals that several studies have explored the concept of trust in financial services. These range

from studies that identify antecedents leading to the formation of trust in a financial service provider (Sekhon *et al*, 2014, Johnson and Grayson, 2005, Ennew *et al*, 2011, Roy *et al*, 2015, Bejou *et al*, 1998), to studies that emphasise the functions of the phenomenon from an institutional perspective (Grayson *et al*, 2008, Moin *et al*, 2015, Hansen, 2012) or focus on differences in trust formation across cultural boundaries (Schumann *et al*, 2010, Sekhon *et al*, 2013, Hartnett, 2010, Houjeir and Brennan, 2016, 2017). Although these studies provide a good foundation for understanding trust and its development, the literature review has identified several gaps in knowledge that limit our understanding of trust.

First, one of the central concepts to trust is an individual's trusting belief about the trustworthiness of the other person or entity (Colquitt *et al*, 2007). Over the years, a large inventory of trustworthy attributes that drive customer trusting beliefs have been identified by various researchers in extant fields (McEvily and Tortoriello, 2011, McKnight *et al*, 2002). However, in the financial services literature Sekhon *et al* (2014) warn that "while our understanding of the way in which trust impacts on marketing relationships and relationship quality is well developed, there is much less in the way of systematic empirical research to address the antecedents of trust". The literature review reveals that much of the existing research on trust in the financial services marketing domain has focused on either firm related drivers of trust (e.g. communication, competence, integrity), or consumer state or situation related characteristics (satisfaction with previous interactions, familiarity with the organisation, service performance) (Chiou *et al*, 2002, Flavián *et al*, 2005, Johnson and Grayson, 2005, Nguyen *et al*, 2013, Sekhon *et al*, 2014). While these studies offer a good foundation for understanding trust antecedents, more research is needed to fully explain the influence of individual drivers on the development of trust (Sekhon *et al*, 2014, p. 424). Specifically, provided the importance of internalised processes that highlight the nature of trust as a psychological state (Rousseau *et al*, 1998), our understanding of trust from a psychological perspective and its relevance to religious core values and beliefs remains limited (Minton, 2015). This issue highlights a significant limitation to the study

of trust in the literature in general. For instance, Minton (2015) and Hall *et al* (2015) have recently explained that research is scant on intrinsic drivers of trust, such as customers' core values rooted in their belief systems (i.e. religion) that influence trust and noted that such limitation hinders the understanding of trust as a psychological construct. Similarly, in financial services research on trust, several researchers (Houjeir and Brennan, 2016, 2017, Hartnett, 2010) have called for the integration of religious constructs that influence core values and beliefs in modelling and understanding the development of trust in financial services relationships. To the knowledge of the researcher, the influence of religious constructs, specifically religiosity, on customer trust has not been investigated in the context of financial services marketing relationships.

Second, a sizeable strand in the financial services literature emphasises the role of religious factors in driving consumer behaviours and attitudes towards financial services and institutions in the Islamic banking context (Al-Ajmi *et al*, 2009, Dusuki and Abdullah, 2007, Naser *et al*, 1999, Metawa and Almossawi, 1998, Souiden and Rani, 2015, Ashraf *et al*, 2015). These factors are closely related to elements in typologies of religious organisation developed in the sociology of religion and faith based organisation literature (Jeavons, 1998, Ebaugh *et al*, 2005, Ebaugh *et al*, 2006b). However, less is known about the influence of these factors on the trust development process; particularly, its influence on the trustworthiness of the financial service institution. Such a limitation represents a general lack of empirical integration of organisational religious attributes into management and marketing literature (Jeavons, 1998, Fang *et al*, 2013). It is, therefore, argued in this research that religious attributes of the financial organisation have a significant impact on its trustworthiness. Such a notion falls under the broad construct of organisational religiousness or the commitment an organisation displays towards religion through its self-identification, activities, and products and services (Jeavons, 1998). The argument follows the general suggestion in the literature that individuals and entities that engage in religious signalling and those who are characterised as religious are often perceived as trustworthy and viewed with

less scepticism (Tan and Vogel, 2008, Taylor *et al*, 2010, Hall *et al*, 2015, Minton, 2015, 2019).

Third, the majority of research on trust assumes that trust conceptualisations, models and operationalisations are universally applicable and adequate for other contexts (Dietz *et al*, 2010, Zaheer and Zaheer, 2006). In their call for more diverse conceptualisations and measurements, Zaheer and Zaheer (2006) argue that trust and its measurements should not be treated as universal, and call for the recognition of cultural influences on trust. Similarly, Branzei *et al* (2007) note similar limitations in research on trust and observe that differences exist in the way individuals in different cultures process trust signals. Schumann *et al* (2010) observed that trust drivers (an organisation's ability, benevolence, predictability, and integrity) in financial service relationships differ across cultural boundaries and explain that differences are caused by cultural influence. Sekhon *et al* (2013) uphold that trust research has not been extended outside the western context. Dietz *et al* (2010) highlight the importance of cultural elements including religion, whose influence on trust has not been thoroughly investigated. These views reflect an important strand in the trust literature (e.g. Ariño *et al*, 2001, Yamagishi *et al*, 1998, Zaheer and Zaheer, 2006), which insists on the domain-specific nature of trust and necessitates the inclusion of constructs relevant to culture in explaining trust. In a recent study on trust in Emirati business-to-business banking relationships, Houjeir and Brennan (2017) noted that cultural values, such as religious beliefs and tribal loyalties have a far-reaching and substantial influence on the formation of trust and concluded that further empirical research integrating the role of religion in the development is needed.

Finally, the paucity of research on trust antecedents in the context of financial services marketing relationships, as well as the lack of research linking religiosity and trust in the context has primarily encouraged this research. Results from the literature reveal that research is limited concerning the religious attributes of the customer in the form of customer religiosity as well as attributes of the financial organisation in the form of organisational

religiosity. Consequently, in light of the gaps present in the literature, several objectives and research questions have been formulated to guide the process and design of this research, which will ultimately contribute towards an improved understanding of trust in financial services marketing relationships. These objectives and questions are presented in the next section.

1.4 Research Aims, Objectives, and Questions

The primary aim for this research is to address the lack of understanding in the association between religion and customer trust in the context of financial services by developing (modifying) and empirically testing a conceptual model to fill in the gap in the literature. Drawing on the theory of customer trust in financial services developed by Ennew *et al* (2011), Ennew and Sekhon (2007), and Sekhon *et al* (2014), this research expands the original model by including associated religious variables (i.e. customer religiosity and organisational religiosity) in order to explore their effects on customer trust. Specifically, this research aims to achieve the following objectives:

1. To identify and empirically test a conceptual framework that explains customer trust and its antecedents in the financial services context in Saudi Arabia;
2. To explore the influence of religion on the development of customer trust in the financial services context;
3. To investigate and explain the specific role of customer religiosity in influencing customer trust in a financial institution;
4. To investigate and explain the specific role of organisational religiosity in shaping customer perceptions of organisational trustworthiness; and,
5. To discuss and offer theoretical and practical implications for researchers and practitioners in the context of financial services context.

In order to achieve the objectives mentioned above, the following questions have been developed:

1. How do we model and explain the role of religion in shaping customer trust in financial services marketing relationships?
2. How does religion influence customer trust in financial services marketing relationships?
3. How does the customer level of religiosity influence their trust in their financial services provider?
4. What is the influence of organisational religiosity on customer trust development in the context of financial services?
5. Are there any differences in trust among customers based on the relationship duration they have with their bank and the type of banking used (Islamic vs Dual window)?

1.5 Research Contributions

This research intends to make several theoretical and practical contributions by modelling relevant religious constructs to investigate their effect on customer trust in an integrative fashion. The study contributes mainly to the study of trust in the financial services marketing, general marketing, and consumer research literature by adopting and modifying an existing framework to study customer trust in financial services, to measure the link between trust and religion. Specifically, this research:

1- Builds and validates a model that integrates religious constructs, namely customer religiosity and organisational religiosity to address the limited research on religion in the consumer research literature.
2- Demonstrates support for two distinct trust characteristics, namely its multidimensional and contextual nature.
3- Offers significant contribution to the study of trust in financial services by demonstrating that religion is an essential factor that contributes to the development of trust, and extending existing theories on trust to have a better and more thorough understanding of its development.
4- Demonstrates support for the proposition that customer trust varies based on the strength of religiosity.

5- Addresses the lack of empirical research on organisational religiousness and offers support for its influence on organisational trustworthiness.

6- Extends trust research to an unexplored and new context (i.e. customer trust in the Saudi banking context).

7- Offers several practical implications that will be of benefit to banks and practitioners in the financial services industry.

1.6 Structure of the Thesis

This thesis consists of eight chapters, which are supplemented by several appendices at the end of the thesis.

Chapter One introduces preliminary information relevant to this research such as its background, rationale, as well as its aims and objectives. It also highlights the context of the research and justification of the chosen location to conduct the study.

Chapter Two provides a literature review on the concept of trust. The chapter begins with a broad overview of the theoretical foundations of the trust concept in the extant literature. Then, the chapter provides a more focused view of trust theories relevant to the financial service context. Finally, the chapter concludes with the review of leading conceptual models of trust, which have been developed and empirically tested in service relationships.

Chapter Three provides a demonstration from the literature of the influence of religion on behaviour. In particular, the chapter identifies relevant religious constructs that are of interest to the current study, namely Customer Religiosity and Organisational Religiosity.

Chapter Four conceptually develops the research's model by incorporating customer religiosity and organisational religiosity into a model of trust in financial services adopted from Sekhon *et al* (2014). It also develops relevant hypotheses to form the customer trust – religiosity model and introduces two

variables that will be used to identify differences among the interrelations in the model.

Chapter Five provides detailed methodological procedures utilised by the researcher to achieve the objectives of this research. It starts with outlining fundamental philosophical underpinnings guiding the design of this research. Then, it discusses in detail steps utilised to design and collect data necessary to test the conceptual model, including the qualitative phase of the research, questionnaire development process, and sampling process. Finally, it provides a detailed explanation of the quantitative data analysis methods utilised in chapter six to analyse the data collected from banking customer in Saudi Arabia.

Chapter Six provides quantitative data analysis procedures conducted in this research and centres around three main elements. First, it begins by highlighting the characteristics and screening for multivariate assumptions. Then, it identifies underlying structures and tests the validity and reliability of research constructs in the sample by employing Exploratory Factor Analysis (EFA) in SPSS and Confirmatory Factor Analysis (CFA) in SPSS AMOS. Finally, the chapter introduces results for the structural model, hypothesis testing, and moderating effects of banking type and relationship duration.

Chapter Seven presents a discussion of the results, provides a detailed explanation of their occurrence and relevance in light of the research objectives, and positions them with other findings in the literature.

Chapter Eight discusses several points in this research on its theoretical and practical implications. It also recognises several limitations that exist in the study and lists potential venues for future research directions.

Chapter 2   Customer Trust in Financial Services: A Review of the Literature

2.1 Introduction

Considering the primary purpose of this study, that is, to study the influence of religiosity on customer trust in financial services exchanges, this chapter will review the theoretical foundations of customer trust in financial services literature to derive a testable conceptual framework. To achieve this, this research consulted numerous scholarly sources including books, journal and conference articles, and periodicals from the literature. Therefore, the first objective of this chapter is to provide an overview of the importance of trust and its study in the context of financial services. Then, the concept of trust is defined within the area of financial services marketing to build an understanding of its meanings and conceptualisations. Finally, previous research studies and conceptual frameworks that form the basis for the study of trust in financial services are reviewed and critically discussed to highlight significant gaps of knowledge and to derive and utilise a testable conceptual model to utilise in this research.

2.2 The Need for Trust in financial services

While the importance of trust has been recognised in various contexts and situations, and across different fields of study (Rousseau *et al*, 1998), it is foundational to financial services marketing relationships with many customers in the industry making purchase decisions primarily on the basis of trust (Harrison *et al*, 2006). This importance is born out of inherent and situational elements that are unique to the financial services context, namely the nature of financial services, conditions of trust in financial services, and the state of the financial services industry, which make trust fundamental to these relationships. These will be discussed briefly in the next sections to highlight the importance of trust in the context.

2.2.1 The Nature of Financial Services

The nature of financial services can largely explain the importance of trust in financial services marketing relationships. Generally, services have been defined as intangible activities, actions, or efforts that take place between a customer and a service provider (Hoffman and Bateson, 2016). Thus, certain inherent qualities of services in general and financial services in particular point to the importance of trust in marketing. Financial services have no physical presence or existence; thus, a financial service is said to be high in credence qualities, such as intangibility, inseparability, and complexity (Zeithaml *et al*, 1985, Mitchell and Greatorex, 1993, Mitra *et al*, 1999). Unlike physical products, financial services are not consumed, purchased or felt, so customers have no means of evaluating the performance of a financial service product confidently (Mitra *et al*, 1999).

In some cases, these services do take years to mature posing difficulty to the consumer in judging their quality and performance. Besides, there are numerous types of services that range from simple banking services to complex investment and specialised services that require extensive knowledge to evaluate their attributes. Such complexity begs the question of whether a customer can solely make an informed purchase decision or there is a need for financial advice. Complexity is a prominent feature of financial services, which leads to information asymmetry between the customer and financial institution (Ennew *et al*, 2011, Ennew and Sekhon, 2007, Harrison, 2003); thus, giving rise to trust in such situations. These inherent attributes make a financial service purchase a risky and complex decision.

2.2.2 Conditions of Trust in Financial Services

Inherent characteristics of financial services and the intense levels of uncertainty and information asymmetry in financial service exchanges provide support for the role of trust due to the existence of risk, interdependence and vulnerability (Roy *et al*, 2015, Sekhon *et al*, 2014, Devlin *et al*, 2015). More generally, Berry (1995) has long noted the importance of these three elements

in determining the role of trust in service marketing relationships. Ennew and Sekhon (2007) referred to these elements as conditions of trust, without which the need for trust in a relationship would diminish. Therefore, to better understand the importance of trust in the context, it is crucial to highlight these key features (referred to as conditions of trust) of a financial services exchange.

2.2.2.1 The Existence of Risk

The first condition of trust and one of the most prominent of its features is the existence of risk in a relationship. Customers face several types of risks in a financial purchase situation. The first is the existence of risk caused by the inherent qualities of financial services highlighted above. While some qualities of a financial service can be identified at the point of purchase, some attributes, such as return on investment and service performance cannot be fully acknowledged when a service is purchased and may take years for the customer to evaluate such performance features adequately.

Moreover, conditions within the industry which have caused trust levels to erode recently can also be a significant cause for the high perception of risk associated with financial services as well as the increased levels of uncertainty caused by information asymmetry (Harrison, 2003). The second level of risk exposure in financial services is related to the financial risk associated with service failure and poor service performance and quality (Ennew and Sekhon, 2007). Whatever the level or type of risk a customer is exposed to, the existence of risk in financial services is a key feature of these relationships that gives prominence to the role of trust in the context of financial services. Finally, other types of risk perceptions are the psychological and social consequences that arise during and after the purchase of a financial service in the form of loss of self-esteem, embarrassment, or remorse in the event of service failure (Mitchell and Greatorex, 1993). Relatedly, religiously oriented financial services (i.e. Islamic financial services) present unique types of risk exposures in the form of non-compliance of financial services with specific religious principles that are essential to the functioning of these services (Saeed *et al*,

2012, Mohd Noor *et al*, 2018). The presence of risk in financial services, regardless of its type, is highly pronounced in financial services, which explains the crucial role of trust.

2.2.2.2 Interdependence

The second condition of trust is interdependence among the parties in the relationship. According to Rousseau *et al* (1998, p. 395), interdependence becomes prominent in a relationship when "the interests of one party cannot be achieved without reliance upon another". Limited knowledge about financial services and resultant uncertainty may explain why interdependence is critical to the exchange between a customer and a financial institution. Also, the purchase of financial services is often infrequent meaning that customers do not usually rely on previous experiences when they make their purchase decisions. More importantly, the role of financial intermediary and advice in meeting customer financial needs is particularly crucial in financial services exchanges. Chiefly, due to service complexity and information asymmetry, customer purchase decisions primarily depend on specialist advice provided by the financial institution (Ennew and Sekhon, 2007, Harrison, 2003). This leads to a common perception that the customer purchases the financial specialist, rather than the service itself (McKechnie, 1992). In such circumstances, the excessive level of interdependence caused by customer limited knowledge and ignorance leaves the customer highly vulnerable. Thus, trust becomes an essential ingredient for the customer to depend on the advisor's advice and take a leap of faith based on their belief that the financial specialist\institution will not act opportunistically or exploit their weakness.

2.2.2.3 Vulnerability

Vulnerability, as a situational element in financial services exchanges, is a future construct that is born out of the intense levels of risk and interdependence in a financial service purchase situation (Devlin *et al*, 2015). As previously stated, financial services purchases are characterised by high levels of uncertainty and incomplete information; thus, customers highly depend on the service provider's honest advice to make their purchase

(Harrison, 2003, Ennew and Sekhon, 2007). However, such uncertainty and overreliance on financial advisors leave customers highly vulnerable, which can adversely impact their wellbeing. Essentially, vulnerability is the product of the existence of risk and interdependence, and trust is the psychological manifestation of vulnerability in a relationship (Rousseau *et al*, 1998). Ennew and Sekhon (2007) note that in the absence of these critical elements, trust is unnecessary as a mechanism to ease the risk and vulnerability.

2.2.3 The Financial Services Industry

In addition to the elements mentioned above relevant to the nature and purchase of financial services, conditions in the financial services industry generally have aggravated the issue of trust in the context. In recent years, the occurrence of scandalous events as well as the devastating consequences of the global financial crisis of 2008 has adversely affected trust in the industry as a whole (Ennew *et al*, 2011, Moin *et al*, 2015, Cohn *et al*, 2014). Trust levels in the industry remain low more than a decade following the global financial crisis. In a 2018 poll in the United Kingdom, one-third of banking customers indicated that they do not trust their banks to have the best interest of their society (YouGov, 2018). As a result, the current conditions in the industry, further accentuate the role of trust in the industry as an essential ingredient in driving customer's willingness to become vulnerable in such risky conditions, and explains why the majority of customers make their financial service purchase decisions on the basis of trust (Harrison *et al*, 2006). Therefore, it is not surprising to see increased attention to the topic in financial services research, which has generated a moderate list of studies that aim at understanding trust within the context and explain the influence of factors that drive it.

The next section will review several definitions of trust that have been developed and adopted in these studies.

2.3 Customer Trust Definitions

Trust has been established as one of the most critical elements of marketing relationships and exchanges, which leads to successful relational exchanges with customers (Berry, 1995, Morgan and Hunt, 1994, Crosby *et al*, 1990). Its importance has also been recognised in different situations and contexts expanding its research across various fields of study (Rousseau *et al*, 1998). However, it has long been recognised that trust is a complex concept to define and understand, despite its often superficially obvious appearance (Blois, 1999). This has led to a plethora of definitions to emerge in the literature confusing its meaning and antecedents in the literature in general (Rousseau *et al*, 1998), including financial services marketing literature (Sekhon *et al*, 2014, Moin *et al*, 2015). Notably, Mayer *et al* (1995) have highlighted several issues that have historically caused such disagreements and confusion, namely : inherent complexity of the concept, lack of distinction between trust, its drivers and consequences, confusion surrounding the role of risk, lack of clarity about trust actors and levels of analysis, and failure to account for and distinguish between roles of trustees and trustors.

Thus, it is not surprising that a large inventory of trust definitions exists in the literature that draws heavily from numerous fields of study (Rousseau *et al*, 1998). More importantly, conceptualisations of trust in financial services marketing have been grounded primarily in the multidimensional paradigm to understanding trust in marketing relationships, which have significantly drawn from perspectives in psychology, sociology, and economics (Ennew and Sekhon, 2014). Table 2-1 lists commonly used trust definitions in financial services and existing literature in management and marketing. By reviewing these definitions, common themes exist in almost all definitions of trust in the literature regardless of discipline, including the ones listed herein (Rousseau *et al*, 1998), and pay tribute to relevant considerations, while explaining the role of trust within the context of financial service exchanges (Devlin *et al*, 2015). Namely, these definitions emphasise the role of necessary conditions of trust, such as the existence of risk, interdependence and vulnerability in

financial service relationships, and link them to confident expectations about a partner's future behaviour (Devlin *et al*, 2015, Ennew and Sekhon, 2014).

Furthermore, major trust definitions in financial services presented in Table 2-1, reveal that trust consists of two main facets. First, trust results from a belief or expectation about a financial service organisation's trustworthiness behaviour that is based on a subjective customer evaluation of organisational trustworthiness, such as competence in completing customer requests, integrity and honesty, benevolence, or shared values (Sekhon *et al*, 2014). Second, trust involves a behavioural intention component that is born out of a customer's willingness to accept risks and become vulnerable in a relationship, which ultimately reflects their belief about a trustee's trustworthiness (Johnson and Grayson, 2005, Ennew and Sekhon, 2007). Such an approach strongly advocates that the belief and behavioural intention components must be present in a situation in order for trust to occur and is well-grounded in and consistent with major definitions from the management and marketing literatures (e.g. Mayer *et al*, 1995, Rousseau *et al*, 1998, Morgan and Hunt, 1994) that have been used extensively in financial services studies. Customers need to act on their beliefs in an organisation in order for trust to manifest in an exchange, which ultimately highlights their willingness to accept vulnerability. Moorman *et al* (1992, p. 315) further articulate this by suggesting that "if one believes that a partner is trustworthy without being willing to rely on that partner, trust is limited".

Table 2-1: Major Definitions of Trust

Study	Trust Definition(s)
Adamson *et al* (2003, p. 348)	"One party has confidence in an exchange partner's reliability and integrity."
Roy *et al* (2011, p. 98)	"Confidence that no party to an exchange will exploit another's vulnerabilities."
Chiou *et al* (2002, p. 114)	"The belief that another party can be relied on with confidence to perform role responsibilities in a fiduciary manner."
Ennew and Sekhon (2007, p. 63)	"Willingness to accept vulnerability on the grounds of positive expectations about the intentions or behaviour of another in a situation characterised by interdependence and risk."
Johnson and Grayson (2005, p. 801)	**Cognitive trust:** "a customer's confidence or willingness to rely on a service provider's competence and reliability." **Affective trust:** "the confidence one places in a partner on the basis of feelings generated by the level of care and concern the partner demonstrates."
Eisingerich and Bell (2007, p. 256)	"Customers' confidence and reliability in the exchange partner's integrity and ability to deliver on its promises."
Mayer *et al* (1995, p. 712)	"Willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party."
Rousseau *et al* (1998, p. 395)	"A psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behavior of another"
Morgan and Hunt (1994, p. 23)	"Confidence in an exchange partner's reliability and integrity."

Additionally, due to the specific and vital role of financial advising to the context of financial services and as the exchange occurs in the form of interpersonal interaction between a customer and a financial service advisor (McKechnie, 1992), the role of interpersonal trust in the definitions is highlighted through customers dealing with financial institutions. Naturally, conceptualisations of trust in the context emphasise the developmental aspects of the encounter

throughout the relationship between the parties involved. For instance, trust is viewed as a phenomenon that is initiated by a base form of trust commonly known as general trust disposition (Grayson *et al*, 2008, Sekhon *et al*, 2013, Hansen, 2012). This approach is consistent with views of psychologists and personality theorists who view trust as a stable psychological attribute of the individual that is consistent across contexts and situations (Deutsch, 1958, Rotter, 1967). Then, as the service encounter progresses and the customer accumulates knowledge about their partner, rationality and cognitive trust responses become more prominent by relying on first-hand experiences. Eventually, these responses are replaced by a deeper emotional bond between the customer and advisor/institution (i.e. affective trust) (Johnson and Grayson, 2005). Such an approach to understanding trust in financial services marketing relationships combines two dominant views and perspectives in the literature. The first is the view that trust is based on rationality and the accumulation of knowledge prominent in economics (Williamson, 1993), while the second is from social/social psychological perspective, which views trust as an interpersonal phenomenon consisting of cognitive and affective elements in close relationships (Rempel *et al*, 1985, Lewis and Weigert, 1985, 2012). This multifaceted paradigm appears to be coherent with the unique situational and inherent features of financial services purchase decisions often characterised by intense levels of uncertainty, risk, and interdependence; more importantly, the role of trust as a risk reduction mechanism is recognised (Mayer *et al*, 1995).

Nonetheless, recent works of trust in financial services have noted that current conceptualisations of trust do not fully explain the formation of trust at the individual consumer level (Sekhon *et al*, 2014) or incorporate the influence of specific elements pertaining to cultural values and beliefs (Hansen, 2012, Schumann *et al*, 2010, Sekhon *et al*, 2013). Notably, the role of religion as a possible determinant of trust (Hartnett, 2010). This assertion mimics similar voices in the marketing literature that scrutinised the lack of integration of religious constructs, particularly religiosity, in modelling customer trust dispositions and specific trust in companies and brands (Taylor *et al*, 2010,

Minton and Kahle, 2014, Minton, 2015, 2019). These limitations will be further discussed in the subsequent sections of this chapter.

In summary, the complexity of the trust concept has led to a plethora of definitions in the literature. Nevertheless, researchers agree on universal elements, such as the involvement of risk, interdependence and vulnerability, and the importance of future expectations, when defining trust. In the vast number of conceptualisations that exist in the literature, this research adopts Ennew and Sekhon's (2007) definition of trust (see Table 2-1), which articulately recognises essential considerations for financial exchanges and is suitable for the context and purpose of this research.

2.4 Previous Research on Trust in Financial Services

Given the background of the financial services industry, along with the essential role of trust as a significant component of the customer – service provider relationship, and the inherent nature of financial services, it is perhaps surprising that Sekhon *et al* (2014, p. 409) note that "while our understanding of the way in which trust impacts on marketing relationships and relationship quality is well developed, there is much less in the way of systematic empirical research to address the antecedents of trust". Although many researchers have modelled trust as a critical element of the quality of financial services marketing relationship, the literature review conducted in this research confirms the general limitation noted by Sekhon *et al* (2014). The researcher identified only 12 research papers (presented in Table 2-2) that address trust as the main construct of interest and explore its antecedents in the context of financial services. It is noteworthy that other papers that treat trust as a proxy for or consequence of different forms of behaviour in financial services marketing relationships (e.g. Mukherjee and Nath, 2003, Nguyen *et al*, 2013, Kantsperger and Kunz, 2010, Chiou *et al*, 2002, Eisingerich and Bell, 2007) exist in the literature; however, these were deemed irrelevant for this research.

Furthermore, the researcher recognises that other theoretical frameworks to conceptualise trust exist in areas of online and internet banking; however, trust

in the online context may have different meanings and manifestations that result from the nature of the exchange via electronic means (Yousafzai *et al*, 2003). Therefore, the scope of this review has been restricted to studying trust in traditional relational interactions between customers and financial service providers. Accordingly, the purpose of this section is twofold. First, it aims at discussing major themes that guide the literature on trust in financial services. Second, it reviews and discusses several conceptual models of trust that have informed the understanding of trust in the financial services context.

An inspection of the 12 papers comprising the literature review on trust in financial services presented in Table 2-2 reveals the existence of three broad streams. The first stream concerns the exploration of factors (i.e. trust antecedents) that influence trust formation and argues that trust results from customer belief about specific qualities of the other party, which significantly influence their confidence that they will not be treated opportunistically (Sekhon *et al*, 2014). Researchers in this strand emphasise organisational attributes such as a provider's ability, integrity, benevolence, and similarity (Johnson and Grayson, 2005, Ennew *et al*, 2011, Sekhon *et al*, 2014), justice and fairness (Roy *et al*, 2015), or customer orientation (Bejou *et al*, 1998) in driving trust and organisational trustworthiness.

The second stream focuses on trust as an institutional phenomenon, sometimes referred to as broad-scope trust, by emphasising its functions within the financial services industry. Several aspects, such as the generalised or customer dispositional characteristics of trust, or institutional arrangements at the industry level are believed to constitute a base form of trust from which narrower and more specific forms of trust in a service provider develop (Grayson *et al*, 2008), and shape specific trusting beliefs about the trustworthiness of the organisation (Moin *et al*, 2015).

The third stream in the financial services literature emerged as a continuation of trust research that emphasises the role of cultural variables and values in contributing to the understanding of the development of trust constructs within and across other cultures (Dietz *et al*, 2010, Yamagishi *et al*, 1998, Jarvenpaa

et al, 1999). Findings across studies in this strand of research in financial services demonstrate that customers differ in their trust-building practises and perception of the factors constituting trustworthiness based on cultural values (Schumann *et al*, 2010, Roy and Shekhar, 2010a, b, Sekhon *et al*, 2013). Others (Houjeir and Brennan, 2016, 2017, Hartnett, 2010) assert the ubiquitous influence of shared religious values within a culture and urge the inclusion of religious constructs as important determinants of trust in financial services marketing relationships. This thesis builds on this stream by integrating the religiosity variable with theories of trust in financial services to derive a testable model, which will ultimately contribute to the understanding of the development of trust.

Table 2-2: Literature Review of Trust in Financial Services

Study	Focus (Context)	Trust Antecedents	Notes/Findings
1- Bejou *et al* (1998)	Investigate the effect of trust, ethics, expertise, relationship length, sales orientation and customer orientation on relationship satisfaction. **(B2C Retail banking - USA)**	- Customer orientation - Ethics - Expertise - Sales orientation	- Customer orientation positively influences customer trust in a banking institution, while sales orientation adversely affects trust. - Trust is an essential antecedent to relationship satisfaction.
2- Grayson *et al* (2008)	The authors explore the existence of trust across two distinct schools of thought, namely the institutional and functionalist theoretical perspectives to explain the intertwining relationships between broad scope trust (system trust and general trust), and narrow scope trust. **(B2C Financial services – United Kingdom and Taiwan)**	- Broad scope trust (system trust and general trust) - Narrow scope trust	- The model is a continuation of McKnight *et al's* (1998) theory on trust formation. - The authors suggest that institutional theoretical view offers a better basis for understanding trust. As such, trust in the context and specific regulatory and institutional safety nets provide a strong basis for the more specific customer trust in the financial organisation. - The authors point to the unique and specific cultural elements that can profoundly foster (hinder) the development of trust.
3- Hansen (2012)	The study explores the influence of several trust antecedents in driving the more specific narrow-based trust in the FS marketing relationships. (B2C financial service relationships - pension and mortgage services in Denmark)	- Broad-scope trust - Financial healthiness - Financial knowledge - Satisfaction	- The study suggests support for the role of broad-scope trust, financial healthiness, financial knowledge, and satisfaction in driving narrow scope trust.

	Study	Focus (Context)	Trust Antecedents	Notes/Findings
4-	Hartnett (2010)	The article aims at understanding the various factors that potentially influence the formation of trust within the context of financial planning relationships. **(B2C Financial planning - Australia)**	- Generalised trust - Situational factors, such as reputation, previous interaction, and regulation. - Other demographic and cultural\social factors including religion can potentially be influential for trust development.	- The author's propositions point to the possible influence of religious factors in influencing trust formation through religious support and conviction that shape a person's generalised trust in others. Such notions have been borrowed from research on trust in sociology and psychology, which argues some aspects of religious commitment shape a person's view of others; thus fostering (hindering) trust formation.
5-	Houjeir and Brennan (2017)	Explore the influence of cultural values on the development of trust in B2B banking relationships. **(B2B Banking relationships in UAE)**	- Shared cultural values (religious beliefs, and loyalty to country, tribe or family)	- The study has noted that affective-based trust is more relevant in the Arab context, as cultural elements such as religious beliefs and loyalty to family, tribe and country profoundly influence it. - The study also observed that cognitive-based trust is more relevant to the non-Arab participants in the sample, indicating more rational trust responses. - Authors call for more empirical and quantitative research exploring the effects of cultural elements, mainly religious

	Study	Focus (Context)	Trust Antecedents	Notes/Findings
				constructs, on the development of trust in the Middle Eastern banking context.
6-	Johnson and Grayson (2005)	Explore the antecedents and consequences of trust in a service relationship context by adopting a social psychology trust perspective, and investigate the multidimensional nature of trust in service relationships. **(B2C Financial advisers in the UK)**	- Expertise - Product performance - Firm reputation - Satisfaction with previous interactions - Similarity	- Trust in a service context has distinguishing cognitive and affective dimensions, which supports the multidimensional view of trust. - The findings confirm the influence of the five antecedents on the development of cognitive and affective trust responses. - The largest influence on trust comes from expertise.
7-	Moin *et al* (2015)	Explore the influence of institutional trust and disposition to trust on the formation of trusting beliefs in financial service institutions. **(Financial services in the UK)**	- Institutional trust - Disposition to trust	- The findings support the importance of institutional trust dimensions on trusting beliefs. Moreover, findings indicate that trusting stance, a sub-element of trust disposition does not show clear and consistent results in terms of its effect on trusting beliefs.
8-	Roy *et al* (2015)	Examine the effect of dimensions of fairness on trustworthiness and trust in a financial institution. **(B2C Retail banking in the UK)**	- Procedural fairness - Distributive fairness - Interactional fairness - Trustworthiness as a mediator	- Findings support the role of fairness in driving trustworthiness and trust. - The findings reveal that the distributive fairness dimension of perceived bank fairness accounts for the most significant effect on trustworthiness and customer trust.
9-	Sekhon *et al* (2014)	Model and investigate the mediating effect of trustworthiness on the relationship between drivers of trust and two trust levels: cognitive	- Expertise and competence	- The model tested in this study is a continuation of earlier studies conducted

Study	Focus (Context)	Trust Antecedents	Notes/Findings
	trust and affective trust in financial service relationships. **(B2C Financial services in the UK)**	- Integrity and consistency - Communication - Shared values - Concern and benevolence *Mediated by trustworthiness	by the authors (Ennew *et al*, 2011, Ennew and Sekhon, 2007). - Findings confirm the mediating role or trustworthiness in explaining the link between drivers of trustworthiness and two forms of trust. - The findings support the distinction between trust and trustworthiness. - Results support the significance of the five drivers of trustworthiness in trust development. - Shared values and concern and benevolence show stronger effects on trust. The largest effect on trustworthiness comes from concern and benevolence. - The researchers call for further research investigating the role of individual factors affecting customer trust.
10- Sekhon *et al* (2013)	Evaluate the multidimensional nature of trust across three different cultural contexts. **(B2C Retail banking in Hong Kong, India, and the UK)**	- Disposition to trust - Cognitive trust - Affective trust	- Results did not find support for the effect of cognitive trust on overall trust. - The effect of trust deposition on cognitive, affective, and overall trust is supported in the model. - Results support the multidimensional and contextually dependent nature of trust.
11- Schumann *et al* (2010)	The study explores the trust development process, particularly trusting belief of an organisation's trustworthiness, in the context of retail banking across 11 different countries	- Ability - Benevolence - Predictability - Integrity	- The results point to the significance of the trust drivers tested in the model and consistency of their importance across different cultures. However, interesting differences emerge concerning their

Study	Focus (Context)	Trust Antecedents	Notes/Findings
	that possess various cultural values based on Hofstede's typology. **(B2C Retail banking in Australia, China, Germany, Hong Kong, India, Mexico, Netherlands, Poland, Russia, Thailand, United States)**	*** Cultural values as moderators**	cultural orientation. For instance, the perceived ability of a financial organisation appears to be highly valued in individualistic cultures as opposed to collectivist ones. Benevolent perception of the organisation is particularly important in highly feminine cultures than in masculine ones. - The researchers suggest exploring specific values that may shape financial customer perceptions of an organisation's trustworthiness.
12- Theron *et al* (2011)	Explore and model antecedents to trust in B2B financial service relationships. **(B2B Financial services in South Africa)**	- Satisfaction - Communication - Customisation - Competence - Shared values	- In the manger sample, only satisfaction shared values, and competence significantly influence trust - In the client sample, all hypothesised antecedents were found to influence trust.

2.4.1 Previous Conceptual Models of Trust in Financial Services

Out of the 12 articles listed in Table 2-2, six articles (Bejou *et al*, 1998, Johnson and Grayson, 2005, Ennew and Sekhon, 2007, Sekhon *et al*, 2013, Schumann *et al*, 2010, Hansen, 2012) are particularly relevant to the purpose and scope of this research. They inform the study of trust in financial services by exploring the development of trust between a customer and an organisation, and its dimensions in financial services relationships. The other papers listed in Table 2-2 were not included in the review of models as they emphasise other aspects such as environmental or institutional trust dimensions (Moin *et al*, 2015, Grayson *et al*, 2008), model trust in B2B financial services relationships (Theron *et al*, 2011), or adopt purely qualitative or conceptual methods (Houjeir and Brennan, 2017, Hartnett, 2010). Nevertheless, these papers contribute to the critical discussion of models. Therefore, the next sections will review the key models of trust in financial services literature to understand how the concept has been modelled in previous research and to support the process of developing/adopting a model that will form the theoretical foundation for this research.

2.4.1.1 Bejou *et al* (1998)

Based on the works of Crosby *et al* (1990) and Swan and Nolan (1985), Bejou *et al* (1998) developed one of the earliest frameworks in the financial services literature to investigate relationship quality and the role of trust in influencing customer-salesperson financial service relationships. Accordingly, the authors have focused their investigation on several cognitive-oriented drivers of trust in a relationship, such as salesperson expertise, ethics, customer orientation, and sales orientation. The model was tested using a US sample of financial services customers. The results highlight the importance of a customer orientation strategy in influencing trust in the salesperson, while a sales orientation strategy has a harming effect on trust. Ethics do not appear to affect trust, and the results are only marginally supported in the model (Bejou *et al*, 1998). Similarly, the effect of expertise on trust was not significant in

determining trust but contributed significantly to the overall satisfaction of the relationship.

2.4.1.2 Johnson and Grayson (2005)

Johnson and Grayson (2005) developed a model to investigate the multidimensionality of trust in a financial service context. Accordingly, their conceptualisation of trust consists of cognitive and affective elements, which act as a mediator to explain the influence of several trusting beliefs on sales effectiveness and future interaction anticipation. The authors have built on Crosby *et al.'s* (1990) relationship quality model and identified five attributes that drive trust in a financial service provider, namely service provider expertise, product performance, firm reputation, satisfaction with previous interactions, and similarity. Then, the model was validated using a sample of customers from a UK financial advisory company. The results support the multifaceted, multidimensional, and complex nature of trust in financial services. Specifically, the model demonstrated that trust consists of unique drivers relevant to customer belief about the trustworthiness of the company. The model also demonstrated the multidimensionality of trust and argued that it consists of a lower form of trust in the form of rational and cognitive responses, as well as a deeper and more emotional affective dimension. It has empirically demonstrated that these two layers of trust dimensions operate independently in financial service marketing relationships. Also, the model demonstrated that trust antecedents differ in their effect on these forms of trust. For instance, Cognitive trust is mainly driven by expertise and product performance, which are linked to more calculative and rational responses. Conversely, similarity and firm reputation are better representatives of emotional responses from the customers; thus, naturally, they have been shown to influence affective trust.

2.4.1.3 Ennew and Sekhon (2007)

Ennew and Sekhon (2007) developed a model to measure organisational trust in a financial service provider. The model is primarily based on Mayer *et al.'s* (1995) integrative model of organisational trust and similar to Johnson and

Grayson (2005), it investigates the antecedents and multidimensionality of trust. Nonetheless, it offers two added advantages over previously developed models in the financial services literature. First, the model differentiates between organisational trustworthiness as an attribute of the organisation and a mediating variable explaining the influence of customer trusting beliefs (i.e. antecedents) on trust. Second, the model is exclusively focused on measuring organisational trust as an outcome rather than a mediator explaining trust outcomes; thus, providing a more detailed and refined look into the development of trust. Accordingly, Ennew and Sekhon (2007) hypothesise that trust in financial services consists of cognitive and affective dimensions that are driven by customer disposition to trust and several beliefs about an organisation, namely competence and expertise, integrity and consistency, concern and benevolence, shared values, and communication. The framework has been tested using a sample of UK financial services customers. The results point to the critical mediating role of organisational trustworthiness in explaining how trusting beliefs about the organisation effects trust. Similar to Johnson and Grayson (2005), the authors provide further support of the multidimensionality of the trust concept and highlight the existence of cognitive and affective dimensions of trust in financial services exchanges. Further, it is noteworthy that the authors have conducted further testing of the framework using cross-sectional (Sekhon *et al*, 2014) and longitudinal (Ennew *et al*, 2011) designs. The authors support the role of trust antecedents in driving trust and suggest that concern and benevolence, and shared values account for the most significant effect on trustworthiness (Sekhon *et al*, 2014).

2.4.1.4 Schumann *et al* (2010)

Schumann *et al* (2010) suggested a model that examines trust building processes across different cultures, particularly the moderating role of cultural values on the trust development process. The authors argue that customer trust in a bank develops as a belief about the bank's ability, benevolence, predictability, and integrity. Then, the model was tested using a sample of banking customers from 11 countries (see in Table 2-2). The findings support

the significance of the trust drivers across countries; however, subtle differences in the effects of these drivers exist across different countries. For instance, benevolence has a stronger influence in forming trust in feminine cultures. Conversely, the ability construct has a stronger effect in individualistic cultures as opposed to collectivistic ones. Although the authors argue that the nature of trust drivers and trust building processes are universal, they assert that subtle differences exist in the way these processes occur across cultures and suggest further research is needed to understand the cultural influence on the process of trust development.

2.4.1.5 Hansen (2012)

Hansen (2012) explores several antecedents to customer trust in financial services exchanges the service provider; however, a distinctive feature in his approach is the emphasis on the environmental facets of trust. This approach represents a stream in the literature discussed earlier, which mainly views trust in terms of its functions within formal and institutional systems within the financial services industry (Grayson *et al*, 2008, Moin *et al*, 2015). Accordingly, Hansen (2012) investigates the effect of relationship satisfaction, financial knowledge, financial healthiness, and broad scope trust on narrow scope trust (i.e. customer trust in the organisation).

The model was tested using a sample of Danish customers of two financial services providers (pension and mortgage services). The study suggests that narrow-based trust which represents the interpersonal interaction between a customer and financial service provider is positively influenced by broad scope trust, financial knowledge, financial healthiness, and relationship satisfaction. Interestingly, the model demonstrates that in the absence of broad-scope trust more weight is put on the influence of cognitive cues in the relationship, which suggests that organisations can invest in financial education programmes for instance to boost narrow-based trust. The author also found a negative moderating influence of broad-scope trust on the association between trust drivers and narrow-scope trust. In the absence of broad-scope trust, customer reliance on cognitive cues and skills becomes prominent to trust development.

Hansen (2012) exhorts that the way in which trust develops is highly complex and urges the inclusion of cultural variables to gain a more rounded understanding of its development.

2.4.1.6 Sekhon *et al* (2013)

Sekhon *et al* (2013) argue that trust development differs across contexts and explore its multidimensional nature across three countries, namely Hong Kong, India, and the United Kingdom. They proposed that overall trust is a product of three distinct types of trust. These consist of the more individual and stable trust dispositions that customers display towards trusting others in general, and the more dynamic cognitive and affective trust responses. The authors tested their model across the three countries and observed the distinct nature of each of the three constructs and suggest that trust disposition and affective trust are essential to overall trust development. However, the study did not find significant results regarding the role of cognitive trust in influencing the formation of overall trust across the three countries. The authors also note that trust development activities are consistent across the three contexts. However, such suggestion is contrary to several studies in the financial services literature, which point to the strong influence of cultural elements on trust development (Schumann *et al*, 2010, Houjeir and Brennan, 2017, Hartnett, 2010). Perhaps, the model has not incorporated the importance of culture within the model which can reveal differences in the development of trust across these contexts. Instead, it has focused on construct interrelationships in the model across the three countries.

The next section will critically discuss these models to arrive at an understanding of the themes that are emphasised by the models, identify potential gaps in knowledge in the literature and derive a suitable conceptual framework for this research.

2.4.2 Discussion of the Models

As discussed in the previous section, the study of trust in financial services has been informed by several theoretical frameworks (Bejou *et al*, 1998, Johnson

and Grayson, 2005, Ennew and Sekhon, 2007, Sekhon *et al*, 2013, Schumann *et al*, 2010, Hansen, 2012). These frameworks have provided a solid foundation for understanding trust in financial services. However, there are several limitations in the financial services literature that need to be highlighted. This section will list and discuss several gaps in the literature that will inform the conceptual underpinnings of this research.

First, antecedents of trust in financial services have not been thoroughly investigated in the literature leading to a general lack of understanding of trust development. Despite the amount of research on trust that has been produced in existing literature, several trust scholars in financial services (Ennew and Sekhon, 2014, Sekhon *et al*, 2014, Moin *et al*, 2015) note a lack of systematic research focusing on trust antecedents in financial services.

Second, prior research in the financial services marketing domain has focused on either firm-related (communication, competence, integrity) or situation-based characteristics (satisfaction, familiarity, service performance) drivers of trust (Johnson and Grayson, 2005, Ennew *et al*, 2011, Sekhon *et al*, 2014). These studies offer a good foundation for understanding trust antecedents, yet more research is needed to fully explain the influence of individual drivers on the development of trust (Sekhon *et al*, 2014, p. 424). A few papers have addressed the role of personal trust disposition in driving trust in financial services (e.g. Grayson *et al*, 2008, Hansen, 2012, Moin *et al*, 2015); however, these have investigated its role within the broader context emphasising its value in relation to system trust or institutional and contextual mechanisms that are in place within the industry. The understanding of trust from a psychological perspective remains limited; mainly, the importance of religious factors that shape and influence an individual's core values and beliefs have not been fully realised in the general literature (Minton, 2015, 2019, Hall *et al*, 2015) and financial services literature (Hartnett, 2010, Houjeir and Brennan, 2016, 2017).

Third, while three of the trust models discussed above focus on cultural elements that influence the development of trust in financial service organisations (Sekhon *et al*, 2013, Schumann *et al*, 2010, Hansen, 2012),

none of them specifically pay attention to the influence of religiosity as an ubiquitous element of culture. Trust research is primarily based on the assumption that trust conceptualisations, models and operationalisations are universally applicable to all contexts (Dietz *et al*, 2010, Zaheer and Zaheer, 2006, Doney and Cannon, 1997). Such assumption is also a prevalent issue in financial services literature as the majority of empirical investigation and testing take place in western contexts (Sekhon *et al*, 2013), which may explain why exploring trust through a religious lens has been overlooked so far in the literature. Hansen (2012) has provided empirical evidence of differences in trust building processes in financial services relationships and attributed them to differences in cultural values. Likewise, other researchers (Schumann *et al*, 2010, Hartnett, 2010) point to the value of cultural variables to understanding trust development processes in financial services and encourage their incorporation to understand trust across other cultural contexts. More recently, Houjeir and Brennan (2017) have advocated that certain social and cultural elements embedded in the shared religious and value systems largely influence trust in financial services and should be integrated into the empirical investigation of trust. These propositions are in line with the view of trust in existing literature as a domain-specific phenomenon that manifests unique dimensions and elements across different contexts (Ariño *et al*, 2001, Yamagishi *et al*, 1998, Zaheer and Zaheer, 2006). Relatedly, Dietz *et al* (2010) and Hartnett (2010) point to the essential cultural sub-elements, including religion that have profound and complex effects on individual core values and beliefs that can potentially influence trust. They further encourage studying such effects to provide an enhanced understanding of trust.

To summarise, although research theories in the current financial services trust literature provide good foundations to understanding trust and its antecedents, they lack in the integration and understanding of the role of religion in influencing trust development in financial services exchanges. Mainly, this is caused by the fact that the majority of empirical testing of trust theories are conducted in western markets contexts (Sekhon *et al*, 2013), and the assumption that trust concepts and processes are universally applicable

(Dietz *et al*, 2010, Zaheer and Zaheer, 2006). Therefore, building on current trust theories by viewing trust through the religious lens will provide an enhanced understanding of trust antecedents and processes in financial services relationships (Houjeir and Brennan, 2016, 2017, Hartnett, 2010).

The next section will revisit research aims and present the theoretical model of trust in this research before discussing relevant religious constructs that will be integrated into the model over the next two chapters.

2.5 Constructs of Trust in this Research

In light of the limitations in current trust research presented above, this research aims at investigating the influence of religiosity, as a central religious construct, on shaping customer trust in the context of financial services. In deciding whether to develop a new model or adopt an existing model from the literature to form the theoretical foundation of this research, the researcher's views are consistent with McEvily and Tortoriello (2011), who encourage the replication of existing trust conceptualisations and operationalisations to achieve consistency and allow for comparison of results. Accordingly, this research will utilise and modify the model developed by Ennew and Sekhon (2007), Ennew *et al* (2011), and Sekhon *et al* (2014) to form the theoretical basis for this study by including several relevant religiously oriented drivers of trust. This model has been utilised for several reasons.

First, it models trust as the main construct and solely focuses on investigating its development process and drivers in the financial services context. Second, the model distinguishes between trust and trustworthiness and provides a detailed and refined look at the influence of trusting beliefs on customer trust by delineating trustworthiness as a mediator variable explaining customer trusting belief in the organisation. This view is consistent with the multidimensional view of trust, which has been widely accepted and established in the literature, and supports the recognition of trusting beliefs and intentions as two intertwined facets of trust (Mayer *et al*, 1995, Moorman *et al*, 1992, McKnight and Chervany, 2001, McKnight *et al*, 2002). As such, an

organisation's trustworthiness is driven by several trusting beliefs, namely expertise and competence, integrity and consistency, effective communication, shared values, and concern and benevolence, which in turn has a positive influence on cognitive and affective trusting behaviours in the financial institution. The model recognises customer trust disposition as a more stable facet of trust. A diagrammatic presentation of the model and a summary of its main constructs are offered in Figure 2-1 and Table 2-3 respectively. Full description of the model and discussion of construct interrelationships and hypotheses development are presented in Chapter 4.

Figure 2-1: A Model of Customer Trust
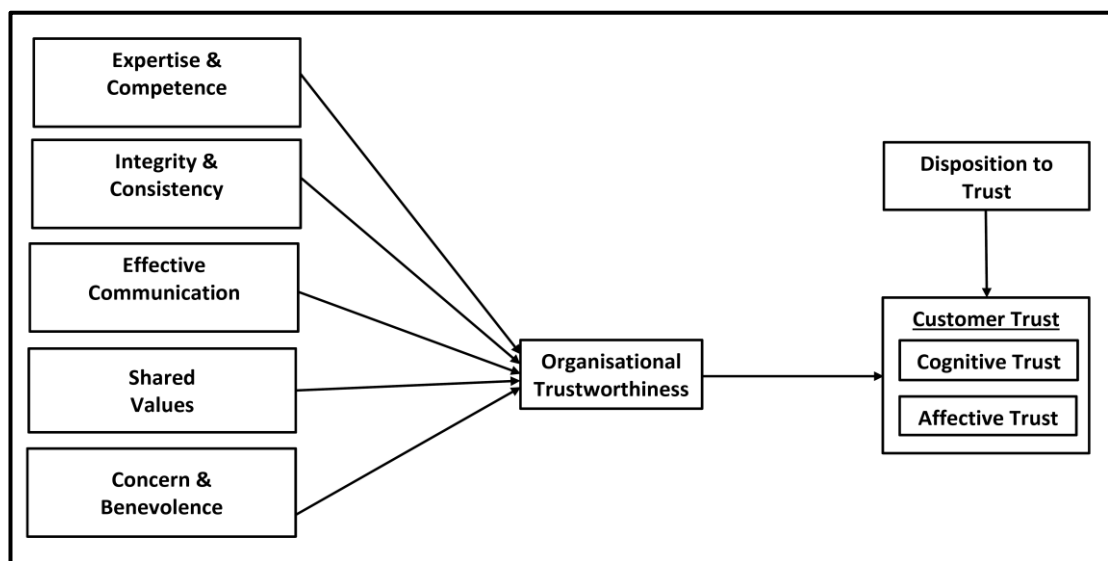
Finally, the framework has been replicated across several contexts (Sekhon *et al*, 2013, Kharouf *et al*, 2014, Yu *et al*, 2015, Roy and Shekhar, 2010a, b). It has generally displayed excellent reliability and a high degree of applicability and robustness across these studies. One of the crucial tasks of this research is to modify the model of trust presented herein and expand the understanding of trust in financial services by adopting and exploring perspectives on understanding trust from several areas in the literature. Particularly, proposed links between religiosity and trust will be demonstrated throughout the next two chapters by discussing relevant theories that support the connection between trust and religiosity.

__Table 2-3: Summary of the Variables in the Customer Trust Model__

Construct	Dimension(s)	Definition	Source(s)
Trustworthiness Drivers	**Expertise and Competence**	A customer's belief that the organisation possesses the necessary knowledge and skills to fulfil their promises and deliver services.	(Ennew *et al*, 2011, Sekhon *et al*, 2014, Ennew and Sekhon, 2007)
	Integrity and Consistency	The extent to which an organisation will abide by a set of ethical principles and exhibit consistency in its dealings, which will promote confidence and increase customer perception of the credibility and predictability of the organisation.	
	Effective Communication	Customer belief about the quality of their communication with the organisation. Accurate, clear and open communication will increase confidence in a relationship and drive trust.	
	Shared Values	The extent to which customers believe that their service provider has similar values as theirs in their daily interactions; thus, enhancing customer's ability to predict and assess the intentions of the organisation.	
	Concern and Benevolence	Customer belief that the organisation has their best interest and wellbeing at heart and highlights an organisation's desire to serve customer needs.	
Organisational Trustworthiness	**Organisational Trustworthiness**	Trustworthiness refers to customer subjective judgment about the desirable attributes of an organisation. It is the projected image of the organisation in the mind of the customer and positively influences trust.	
Customer Trust	**Cognitive Trust**	A form of trust that is highly calculative and based on rational thinking, through which a customer perceives an organisation as competent and unlikely to act opportunistically.	
	Affective Trust	A stronger and more emotionally driven form of trust, which is based on the feeling that the organisation genuinely cares about the well-being of the customer.	
Trust Disposition	**Customer Trust Disposition**	A stable and consistent personal trait across situations and contexts that refers to the tendency or propensity individuals show towards trusting others in general.	(Sekhon *et al*, 2013, McKnight *et al*, 2002)

2.6 Summary

A review of previous trust research in financial services reveals that a multitude of conceptualisations and models have been developed and although differences exist in the field, several conclusions can be drawn which can be of benefit for this research.

First, trust is a vital element of marketing relationships and is an essential precondition that enables buyers and sellers to engage in economic exchanges. More importantly, intense levels of uncertainty, risk, and vulnerability that are born out of the inherent nature of services, as well as conditions within the financial services industry, further amplify the importance of trust to financial services exchanges. Crucially, trust functions as a means to reduce risk and uncertainty in a financial exchange.

Second, the study of trust in financial services has been primarily underpinned in the multidimensional paradigm to understanding trust dominant in management and marketing. It has been informed by several models that have been identified and discussed in Section 2.4.1. Although previous research and models of trust in financial services provide a good foundation of the concept, several limitations and gaps to the understanding of trust still exist. A general limitation is related to the scarcity of investigations exploring trust antecedents in financial services marketing relationships. Specifically, the influence of cultural variables, including religion, on the development of trust is scant. The majority of research explores organisational attributes or situational aspects of the exchange that influence trust formation, without a focus on factors that potentially influence the customer core values and beliefs that can potentially have a pervasive influence on trust. Therefore, the identification of this limitation has encouraged this research to review major trust models in the literature to derive a suitable model that will integrate religious constructs.

Finally, a conceptual model has been derived from the literature to act as the theoretical foundation for this research (see Table 2-3). It is based on the model for measuring trust in financial services (Ennew *et al*, 2011, Ennew and

Sekhon, 2007, Ennew and Sekhon, 2014, Sekhon *et al*, 2014). Accordingly, this research views trust in terms of two components, namely trusting beliefs and trusting intentions. Trusting beliefs are customer perceptions about the trustworthiness of the organisation and are driven by several factors such as expertise and competence, integrity and consistency, effective communication, shared values, and concern and benevolence. Trusting intentions represent a customer's willingness to become vulnerable and are manifested through two trust types or facets that represent the process of trust development, namely cognitive trust and affective trust. Also, the model recognises the importance of trust dispositions as a stable psychological attribute of the customer.

The next chapter together with chapter four will build on this model to delineate specific religious constructs that have profound effects on trust. In particular, customer religiosity will be presented as a personal attribute that strongly influences core values and beliefs and in turn will shape dispositional, cognitive, and affective trust dimensions. Also, organisational religiosity will be presented as a driver of organisational trustworthiness.

Chapter 3   Religiosity and the Link to Trust and Trustworthiness

3.1 Introduction

Following the introduction and discussion of the concept of trust in financial services marketing relationships and the identification of significant gaps and limitations in the understanding of trust and its formation in financial services, this chapter will review evidence from extant literature of the relevance and influence of religiosity on shaping trust. In particular, the purpose of this chapter is twofold. First, it discusses how religion has been previously studied and modelled in the marketing literature to demonstrate the critical importance of religiosity as an essential facet of religion in shaping the behaviours and attitudes of customers. Second, it highlights and discusses how trust has been linked to religiosity by looking at attempts to studying the nexus between the two constructs in extant literature including sociology, psychology, and marketing.

3.2 Religion and Marketing

Religion, as a strong and stable cultural force, has a significant influence on customer core values and beliefs and greatly influences their behaviour (Delener, 1994). Its influence expands to all social and individual entities in society; thus shaping its culture and norms (Hogg *et al*, 2010). Despite the expansion of research in topics related to religion, the attention to religion from a marketing perspective is still limited. Mathras *et al* (2016) noted that 17 articles per year with a religion theme have been published in top marketing journals since 2007 and have called for more investigations in marketing and consumer research. The scarcity of research in this area can be attributed to the belief by some scholars such as Hawkins et al (1980, cited in Bailey and Sood (1993)) that religion does not influence behaviour but perhaps differences in behaviour are caused by ethnic and social variations. Besides, Hirschman (1983) notes that the "taboo" status, sensitivity of the topic, and the

ubiquitous nature of religion are all factors that contributed to this scarcity in research activities.

Nevertheless, numerous examples exist of how religion influences consumers. To name a few, dietary requirements such as Halal or Kosher for Muslims and Jews respectively, and the recognition of religious customer needs by major corporations are all examples of the intersection between religion and marketing. This section will provide a background on the link between the areas of religion, marketing and consumer research to thoroughly understand this emerging area of scientific inquiry within the marketing literature.

Historically, the integration of the topic of religion in marketing research has taken two main streams. The first is research concerning the utilisation of marketing as a function of management within religious organisations. The basic premise behind this is the notion of the commodification of religion paralleled with the rise of the broader meaning of marketing initiated by Kotler and Levy (1969). For instance, the promotional activities undertaken by religious organisations to boost the number of their followers is considered a pure marketing activity and the preference to join denomination A over B is considered a consumer choice. The second stream of research pertains to the influence of religion as a psychological construct on consumer behaviour through its effect on consumer core values and beliefs (Mathras *et al*, 2016). This research falls into the second stream and is concerned with the link between religion and its psychological manifestations through a relevant religious construct (i.e. religiosity) on customer trust in the context of financial services.

In terms of modelling religious constructs within marketing, researchers have traditionally explored two key components: (1) religious affiliation (e.g. Christian, Muslim, Jewish, Hindu) and (2) religious commitment (religiosity) (Mathras *et al*, 2016). Earlier works employed the religious affiliation variable in consumer research and argued its influence on consumer behaviour (Hirschman, 1981, 1982, 1983); however, researchers subsequently have shifted their interest to religiosity and claimed that religiosity is a more suitable

construct to predict consumer behaviour (Wilkes *et al*, 1986, Essoo and Dibb, 2004, McDaniel and Burnett, 1990). Perhaps this is because affiliation is an ascribed factor that is much like ethnic or national origin (Mokhlis, 2009); it is useful in comparative studies observing differences in behaviours among religious groups (Bailey and Sood, 1993, Sood and Nasu, 1995, Essoo and Dibb, 2004). Therefore, this research is concerned with the more individual and personal religious commitment component of religion and its influence on customer trust in the context of financial services. Notably, this research delineates two distinct religiosity constructs, namely Customer Religiosity and Organisational Religiosity.

3.2.1 Personal Religiosity as a Determinant of Trust

While religion represents a set of values or a belief system that is revealed to people as transcendent commands coming from God, religiosity highlights the internalisation of these values and beliefs manifested in the form of commitment and adherence. Religious commitment is one of the essential components of any religion. It embodies and demonstrates the influence of religion and its manifestations at the individual level; thus, shaping societies and cultures due to its cohesive influence (Delener, 1990). A plethora of religiosity definitions exists in the literature in which scholars always emphasise the strength of belief and commitment by the follower. For example, Delener (1990, p. 27) defines religiosity as "the degree to which beliefs in specific religious values and ideals are held and practiced by an individual". Minton and Kahle (2014, p. 13) define religiosity as "the degree to which one holds religious beliefs and values both through an internal spiritual connection and external religious practices and behaviours". They echo Allport and Ross's (1967) conceptualisation of religiosity and emphasise that any definition of religiosity should include intrinsic and extrinsic elements of religiosity. Likewise, McDaniel and Burnett (1990, p. 103) define religiosity as the "commitment to follow principles believed to be set forth by their God". Wilkes *et al* (1986) insist that religiosity must be clearly defined for each research context, because of the large number of definitions and views on religiosity that

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exist in the literature. Therefore, this research defines religiosity as the customer adherence to their religious beliefs complemented by the influence of these beliefs on their day to day behaviours and practices (Minton and Kahle, 2014, Worthington *et al*, 2003). This definition is relevant to the context of this research as it emphasises the internalised effect of religion (McDaniel and Burnett, 1990), and recognises the influence of religious behavioural involvement (Agarwala *et al*, 2018), which have pronounced effects on shaping the behaviour of the consumer. Following the above introduction of personal customer religiosity, this section proceeds with reviewing empirical evidence linking personal religiosity and trust in extant literature.

Past research outside the field of marketing has demonstrated that religiosity is influential to the formation and development of trust in different social and economic settings (Welch *et al*, 2007, Welch *et al*, 2004, Tan and Vogel, 2008, Berggren and Bjørnskov, 2011). For instance, several researchers have demonstrated that religious beliefs effect general trust in others and are conducive to economic growth and good economic attitudes (Barro and McCleary, 2003, Guiso *et al*, 2003). Others have viewed trust through the religious lens to explain participation and cooperative behaviour within large organisations and at various levels and relationships in different social situations (Berggren and Bjørnskov, 2011, Brañas-Garza *et al*, 2009, La Porta *et al*, 1997, Tan and Vogel, 2008, Welch *et al*, 2004). A relatively smaller emerging stream in management and marketing related fields such as e-commerce (Barnes, 2009, Siala, 2013, Siala *et al*, 2004) and advertising (Minton, 2015, 2019) linking religiosity and trust has evolved in recent years. Results from the literature review revealed that a total of 17 papers, which link religiosity to trust, have been identified (See Table 3-1 for a summary). Further inspection of these papers reveals that no agreement exists in the literature about the linkage between religiosity and trust in terms of the nature and direction of the relationship. The following sections will critically review and discuss the literature on religiosity and trust.

To start, a significant stream in the literature shows that higher religiosity leads to greater levels of trust (Tan and Vogel, 2008, Guiso *et al*, 2003, Schoenfeld, 1978, Welch *et al*, 2007, Hempel *et al*, 2012). Higher religious attendance (i.e. religiosity) has been shown to lead to higher levels of trust across various social contexts. For instance, Schoenfeld (1978) concluded that religiosity, measured as the frequency of an individual's religious participation, leads to higher trust in general unknown others. This association is stronger for individuals from more liberal denominations and with higher levels of religious attendance. Similarly, Bahr and Martin (1983) have observed that religiosity, in the form of church attendance, led to higher levels of general trust in others among high school students in the US. They argue that religiosity has some form of externalised (positive attitude towards others) effect, which provides higher levels of general trust. In another paper, Guiso *et al* (2003) studied the effect of religious attendance on the level of trust individuals have in various social and economic entities. Their findings conclude that religiosity (i.e. religious attendance) leads to higher cooperation through promoting trust in the government, legal system and others in general. Similarly, Brañas-Garza *et al* (2009) demonstrated that the strength of religious practice has a positive influence on general trust in others and trust in other governmental and judiciary institutions.

Additionally, other studies in the literature theorise that belief in religious commandments as a dimension of religiosity has a profound positive influence on trust. For instance, Tan and Vogel (2008) found that religiosity (belief, experience, and ritual) increased an individual's trust in unknown others in an experimental trust game. Barnes (2009) explored the role of religious faith in influencing customer trusting beliefs about the trustworthiness of e-commerce websites. Interestingly, the author found that religiosity only influenced benevolent beliefs about a website's trustworthiness and argues that religiosity is more relevant to emotional or affective elements of a relationship. Conversely, cognitive attributes such as competence and integrity were found to be unaffected by religiosity as they can be visually evaluated from the design, performance, or security of the website. In another study, Minton

(2015) explored the effects of cognitive, affective, and behavioural religiosity dimensions on trust in the context of advertising. In particular, her research modelled trust as a bi-dimensional construct consisting of the individual and more stable marketplace trust (i.e. trust disposition) and the more specific type of trust in an advertisement (i.e. relational trust). The results suggest that only intrinsic dimensions of religiosity (cognitive and affective) are significant determinants of both facets of trust, while behavioural religiosity is insignificant in determining trust. This result comes as a surprise as previous research (Bahr and Martin, 1983, Schoenfeld, 1978, Worthington *et al*, 2003) has long emphasised the strong influence of behavioural aspects of religiosity on trust and behaviour. Minton (2015) argues that behavioural religiosity does not necessarily imply any scriptural knowledge or reference, which may infer genuine commitment to religious ideology or belief. Her views are in line with those of Allport and Ross (1967), who argue that individuals may attend religious service for a variety of reasons that are not relevant to a person's devotion or religiousness, such as the need for socialisation and networking.

Table 3-1: Summary of Literature on Religiosity and Trust

Author (Year)	Context	Religion(s) Studied	Trust Construct(s)	Religiosity Dimension(s)	Findings/Notes
1- Addai *et al* (2013) (•)	Ghana	Christianity, Islam, and other non-traditional religions	- Interpersonal trust - Institutional trust	- Importance of religion	- The paper explores the role of religious importance in one's life in influencing their interpersonal and institutional trust formation. Also, it identifies differences in trust based on religious affiliation and other demographics in Ghana. - The findings suggest a weak positive association between religiosity and interpersonal trust and even weaker link to institutional trust. Nonetheless, the authors point to significant differences in the effect of religiosity based on religious affiliation. The influence of religiosity on interpersonal trust is highest for Catholics.
2- Anderson *et al* (2010) (•)	USA	Christianity	- Participation in public goods - Trust	- Religious attendance	- The study adopts an experimental design to test common themes in the literature suggesting that religiosity may promote cohesiveness among members; thus, inducing more trust and cooperation. The findings point to limited evidence of the effect of religious attendance on participation in public goods; thus

Author (Year)	Context	Religion(s) Studied	Trust Construct(s)	Religiosity Dimension(s)	Findings/Notes
					it was concluded that religious attendance does not affect trust. The authors explain that these inconsistent results with the literature may be attributed to the nature of the sample employed in the design (college students) and the use of a single measure of religiosity.
3- Bahr and Martin (1983) **(+)**	USA	Christianity	- Faith in people	- Church attendance	- The results suggest that religiosity (religious attendance) leads to higher general trust in others. Particularly, religiosity, through religious attendance, leads to a positive attitude towards others; thus, indicating the social functions of religion.
4- Berggren and Bjørnskov (2011) **(-)**	109 countries and 43 US states.	Multiple religions	- Social Trust	- Importance of religion	- There is a negative relationship between religiosity and social trust. This association increases in the presence of religious diversity of the context.
5- Brañas-Garza *et al* (2009) **(+)**	Latin America	Catholicism	- Trust in institutions (government, army, police, judiciary system, and banking).	- Religious practice	- General trust in others is positively related to religious affiliation and practice. Similarly, there is a positive effect of religiosity and trust in the five highlighted institutions.

Author (Year)	Context	Religion(s) Studied	Trust Construct(s)	Religiosity Dimension(s)	Findings/Notes
			- Trust in others.		
6- Barnes (2009) **(+)**	UK/Europe	Multiple religions	- Trusting beliefs (competence, benevolence, and integrity)	- Religious faith	- The study explores the effect of religious faith on customer trusting beliefs within the context of technology acceptance. - No distinction between competence and integrity appeared in the data. They collapsed into one factor named direct trusting beliefs. - Results indicate a significant and positive relationship between faith and benevolence, while the link between religious faith and direct trusting beliefs (competence and integrity of a website) was not supported.
7- Guiso *et al* (2003) **(+)**	Global (World Values Survey)	Multiple religions	General trust	- Church attendance	- The study investigates the effect of religious affiliation and religiosity on several economic attitudes including cooperation, which is used as a consequence of trust in the study. - The results indicate that religious individuals have more trust in others, the government, the legal system, and the market.

Author (Year)	Context	Religion(s) Studied	Trust Construct(s)	Religiosity Dimension(s)	Findings/Notes
8- Hall *et al* (2015) **(+)**	USA	Christianity, Islam	- Trust	- Religious Affiliation - Religious costly signals (dietary laws and donation)	- The study examines how Christians perceive the trustworthiness of out-group individuals and in-group individuals in the presence (absence) of costly religious signals. - Findings suggest that costly religious signals increase the trustworthiness of individuals regardless of their out-group or in-group status. This result is surprising given that individuals show more favourable and positive attitudes towards in-group members than they do with out-group members. Regardless, results support the positive influence of religious cues in enhancing trustworthiness image.

Author (Year)	Context	Religion(s) Studied	Trust Construct(s)	Religiosity Dimension(s)	Findings/Notes
9- Ketelaar *et al* (2015) **(+)**	Multi-country (Advertising)	Catholicism, Protestantism, Islam, Judaism Eastern religions, and others	- Advertisement trustworthiness	- Religiousness (single item)	- The study investigates the extent to which customers differ in their perception of traditional and digital advertisement trustworthiness based on religiosity to determine their advertisement avoidance behaviour. - The results suggest that religious individuals are less likely to avoid advertisements due to their positive perception of the trustworthiness of adverts. The opposite is true for less religious individuals. The authors attribute these results to two mechanisms that may explain the critical role of religiosity in influencing trusting behaviours. The first is that religiosity promotes conformity and encourages individuals to trust authorities, while the second is that religiosity promotes more trusting attitudes toward others in general.
10- La Porta *et al* (1997) **(-)**	Cooperation in large organisations	N/A	- General trust	- Religious affiliation	- The authors explore trust as an important social capital and a determinant of cooperation across societies and its link to religiosity

Author (Year)	Context	Religion(s) Studied	Trust Construct(s)	Religiosity Dimension(s)	Findings/Notes
					in a cross-sectional data obtained from the World Values Survey. - The authors found a negative association between trust and religiosity in societies where hierarchical religions are present. They conclude that some aspects of these religions discourage horizontal communication and relationships in societies; thus, general trust is negatively affected.
11- Minton (2015) **(+)**	USA (Advertising)	Christianity	- Trust (Marketplace trust and relational trust) - Product evaluation	- Intrinsic religiosity (affective, cognitive) - Extrinsic religiosity (behavioural)	- The study explores the influence of religiosity on marketplace (general) trust and relational trust (i.e. specific trust in the company and advertisement), using belief cues as moderators, and its role in product evaluation in the context of advertising. - The results demonstrate that in the absence of religious cues and symbols in advertisements, customer religiosity, through its cognitive and affective dimensions positively affects both general and relational forms of trust. The author did not find any significant

Author (Year)	Context	Religion(s) Studied	Trust Construct(s)	Religiosity Dimension(s)	Findings/Notes
					- influence of behavioural religiosity on both types of trust. - Cognitively religious individuals display distrust and more defensive attitudes towards adverts possessing religious cues. The opposite is true for affectively religious customers.
12- Minton (2019) **(+)**	USA (Advertising)	Christianity	- General corporate trust - Specific brand trust	- Church attendance - Importance of religious values - Confidence in religious values - Self-reported religiosity	- The paper investigates the effect of religiosity on two types of customer trust, namely general trust and specific trust in a brand or product through religiosity's influence on advertising scepticism. - Findings show that highly religious individuals are less sceptical in advertising, while the opposite is true for less religious individuals. This, in turn, affects the level of trust customers have in a company generally and towards specific products or brands. Accordingly, religiosity is associated with less scepticism and more trust in advertisements.

Author (Year)	Context	Religion(s) Studied	Trust Construct(s)	Religiosity Dimension(s)	Findings/Notes
13- Schoenfeld (1978) **(+)**	USA	Multiple Christian groups, Judaism, and non-religious	General trust	- Religious Affiliation - Religiosity (religious participation)	- Members of liberal religious denominations have a more trusting attitude towards others in general, while followers of fundamentalist churches displayed less trusting attitudes. - Religious participation, measured as church attendance, is shown to influence general trust in others positively. Surprisingly, this association is weaker as attendance increases to several times a week compared to once a week. The author argues that religious participation is a prominent religious aspect that has a socialisation effect on individuals through spawning more cooperation and positive attitudes towards others.
14- Tan and Vogel (2008) **(+)**	Germany	Judeo-Christian	General trust	- Belief - Experience - Ritual	- The results indicate that religiosity enhances an individual's general trusting attitudes towards others. - Highly religious individuals are perceived as more trustworthy, and this association is more pronounced in highly religious trustors.

Author (Year)	Context	Religion(s) Studied	Trust Construct(s)	Religiosity Dimension(s)	Findings/Notes
15- Welch *et al* (2007) **(+)**	USA	Catholicism, Protestantism, No religion	Social trust	- Religious involvement (frequency of attendance, involvement and leadership at religious service and activities) - Religious belief (belief in the sinful nature of humans, absolute morality, and frequency of prayer)	- Members in Catholic denominations display less trusting attitudes than Protestants do towards strangers. - Involvement in religious activities and with religious groups may facilitate more trust and cooperation in various civic entities and activities, through socialisation effect.
16- Welch *et al* (2004) **(•)**	USA	Christianity, Judaism	Social trust - General trust in others - Trust in co-workers - Trust in neighbours	- Religious service attendance - Importance of religion	- The study examines the influence of religiosity and religious affiliation on social trust. - The study did not find a significant effect of religiosity as a predictor of general trust; however, the authors observed subtle differences based on religious affiliation. For instance, members of conservative denominations display lower levels of social trust than do members of liberal denominations.

Author (Year)	Context	Religion(s) Studied	Trust Construct(s)	Religiosity Dimension(s)	Findings/Notes
17- Zak and Knack (2001) **(-)**	Economic and investment relationships	General trust	Religious affiliation	- Christianity and Islam	- The authors investigate trust as an essential element of cooperation and test correlates of trust by using the World Values Survey. - The findings point to a negative link between religiosity and trust in followers of hierarchical faiths, such as Muslims and Catholics.

(+) positive association, (-) negative association, (•) no association

On the other hand, several researchers have reached contradictory conclusions about the influence of religiosity on trust (Berggren and Bjørnskov, 2011, La Porta *et al*, 1997, Zak and Knack, 2001). Generally, this stream of the literature suggests that some religious elements inherently lead trust to decline, undermine the development of favourable views about others, and limit the integration of religious individuals with others outside their denomination. Religious individuals may often be referred to as dogmatic, closed-minded, which imply that they are less likely to be trusting of others in general (Delener, 1994). This may be explained by the religious doctrine of the original sin and its argument that all humans are sinful by nature present in many religions especially Abrahamic faiths (Hempel *et al*, 2012, Minton, 2015, Schoenfeld, 1978). Also, individuals differ in their perception of risk in a purchase situation based on their level of religiosity. Delener (1990) found that religious customers are more likely to experience increased levels of risk perceptions in purchase situations due to pronounced insecurity and low self-confidence. Likewise, Wilkes *et al* (1986) and Essoo and Dibb (2004) observe a similar influence of religiosity on risk avoidance attitudes in purchase situations. Finally, some researchers (La Porta *et al*, 1997, Putnam, 1993, Zak and Knack, 2001) argue that hierarchical religions (i.e. Judaism, Christianity, Islam) suppress trust due to their discouragement of vertical relationships rather than horizontal ones.

To summarise these views on the linkage between religiosity and trust, two insights can be drawn from the literature. First, the way in which religiosity effects trust remains mostly debated in the literature (Hempel et al 2012). Notably, each religion has its worldviews, values and ideological elements that affect its followers in specific and unique ways. Certain ideological elements exist in religions that encourage followers to treat others fairly and prohibit them from inflicting harm upon others (Berggren and Bjørnskov, 2011), or have an optimistic and positive attitude towards others (Uslaner, 2002, Bahr and Martin, 1983), which explain the positive connection between religiosity and trust. However, religiosity may inversely affect the formation of trust through the discouragement of horizontal relationships and interaction with unknown

others (La Porta *et al*, 1997, Zak and Knack, 2001). This can be attributed to the prevailing religious doctrine of the original sin and that all humans are sinful by nature (Hempel *et al*, 2012, Minton, 2015, Schoenfeld, 1978). Nonetheless, it must be noted that these diverse views a common feature in the literature. These competing findings are possibly attributed to differences in the way the construct of religiosity has been operationalised across these studies (Minton, 2015).

Second, the vast majority of papers exist in psychology, sociology, and economics literature. As a result, researchers use various terminologies to refer to the more general dispositional aspects of trust relevant to these fields, such as general trust (Guiso *et al*, 2003, Johansson-Stenman *et al*, 2009, Schoenfeld, 1978, Tan and Vogel, 2008), social trust (Berggren and Bjørnskov, 2011, Welch *et al*, 2007, Welch *et al*, 2004), and generalised social trust (Anderson *et al*, 2010). A relatively smaller research strand (Minton, 2015, 2019) in the advertising marketing literature initiated by Elizabeth Minton has emerged in recent years. It has noted that the link between religiosity and trust is far from clear and called for research investigating the influence of religiosity on the more dynamic (relational) facets of trust in addition to its generalised dimensions. Nonetheless, there is a dearth of research exploring the concept of trust from the religious lens in marketing more so in the financial services literature. To the knowledge of the researcher, religiosity has not been integrated as an important determinant of customer trust in the context of financial services.

The following section introduces another component of religiosity that is relevant to the religious commitment an organisation exhibits through its activities and actions and reviews evidence from the literature that supports its link to organisational trustworthiness.

3.2.2 Organisational Religiosity

The notion of organisational religiosity emphasised in this research is relevant to religious characteristics of an organisation, which originates in the fields of

sociology, social services, and social policy, where the concept is used to describe faith-based organisations (FBOs) or non-governmental organisations (NGOs) possessing specific religious attributes. Results from the literature review reveal that interest in the topic in these fields has generated a moderate list of studies (see Table 3-2), whose primary emphasis has been on developing taxonomies specific to faith-based organisations (Sider and Unruh, 2004).

Table 3-2: Summary of Research on Organisational Religiousness

Study	Context	Organisational Religious Dimension(s)
Ebaugh *et al* (2006b)	Sociology of religion	- Service religiosity - Staff religiosity - Formal organisation religiosity
Fang *et al* (2013)	Entrepreneurship	- Firm religious identity
Jeavons (1998)	Organisational study	- Self-identity - Participants - Resources - Goals, products and services - Decision-making procedures - Authority and power - Interrelationships
Jurkiewicz and Giacalone (2004)	Organisational study	- Generativity - Benevolence - Humanism - Integrity - Trust - Respect - Responsibility - Justice - Receptivity - Mutuality
Sider and Unruh (2004)	Sociology of religion, faith-based organisations	- faith-permeated - faith-centred - faith-affiliated - faith-background - faith-secular partnership - secular

Jeavons (1998) has offered a conceptual agenda to conceptualising and identifying religious organisations. He developed a framework that draws on organisational theory and captures religious aspects of organisations through seven broadly defined elements (see Table 3-2). As a result, organisations can

range in terms of their religiosity from explicitly religious to openly secular (Jeavons, 1998, Ebaugh *et al*, 2006b). The framework appears to be relevant and suitable for the study of religious attributes of organisations in management related studies. Notably, the typology has been developed as a response to the lack of integrative and extensive research of organisational religiousness in management related fields (Jeavons, 1998).

Sider and Unruh (2004) categorised religious components that comprise social service religious organisations. They offer six unique characteristics that define the extent of religious influence on educational and social service organisations. According to their typology, an organisation religious orientation can range from faith- permeated to completely secular. The authors argue that the salience of these religious elements within an organisation and its programmes can be caused by either environmental elements present in the context where it operates, or active elements present in the way it communicates with its clients.

Fang *et al* (2013) suggest that a firm's level of religious identity exists as a consequence of its owner's religiosity. They further propose that firm religious identity has a profound impact on the determination of non-financial goals in its relations with stakeholders. Jurkiewicz and Giacalone (2004) have developed a framework to understand the influence of spirituality on workplace performance. They argue that spirituality in the form of justice, respect, responsibility, and integrity, to name a few, are all elements of organisational spirituality that are linked to increased workplace performance.

Helen Ebaugh remains one of the few researchers in the literature that integrate religiosity and attributes of faith-based organisations in quantitative works (Ebaugh *et al*, 2005, Ebaugh *et al*, 2006a, b). The authors define unique dimensions explaining the level of religious influence within social service organisations. An organisation can be described as religious through three primary elements, namely service religiosity, staff religiosity, and formal organisation religiosity. Notably, attributes such as having explicitly religious mission, religiously oriented leadership, religious promotional images in the

workplace, and religiously observant employees are all indicators among others to determine the religious orientation of an organisation. Nonetheless, an inspection of the literature on religious organisational characteristics (summarised in Table 3-2) reveals several themes and conclusions that can be of benefit to the understanding of the concept for this research.

First, the majority of papers in the field are mainly conceptual with a few that utilise empirical agenda to explore the notion of organisational religiosity. Second, research exploring the concept in management is limited. Jeavons (1998) had previously noted that the concept of organisational religiousness had not been fully integrated into management studies as the main construct. Recently, Fang *et al* (2013) have called the concept firm religiosity and have advised of the scarcity of research integrating the concept in management studies.

Additionally, to the knowledge of the researcher, the concept of organisational religiousness has not been empirically used in marketing or financial services marketing studies as the main construct. Nonetheless, it is noteworthy some studies in the marketing literature on branding and advertising have made some implicit reference to religious signalling organisations use in their branding, which can relate to the notion of organisational religiousness in some way. For instance, Taylor *et al* (2010) suggest that a company's use of religious symbols in advertisements enhance customer perceptions of a company's honesty and trustworthiness; particularly to highly religious evangelical customers. However, they found conflicting results in young and non-religious customers, who displayed more cynicism toward religious utilisation in advertisements. Similarly, Taylor and Halstead (2014) note that a service provider's religious identity can provide customers with assurances about the company and the quality of its services. Finally, Minton (2015) observed that the presence of religious cues and symbols in advertisements produced distrusting attitudes from cognitively religious customers, who may possess more scriptural religious knowledge and have a stronger understanding of their religious belief. Conversely, affectively religious customers, who may possess

more spiritual connection, showed trust in the advertisement and the company (Minton, 2015). These examples provide indications, though implicitly stated, of the influence of religious attributes organisations portray to their customers on their trustworthiness.

Moreover, a relevant example of the linkage between religious values and organisational business activities is the prevailing nature of Islamic banking financial institutions and services. In recent years, a strand of research studies in financial services marketing that emphasises the role of religious factors in driving customer attitudes toward these institutions has emerged (Ullah, 2014, Abdul Rehman and Masood, 2012, Ullah and Lee, 2012, Mansour *et al*, 2010, Al-Ajmi *et al*, 2009, Dusuki and Abdullah, 2007, Metawa and Almossawi, 1998, Naser *et al*, 1999). For example, Ashraf *et al* (2015) found from qualitative interviews with Pakistani Islamic banking customers that a bank's religious orientation strongly influences customer confidence. Other researchers have incorporated factors such as adherence to *Sharia* (Metawa and Almossawi, 1998, Abdul Rehman and Masood, 2012), confidence in *Sharia* supervisory committee (Naser *et al*, 1999), and Islamic reputation (Dusuki and Abdullah, 2007, Al-Ajmi *et al*, 2009) in their investigations of factors driving bank selection and preferences. More importantly, the involvement of religious values in the formulation and creation of goals and strategies in these institutions is self-evident and substantial at all levels, because they are primarily based on sacred intentions derived from the divine purposes of *Sharia* (Haniffa and Hudaib, 2010). However, to the knowledge of the researcher, the effect of religious organisational attributes on the development of customer trust in financial service organisations has not been explored in the context.

Therefore, this research supports the view that organisational religiosity is an all-encompassing concept of religious aspects of an organisation (Jeavons, 1998) and defines it as the extent to which an organisation is perceived as religious through its operations and activities. Notably, an argument is made that financial institutions, similar to individuals, exhibit some level of religiosity,

which in turn influences how they are perceived by others including their customers. Notably, this research postulates that organisations exhibit their religious commitment through several facets, namely religious compliance of its products/services, religious adherence of its employees, religious self-identification, and religious utilisation in marketing and promotional activities. Customer judgment about these attributes will, in turn, influence a critical component in the trust development process, namely trusting belief about the organisation's trustworthiness. To the knowledge of the researcher and based on the results of the literature review, organisational religiosity has not been used in empirical research as a possible influencer of trust; thus, the use of the construct in this research is based on evidence from consumer research literature on Islamic banking highlighted above. This research will particularly model organisational religiosity as a potentially important cue of a service provider's trustworthiness.

3.3 Summary

This chapter has served two main objectives. The first is to build a general understanding of religion and its integration into the field of marketing, while the second is to derive and delineate religious constructs relevant to religiosity that will be integrated into the model for measuring trust identified and presented in Chapter 2. To summarise the discussions in this chapter, two religious constructs have been delineated as essential drivers of trust, namely customer religiosity and organisational religiosity.

Customer religiosity is a personal attribute that pertains to the level of religious commitment an individual has towards their religion. It consists of two sub-dimensions that relate to a customer's belief and inner religious experience (intrapersonal or cognitive religiosity), and a customer's level of participation in organised religious activities (Swimberghe *et al*, 2011, McDaniel and Burnett, 1990, Worthington *et al*, 2003). These dimensions of customer religiosity are argued to have profound effects on dispositional, cognitive and affective customer trust facets.

The other religiosity construct in this research relates to an organisation's level of religious commitment. It is argued that organisations, like people, display various religious attributes that are communicated through its leaders, employees, customers, products/services, or activities (Jeavons, 1998). This research highlights and aims to explore the effect of customer perception of a financial services organisation's level of religious commitment on its trustworthiness. In particular, two organisational religiosity dimensions are argued to have a strong influence on trustworthiness, namely an organisation's level of religious adherence to religious principles (organisation religious observance), and the extent to which an organisation has a religious reputation and utilises religion in its marketing activities (organisational religious promotion).

The next chapter will synthesise views from extant literature to demonstrate how these religiosity constructs are integrated into the model for measuring trust presented at the end of Chapter 2. Accordingly, several testable hypotheses will be developed to build the research's conceptual model and to illustrate the proposed interrelations among the constructs in the model.

Chapter 4   Conceptual Development

4.1 Introduction

The previous two chapters have reviewed existing literature and empirical evidence to explore the concept of customer trust in financial services and its relevance to religiosity to ultimately develop a testable conceptual model that will form the theoretical foundations and hypotheses for this research. The aim of this chapter is threefold. First, the chapter introduces the customer trust – religiosity model that has been derived from the literature. Second, construct interrelationships from the conceptual model are introduced along with their relevant hypotheses and proposed relationships. Third, the possible moderating effects of banking model (Islamic versus dual window) and length of buyer-seller relationship on the proposed relationships are introduced.

4.2 Customer Trust – Religiosity Model in Financial Services

The main contribution of the model presented herein is the inclusion of religiosity as a driver of customer trust in the organisation. Accordingly, two distinct religious attributes have been delineated to have profound effects on customer trust. The first is customer religiosity as an attribute of the trustor (customer), and the second is organisational religiosity as an attribute of the trustee (organisation). Therefore, a conceptual framework (see Figure 4-1) has been developed to recognise these valuable constructs by making the following interconnections among the delineated constructs:

(1) It evaluates the direct impact of customer religiosity as an independent variable on customer trust in the organisation;

(2) It evaluates the impact of customer religiosity on trust in the organisation via its effect on customer's disposition to trust; and,

(3) It evaluates the impact of bank religiosity as an antecedent to trust and a trustworthy attribute of the organisation.

Figure 4-1: Customer Trust – Religiosity Model in Financial Services
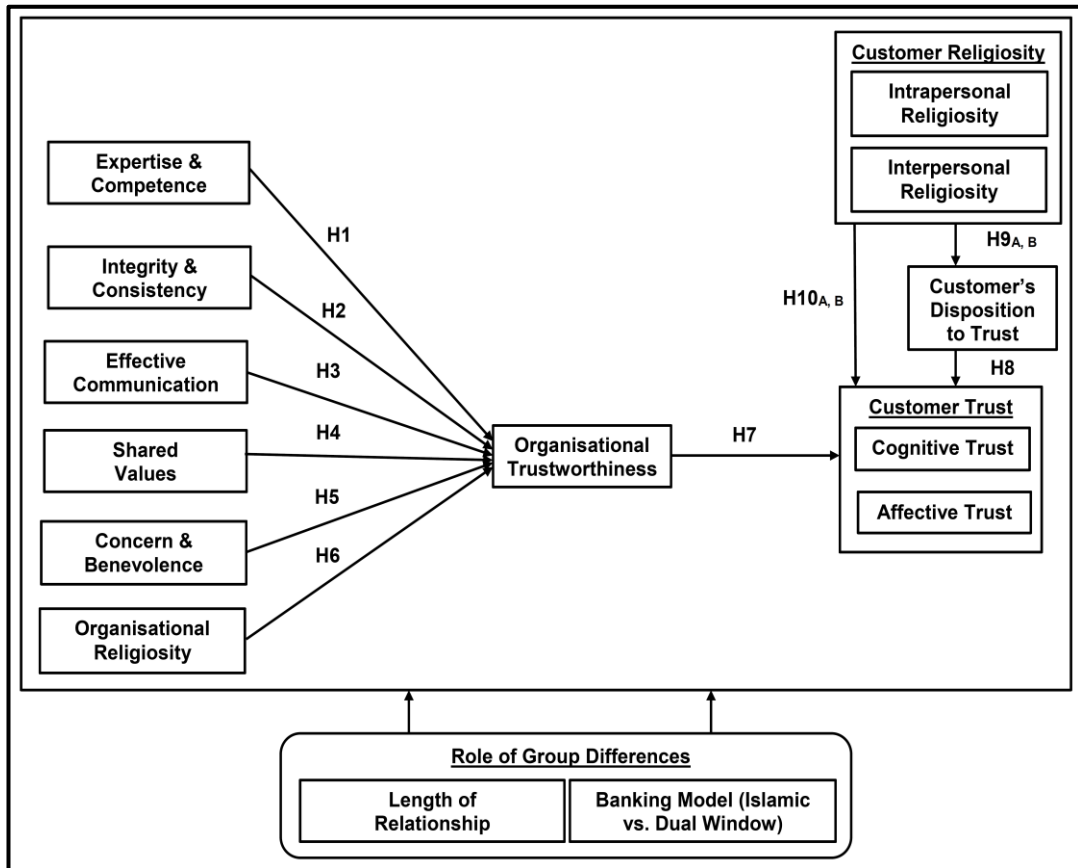
The following sections will elaborate on the essential dimensions to customer trust and their proposed linkage to religiosity in this research to illustrate the formulation of ten hypothesised relationships that comprise the Customer Trust – Religiosity Model in Financial Services.

4.3 Drivers of Customer Trust in the Organisation

Customer trust is conceptualised as customer judgment about the trustworthiness of the organisation based on their evaluation of the organisation's expertise and competence, integrity and consistency, communications, benevolence, and shared values (Sekhon *et al*, 2014, Ennew and Sekhon, 2007). Moreover, this research delineates another important customer trusting belief about the organisation; that is organisational religiosity. By drawing on the vast body of literature on trust and religiosity, this research proposes several trust antecedents and provides testable

hypotheses that reflect the relationships presented in Figure 4-1.

4.3.1 Expertise and Competence

Competence refers to the set of skills and characteristics that a party is required to have to accomplish a specific task (Mayer *et al*, 1995, Xie and Peng, 2009). In the presence of positive perceptions of organisational competence, the customer believes that the organisation will perform as expected. In particular, expertise and competence are associated with the organisation's ability to perform specific tasks, fulfil its promises and meet its responsibilities towards its customers (Johnson and Grayson, 2005, Liu and Wu, 2008, Colquitt *et al*, 2007). Several researchers in the financial service literature have highlighted similar constructs using different terminologies. For instance, Balasubramanian *et al* (2003), Kharouf *et al* (2014), and Xie and Peng (2009) recognise *competence* as one of the significant elements driving trust. Roy and Shekhar (2010a, b), Johnson and Grayson (2005), Bejou *et al* (1998), and Liu and Wu (2008) used the term *expertise* to refer to a similar driver of trust, while Sekhon *et al* (2014), Ennew *et al* (2011), and Ennew and Sekhon (2007) referred to it as *expertise and competence*. It is an essential element of trust and trustworthiness. Mayer *et al* (1995) note that strong perception about ability enhances the trustworthiness of the organisation. Past research has demonstrated that organisational expertise boosts customer confidence in the organisation to fulfil its promises, and stimulates customer willingness to transfer their trust (Sekhon *et al*, 2014, Kharouf *et al*, 2014, Doney and Cannon, 1997). As a result, customers' willingness to accept risk in a relationship increases in the presence of a strong perception of organisational expertise. Thus, the following hypothesis is proposed

> $H_{1:}$ *Perceived expertise and competence is positively related to trustworthiness.*

4.3.2 Integrity and Consistency

Integrity and consistency are two important concepts that are highly relevant to trustworthiness. They imply that the organisation will abide by a set of ethical

principles and exhibit consistency in its dealings (McKnight and Chervany, 2001, Mayer *et al*, 1995); thus, such adherent and stable behaviour signal credibility and predictability of the organisation and promote high levels of customer confidence in the organisation (Bews and Rossouw, 2002). Colquitt *et al* (2007) refer to integrity besides benevolence as the 'character' or 'will-do' component of trust, which reflects a trustor's (customer) belief about the organisation's consistency, fairness, and promise fulfilment. In the context of service marketing, several researchers have found a significant effect of integrity and consistency on trust. For instance, Sekhon *et al* (2014) found a significant effect of integrity and consistency, as a driver of trustworthiness, in shaping cognitive and affective trust in the organisation. Johnson and Grayson (2005) touched on some elements of integrity under the broad heading of firm reputation and found that it is significant in driving affective trust, but not cognitive trust. Finally, Kharouf *et al* (2014) made a distinction between integrity and consistency, including them under the affective and cognitive drivers of trust respectively, and found a significant effect of both constructs in driving trust in a service provider. This research is consistent with these views and proposes the following hypothesis:

> H_2: *Perceived integrity and consistency is positively related to trustworthiness.*

4.3.3 Effective Communication

The value of effective communication to trust building rests in its importance in resolving issues and conflicts between an organisation and its customers, clarifying ambiguities, and stimulating positive future expectations (Anderson and Narus, 1990, Morgan and Hunt, 1994). Ennew *et al* (2011) provide three critical qualities of effective communication that are essential for organisations in developing trust strategies, namely accurate, clear and open. Solomon and Flores (2003) point out that communication in the context of trust is about sharing of feelings and concerns, which will ultimately enhance confidence in a relationship. Sekhon *et al* (2014) support this notion and note that the key to a trusting relationship is effective communication; in such, there should be an

open dialogue between the organisation and its customers and that communication should go beyond information exchange and reflect an honest and open sharing of commitments and needs. Thus, the following hypothesis is proposed:

H₃: Effective communication is positively related to trustworthiness.

4.3.4 Shared Values

Perceived shared values (sometimes known similarity, value alignment, or value congruency) refers to the extent to which a trustor believes that the trustee's values are similar to theirs (Ennew and Sekhon, 2007). This perception is based on characteristics that the trustor and the trustee have in common (Lu *et al*, 2010). Perceptions of shared values are vital to trust because they set out the acceptable norms and behaviours amongst partners (Morgan and Hunt, 1994), and enhance the trustor's ability to predict and assess the intentions of the other party (Doney and Cannon, 1997).

Additionally, several researchers have studied the construct as an important customer trusting belief, driving organisational trustworthiness. For instance, Johnson and Grayson (2005) named it similarity and studied its direct influence on trust. They suggest that similarity between a financial investment advisor and an investment customer plays a significant role in influencing a customer's affective trust responses. This mimics views of others (e.g. Kharouf *et al*, 2014, Xie and Peng, 2009), who found strong support for the link between affective trust responses and shared values. Similarly, Sekhon *et al* (2014) demonstrated the importance of the construct in driving trust through its influence on the trustworthiness of a trustee. Therefore, this study posits that value congruency between the customer and financial services organisation increases the trustworthiness of the organisation, creating a situation conducive of trust. Thus, the following is proposed:

H₄: Perceived shared values is positively related to trustworthiness.

4.3.5 Concern and Benevolence

Concern and benevolence perception is another trust antecedent and concerns customer belief about the altruistic intentions and genuine concern the organisation has for their interests and wellbeing (Xie and Peng, 2009). Morgan and Hunt (1994) assert that the presence of opportunistic behaviour is an obstacle to the formation of trust and commitment in marketing relationships. Strong, benevolent perceptions about the organisation provide the customer with comfort that the organisation will not behave opportunistically or exploit their vulnerability. Relatedly, Doney and Cannon (1997) and Mayer *et al* (1995) accentuate the value benevolent perceptions in engendering positive beliefs about a partner's genuine care for the other party. More importantly, positive, benevolent perceptions signal customers about the organisation's true intentions and inform them it will do them no harm and have their best interest at heart (McKnight *et al*, 2002). Sekhon *et al* (2014, p. 423) relate to it as customer orientation that is essential to marketing relationships and a firm's "desire to deliver in relation to customer needs and expectations". Ultimately, concern and benevolence perception signals an organisation's trustworthiness and true intentions (Sekhon *et al*, 2014, Kharouf *et al*, 2014). In light of the discussion above, the following hypothesis is proposed:

> H_5: *Perceived concern and benevolence is positively related to trustworthiness.*

4.4 Organisational Religiosity as a Trustworthy Cue

Organisations, like people, can exhibit religious commitment through their behaviour. Religiosity as an attribute of the organisation originates in the mind of the customer as a perception, unlike personal religiosity, which is a self-reported assessment of one's level of religious adherence. This organisational religious influence is communicated to customers through the organisation's self-identity, products and services, or decision-making processes (Jeavons, 1998). This research proposes that organisational religiosity effects organisational trustworthiness through the influence of two dimensions,

namely organisational religious observance and organisational religious promotion.

To start, the proposition in this research that an organisation's religious commitment drives its trustworthiness originates from the general view that individuals and entities that are highly religious (Tan and Vogel, 2008) or possess religious cues and costly signals (Hall *et al*, 2015) are often perceived as trustworthy. Perhaps, this is attributed to morality connotations associated with religions and the imposition of sanctions on their followers in the form of normative rules and ethical codes (Iannaccone, 1998), and the overall characterisation of religious individuals and entities as being submissive and conforming (Saroglou *et al*, 2009); thus, they are unlikely to treat others opportunistically or exploit their vulnerabilities. Therefore, the following hypothesis is formulated:

> H_6: *Organisational Religiosity is positively related to organisational trustworthiness.*

Additionally, it is expected that positive customer perceptions about religious adherence and compliance of a financial service provider will drive organisational trustworthiness. Justification for this proposition is supported by several views from the Islamic banking and finance literature. To start, a salient attribute of religiously oriented financial services (i.e. Islamic banking services) is religious compliance. Several studies have shown that many customers make their purchase decisions based on an organisation's level of religious adherence (Metawa and Almossawi, 1998, Abdul Rehman and Masood, 2012, Al-Ajmi *et al*, 2009, Dusuki and Abdullah, 2007). For these customers, aspects such as an institution's observance to religious principles and confidence in its *Sharia* boards are amongst the most important motives for customers to bank with Islamic banks (Naser *et al*, 1999). This may include customer perceptions about the guarantees that are in place that can signal positive beliefs such as the presence of rigorous compliance procedures and the origin of fatwa (Islamic religious opinion). Relatedly, knowledge of bank personnel about religious banking services is essential in conveying favourable attitudes

towards the institution and its level of compliance (Dusuki and Abdullah, 2007). The importance of *Sharia* compliance stems from a transcendent and religious obligation, which places customers under considerable risk of non-compliance. Therefore, compliance has been modelled by previous research as an overarching and critical factor that explains why many customers choose to interact with and place their trust in Islamic banking institutions (Mansour *et al*, 2015). This research hypothesises that religious observance of an organisation signals religious compliance to customer and leads to increased trustworthiness:

> *H6A: Organisational Religious Observance is positively related to organisational trustworthiness.*

Furthermore, some customers may seek reassurance that the organisation will fulfil its promises through religious cues and messages, which offer them a sense of comfort and psychological stability. Taylor and Halstead (2014) suggest that a firm's religious identity can offer customers implicit and explicit service promises; thus, enhancing the overall customer perception of the service provider. Due to the intangible nature and credence qualities of services, such cues may function as a risk reduction mechanism in a relationship. Essential to the development of favourable perceptions a service provider, are explicit service promises (e.g. verbal statements) and implicit promises (e.g. tangibles related to the service offering such as visible signs and designs) (Bebko *et al*, 2006). A relevant example of this would be the use of religious texts, faith-based mission statements, and promotion of prominent religious figures by Islamic banks to promote their services and assure the compliance of services with religious principles. Such religious cues whether they are explicit or implicit can assess companies in cultivating strong perceptions of trustworthiness as affirmed by Taylor *et al* (2010). Further, Minton (2015, 2019) observed that the use of religious cues in an advertisement resulted in less scepticism especially from religious customers; thus, leading to higher trust in the advert. Therefore, this research argues that the extent to which organisations identify with a religion and communicate their

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religious commitment their marketing activities will have higher trustworthiness.

H6B: Organisational Religious Promotion is positively related to organisational trustworthiness.

However, it must be noted that due to contextual differences between this research and the above-highlighted evidence, the effects of some elements of organisational religiosity can have adverse and negative effects on trustworthiness. For instance, a banking manager that was interviewed during the exploratory stages of this research strongly opposed the use of religious connotation and signalling in the marketing of financial services, mainly Islamic banking services, and warned of its dangers on a bank's reputation. This echoes a similar view by Voswinkel (2011, p. 42) who emphasises that "companies that want to be recognised for moral excellence and to build a corporate identity with a pronounced moral profile are exposed to especially high levels of risk". Also, Minton (2015) observed strong confounding effects from the use of religious cues and symbols on the trustworthiness of adverts. It is, nevertheless, the view of the researcher that specific religious attributes of an organisation will profoundly influence customer perceptions about the organisation. The conceptual model hypothesises that organisations exhibit their religious commitment via several aspects, such as religious compliance of their products/services, adherence of their employees, the extent to which an organisation self-identifies with religion, and the magnitude of which the organisation utilises religion in its activities including marketing. In turn, these will positively influence trustworthiness.

4.5 Organisational Trustworthiness and Customer Trust

The term trustworthiness is not alien to the area of trust; however historically speaking, conversations had been silent about the topic of trustworthiness in the scholarly discourse of trust (Jones, 2012). Indeed, the desirable virtues that individuals seek when interacting with others is implicitly recognised, but those discussing trust often shadow conversations about trustworthiness. An

important distinction between trust and trustworthiness was made by Hardin (2002) who argues that trustworthiness is more important than the trust construct itself, in a sense that it can be managed and one can implement strategies and standards to enhance trustworthiness and ultimately boost the chances for strong trust to occur. This echoes the views of Ben-Ner and Halldorsson (2010) and Sekhon *et al* (2014) who support such distinction and stress that trustworthiness is an attribute of the trustee on which a customer bases their judgment whether to trust or distrust the organisation. Trust is simply the belief that the trustee will act as expected (Tullberg, 2008), while trustworthiness is the projected image of the organisation in the mind of the consumer (Sekhon *et al*, 2014).

In this research, organisational trustworthiness is modelled as a mediating variable that explains the effect of the drivers of customer trust (i.e. trusting beliefs) in the model. In turn, trustworthiness will positively influence the development of two forms of customer trust, namely cognitive trust and affective trust. Therefore, this research proposes the following hypotheses:

H7: Trustworthiness is positively related to trust in the organisation

4.6 Disposition to Trust and Customer Trust

In addition to organisational attributes or drivers of trust, a personal and an individual level driver of trust has been delineated to influence the development of customer trust in a bank. Customer disposition or propensity to trust refers to the tendency to trust others in general which is manifested in a relationship as an individual's general faith in humanity and trusting stance towards others (McKnight *et al*, 2002). As such, the more a customer is predisposed to trust general others, the more likely they tend to show trusting attitudes towards their bank. Also, trust disposition's influence is more relevant to the more rational cognitive form of trust (Sekhon *et al*, 2013). Accordingly, this research proposes that there is a positive link between customer disposition to trust and

customer trust in the bank and that this effect is stronger on cognitive trust than affective trust. Therefore, this research proposes the following hypothesis:

> H_8: Customer's disposition to trust is positively related to customer trust in the organisation

4.7 Customer Religiosity and Trust in the Organisation

This research has made several propositions about the positive influence of customer religiosity on customer's disposition to trust, and customer trust including its cognitive and affective dimensions. These propositions are presented below.

4.7.1 Customer Religiosity and Customer's Disposition to Trust

Generally, religions encourage their followers to treat others in a just and fair manner; thus a general feeling of optimism is established, which provides a solid foundation for strong dispositional characteristics to develop (Uslaner, 1999). Religiosity is also associated with overall subjective well-being, which suggests that religious individuals are forward-looking, happy and satisfied with their lives, so they are optimistic in their attitudes towards others (La Barbera and Gürhan, 1997). Religious individuals may have a sense of comfort knowing that all actions are predetermined and controlled by God, which explains why they show higher levels of propensity to risk (Essoo and Dibb, 2004). An argument can be made that customers who have high levels of ideological or intrapersonal commitment are more optimistic and more willing to engage in a relationship with others in general. Therefore, the following hypothesis is proposed:

> $H9_A$: Intrapersonal (cognitive) customer religiosity is positively related to trust disposition.

Furthermore, the influence of religiosity on trust disposition can be explained through several behavioural facets of religious commitment. These facets are linked to prominent features of many collectivist religions, such as religious attendance and participation (Worthington *et al*, 2003, McDaniel and Burnett,

1990, Wilkes *et al*, 1986). The extent to which individuals participate in and attend religious activities and events will profoundly influence their general trust disposition towards others in several ways. First, behavioural dimensions of religiosity have been shown to promote cooperative behaviour and interaction amongst individuals in different social settings. Frequency of religious practice and attendance has been linked to stronger general trust in others and promote more trust in governmental and judiciary institutions, and provide stronger ground for cooperative economic exchanges (Brañas-Garza *et al*, 2009, Guiso *et al*, 2003, Welch *et al*, 2007). In such cases, religiosity is argued to promote vertical trust within organisations and horizontal relationships among strangers (i.e. general trust) (Guiso *et al*, 2003). Second, religious attendance has been of particular importance in explaining positive attitudes towards others in a US sample of high school students (Bahr and Martin, 1983). Religiosity in the form of strong attendance and participation in religious activities and services provides individuals with a powerful socialisation tool (Schoenfeld, 1978), which provides religious individuals with a strong sense of belonging and bonding that in turn translates into positive attitudes towards others in general (Saroglou, 2011). Therefore, this research is consistent with the view that religions possess important social attributes that positively drive one's general trust dispositions towards others (Schoenfeld, 1978, Bahr and Martin, 1983). This suggests that individuals, who are religiously involved in religious activities, have greater social exposure and propensity to trust others through socialising effects. Therefore, the following is proposed:

> *H9ᴮ: Interpersonal (behavioural) customer religiosity is positively related to trust disposition.*

4.7.2 Customer Religiosity and Customer Trust

This research expects that customers will have varying levels of customer trust in the organisation based on their level of religious commitment. As previously stated, this type of trust is more dynamic when compared to the individual and more stable trust disposition. This research argues that customer religiosity

profoundly influences the formation of trust responses in the organisation. In general, religiosity is linked to internalised experiences and provides a strong basis for cognitive, affective, and behavioural responses (Cornwall *et al*, 1986). This reflects the importance of religiosity as a variable that shapes the values of customers through internalised religious experiences (Hathaway and Pargament, 1990, Worthington *et al*, 2003, Vitell *et al*, 2005, Swimberghe *et al*, 2011). Notably, intrinsic (i.e. intrapersonal) religiosity has been shown to influence the customer trust in advertisements (Minton, 2015). This research argues that internalised religious effects may explain the proposed positive influence of intrapersonal religiosity on trust in several ways. To start, religion is generally associated with a great sense of submissiveness and conformity (Saroglou *et al*, 2009), which result in a greater inclination of religious individuals to invest in a relationship and act responsibly towards others (Skarmeas and Shabbir, 2011).

Moreover, religiosity can influence the formation of customer trust through trust disposition. Customer general trust disposition has been shown to have a role in developing more specific forms of trust in a service provider (Sekhon *et al*, 2013, Grayson *et al*, 2008, Hansen, 2012). It is argued that enhancing trust disposition through religiosity would encourage the initiation of the exchange between the customer and the organisation. Further, customers experience intense levels of disorientation and pressure in a financial service exchange due to the high vulnerability caused by uncertainty and credence qualities of financial services. Consequently, customers may feel elevated levels of urgency to vent this pressure to resolve the complexity of this situation. Religious commitment can be a valuable tool to cope with and reduce stress (Hathaway and Pargament, 1990), which ultimately stems from the belief that all life events and actions are predetermined and controlled by God (Bailey and Sood, 1993, Essoo and Dibb, 2004). Such belief provides religious customers with higher propensity and tolerance to risk and motivates them to overcome their fear of being vulnerable to risk and uncertainty. Finally, intrapersonal religiosity maybe particularly more relevant to affective trust responses than cognitive ones. Perhaps the highly emotive nature of the

religious influence of commitment to ideological beliefs provides strong support for highly religious customers to develop increased affective trust. Relatedly, Barnes (2009) strongly advocates that the intensity of religious faith is more relevant and strongly correlated to the affective attributes of trust (i.e. care and benevolence) in e-commerce websites. In light of the above discussion, this research proposes the following hypothesis:

> *H10$_A$: Intrapersonal (cognitive) customer religiosity is positively related to customer trust in the organisation.*

Moreover, this research expects that customer's trust in their service provider will vary based on their behavioural religiosity. To start, as previously discussed before behavioural elements of religiosity, such as participation in organised religious activities and events can positively influence customer trust disposition. In turn, this will provide a strong foundation for more dynamic forms of trust to emerge and offer customers a feeling of stability to engage in economic exchange with a service provider. Mainly, behaviourally active religious individuals are more likely to engage in a relational context (Skarmeas and Shabbir, 2011), through socialisation (Schoenfeld, 1978) and bonding (Saroglou, 2011) functions of religious commitment. Consequently, these salient features offer religious people an extensive source of information (Choi *et al*, 2010). In this sense, two implications may be drawn from the evidence in the literature, which can support the link between behavioural religiosity and trust in the organisation. The first is that customers who are actively and continually engaging in social, religious events may display less sensitivity to risk. This argument is supported by several authors (Delener, 1990, Essoo and Dibb, 2004) who observed that some religious customers show more propensity and tolerance to risk. The second is that behaviourally religious customers accumulate extensive knowledge through social interactions and networking. Thus, these customers may display higher cognitive readiness to engage in an exchange with others. Based on the above discussion, the following hypotheses are formulated:

H10$_B$: Interpersonal (behavioural) customer religiosity is positively related to customer trust in the organisation.

4.8 The Moderating Effect of Relationship Length

Among the concepts most relevant to trust and its development is the length of the buyer-seller relationship. Dirks and Ferrin (2002) conceptualise relationship duration as an important attribute of the relationship. This coincides with Lewicki and Bunker's (1995) view that the strength of trust in a relationship develops over time due to increased familiarity and knowledge obtained through repeated interactions. In a meta-analysis of trust studies in the context of organisational leadership, Dirks and Ferrin (2002) note that approximately 5% of studies (106 samples) considered relationship duration in their conceptualisations of trust. They concluded that relationship duration is not a significant factor for the development of trust; however, they note that the construct is an attribute of the relationship that can largely depend on the quality of the relationship. In marketing, researchers have suggested that trust in a buyer-seller service encounter develops over time (Coulter and Coulter, 2002, Crosby *et al*, 1990). However, integrating the construct in models of trust is a challenge that has been noted by Levin *et al* (2006) and Dirks and Ferrin (2002). Commonly, during initial stages of a relationship, trust largely depends on personal characteristics of the trustor in the form of general trust propensities (McKnight *et al*, 2002). Then, as parties in the relationship become familiar with each other, cognitive cues become more prominent, which could potentially develop into a deeper and more emotional link (Lewis and Weigert, 1985). The element of relationship duration is important and is intuitively relevant to the process of trust development.

Nevertheless, it is noteworthy that while discussing the influence of relationship duration, it is inevitable to ask whether relationship maturation naturally and directly influences trust and causes it to emerge, or it is perhaps the other way around. Several researchers have differing treatments of the construct. For instance, Aurier and N'Goala (2010) model relationship length as a product or a consequence of trust in service marketing relationships.

Conversely, others (Bejou *et al*, 1998, Swan and Nolan, 1985) consider it an independent variable and are interested in its explanatory influence on relationship quality and trust. Other studies (Coulter and Coulter, 2002, Levin *et al*, 2006, Herm, 2013) note that treating relationship length as a moderator variable bypasses the numerous conceptual challenges encountered by researchers integrating the construct in previous trust models. Therefore, this research treats relationship length as a moderator variable and expects that the relationships in the model are likely to vary based on the duration of the interaction between customers and their banking institutions.

4.9 The Moderating Effect of Type of Banking Model Used

Customers display varying attitudes towards their banks in dual banking systems (Ashraf *et al*, 2015, Mansour *et al*, 2010, Ullah and Lee, 2012). The banking system in the research context (i.e. Saudi Arabia) is a dual banking system, which consists conventional banks with Islamic windows and purely Islamic banks. Although banking institutions operating in both of these systems subject their Islamic services to the same set of principles, the fact remains that dual-window banks offer services that are prohibited by *Sharia*. This will potentially have harming effects on the image of dual-window banks. Amin *et al* (2013) have observed differences in the behaviours of Islamic banking and dual-window banking Muslim and non-Muslim customers in Malaysia. They noted subtle differences in customer attitudes towards banking institutions with Muslim customers relating to *Sharia* issues in their transactions. In another study investigating marketing related issues of Islamic mortgage products among British Muslims, Tameme and Asutay (2012) observed that British Muslims preferred to purchase their home mortgage from a purely Islamic bank, which suggests that customers react differently to these two distinct banking models. Likewise, Ashraf *et al* (2015) reported similar variation of attitudes of Pakistani banking customers towards Islamic and dual-window banks. As such, customers display less confidence in conventional banks with Islamic windows compared to purely Islamic ones and show preference to purely Islamic banks. Equally, Souiden and Rani (2015) observed a strong

association between religiosity, and attitude and purchase intention towards Islamic banks in Tunisia. This research expects to observe varying interrelations among the constructs in the model amongst the users of the two types of banking institutions and will potentially provide further insights into understanding the process of trust formation.

4.10 Summary

This chapter has served three primary purposes. It started by pictorially presenting the conceptual model of this research and summarising its key aims and objectives.

Then, it provided detailed discussions for the formulation of each hypothesis in the conceptual model. Accordingly, the chapter constructed the model by providing theoretical justification for 11 hypotheses representing interrelationships amongst the constructs. Notably, the model pays tribute to the multidimensional view of understanding trust and builds on current theories on trust in financial services marketing. As demonstrated in this chapter, the model offers a novel approach by viewing trust through the religious lens. Customer religiosity through its cognitive and behavioural dimensions are proposed to profoundly influence three trusting dimensions, namely dispositional, cognitive, and affective customer characteristics. Likewise, the model proposes organisational religiosity as another construct to strongly influence the formation of a provider's trustworthiness. Perhaps, an intended contribution of the model is its recognition of other drivers of trust that have been derived from the literature, namely expertise and competence, integrity and consistency, effective communication, shared values, and concern and benevolence. These are combined with the religious constructs in an integrative fashion to provide an improved and rounded understanding of how trust develops.

Finally, the chapter presented two situational elements of the buyer-seller relationship, namely banking model and relationship duration, which will influence relationships in the model.

The following chapter will provide a detailed explanation of justification of the methodological procedures employed to achieve the objectives and answer the questions of this research and elaborate on the processes for the development of construct measurements and operationalisations.

Chapter 5   Research Design and Process

5.1 Introduction

The research design process refers to a set of methodological procedures that bridges research objectives, aims and questions with research data, and constitutes a blueprint that informs a researcher's choices throughout the research process (Churchill and Iacobucci, 2002). In deciding on a suitable research strategy for this research, the initial step was to evaluate different research paradigms to establish philosophical underpinnings guiding this research and provide sufficient support for its theory-testing goals. Several other elements have influenced the design of this research. These include the review of previous scholarly works on customer trust in financial services including the recognition of their limitations, and identification of knowledge gaps as highlighted in Chapters 2 and 3. Also, it has been guided by critiques and recommendations provided by the academic community at the University of Edinburgh, and feedback from academic judges from other institutions consulted during this research project. It has also benefited from valuable feedback on papers submitted to the Journal of Marketing Management and the Journal of Management, Spirituality & Religion, and a publication in the Journal of Financial Services Marketing (Alhazmi, 2019). Furthermore, the research topic was shaped at its initial stages by insights from exploratory interviews and a focus group with banking customers and a manager from a Saudi Arabian bank.

The methodological framework chosen for this research is derived from the procedure recommended by Sekaran and Bougie (2013), with some degree of adaptation (see Figure 5-1). The amendments were deemed necessary because the original framework appears to be generic and reflects on a wide range of research strategies. Moreover, the philosophical underpinnings of this research will be discussed before extrapolating on the methodological procedures adopted in this research. Therefore, this chapter centres around three main research design pillars. It starts with the identification of an appropriate research process seeking a philosophical stance (paradigm),

research purpose, and research approach. Then, a detailed discussion of research methods used for data collection is provided, including exploratory interviews, a focus group, questionnaire development, and sampling procedure. Finally, the chapter concludes with the introduction of techniques used to analyse data and test hypotheses in this research.

Figure 5-1: Research Design Framework

Research Paradigm (Philosophical Foundations)

Purpose of the Study

- Descriptive
- Testing hypotheses developed from literature through deduction

Type of Investigation

- Quantitative research
- Deductive reasoning

Extent of Researcher Interference

- Minimal interference
- Reflects researcher's independence from research positivistic views

Measurement and Measures

- Operationalisation of constructs
- psychometric properties

Data Analysis (Quantitative)

- EFA
- SEM
- CFA
- Structural Model
- Hypothesis Testing

Unit and Level of Analysis

- Unit of analysis: Banking customers in Saudi Arabia
- Level of analysis: Bank – Customer relationship

Sampling Design

- Non-probability sampling: convenience and snowball sampling
- Suitable sample size for type of analysis: 200 to 300

Time Horizon

- Cross-sectional research
- Time-bound

Data Collection Method(s)

- Exploratory interviews & focus group
- Survey questionnaire

Source: adopted from Sekaran and Bougie (2013)

5.2 Research Paradigm

Before selecting an appropriate research methodology and process, it is important to decide on several philosophical underpinnings that affect the entire research process. These foundations are relevant to research paradigms, which highlight our worldviews and beliefs about reality and how it is constructed (Blaikie, 2009). These beliefs cause us to see, comprehend, and interact with various social actors in specific ways and have implications on how we perceive social realities and events surrounding us (Babbie, 2009). Accordingly, philosophy plays a significant role in the research design process and influences methodological procedures of the research through three main philosophical elements, namely ontology, epistemology, and methodology (Guba and Lincoln, 2005).

Ontology is a branch of metaphysics (Epstein, 2018), and pertains to the nature and existence of social realities (Blaikie, 2009). Ontological beliefs and assumptions of a researcher have critical implications for the research process; as such, they determine whether social realities exist objectively and independently from people, or occur only in the minds and perceptions of individuals (Saunders *et al*, 2015). The answers to these questions are at the heart of research philosophy, which guides scientific inquiry and constitutes the foundations for subsequent methodological choices and decisions. These assumptions are represented by two central philosophical positions that are dominant in marketing research; namely, objectivism and subjectivism (Malhotra *et al*, 2012). These ontologies affect us in the way we view social actors, events and realities, and lead to critical questions about the world; such as where and how does the truth or reality reside? An objectivist views social reality and truth as independent of social actors. Conversely, a subjectivist views reality as context-laden, dynamic, and existent in the perceptions and thoughts of people. These positions lead to significant implications as to where knowledge about social realities and truths exists, and shape how one can obtain such knowledge (i.e. epistemology).

The second philosophical element is epistemology, which refers to the knowledge to be known about the social events that are being studied and the relationship between the researcher and this knowledge (Blaikie, 2009). One may ask; can knowledge be observed from the behaviours of social actors, or is it constructed in their thoughts and perceptions? Two dominant and different schools have emerged from this long-standing debate in social sciences, namely positivism and interpretivism (Guba and Lincoln, 2005). Although other philosophical paradigms exist, this research will only explain the two that are most dominant in marketing research and are at the two extremes of the paradigmatic ends (see Table 5-1 for a summary of the positivist and interpretive paradigms).

The positivist or traditionalist view is an epistemological view that strongly advocates the use of scientific methods that originate from the natural sciences in the investigation and measurement of social constructs (Bryman and Bell, 2015). It assumes that social reality can be observed and studied and researchers can produce inferences about the behaviours of social entities and actors (Guba and Lincoln, 2005). Accordingly, these realities exist independent of and external to the researcher and can be measured by objective means (Saunders et al., 2015). Positivism is founded on the principles of objectivity and neutrality; whereas the researcher has no attachment to the topic, the field of study, or context in which the events are studied (Guba and Lincoln, 2005). This is evident in its approach in explaining social events in a cause and effect manner and predicting them by producing generalisations and inferences (Blaikie, 2009). Therefore, this philosophy is commonly associated with quantitative analytical techniques (Guba and Lincoln, 2005).

Conversely, the interpretive epistemological position views the world as "socially constructed rather than objectively determined", and can be explained through the perceptions and lived experiences of social actors and entities (Carson *et al*, 2001, p. 8). Accordingly, the emphasis is on the understanding of the complexity of social events, while in positivism the aim is to explain these events (Guba and Lincoln, 2005). The interpretive epistemological position is

often associated with qualitative methods, in which researchers practice a high level of subjectivity and engagement with data, context, and participants of the research (Guba and Lincoln, 2005).

Table 5-1: Research Design Philosophical Assumptions

Philosophical Element	Definition	Positivism	Interpretivism
Ontology	Inquiry about reality, existence and being.	A single objective reality.	Multiple subjective realities.
Epistemology	Relationship between researcher and reality that is being investigated.	The researcher is independent, and research is value-free.	Highly dependent on context and time-bound.
Rhetoric	Language of the study	Formal and highly dependent on a set of definitions extracted from literature.	Informal and highly unstructured.
Research Approach	The logic of research, which directs all steps and processes of the study.	Deductive reasoning.	Inductive reasoning.
Research Methodology	Type of interaction with data collected	Quantitative approach.	Qualitative approach.
Methods	Techniques used in data collection	Survey questionnaire and experiments.	Interviews and focus groups.
Inquiry Aim	Conclusion the researcher wants to arrive at	To explain or predict reality.	To reconstruct or understand reality.

Source: Guba and Lincoln (2005); Creswell (2013); De Vaus (2002); Blaikie (2009)

This research adopts a positivistic paradigm stance. It is the belief of the researcher that there exists a social world independent of the researcher and that the reality of the world is beyond our knowledge and understanding. Similarly, the epistemological position of this research is a reflection of the researcher's ontological beliefs. The behaviours and perceptions of banking customers can be measured objectively and analysed by applying a quantitative analytical method. This position is deemed appropriate for the

nature of research questions and objectives drawn by the researcher and is reflective of the suppositions deduced and drawn from the literature on trust in the financial services marketing literature. However, it is important to note that although this research adopts a positivistic stance, it recognises that some degree of constructionism exists in explaining the social world. Due to the novel nature of trust in the Saudi Arabian context, this research integrates a minor qualitative component to familiarise the researcher with the context and inform the design of this research. Therefore, this research conducts an exploratory research component at its initial stages, by conducting a literature review, and qualitative personal interviews and a focus group with potential research participants.

5.3 Research Purpose

Decisions relevant to ontological and epistemological positions of a research have implications and influences on the type of questions it aims to answer and nature of inquiry it aims to achieve. A vital element of any research is its purpose, which is primarily derived from its questions and objectives. More importantly, a criterion of good research design is how well the purpose of the research is reflective of its aims, objectives, and questions. These, of course, are useful in deciding on the level of inquiry, and the type of inferences the project attempts to achieve. Accordingly, there are three common types of research purposes utilised in the literature, namely, descriptive, exploratory, and causal (explanatory) research (see Table 5-2 for a summary of research purpose types).

Exploratory research, hence the name, is a high-level exploration of a problem. It is appropriate when the researcher has limited knowledge about the research topic or problem and is not intended to provide conclusive answers to research questions and problems (Churchill and Iacobucci, 2002). It has been suggested that this type of research is an "initial research, which forms the basis of more conclusive research. It can even help in determining the research design, sampling methodology and data collection method" (Singh, 2007, p. 64). It is useful to researchers during preliminary stages of research

projects and offers a high degree of flexibility. The most common source of data in this type of research is secondary data or unstructured exploratory interviews (Churchill and Iacobucci, 2002).

Table 5-2: Types of Research Purpose

	Exploratory	Descriptive	Explanatory
Level of Uncertainty	Undefined; Highly ambiguous	Partially defined	Highly defined
Source of Direction	research questions	Research goals, objectives, and questions	Research hypotheses
Stage of Research	initial, and preparatory stages of research	advanced stages of research	advanced stages of research
Level of Structure	abstract; highly unstructured	Moderately structured	Highly structured
Example	Exploratory, unstructured interviews, Literature review, secondary data	Cross-sectional, and longitudinal designs	experimental design studies

Source: Saunders et al (2015); Fox and Bayat (2008)

Conversely, descriptive research refers to research that collects data or information about a population but does not produce causality between events and constructs (Singh, 2007). The goal, hence the name, is to describe a given population or specific events and situations (Fox and Bayat, 2008). A stricter and more planned process characterises it compared to exploratory research (Saunders *et al*, 2015). It is appropriate when information or data are not available for researchers to solve a problem, so they examine the context and collect data from it; then, they analyse and interpret the data to solve the problem (Fox and Bayat, 2008). It requires a strong link to and proper specification of research objectives and questions. Descriptive research consists of two major types of research. The first is cross-sectional research, which concerns the collection of data from a given population at a single point in time, while the second is longitudinal research design, which refers the collection of data from a population at multiple points in time to observe changes over time. Finally, causal or explanatory research refers to research studies that aim at establishing a causal (cause and effect) relationship

between a set of variables. It is often used in experimental studies and most appropriate when the objective of the research is establishing prediction amongst factors affecting a given behaviour in an experiment (Saunders *et al*, 2015, Churchill and Iacobucci, 2002).

By evaluating the questions and objectives of the current research, this research adopts two sequential types of research purpose: exploratory research and descriptive research. At the exploratory stage, an extensive literature review is conducted and complemented by qualitative exploratory interviews and a focus group with participants from the Saudi banking context. The purpose of this research is to investigate customer trust and its link with religion and religiosity, and as these two concepts have not been extensively studied together in the financial services and consumer research literature, it was deemed essential to become familiar with the topic and context of the research. Therefore, exploratory research was required at the preliminary stages as a foundation for the subsequent stage. The second purpose of this research is descriptive and uses cross-sectional data to investigate the influence of customer religiosity and customers' perception of their bank religiosity on their trust in their bank.

5.4 Research Approach

It is essential to consider the objectives, propositions, and theoretical background of research to develop an appropriate research methodology. In essence, the role of theory in driving the research approach must be defined (Bryman and Bell, 2015). Research findings are evaluated relative to their theoretical underpinnings from which they originate and to which they contribute. Accordingly, there would be nothing to research without some form of theoretical basis (Silverman, 2015, p. 54); thus, it is essential to clearly define the role of theory, which depends on the overall philosophical underpinnings guiding the research. In other words, determining the role of theory as a driving force highlights the logic and reasoning a researcher adopts in their attempt to understand the problem of the research, derive their hypotheses, and infer about the research problem (Fischer, 2001, Malhotra *et*

al, 2012). Three research approaches are commonly utilised in marketing research studies. The first is the deductive reasoning approach in which the researcher develops a hypothesis based on established theories in the literature and implements a research strategy to accept or reject the hypothesis based on previous evidence. In this approach, theory precedes hypothesis and influences all subsequent research design decisions and choices in a top-bottom approach. Commonly, this approach is associated with quantitative research designs.

Conversely, inductive reasoning approach starts with the observation of a phenomenon in order to generate theory and is often associated with qualitative research designs (Saunders *et al*, 2015). The third approach is a hybrid of the previous two approaches and is commonly known as abductive reasoning approach. This approach is associated with mixed method research strategies and is based on the assumption that combining different types of data would provide a more thorough explanation of the problem than either quantitative or qualitative alone (Creswell, 2013).

The approach used in this research adopts a 'top-bottom' approach in which a deductive strategy is implemented to develop research hypotheses and propositions. As such, a theory-driven conceptual framework (see Chapter 4) has been derived from previous literature on customer trust and religion (Chapter 2 and Chapter 3). Thus, a quantitatively driven research strategy has been developed in this research, which will be discussed in most of the remainder of this chapter.

5.5 Research Methods

Decisions about research methods are primarily reflective of the ontological, epistemological, and strategic positions of this research defined in the previous sections. The following sections will identify methods that will assess the researcher in achieving the aims and objectives of the study. Data can be collected by utilising two methods, namely qualitative methods and quantitative methods (Saunders *et al*, 2015). Both types of collection methods come with

their advantages and drawbacks. This research utilises a combination of exploratory research that involves a small element of qualitative exploratory agenda and a primary element involving quantitative research methods. At the onset, the researcher conducted several interviews and a focus group at the exploratory stage of this research. The purpose of the qualitative phase was to inform the design of this research, explore the concept of trust within the context of the study and its relevance to religion, and make initial contacts with potential participants to assess the researcher in the subsequent quantitative phase. Then, a quantitative phase using a survey questionnaire design was conducted in the second stage of the research. Table 5-3 provides a summary of the research methods utilised in the current study.

Table 5-3: Summary of Research Methods in this Research

Data Collection Stage	Method	Description	Number	Duration
Exploratory Stage	**Literature Review**	Given the deductive nature of this research, an extensive literature review was conducted using books, journal articles, conference papers, and academic and industry reports to establish theoretical underpinnings and develop the theoretical model to be tested in this research.	N/A	2015 - 2018
	Exploratory Interviews	The researcher conducted four semi-structured personal interviews with three customers and one marketing manager in Saudi Arabia. The purpose of these is to explore the concepts of religion and religiosity and their relevance to banking in the context of the study. Also, they helped make initial contacts with possible participants in the main study.	3 with banking customers; 1 with a bank marketing manager (All males)	April – May 2016
		Due to difficulties recruiting female banking customers to participate in face-to-face interviews, mobile messaging service WhatsApp was utilised to conduct interviews with females. Three female banking customers that were recruited through the researcher's spouse and were invited to participate in an online group discussion through WhatsApp.	Three banking customers (All females)	September 2016
Questionnaire Development	**Content Validity**	The questionnaire was sent to two academic judges to comment on the item face validity before implementing the translation procedure.	Two academic judges	November 2016
	Questionnaire Translation	The questionnaire was translated from English to Arabic using the backward translation method.	Two bilingual speakers	December 2016 – January 2017
	Content Validity	Following the translation of the questionnaire, it was sent to academics specialising in management, marketing, and Islamic studies to ensure the wording of items and translation is appropriate.	Three academic judges (Arabic speaking)	February 2017
	Mini Discussions	Before conducting the pilot testing of the questionnaire, it was administered to four individuals with diverse backgrounds: a retired teacher, a homemaker, a university student, and a working professional. This is to ensure the clarity of items and that the language is appropriate and understandable to a wide range of respondents.	4 participants	March 2017
	Pilot Testing	A paper and an online questionnaire were distributed to the Saudi student community in Edinburgh.	16 paper 9 online	April 2017

Data Collection Stage	Method	Description	Number	Duration
Final Survey Administration	**Paper and online**	A paper and an online questionnaire were administered in Saudi Arabia using a convenience sampling method.	Paper: 317 Online: 497 Total: 814 Total Usable: 788 (26 copies removed due to missing data) Total Used: 765 (23 copies removed due to unengaged responses.	June – August 2017

5.5.1 Exploratory Interviews and Focus Group

The qualitative exploratory stage has been conducted using semi-structured interviews (male participants) and a focus group (female participants) method. These aimed at informing the design of the research, generating an initial indication of customer responses concerning religion and religiosity and their link to trust in financial services, and understanding customer motivation to trust banks in the context of the study. Four interviews (3 male banking customers and 1 bank manager) were conducted in Saudi Arabia and the United Kingdom. Snowball sampling was used for recruiting participants, who were between 26 and 63 years of ages (see Table 5-4 for detailed interviewee profiles). Interviews lasted between 15 minutes to 1 hour and have been voice recorded except for one where a participant opted from having his voice recorded. Notes were taken during and after all interviews.

Table 5-4: Interviews and Focus Group Sample Profile

Participant	Gender	Age	Education	Type	Marital Status
1	Male	29	Bachelor (Business/management)	Bank marketing manager	N/A
2	Male	60+	PhD – retired professor	Customer	Married
3	Male	26	Bachelor (Engineering) – teaching assistant	Customer	Married
4	Male	30	Master's (computer science) – lecturer	Customer	Married
5	Female	34	Bachelor – Public job	Customer	Married
6	Female	39	Bachelor – school teacher	Customer	Married
7	Female	N/A	Bachelor – N/A	Customer	N/A

    * N/A: Not available

Additionally, a focus group was conducted with female participants. Due to cultural constraints in Saudi Arabia, which limit direct interaction between men and women, the researcher has utilised the electronic messaging service WhatsApp to conduct the focus group. Participants were recruited through the utilisation of a snowball method with the assistance of the researcher's spouse, who made initial contact with potential participants. Three female participants agreed to participate in the focus group. Then, the researcher created a

WhatsApp group consisting of the three participants and the researcher. A statement explaining the assurance of participant privacy and confidentiality and their right to withdraw from the study at any time was sent to the group. Next, the researcher sent a summary of the topic to the group to highlight the purpose of the study and familiarise participants with the topic. Both face-to-face interviews and focus groups follow a short discussion style and utilise open-ended questions. It is noteworthy that discussions did not engage the topic of religion directly during the interviews and the focus group; instead, the researcher has allowed the discussions to flow naturally. This is to prevent any reaction from participants, due to the sensitivity of the topic of religion, which may cause participants to feel uncomfortable or provide biased responses. Results of the exploratory qualitative phase reveal several relevant and interesting themes.

First, religious participants, at least the ones who refer to themselves as religious, tend to be more active in pursuing religious information about the services they purchase from banks. This may suggest that religious individuals are more inclined to engage in cognitive processes concerning their trust and purchase decisions. Hirschman (1981) has long argued that religions shape individual cognitive processes and consumer behaviour. Relatedly, the results suggest that religious individuals extensively seek information relevant to compliance of the services with *Sharia* principles. This indicates that religious consumers exhibit greater susceptibility to cognitive cues in a relationship. In the presence of such cues, they display greater transference of trust and likelihood to develop affective trust responses. Houjeir and Brennan (2017) noted a similar theme in their qualitative research in the context of banking in the UAE. They suggest that affective trust is more relevant to their context due to the strong influence of shared religious and cultural values. This can be caused by the emotive religious influence on the context, which suggests that customers possess a strong cognitive basis for trust and affective trust is more likely to develop.

Second, one of the main themes that emerged from the qualitative phase is the possible influence of the religious nature of organisations as a key driver of trust in a bank. An authentic display of religious commitment from banks is seen as an exhibition of good intention and reinforces the bank's responsibilities towards its customers. In this sense, banks are seen as actors and contributors to the development and improvement of the social and economic wellbeing of their customers. These attributes appear to be highly valued by the individuals interviewed and are consistent with the view in the literature that stresses the portrayal of Islamic banks as representatives of the sacred intentions of *Sharia* (Haniffa and Hudaib, 2010). For instance, an interviewee elaborated on the religious attributes of their bank and the role they play in driving their confidence and trust. He used one of the main Islamic banks in the country (i.e. Al-Rajhi Bank) as an example to illustrate his opinion about significant elements that signal the religious commitment of a financial institution:

> *"I believe that a bank's leadership can encourage customers by example … customers look at the top of the pyramid when they evaluate a bank's religiousness. For example, the founder of Al-Rajhi Bank has greatly driven the success of the bank; the religious values he represents, his story and how he founded the bank, and his religious donations and activities are crucial for me as factors that represent the religious values of the bank. Another important factor is the presence of a qualified Sharia board at the bank"* (Participant # 3)

Conversely, opinions regarding the use of religious images in marketing and promoting banking services are conflicting. Participants are divided on the adoption of religious reputation or use of explicit religious cues and images in marketing services. Nevertheless, the most critical comment regarding the use of religion in the marketing and promotion of financial services came from a marketing manager at a bank, who warned of the dangers of adopting such a marketing approach:

> *"Whenever we talk about Sharia compliance … some banks exploit the Sharia (religious) element of the business to attract customers. This religious approach can be risky and damaging to the bank. We do not touch on the religious element unless asked by the customer … we never emphasise or mention*

religion, while promoting banking services. It is the company's strategy; surely, we are 100% Islamic bank, but we are directed to let the customer know that services are Sharia compliant and refrain from using religious images or terminologies." (Participant # 1)

This is often true of organisations that are associated with strong moral expectations, which put them under intense pressure and scrutiny from customers (Voswinkel, 2011). Regardless, the responses are indicative of the role of religious-based characteristics of banks in shaping their trustworthiness.

Third, results reveal a consensus among participants about the desirable attributes of a bank that drive their trust. These include expertise, honesty, similarity, and benevolence. This finding is consistent with views in the management and marketing literature, which implies that these drivers are universally accepted and applicable in a wide range of contexts.

Fourth, the results suggest that the nature of risk perception comprise of added dimensions that are likely caused by the influence of religion on the context. Typically, types of risk that are most relevant to financial services include financial risk (loss of money or investment) or performance risk (service failure) (Mitchell and Greatorex, 1993, Stone and Grønhaug, 1993). However, participants indicate that the nature of risk in this context is inclusive of psychological and social dimensions. For example, lack of Sharia compliance of banking services can have damaging consequences on the customer image among peers and family members, and his/her self-esteem. Customers want to maintain a certain degree of religious image and compliance issues of their banking services will cause them to be seen as non-religious.

Finally, an interesting insight into the conceptualisation of customer religiosity in this context has emerged. The notion of financial religiosity has emerged as a possible determinant of why customers may decide to use Islamic banks over conventional ones. It was not clear why individuals are financially religious or otherwise, but the notion brings an inspiring approach to the topic. For instance, some customers may decide to seek religiously compliant financial

services for reasons that do not necessarily reflect their real religious commitment; instead, they can be extrinsically motivated to use such services because they wish to maintain a particular social image and reputation within their social and family circles.

To summarise, although the interviews and focus group are exploratory and relatively small, they provide a proper understanding of the concept of religion and religiosity in the context of the study. They have complimented the literature review presented earlier for the purpose to strengthen the understanding of the domain of this research, become familiar with the context of the research, and inform the design of the research and its subsequent stages. They also assessed the researcher in making initial contacts with potential respondents and banks, which will be helpful during the data collection stage of the research.

5.5.2 Questionnaire Development Procedure – 9 steps

The design of the questionnaire used in this study is based on the framework proposed by Churchill and Iacobucci (2002) who highlight a rigorous 9-step procedure for a successful questionnaire design. Figure 5-2 highlights the steps utilised in this study to develop the survey for this research.

Figure 5-2: Process for Questionnaire Development

Step 1: Specify what information will be sought

Step 2: Determine the type of questionnaire and method of administration.

Step 3: Determine content of individual questions

Step 4: Determine the form of response

Step 5: Determine the wording of each question

Step 6: Determine the sequence of questions

Step 7: Determine the physical characteristics and arrangement of Questionnaire

Step 8: Re-examine steps 1-7 and revise

Step 9: Pre-test questionnaire

Source: Adapted from Churchill and Iacobucci (2002)

5.5.2.1 Step 1: Specify what information will be sought

This research highlights the purpose of the exploratory stage performed in the preliminary stages of this research project. Understanding of the area and topic

of research is of great importance to formulate a reliable and successful data collection instrument. Conceptual and operational understanding has been developed by conducting an extensive review of the literature on customer trust in financial services and fields relevant to religion and religiosity, performing qualitative data collection from participants from the context of the research. Definitions of the main constructs in the research have been developed, which have resulted in the development of the conceptual framework presented in Chapter 4. Therefore, the questionnaire's purpose is to gather responses from participants about the constructs in the model and measure the interrelationships among these constructs.

5.5.2.2 Step 2: Determine the type of questionnaire and method of administration

Researchers commonly use two modes of administration, these are, self-completed questionnaires, and face to face or interviewer-completed questionnaires (Saunders *et al*, 2015). In self-completed questionnaires, the respondent completes the survey by themselves without aid from the researcher. Conversely, in interviewer-completed questionnaires, the researcher assesses respondents by recording their answers while interviewing them in person or via telephone. Researchers may obtain complete responses when administering surveys this way; however, this may be at the cost of data quality. The mode of survey administration can adversely affect the quality of the data collected in the form of biased answers (Bowling, 2005). Self-completed surveys may suffer from several issues, such as item non-response and low response rates; however, respondents are more likely to answer questions truthfully in comparison to interviewer-completed surveys (Tourangeau and Yan, 2007). The sensitive nature of questions in this research makes it challenging to utilise interviewer completed administration of the survey. For instance, asking respondents to report their level of religious commitment can potentially make them feel threatened and intimidated, so they may not provide truthful answers because of social desirability issues, or they may refuse to take the survey. Therefore, the survey in this research

utilises a self-administration survey and strongly assures the respondents of the anonymity of their identities and answers.

Moreover, deciding on a survey type to use is a critical decision that needs to be carefully addressed. Traditionally, paper and pencil surveys have been used for decades; however, in recent years, researchers have utilised the internet to reach their respondents in a timely and cost-efficient manner. The decision on a suitable mode of administration is dependent on the objectives of the study and context in which it is based. Due to the challenges present in the Saudi Arabian research context, which are covered in detail in the sampling procedure section, this research has used two distribution methods of the questionnaire; a paper version that is distributed on a drop and collect basis to banking customers in Saudi Arabia, and an electronic version that utilises an online survey service platform (www.SmartSurvey.co.uk).

5.5.2.3 Step 3: Determine the content of individual questions

This step relates mainly to how constructs in the research are operationalised. This research has adopted scales that have been developed in previous studies. The next sections will discuss the operationalisation of each construct in this research in detail.

5.5.2.3.1 Operationalisation of Drivers of Trust, Trustworthiness, and Customer Trust

All measurement scales in this research have been adopted from previously developed scales. Items capturing organisational trustworthiness and its drivers, and customer trust dimensions were drawn from scales developed by Sekhon *et al* (2014), Ennew *et al* (2011), and Ennew and Sekhon (2007). Similarly, the same approach has been adopted for operationalising customer disposition to trust. This approach is consistent with the recommendations of McEvily and Tortoriello (2011) who encourage replicating existent measures of trust to achieve greater consistency and comparability of results. The adopted trust measurement developed by Sekhon *et al* (2014) has been subjected to extensive use and replication in several financial services

contexts and across diverse samples (Yu *et al*, 2015, Roy *et al*, 2011, Sekhon *et al*, 2013, Roy and Shekhar, 2010a, b, Moin *et al*, 2015, Kharouf *et al*, 2014), and has shown good psychometric properties, indicating it applicability and robustness.

Two facets of trust have been conceptualised in this research, namely cognitive trust and affective trust. Trustworthiness is conceptualised as the belief by customers that the organisation has a reputation of being trustworthy and is influenced by the five drivers (expertise and competence, integrity and consistency, communications, shared values, and concern and benevolence). Each construct is represented by several items (see Table 5-5) that are measured on a five-point Likert scale ranging from 1: Strongly Disagree to 5: Strongly Agree with midpoints anchored using Neutral.

Table 5-5: Operationalisation of Trust, Trustworthiness and its Drivers

Construct	Items
Drivers of Trustworthiness	**Expertise and competence**
	My bank has the information it needs to conduct its business.
	My bank competently handles all my requests.
	My bank is efficient.
	My bank is knowledgeable.
	Integrity and consistency
	My bank keeps its word.
	My bank shows high integrity.
	My bank is honest
	My bank is consistent in what it does.
	Communication
	My bank is responsive when contacted.
	My bank informs me immediately of any problems.
	My bank informs me immediately of new developments.
	My bank communicates regularly.
	Shared values
	My bank has the same concerns as me.
	My bank has the same values as me.
	My bank acts as I would.
	Concern and benevolence
	My bank does whatever it takes to make me happy.
	My bank acts in the best interests of its customers.
	My bank can be relied upon to give honest advice.
	My bank shows respect for the customer.

Construct	Items
Organisational Trustworthiness	My bank has a reputation for being honest.
	My bank has a reputation for looking after its customers.
	My bank has a reputation for having its customer's interests at heart.
Customer Trust in the Organisation	**Cognitive trust**
	I trust my bank to do what it says it will do.
	I trust my bank to have my best interests at heart.
	My bank is very reliable.
	Affective trust
	My bank is always honest with me.
	My bank is concerned about my best interests.
	My bank makes every effort to address my needs.

5.5.2.3.2 Operationalisation of Disposition of Trust

In this research, customer trust disposition is measured using the five-item scale developed by Gefen (2000). This scale (see Table 5-6) emphasises two facets of trust disposition, namely customer general faith in humanity, and trusting stance. The measure uses a five-point Likert scale ranging from 1: Strongly Disagree to 5: Strongly Agree with midpoints anchored using Neutral.

Table 5-6: Operationalisation of Trust Disposition

Construct	Items
Trust Disposition	I generally trust other people.
	I tend to count upon other people.
	I generally have faith in humanity.
	I feel that people are generally reliable.
	I generally trust other people unless they give me reason not to.

5.5.2.3.3 Operationalisation of Customer Religiosity

A plethora of operationalisations and scales measuring personal religiosity exist in the literature. This is caused by the diverse perspectives and conceptualisations that characterise the field and its integration into the scientific study (Hill and Hood, 1999, Mathras *et al*, 2016). Thus, a critical aspect that has been carefully considered while reviewing religiosity scales was to avoid scales that are sensitive or provocative, while tapping on important religiosity dimensions. This process involved the consideration of opinions and feedback obtained from potential research participants in the

exploratory interviews stage and consulting major measurement frameworks from the literature. Therefore, given the inherent sensitivity of the topic that has caused the challenges in the conceptualisation and measurement of religiosity (Swimberghe *et al*, 2011), a critical discussion of existent scales in the literature is useful before deciding on an appropriate measurement agenda to implement in this research.

Early researchers adopted a unidimensional view of religiosity, which confined the construct to the attendance of religious service (Mokhlis, 2009). This treatment posed numerous methodological challenges to researches and often gave unreliable results (McDaniel and Burnett, 1990, Wilkes *et al*, 1986). Church attendance might be a useful indicator of one's active involvement in their religious community, but the nature and meaning of this influence vary across religions. For instance, the frequency of attendance varies significantly between Christianity and Islam. Also, individuals may attend worship places for a variety of reasons including socialisation and networking, but not necessarily for worship. As a result, a large number of multidimensional conceptualisations and scales of religiosity have been developed to tap on the complex nature of religiosity. Therefore, the dominant view of personal religiosity is that it is unique, contextual and multidimensional in nature (Worthington *et al*, 2003, McDaniel and Burnett, 1990, Wilkes *et al*, 1986, Allport and Ross, 1967, Glock, 1962, Berggren and Bjørnskov, 2011, Essoo and Dibb, 2004). This research is consistent with this view and subscribes to the multifaceted and complex nature of religiosity. Notes on several seminal scales of religious commitment are provided below to critically evaluate them, to understand how religiosity has been measured from a multidimensional point of view and derive a suitable measurement framework for this research.

To start, Glock (1962) was among the first to develop a multidimensional scale to measure religiosity, which paved the way for other multidimensional scales to flourish. According to his view, religiosity consists of five dimensions that represent one's commitment to religion, namely experiential, ideological, ritualistic, intellectual, and consequential dimensions (Glock, 1962). Although

this scale is generic and taps into major components comprising religiosity dimensions of many religions, its applicability to different contexts is arguably limited (El-Menouar and Stiftung, 2014).

Additionally, one of the most widely used measures of religiosity is Allport and Ross's (1967) Religious Orientation Scale (ROS). The scale distinguishes between two dimensions of religiosity: (1) intrinsic motivation, which concerns genuine, deep and emotional religious experience, and (2) extrinsic motivation, which indicates low levels of devotion and utilisation of religion as a means to achieve mundane purposes. People with strong religious devotion exhibit high levels of intrinsic religiosity; on the other hand, scoring high on extrinsic religious dimension would constitute low religiosity (Allport and Ross, 1967). The scale has shown strong reliability results and has been replicated in a large number of studies in marketing and consumer research (Delener, 1990, Delener, 1994, Essoo and Dibb, 2004, Patwardhan *et al*, 2012, Schneider *et al*, 2011, Singhapakdi *et al*, 2000). However, its suitability, especially the extrinsic religious dimension, for consumer research studies has been questionable (Singhapakdi *et al*, 2000). Genia (1993) evaluated the psychometric properties of the scale and concluded that, although intrinsic religiosity achieved strong internal consistency scores, extrinsic religiosity items failed to do so. She concluded that the scale should be cautiously revised when used for non-Christian groups. Relatedly, Donahue (1985) argues that extrinsic religiousness does not necessarily translate into religiosity, but can be interpreted as the attitude that a believer has toward religion.

Recently, Saroglou (2011) developed a more general framework to understand personal religiosity by emphasising the cognitive, emotional, moral, and social functions of religion. As such, the author translated these functions into four basic dimensions of religiousness, namely believing, bonding, behaving, and belonging (Saroglou, 2011). These scales attempt to resolve some of the issues relevant to traditional religiosity measurements and provide a more generic means to capture the concept, than older existing measures in the literature. Similarly, Worthington *et al* (2003) developed The Religious

Commitment Inventory—10 (RCI-10), a ten-item religiosity scale, which operationalised religiosity as interpersonal and intrapersonal commitment. Although it has been developed in the psychology literature for use in a western Judo-Christian context, it has gained heightened attention in marketing and management research in recent years, and demonstrated good applicability and reliability across contexts and religious groups (e.g. Hammad *et al*, 2014, Kadić-Maglajlić *et al*, 2015, Mokhlis, 2009, Putrevu and Swimberghek, 2013, Swimberghe *et al*, 2011, Swimberghe *et al*, 2009, Swimberghe *et al*, 2011). This attention to the scale can be explained in part due to its general nature and its emphasis on the importance of religious experiential dimension, which is likely to be relevant to consumer research (Mokhlis, 2009, Worthington *et al*, 2003). This reflects a large body of literature confirming the strong influence of intrinsic components of religion as well as the more behavioural aspects of religion and its relevance to consumer behaviour (McDaniel and Burnett, 1990, Vitell *et al*, 2005, Minton, 2015). The scale also refrains from the use of sensitive religious issues and sectarian language, providing further support for its applicability in various religious contexts (Mokhlis, 2009).

Therefore, the Religious Commitment Inventory—10 (RCI-10) developed by Worthington *et al* (2003) has been utilised to measure customer religiosity. Accordingly, customer religiosity concerns one's actions towards others and their level of religious involvement (interpersonal religiosity) and the influence of religion in one's life (intrapersonal religiosity). As shown in Table 5-7, these aspects of religiosity are measured by ten items comprising intrapersonal religiosity (6 items) and interpersonal religiosity (4 items), using a five-point Likert scale ranging from 1: Strongly Disagree to 5: Strongly Agree with midpoints anchored using Neutral.

Table 5-7: Operationalisation of Customer Religiosity

Construct	Items
Intrapersonal Religiosity	My religious beliefs lie behind my whole approach to life.
	I spend time trying to grow in understanding of my faith.
	It is important to me to spend periods of time in private religious thought and reflection.
	Religious beliefs influence all my dealings in life.
	Religion is especially important to me because it answers many questions about the meaning of life.
	I often read books and magazines about my faith.
Interpersonal Religiosity	I enjoy working in the activities of my religious organisation.
	I enjoy spending time with others of my religious affiliation.
	I keep well informed about my local religious group and have some influence in its decisions.
	I make financial contributions to my religious organisation.

5.5.2.3.4 Operationalisation of Organisational Religiosity

The notion of religious aspects of organisations and its impact on the consumer is novel and has not been adequately integrated into the marketing and management fields (Jeavons, 1998, Fang *et al*, 2013). Conceptually, this research adopts the view of Jeavons (1998) who argues that the impact of religion on an organisation can be recognised through its influence on the mission and vision, self-identity, participants, products and services, and decision-making processes. Thus, this research conceptualises organisational religiosity as customer perception of the extent of which an organisation exhibits its observance and commitment to religious principles, communicated through its activities, products and services, and decision-making processes. Accordingly, the operationalisation of organisational religiosity (see Table 5-8) emphasises the level of religious observance a financial organisation displays through its employees, leaders, services, and activities (including business and social activates). It also emphasises religious aspects such as the utilisation of religion in marketing and promotional activities.

To measure these aspects of the organisation, this research has adapted/adopted items from measurement scales that belong to several areas of the literature such as consumer research in Islamic banking (Dusuki and Abdullah, 2007, Naser *et al*, 1999) and the study of religious and faith-based

organisations from the sociology of religion literature (Ebaugh *et al*, 2006b). Some rewording of two items was conducted as needed to accommodate the context of this research.

Therefore, this research utilises a scale consisting of 16 items measured on a five-point Likert scale ranging from 1: Not at all Important to 5: Very Important with midpoint anchored using Moderately Important. It is noteworthy that three items have been removed during the content validity stage, as illustrated in Table 5-8.

__Table 5-8: Operationalisation of Organisational Religiosity__

Construct	Items	Source
Organisational Religious Observance	My bank puts religious principles into actions.	Ebaugh *et al* (2006b)
	My bank tends to have a positive influence on society.	Dusuki and Abdullah (2007)
	My bank is consistent with principles of economic and social justice.	Dusuki and Abdullah (2007)
	My bank exhibits a high degree of observance to religious principles.	Naser *et al* (1999)
	Services offered by my bank are compliant with religious principles.	New item
	My bank's employees demonstrate high religious observance.	New item
	* My bank is consistent with Islamic values.	New item
	My bank's sole purpose is profit.	New item
	Employees are knowledgeable about religious aspects of services.	New item
Organisational Religious Promotion	My bank uses religion to encourage customers.	Ebaugh *et al* (2006b)
	My bank's leadership is religiously oriented.	Ebaugh *et al* (2006b)
	My bank uses religious images in its marketing.	Ebaugh *et al* (2006b)
	My bank has a religiously explicit mission statement.	Ebaugh *et al* (2006b)
	My bank has a strong religious reputation.	Dusuki and Abdullah (2007)
	* Fatwa is important to my bank.	New item
	* The appearance and feel of my bank is Islamic.	New item

* Item removed during the first round of content validity

5.5.2.4 Step 4: Determine the form of response

Following the operationalisation of research constructs, it is crucial to decide on the scaling method used to capture the responses in the survey. Several itemised rating scales are widely used in management and marketing research. These include semantic differential, Staple and Likert scales (Malhotra *et al*, 2012). Hair *et al* (2010) recommend the use of Likert itemised scaling system for self-completed questionnaires. This is due to its popularity in marketing research, simplicity to adopt in many research settings and contexts, and the familiarity it enjoys from people in general (Saunders *et al*, 2015, Churchill and Iacobucci, 2002). Also, the Likert scaling method is ideal when the purpose of the measurement instrument is to capture "the expression of intensity of feeling" (Churchill and Iacobucci, 2002, p. 94), which makes it appropriate for marketing and consumer research. The most widely used points of scaling are the five, seven, or nine-point scales. The number of scale points is an area of continuous debate in the literature (Malhotra *et al*, 2012). Nonetheless, several researchers note that the five-point scale has an added advantage over 7 and 9 point Likert scales. Babakus and Mangold (1992) note that five-point scales improve the rate and quality of responses by reducing respondent frustration and fatigue, when compared to larger scale points. Saleh and Ryan (1991) suggest that using five-point Likert scales allows for comparison of the reliability of research results with other studies that use the same scaling method. Besides, Malhotra *et al* (2012) note that a five-point scale is suitable in the presence of low levels of knowledge and interest in the research topic. Therefore, this research utilises a five-point Likert scaling method measuring level of agreement (from 1: Strongly Disagree to 5: Strongly Agree) for all the measures except for organisational religiosity items which use a five-point importance scale (from 1: Not Important to 5: Very Important).

5.5.2.5 Step 5: Determine the wording of each question

Researchers are faced with a vocabulary problem because they are more informed and knowledgeable in the research topic than the average respondent (Churchill and Iacobucci, 2002); thus, the use of a clear language

in designing questionnaires is critical for its success. In order to ensure the questionnaire does not suffer from this dilemma, the researcher put the questionnaire through several rigorous and iterative steps to ensure its clarity and quality. Initially, the researcher developed a first draft of the questionnaire in English. Then, the questionnaire was sent to two academics to comment on its content validity, design and formatting. Several issues were pointed out at this stage and were omitted accordingly. Three items from the organisational religiosity construct were evaluated as either irrelevant or redundant; thus, they were excluded from the questionnaire (see Table 5-8). Importantly, one of the judges suggested that the five-point agreement scaling method initially used for the organisational religiosity construct should change to five-point importance scale. Using an importance scale for these items would result in less ambiguity and confusion for respondents and stimulate their interest in responding to the items. Finally, a few formatting and design suggestions were implemented to improve the overall appearance of the survey.

5.5.2.5.1 Questionnaire Translation

Following the completion of the final draft of the questionnaire in English, the next step is to translate the survey from English to Arabic. One of the common challenges while designing a questionnaire is importing a scale to use in another language and cultural setting (Fowler, 2009, Wang *et al*, 2006). All of the scales used in the current study have been adopted from scales that were developed and conducted using English. Brislin (1970) outlined three translation methods that are useful in ensuring the semantic equivalence between the original and translated instruments: (1) back-translation technique, (2) bilingual translation technique, and (3) committee translation technique. In the back-translation technique, a bilingual translator translates the survey to the target language; then another bilingual translator translates the survey back to the original language. Subsequently, the original and the back-translated copies are compared to ensure equivalence has been maintained (Cha *et al*, 2007). If inaccuracies exist between the two copies of the survey, a third independent translator should attempt to translate item(s)

causing the inaccuracies (Cha *et al*, 2007). This translation method has been one of the most widely used in marketing research (Douglas and Craig, 2007).

In the bilingual translator method, the instrument is administered in the original and target language to bilingual respondents (Brislin, 1970). Response discrepancies in the two versions of the survey are then treated as potential translation errors and should be addressed by the researcher (Cha *et al*, 2007). However, one of the weaknesses of such a method is that it does not account for acculturation effects on the bilingual respondents completing the survey, which places them into an entirely different population from those the survey intends to target in the first place (Cha *et al*, 2007).

In the committee translation method, a group of bilingual translation experts are appointed to translate a survey from the original to the target language (Brislin, 1970). A key advantage to this technique is that it provides a refined and clear version of the survey, as inaccuracies in the translation are efficiently identified due to the large number of translators involved in the process (Brislin, 1970). Nevertheless, a primary issue in this method is the requirement of at least three people to form a translation committee (Cha *et al*, 2007); thus, individuals may not be readily available due to time and resource constraints.

In the current research, the back-translation method has been used to translate the questionnaire from English and Arabic. Two bilingual speakers have been appointed to translate and back-translate the survey. The first is a bilingual retired professor, who specialises in linguistics and translation, and the second is a bilingual assistant professor who specialises in a management related field. Then, the researcher who is also fluent in Arabic and English has compared the two translated copies to ensure that equivalence has been maintained and check for discrepancies between the two copies.

Finally, the final version of the translated questionnaire was sent to three academic judges with backgrounds in business, accounting and Islamic studies to comment on the content validity of the translated version of the survey and ensure that specific business and marketing terms are captured

correctly. More importantly, they were instructed to check the overall appropriateness of the language used in formulating items in the survey in particular items relevant to religious constructs.

5.5.2.6 Step 6: Determine the sequence of questions

The next step is to decide on the ordering of the questions to ensure that their flow is logical and easy to follow. Saunders *et al* (2015) suggest that the order in which the sections and questions are presented is crucial to the success of the study. This study follows the recommendations put forth by Saunders *et al* (2015). First, the questions related to behaviours and attributes of customers towards their banks are placed at the beginning of the survey. These questions are not personal and less threatening to the respondents, which should produce more excitement and interest in filling out the survey. Second, questions that are complex and potentially sensitive such as those related to religion and religiosity are placed in the middle of the questionnaire. By this stage, respondents should have higher levels of confidence and may not yet suffer from boredom or tiredness. Finally, questions related to the demographic and personal information of the respondent were placed at the end of the questionnaire. This section was followed by an open-ended question where respondents are asked to provide comments they may wish to add concerning the topic of the study. This organisation appears to be clear and logical and is consistent with suggestions made by marketing research scholars such as Malhotra *et al* (2012) and Churchill and Iacobucci (2002).

5.5.2.7 Step 7: Determine the physical characteristics and arrangement of Questionnaire

Efficient and appealing physical survey designs increase a respondent's perception of the importance of the survey. They also increase the likelihood of their cooperation and participation in the study as well as the chances they will give accurate and complete information while participating in the survey. This study has used two methods to distribute the questionnaire: (1) a paper and pencil version; and, (2) an online version. For the paper version of the survey, a booklet design was considered; however, the layout of questions

appeared very overcrowded, so this option was eliminated. The other option was placing the survey on full pages, which appeared more appealing. Therefore, the paper version of the questionnaire was colour printed on single-sided A4 pages. The key is to utilise the full page and have adequate spacing between questions and sections, so it is easy for respondents to read and follow the questions comfortably. Similarly, the online version of the survey followed a similar format and gave respondents the option to view questions individually or in a grid format. Questions in both versions were numbered and grouped in seven sections as presented in Table 5-9.

Table 5-9: Structure of the Survey

Section	Title
Part A	Trust in the Bank
Part B	Drivers of Trustworthiness
Part C	Customer Disposition to Trust
Part D	Organisational Trustworthiness
Part E	Customer Religiosity
Part F	Organisational Religiosity
Part G	Additional Information

5.5.2.8 Step 8: Re-examine steps 1-7 and revise

At this stage, the final draft of the questionnaire was produced, and the above steps have been re-examined to ensure the sequence of questions, general appearance of the document, and clarity of its language. This step is necessary before pre-testing the survey. Moreover, before pilot testing the survey, the researcher conducted mini discussions with four individuals from diverse backgrounds and age groups to ensure the suitability of the language and flow of information contained in the survey. These individuals were a university student, homemaker, retired teacher, and working professional, who were given the questionnaire in advance and were asked to comment on its language and clarity before producing the final version of the survey.

5.5.2.9 Step 9: Pre-test questionnaire

Pilot testing or pre-testing a survey is a crucial step in its development because it can alert the researcher to any problems relating to the sequence and wording of items that might arise later when the main survey is conducted

(Parasuraman *et al*, 2006). Pilot testing for this questionnaire was conducted over two stages. At the first stage, four copies of the questionnaire were handed to participants recruited from the Saudi student community residing in Edinburgh. Following the completion of the survey, the researcher had short meetings with these respondents individually to discuss any ambiguities and problems they encountered while answering the questions. Minor amendments were made as per these discussions before administering the survey to a relatively larger sample. In the second stage of pre-testing the survey, the paper survey was distributed among Saudi students residing in Edinburgh during a weekly social gathering, and the online version was sent via the Saudi students club to Saudi students in Edinburgh. Twenty-five responses (16 paper and nine online) were received. This was followed by discussions with respondents, who completed the paper survey to ensure their understanding of the survey and its content. Amendments were made to the wording of some items and sequence of sections. Also, technical efficiency for the electronic version of the questionnaire was tested at this stage, and average completion time was calculated at approximately 11 minutes. The final version of the questionnaire is presented in Appendix A.

5.5.3 Sampling Procedure

The importance of sampling stems from the fact that researchers rarely have access to every unit in the target population of their research (Field, 2009). As a result, a researcher selects a small sample that is representative of the population to increase the power and generalizability of results. The sampling procedure employed in this research follows the process suggested by Churchill and Iacobucci (2002) and is covered in more detail in the following sections.

5.5.3.1 Define Target Population

Population refers to the entire group of cases that the researcher plans to investigate and from which wishes to collect data (Saunders *et al*, 2015). The target population in this research is banking customers in Saudi Arabia who have bank accounts and are 18 years of age or more. However, it is noteworthy

that due to the difficulty of obtaining a suitable sampling frame and utilising probabilistic sampling techniques, it is not possible to estimate the target population or accurate population parameters. Regardless, an overview of location(s) where this study draws its respondents from is discussed in the next section.

5.5.3.2 Identify a Sampling Frame and Select a Sampling Method

While the target population highlights all potential respondents in the context of the study, the sampling frame lists all possible candidates for the study and focuses on specific information related to the target population (Chisnall, 2005). In the context of this study, a sampling frame might be a list of names and addresses of all banking customers in Saudi Arabia, a particular region, city, or bank. In order to obtain an accurate representation of the target population, a sampling frame must be recent, complete, accessible, and simple to use (Bradley, 2013). In Saudi Arabia, several challenges of market research in general and sampling, in particular, exist, which make the use of probabilistic methods of sampling almost impossible. These issues pose tremendous difficulties to researchers and make the use of non-probability sampling methods "a necessary evil" (Tuncalp, 1988, p. 18). To start, there is an absence of suitable population listings and frames (Bhuian *et al*, 1996). Using the phone directory was initially considered; however, two apparent issues are impeding its use as a sampling frame. The first is that phone landlines are not commonly used anymore in the country, so targeting phone landline users may introduce some form of sampling bias to the selection of participants. The second is that phone directories are outdated; thus, they may not provide reliable sample frames. Also, the electoral register cannot be used, as there are no elections in Saudi Arabia. A potential solution that has been considered is to approach banks and request their client lists. However, this request was turned down by all banks indicating that this is against the privacy policies and regulations of the Saudi Arabian Monetary Agency (SAMA).

Additionally, gender representation remains a common issue in sampling, while conducting research in Saudi Arabia. For a male researcher, it is

challenging, both legally and socially, to approach female respondents because gender separation is highly practised in the Saudi culture (Sohail and Shaikh, 2008, Al-Ashban and Burney, 2001).

Furthermore, acquiring respondents may be an obstacle to the researcher. The research environment in the country is not well developed, and a significant portion of the population is not familiar with research practices. In summary, the issues above place considerable constraints on the suitable sampling method(s) to utilise in this study. Although the context of the study may pose numerous challenges to achieve reliable and generalisable results, a well thought and executed plan can overcome many of these challenges and provide useful answers to the research questions. The next step will identify several sampling techniques, which can be used solely, or in combination to recruit respondents for this research.

In this research, a combination of two non-probability sampling methods has been employed. First, a convenience sampling technique has been used. Initially, contacts have been made with potential hosts of the survey at the preliminary and exploratory qualitative phases of the research. These comprise of public and private organisations including banks and large public institutions in three major urban centres in the capital Riyadh, Makkah (including the city of Jeddah), Madinah, and Dammam. Almost two thirds of the population is concentrated in and around these centres (Abdul Salam *et al*, 2014). Some organisations agreed to distribute the survey among their employees and customers. Whilst very positive, the number that agreed to do this was insufficient. Hence, it was necessary to employ a snowballing sampling technique. The organisations that agreed to host and distribute the survey in their online or physical domains were asked to provide further contacts through professional referrals or through their assistance in getting the survey distributed in other branches of their organisation in a different region. For instance, while distributing the questionnaire at the Directorate of Health Affairs in Jeddah, the researcher requested them to distribute the survey at another branch in a different city because they are an affiliate of the

same ministry. A banking manager at an Inma Bank branch agreed to host the survey at their branch and provided contacts of professional colleagues in Al-Rajhi Bank and National Commercial Bank to host the survey in their branches. This demonstrates the systematic approach that the researcher has adopted in this research. As such, in the first stage, a convenience technique was employed and was followed by snowball sampling, which efficiently complemented the convenience method used initially, especially for the distribution of the online version of the survey.

To summarise, the researcher targeted major urban centres, because of the high concentration of population in these centres. Interestingly, these areas should not be treated as homogeneous in terms of their attitude towards religion. Undoubtedly, religion plays a major role in the country at all levels, but differences in how religion is viewed exist by region. For instance, Jeddah and Dammam are considered more liberal and open as opposed to Makkah and Madinah (two of the holiest for Muslims) or central regions of the country. Therefore, regardless of the inherent limitations of non-probabilistic sampling methods (Malhotra *et al*, 2012), the sampling procedure in this research has been conducted in a systemised manner to obtain a sample that is efficiently representative of the attributes of people in these regions.

5.5.3.3 Determine Sample Size

Several methods exist to determine the minimum size of the sample required for their research (Field, 2009). These methods range from simple rules of thumbs to more complex mathematical equations (Saunders *et al*, 2015). Most importantly determining the required sample size depends on the analytical technique to be used for analysis (Malhotra *et al*, 2012), as well as cost and time constraints (Sekaran and Bougie, 2013). As this research utilises non-probabilistic sampling, it is challenging to determine an exact number of required sample size accurately. The absence of appropriate sampling frames makes it challenging to come up with this figure. However, the researcher has used two methods for determining the required sample size. The first is the standard rule, which recommends that researchers should have 10 to 15

respondents for each variable in the study (Field, 2009). The model in this research consists of thirteen variables; thus, this research needs a minimum sample of between 130 and 195. The second approach calculates the number of responses needed to achieve a certain level of statistical power or effect size (Field, 2009). To achieve this, the researcher has used G*power test to determine required sample size (Faul *et al*, 2009, Faul *et al*, 2007). The result indicates that a minimum of 262 participants should be obtained at 95% Power level. Therefore, as a general guiding principle, a sample size of approximately 300 responses is adequate in this research based on the two approaches discussed above.

5.5.4 Data Collection Procedure

The fieldwork for this research was conducted in Saudi Arabia between June 2017 and August 2017 over 11 weeks (see Appendix B for details on data collection procedure). Six hundred and fifty (650) hard copies of the questionnaire were distributed to 13 institutions in three cities (Makkah, Madinah, and Jeddah) in the western part of Saudi Arabia. Each institution received a packet containing an official letter bearing the name of the researcher, his institution in the UK (The University of Edinburgh), and sponsor in Saudi Arabia. The packet also contained 50 copies of the questionnaire, each in an A4 envelope to maintain the confidentiality of the respondents. Also, the online version of the questionnaire contained a welcome page bearing the name of the researcher's university in the UK and his sponsor, stating respondent rights to confidentiality and privacy, and listing instructions on completing the survey.

A critical issue to any survey design research is the response rate to the survey. While there is no agreement on the minimum required rate studies should achieve (Mellahi and Harris, 2016), typically response rates in the range of 40% to 60% are considered typical for traditional paper surveys in marketing research (Malhotra *et al*, 2012). Conversely, this rate decreases for surveys administered via online mediums (Nulty, 2008). In this research, three hundred and seventeen (317) were returned with a total response rate of

48.77%. An issue that has been addressed at this stage is the extent of missing data in the sample obtained. Although there is no agreed upon tolerance level of missing data, Bennett (2001) reports that 10% of missing data are unlikely to cause bias issues to the analysis. Hair *et al* (2010) suggest that any method addressing missing data including list-wise deletion may be suitable when missing data are less than 10%. In this research, the issue of missing data is addressed at two levels. First, at the initial screening stage, returned survey copies missing at least one out of seven sections are deemed unusable and were discarded automatically. Accordingly, 26 of the returned responses were discarded at this stage and were not included in data entry, because they had at least an entire section missing. These copies amount for less than 10% of the total sample in this research; thus, it was deemed negligible and removing them would not cause any issues to the analysis (Bennett, 2001, Hair *et al*, 2010). Second, data were also screened for missing data following the data entry stage for minor missing data on some of the items in the survey. The researcher decided to retain these, as the percentage of the missing items is relatively small, so these will be further analysed to determine the pattern of missing data and their usability in the analysis. This step will be discussed later in this chapter. Therefore, following the removal of the 26 cases from the sample, the effective response rate for the paper version of the questionnaire is 44.76%.

The online version of the questionnaire was distributed in five cities in Saudi Arabia (Makkah, Madinah, Jeddah, Riyadh, and Dammam). The questionnaire targeted public and private organisations in these cities. The online version yielded 497 responses with a completion rate (completed surveys/number of participants who entered the survey) of 50.66%. This version of the questionnaire had no missing responses, as all questions in the survey were mandatory to answer.

Response rates in this research, for both mediums, is considered acceptable when compared to various studies in the financial services marketing literature (Johnson and Grayson, 2005, Eisingerich and Bell, 2007, Kharouf *et al*, 2014).

For instance, response rates in these studies range from 19% to 48%. This research is also consistent with response rates achieved in studies conducted in the context of Saudi Arabia (Albassami *et al*, 2015, Alghamdi *et al*, 2018, Youssef *et al*, 2017), which achieved response rates ranging from 36% to 67%. Therefore, considering the numerous challenges facing researchers, while collecting primary data in Saudi Arabia (Bhuian, 1997), the response rates achieved for paper and online surveys in this research are acceptable and consistent with the relevant literature.

Additionally, the issue of unengaged responses was addressed at this stage. An unengaged or careless response is an acute issue in survey design studies especially in self-administered ones (Guin *et al*, 2012). An unengaged response refers to the tendency study participants show towards giving untruthful answers to questions and statements in the survey (Guin *et al*, 2012, Herzog and Bachman, 1981). This is caused by respondent burden or fatigue, due to the length of the survey, amount of effort to complete the survey, or level of interest in the topic of the survey (Guin *et al*, 2012, Bradburn, 1978). Participants in these cases may resort to using uniform responses to all or some of the parts of the questionnaire (Guin *et al*, 2012). Thus, these patterns of responses give the researcher an indication of the quality of the survey used to collect data, and ultimately the quality of the data collected from the instrument (Guin *et al*, 2012, Bradburn, 1978). Therefore, this issue has been given much attention during the screening and data entry stages in this research. Accordingly, the researcher has screened the data for any noticeable patterns in the answers given by participants to identify uniform responses (straight lined). Also, online survey responses with completion time well below average (11 Minutes) are re-examined and removed if necessary. Specific patterns in the answers to items in the survey may indicate issues related to inattentiveness. Lack of interest in the topic of the survey or fatigue may cause respondents to become disengaged, give erroneous responses, or speed through the survey (Greszki *et al*, 2014). Using these criteria, the researcher has identified 19 online and four paper copies of the completed surveys as disengaged (see Appendix C) and removed them due to either an

extremely short completion time, and/or the existence of patterned (straight-line, diagonal) responses. This makes the total number of usable responses 765.

5.6 Data Analysis Methods

The final section in this chapter will describe quantitative analytical techniques that will be employed in this research.

5.6.1 Exploratory Factor Analysis (EFA)

Exploratory factor analysis (EFA) is a statistical technique used by researchers "to define the underlying structure among variables in the analysis" (Hair *et al*, 2010, p. 94). Contrary to confirmatory factor analysis, hence the name, EFA is conducted without implying any preconceived theoretical framework (Child, 1990). It is heuristic in nature and allows for theory generation or exploration of concepts when the researcher has little or no prior knowledge about the concept in question (Williams *et al*, 2010). An important concept to the EFA technique is the dimensionality of the constructs used in the study; as such, inter-correlations among items are calculated, and items with high correlations among each other are clustered under the same component or dimension. Although it may be argued that some level of knowledge exists about the structure of the constructs in this research, because their measurements are derived from established scales in the literature, the fact that these instruments have been translated and used outside their original context requires the establishment of their validity at the exploratory level. Therefore, this research conducts validity and reliability tests at the exploratory level and adopts a four-step EFA procedure based on leading quantitative analysis literature (Costello and Osborne, 2005, Ferguson and Cox, 1993, Hair *et al*, 2010, Williams *et al*, 2010).

5.6.1.1 Step 1: Evaluate the Suitability of Data

The factor analysis starts with the assessment of the adequacy and factorability of the data. Critical issues such as sample size, adequacy of

sampling, and the existence of sufficient correlation among variables in the sample are addressed before conducting the analysis (Field, 2009, Hair *et al*, 2010, Williams *et al*, 2010). Accordingly, The Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) and Bartlett's Test of Sphericity will be employed. The KMO test statistic ranges from zero to one, where values approaching one indicate higher factorability of the data (Field, 2009, De Vaus, 2002). The Bartlett's Test of Sphericity determines the factorability of the data and ensures that sufficient correlation among items in the sample exists (Hair *et al*, 2010).

5.6.1.2 Step 2: Choose Extraction and Rotation Methods

Three important EFA issues are addressed in this step: a) choice of factor extraction method, b) decision on the number of factors to extract, and d) choice of factor rotation method.

5.6.1.2.1 Choice of Factor Extraction Method

Two main methods of extraction exist in statistical software: the Principal Component Analysis (PCA) and the Common Factor Analysis. In PCA, components are extracted based on the total variance that is shared among the items, while in Common Factor Analysis extraction is based on shared or common variance (Hair *et al*, 2010). The preference of one method over the other is a topic of debate in the literature, and the choice mainly depends on the purpose of research and theoretical/practical implications (Costello and Osborne, 2005, Williams *et al*, 2010). In this research, the common factor analysis method of maximum likelihood is suitable for the following reasons. First, the maximum likelihood method is best suited for data that meet the normality assumption (Hair *et al*, 2010, Costello and Osborne, 2005, Fabrigar *et al*, 1999). Variables in this research do not show a violation of skewness and kurtosis levels. Second, common factor extraction methods are most appropriate when the purpose of the analysis is the identification of the underlying structure of a group of variables and their corresponding factors (Hair *et al*, 2010). This is contrary to component analysis, which is best suited for data reduction. In this research, prior knowledge exists about the constructs and their structure; thus, the objective of the analysis is not data reduction;

instead, it is the assessment of their underlying structure. Third, there is sound evidence in the literature (Hair *et al*, 2010, Field, 2009) that results produced by common factor method and component analysis method are highly unlikely to be different when the number of items in the analysis exceeds 30 and most items have communality values larger than 0.6. Finally, the maximum likelihood method is the same estimation method used in structural equation modelling analysis; thus, if further analysis in SEM is planned, the maximum likelihood should be used at the exploratory factor analysis stage (Gaskin, 2018). For these reasons, this analysis in this research will employ the maximum likelihood extraction method.

5.6.1.2.2 Number of Factors to Extract

The factor analysis in this research will utilise three criteria to decide on the number of factors extracted, namely Kaiser's criterion value (Eigenvalue), the scree plot, and cumulative percentage of variance extracted (Hair *et al*, 2010, Field, 2009, De Vaus, 2002). The Kaiser's criterion is one of the most popular and most straightforward methods used to decide on the number of factors to extract in factor analysis and is very reliable when the number of items is between 20 and 50 (Hair *et al*, 2010). In this method, only factors with eigenvalues of at least one are extracted. Besides, other methods are used to confirm the results of the Kaiser's test. For instance, the scree plot graph can be inspected to check the point at which the line breaks (Hair *et al*, 2010). It is used in this research as a heuristic approach in combination with other tools to determine the number of extracted factors. The percentage of variance explained is also an indication of the reliability of the factor analysis. Factor solutions that usually account for 60% of variance explained or even less in social sciences are considered satisfactory (Hair *et al*, 2010, p. 109). Therefore, a combination of these three approaches will be implemented to decide on the number of factors extracted.

5.6.1.2.3 Choice of Factor Rotation Method

Factor rotation enhances the interpretability of the solution (Costello and Osborne, 2005, Field, 2009), and offers a simpler and theoretically more

plausible solution by clustering common items together through variance redistribution (Hair *et al*, 2010). Two important methods of rotation are widely used by researchers, namely Orthogonal rotation (factor correlation is not permitted; e.g. varimax, quartimax and equamax), and Oblique (factor correlation is permitted; e.g. direct oblimin and promax) (Field, 2009). In this research, the oblique (promax) rotation method is relatively suitable for two reasons. First, oblique rotation methods are best suited when the goal is obtaining theoretically simple and meaningful factors, as opposed to orthogonal methods, which are ideal when the goal is data reduction (Hair *et al*, 2010). The objective of the factor analysis in this research is to understand the structure of the studied variables ultimately to arrive at a meaningful solution to use for subsequent analyses. Second, oblique rotation methods assume some level of correlation between factors (De Vaus, 2002). This is consistent with Kline's (1991, p. 19) assertion that "in the real world, it is not unreasonable to think that factors, as important as determinants of behaviour, would be correlated". It is, therefore, this research's position that oblique rotation methods are more representative of the real world and are better suited for the objective of the factor analysis.

5.6.1.3 Step 3: Interpret the Results

Two important elements are evaluated in order to interpret the results of the factor analysis: a) evaluation of item communality, and b) examination of factor loadings.

5.6.1.3.1 Evaluation of Item Communality

Item communality refers to the "amount of variance in a variable that is explained by the extracted factor" (De Vaus, 2002, p. 137). This value ranges from (0) to (1) and the higher the value, the more in common the item and factor have (Hair *et al*, 2010). There is not a clear-cut rule about the required level of communality achieved in an EFA; however, low communality is believed to cause significant distortions to the factor solution (Fabrigar *et al*, 1999). Hair *et al* (2010) suggest that communality should be higher than .60 for most variables, while Maccallum *et al* (1999) add that the average

communality for all variables should be 0.70 and higher. Child (1990) suggests discarding any item with low communality values. Field (2009) suggests that communality values of 0.50 in large samples is adequate. This research follows this as a guideline for assessing item communality as well as the 0.6 average communality for all items rule suggested by Hair *et al* (2010).

5.6.1.3.2 Examination of Factor Loadings

Factor loadings represent the association that an item has with its corresponding factor. The higher the item loading, the more variance it possesses to explain its corresponding factor. Researchers apply various rules of thumb when interpreting factor loadings. Tabachnick and Fidell (2007) and Hair *et al* (2010) suggest that factor loadings with 0.3 and 0.32 respectively meet the minimum level requirement. Comrey and Lee (1992, p. 243) recommend that item loadings above 0.71 are considered excellent, 0.63 very good, 0.55 good, 0.45 fair and 0.32 poor. Stevens (2002, p. 371) applies a different approach and considers sample size. He produced a table that demonstrates critical values and significance levels for minimum factor loadings on a two-tailed t-test for various sample sizes. For instance, the minimum interpretable factor loadings for sample sizes of 600 and 800 responses are 0.21 and 0.182 respectively. Accordingly, the minimum interpretable factor loading for this research (n=765) is approximately 0.2. For simplicity and ease of interpretation reasons, loadings that fall below this threshold will be suppressed in SPSS and considered uninterpretable.

Moreover, the presence of cross-loadings in the factor solution must be inspected. According to Ferguson and Cox (1993), cross loading occurs when an item with a factor loading of more than 0.4 loads on multiple factors. This is often problematic when the difference between the two loadings is marginal (≤0.2), which indicates that the item correlates to and represents both factors. In such a case, items with significant cross loading should be removed from the analysis (Ferguson and Cox, 1993). Therefore, in light of the above discussion, this research will consider factor loadings of at least 0.3 as significant and will further investigate any loadings above the 0.2 thresholds.

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5.6.1.4 Step 4: Assess Validity and Scale Reliability

Several scale psychometric properties are evaluated in this research including validity and reliability to ensure the robustness of the measurement models. The following section will elaborate on several important properties to describe the process that will be adopted during the quantitative data analysis stage of this research. It is nonetheless noteworthy that the process of assessment of scale psychometric properties is not linear and covers procedures at the factor analysis level and the confirmatory factor analysis level in SEM. Therefore, for clarity purposes, procedures at both levels are combined and discussed in the proceeding section.

5.6.2 Psychometric Properties of Scales

Accurate measurement of theoretical constructs is of extreme importance to scientific research. As such, researchers wishing to investigate hypothesised relationships in their research models should demonstrate that their developed scales are measuring what they intended to measure (Hair *et al*, 2010). This process is at the heart of measurement model evaluation at the exploratory level (i.e. EFA) or confirmatory level (i.e. CFA in SEM). This is to ensure that the measurement scales and techniques used are accurate and consistent over time, groups, and contexts. An essential component of the development and validation of measurement is addressing issues about its reliability, validity, unidimensionality, and multicollinearity (Hair *et al*, 2010, Hinkin *et al*, 1997, Straub, 1989). This section briefly introduces these concepts and methods to evaluate them (Figure 5-3 provides a summary of these methods).

5.6.2.1 Reliability

Scale reliability refers to "the degree of consistency between multiple measurements of a variable" (Hair *et al*, 2010, p. 125). A reliable measurement is one whose indicators are highly interrelated, and results are consistent over time (Hair *et al*, 2010, Furr, 2011). Several methods are used to estimate reliability, such as test-retest method, Cronbach's alpha, split-half method, and interrater technique (Malhotra *et al*, 2012). The most commonly used method

to assess reliability is the internal consistency method or commonly known as Cronbach's alpha (De Vaus, 2002). Generally, for a scale to be considered reliable, alpha values of at least 0.7 should be achieved (Hair *et al*, 2010, De Vaus, 2002). However, Cronbach's alpha tends to inflate reliability assessment as the number of items increases in a scale and assumes that all item loadings contribute equally to the overall score of the scale (Cho and Kim, 2015, Garver and Mentzer, 1999). Anderson and Gerbing (1988) recommend the use of more rigorous assessment as a part of CFA in SEM. Therefore, Cronbach's alphas are reported for all scales in combination with two more statistical assessment at the CFA stage. First, the squared multiple correlations (i.e. R^2 or item communality) is reported to assess item reliability (Malhotra *et al*, 2012). R^2 indicates the amount of variance that is explained by each item on the scale. Field (2009) indicates that the average communality value should exceed 0.6. Second, composite reliability is used to assess reliability in this research and is defined as "the total amount of true score variance in relation to the total score variance" (Malhotra *et al*, 2012, p. 876). It is calculated as follow:

$$\text{Composite reliability (CR)} = (\Sigma\lambda)^2 / (\Sigma\lambda)^2 + (\Sigma\varepsilon)$$

Where λ is the factor loading, and ε is the error variance (1 – λ)

Composite reliability values of at least 0.7 are generally indicative of good reliability and values between 0.6 and 0.7 indicate an acceptable level of composite reliability. The results of reliability are presented at the end of the exploratory factor analysis and in measurement model evaluation in Chapter 6.

5.6.2.2 Content Validity

Content validity or face validity is a systematic, yet subjective and qualitative assessment of how well the content of a scale reflects the true meaning of the phenomenon being measured (Malhotra *et al*, 2012, Churchill and Iacobucci, 2002). As with all types of validity, the purpose is to ensure that the amount of error (systematic and random) is eliminated or kept at a minimum (Malhotra *et*

al, 2012). Content validity is the initial step that a researcher makes when connecting theoretical constructs obtained from their literature search with operational definitions. Thus, this form of validity is the bare minimum level of validity without which other types of validity (i.e. construct validity) cannot be supported (Garver and Mentzer, 1999). To establish content validity in this research, the researcher has undertaken an extensive review of the literature and conducted personal interviews with banking managers, customers, and academics (Churchill and Iacobucci, 2002, Saunders *et al*, 2015). In particular, a rigorous process to ensure the content validity of measurement instruments used in this research has been devised, in which the researcher has consulted several academic judges to achieve it. This process has been discussed in detail within the questionnaire development process in Section 5.5.2 in this chapter.

5.6.2.3 Construct Validity

Construct validity refers to the ability of a test to measure what it is intended to measure (Malhotra *et al*, 2012). Two sub-categories of validity are assessed for establishing construct validity: convergent validity and discriminant validity. A construct is said to have convergent validity when the items measuring the construct highly correlate with each other (De Vaus, 2002). Anderson and Gerbing (1988) suggest that parameter estimates should be large enough and statistically significant to establish convergent validity for a construct. As such, standardised regression weights (factor loadings) should be at least 0.5 and ideally above 0.7 (Hair *et al*, 2010), and significant at the 0.05 and 0.01 levels (values greater than ±1.96 or ±2.58 respectively) (Anderson and Gerbing, 1988). These t-values are provided in the AMOS software as critical ratio values. Also, the average variance extracted (AVE) is used to assess convergent validity. Typically, AVE values larger than 0.5 are indicative of convergent validity, which means that items composing the construct should explain at least 50% of the variance in the latent construct (Hair *et al*, 2010). It is calculated using the following formula:

Average Variance Extracted (AVE) = Σλ² / n

Where λ is the factor loading, and n is the number of items in the scale

Another form of construct validity assessed is discriminant validity, which refers to the principle that constructs are distinct from each other (De Vaus, 2002), implies the uniqueness of the construct from others in the research, and confirms that any two scales do not measure the same phenomenon (Hair *et al*, 2010).

Discriminant validity implies that observed variables correlate weakly with latent constructs that they do not represent (Gefen and Straub, 2005), which explains the requirement that any two constructs in the research should not be highly correlated with each other. Kline (2005) suggests that this correlation must not exceed 0.85; thus, a preliminary indication of discriminant validity is the absence of a high correlation between latent constructs in the analysis (< 0.85). Moreover, a more stringent criterion to assess discriminant validity in this research is applied. This is done by ensuring that the square root of AVE for each latent construct is higher than its inter-correlation with any other construct (Fornell and Larcker, 1981). The results for construct validity are presented in Chapter 6.

5.6.2.4 Unidimensionality

A central concept to the validity of the measurement model is the unidimensionality of measures used in the research. It is defined as the presence of a single latent construct representing a set of observed items (Segars, 1997). Several statistical techniques, such as factor analysis, and Cronbach's alpha, can be employed to evaluate the unidimensionality of constructs; however, researchers (e.g. Anderson and Gerbing, 1988, Kline, 2011, Brown, 2006) show preference to the CFA procedure in assessing unidimensionality of constructs. Unidimensionality can be evaluated by inspecting factor loadings and ensuring the absence of significant cross loading in the measurement model (Hair *et al*, 2010). Also, goodness of fit (GOF) indices in combination with modification indices and standardised

residual covariance indices can be used to assess the unidimensionality of research constructs (Anderson and Gerbing, 1988). In this research, unidimensionality is assessed in the exploratory factor analysis by having significant factor loadings and absence of cross-loadings, as well as inspection of GOF indices in the confirmatory factor analysis.

5.6.2.5 Common Method Bias

Common method bias or common method variance is a major source of systematic measurement error and refers to the "variance that is attributable to the measurement method rather than to the constructs the measures represent" (Podsakoff *et al*, 2003, p. 879). In practice, such error can occur due to item wording and content in a survey, scale and response format, and the overall context of the research (Podsakoff *et al*, 2003, Bagozzi and Yi, 1991). Podsakoff *et al* (2003, p. 884) warn that the use of standardised scale format (i.e. Likert scales) may cause respondents to be less cognitively engaged; thus, variation in their responses is caused by "the consistency in the scale properties rather than the content of the items". Researchers commonly agree that survey design studies and self-report questions are highly prone to produce this type of bias (Podsakoff *et al*, 2003). In practice, common method bias can have dangerous confounding effects on results and produce misleading statistical results (Malhotra *et al*, 2017). In this research, it has been recognised that the religiosity construct can pose a threat in terms of its vulnerability to social desirability bias as a form of common method effects due to its sensitive and complex nature. Accordingly, this research has addressed this threat by utilising two techniques: a procedural technique and a statistical technique (Malhotra *et al*, 2017). Procedural techniques concern steps taken prior to the administration of the survey. These include careful wording of items, appropriate choice of measurement scales and response forms, and efficient survey design. The choice of measurement scale for the constructs has been carefully studied. For instance, a large pool of religiosity measuring exists in the literature; however, the goal was to utilise a scale that emphasises general aspects of religiosity and refrain from using sensitive

language tailored to a specific religion or acts of worship. Instead, the emphasis was on asking respondents about their adherence to several religious aspects, which highlight their engagement at the cognitive and behavioural levels (Mokhlis, 2009, Worthington *et al*, 2003). Moreover, a rigorous forward and backward translation procedures of the items from English and Arabic was conducted to ensure the survey has met a thorough check of face validity requirements. All the steps highlighted in the questionnaire development process discussed above relate mainly to the procedural technique of eliminating/minimising the effects of common method bias in this research.

On the other hand, the statistical techniques concern the utilisation of statistical techniques to test the extent to which the issue of common method bias is present in the research. Researchers have developed several remedies to deal with the effects of common method bias, some of which were designed only to identify the problem, while others were designed to account for the issue and eliminate it in post hoc analyses (Malhotra *et al*, 2017). In this research, two statistical techniques have been utilised; 1) Harman's single-factor test and 2) the common latent factor method. In Harman's single-factor test, all variables are factor analysed while constraining the number of factors extracted to one. If the factor explains more than 50% of the variance, then CMB is an issue in the research. While researchers commonly use this method, it should only be used as an exploratory and complementary technique to other methods (Malhotra *et al*, 2017). The second method used in this research is the common latent factor (CLF) method advocated by Johnson *et al* (2011), MacKenzie and Podsakoff (2012), and Podsakoff *et al* (2003). This method uses a common latent factor in the CFA analysis to capture the amount of variance (i.e. bias) that is caused by the common method effect for all constructs in the study. Then, standardised regression weights for the measurement model before and after adding the CLF are compared. A difference larger than 0.2 between factor loadings in the presence and absence of the common latent construct would be indicative of common method effects in the measurement model.

5.6.2.6 Multicollinearity

Multicollinearity refers to a situation when two or more of the independent variables are highly or moderately correlated Saunders *et al* (2015). It is problematic in statistical analysis as it can distort and reduce the effect of a variable's predictive power in an analysis (Kline, 2011). Multicollinearity of the data is assessed through the inspection of tolerance and variable inflation factor (VIF) values. Hair *et al* (2010) suggest that tolerance values below 0.10 and VIF values above 10 indicate the presence of high levels of multicollinearity in the data. This research will use the linear regression analysis in SPSS to calculate variable inflation factor (VIF) and tolerance levels of all variables following the specification of the measurement model and before testing research hypotheses at the structural model stage.

Figure 5-3: Summary of Scale Psychometric Evaluation Methods

Scale Psychometric Properties

Reliability

Item Reliability
- $R^2 > 0.5$

Scale Reliability
- Cronbach α > 0.7
- CR > 0.7

Construct Validity

Convergent Validity
- λ > 0.5
- AVE > 0.5
- Significant t-values

Discriminant Validity
- Square Root of AVE > Construct Inter-correlation
- Construct Inter-correlation < 0.85

Unidimensionality
- Significant and meaningful Loadings
- No Cross-loadings
- Satisfactory GOF Indices in CFA

Common Method Bias
- Harman's Single Factor Method - 1st Factor VE < 50%
- CLF Method - Δλ < 0.2 (in models with and without CLF)

Multicollinearity
- Tolerance > 0.1
- VIF < 10

5.6.3 Structural Equation Modelling (SEM)

The primary objective of the analysis in this research is to investigate the interrelationships of several independent variables and dependent variables concerning customer trust in financial services and the effect of religious constructs on these relationships. For this type of analysis, structural equation modelling (SEM) has been recommended as the most appropriate statistical tool by several authors (Brown, 2006, Byrne, 2010, Hair *et al*, 2010, Kline, 2011, Tabachnick and Fidell, 2007). This is due to SEM's ability and effectiveness in evaluating measurement model validity and reliability, examining hypothesised interrelationships and interdependencies among constructs simultaneously and accounting for measurement during estimation (Anderson and Gerbing, 1988, Hair *et al*, 2010, Kline, 2011). Therefore, SEM has been utilised in this research as the primary analytical technique.

Figure 5-4: Illustration of the General SEM Process
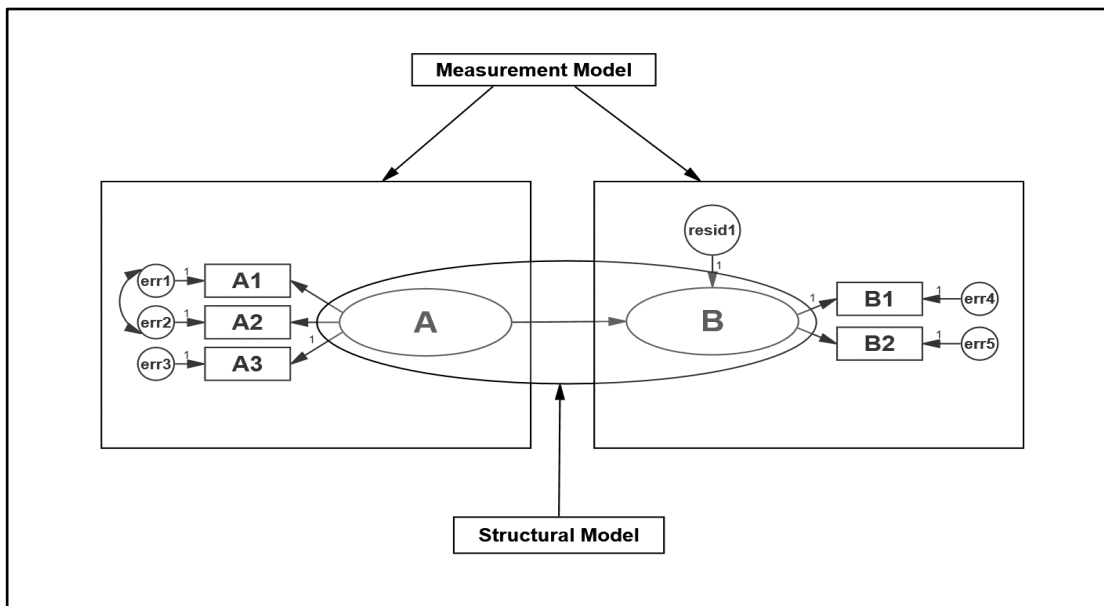
Source: Byrne (2010)

The general structural equation model can be decomposed into two steps (see Figure 5-4), or what is commonly referred to as the Two-Step Approach (Anderson and Gerbing, 1988). The first is the evaluation of the measurement model step, which concerns the procedure of establishing the measurement

model validity and reliability. In social and behavioural sciences, constructs cannot be captured directly, so researchers resort to defining latent constructs and using multiple indicators to measure them (Byrne, 2010). The measurement model allows researchers to assign indicators to their latent variables in a confirmatory fashion to identify how well these indicators have measured the construct of interest. Once these latent variables and their indicators have passed the validation stage, they can be used to form the structural model and test their interrelationships (Hair *et al*, 2010).

To perform the structural equation modelling analysis, it is essential to specify the measurement model and structural model accurately. This research has adopted a six-stage process (Hair *et al*, 2010) reviewed and summarised in the sections below.

5.6.3.1 Step 1: Specifying a Theoretical Model

The first step in SEM concerns the specification of a theoretical model. This model is based on conceptual relationships between constructs, which are deductively developed from relevant literature. Considerable time and effort should be allocated for this step to ensure the accuracy usefulness of SEM results (Hair *et al*, 2010). The theoretical model in this research has been developed from an extensive literature review and exploratory interview at the earlier stages. This step also concerns the operationalisations of research constructs and their development. A conceptual model has been identified in Chapter 4, which contains delineated and testable hypotheses, and the questionnaire development process has been discussed in detail earlier in this chapter.

5.6.3.2 Step 2: Specifying the Measurement Model

Following the specification of the conceptual model, the second step in SEM is to specify the measurement model of the research. Each latent variable is assigned to its respective items and is allowed to co-vary with other latent variables in the model. Specific SEM notation is used in constructing models

using SPSS AMOS 24. Five forms of symbols and diagrams are used in constructing measurement models in CFA (Byrne, 2010):

1- Ellipses represent latent (unobserved) factors

2- Rectangles indicate measured (observed) items

3- Small circles connected to observed items with single-headed arrows represent residual (error) relevant to their respective observed item

4- Double edged arrows allow latent factors to co-vary with each other

5- Single-headed arrows allow latent factors to connect with their respective factors

Furthermore, the specification of the measurement model should follow a more rigorous approach in which all research constructs are placed in one confirmatory factor analysis in SEM (Hair *et al*, 2010).

5.6.3.3 Step 3: Designing the Study for Empirical Results

This step concerns the choice of the estimation method employed in the analysis (Hair *et al*, 2010). Researchers must decide on whether to use covariance or correlation matrix as input in the SEM analysis. This research analyses data in SEM using covariance based matrices as input procedure, because it is more suited when the purpose of the analysis is theory testing and hypotheses are based on preconceived conceptions (Hair *et al*, 2010). Also, certain assumptions about sample size, missing data, normality, and inspection of outliers should be dealt with before estimating the measurement model. The Maximum Likelihood technique will be utilised as an estimation method, because it is appropriate for Likert type scales (Hair *et al*, 2010), efficient, and robust enough to tolerate some departure from normality (Kline, 2011).

5.6.3.4 Step 4: Assessing Measurement Model Validity

The validity of the measurement model in this research is evaluated by examining the goodness-of-fit (GOF) indices, which assesses how well the observed data fit the specified theoretical model (Hair *et al*, 2010). Following

the recommendations of Hair *et al* (2010), Brown (2006), West *et al* (1995), Kline (2011), and Hu and Bentler (1999) this research examines a combination of fit indices to evaluate the overall fit of the measurement model. Namely, three categories of indices are consulted:

1- Absolute fit indices (χ2, CMIN/*df*, GFI, and SRMR) evaluate the measurement model independently without reference or comparison to any other models;

2- Incremental fit indices (CFI, NFI, and TLI) take into consideration a baseline model (null model) and compare it with the default measurement model; and,

3- Parsimony fit indices (RMSEA and PNFI) evaluate how the measurement model fits the data, and compares it with several competing models based on complexity (Brown, 2006).

The reason for utilising this combination of indices is the relatively large sample size in this research. Relying solely on the Chi-square test statistic as a fit index is not favourable in this case, due to its diminishing power for large samples (West *et al*, 1995). Brown (2006) suggests that at least one fit index from each class of these indices should be used in evaluating model fit. Table 5-10 lists these fit indices and their threshold requirements based on recommendations from the SEM literature.

Table 5-10: Summary of Goodness-of-Fit Indices in SEM

Goodness-of-Fit Indices	Definition	Threshold Level
Absolute Fit Measures		
Chi-Square (χ2)	It evaluates the overall fit of the model by assessing the discrepancies between the data and the hypothesised model. * highly sensitive to sample size	p-value > 0.05 good fit
Normed Chi-square (cmin/*df*)	It is the ratio of the chi-square test statistic to the model's degrees of freedom.	3 to 5 acceptable; < 3 good
Goodness of Fit Index (GFI)	It is similar to squared multiple correlations (R^2), and measures the amount of variance that is explained by the estimated covariance in the model.	> .90
Root Mean Square Error of Approximation (RMSEA)	It is an index of the difference between the observed and hypothesised model for every degree of freedom, and penalises the decrease in parsimony (high *df*).	< .05 good; .05 to .10 acceptable
Standardised Root Mean residual (SRMR)	It tests the difference between the residual covariance matrix of the sample and hypothesised model; thus, a large value indicates less fit between the sample and the hypothesised model.	< .08
Incremental Fit Measures		
Comparative Fit Index (CFI)	It compares the fit of the hypothesised model and the null model and is less sensitive to sample size.	> .95
Normed Fit Index (NFI)	It measures how much improvement the model achieves compared to the null model.	> 0.95

Goodness-of-Fit Indices	Definition	Threshold Level
Tucker-Lewis Index (TLI)	Also known as the Non-Normed Fit Index (NNFI), it is similar to the normed fit index, but it accounts for the sample size.	> 0.95
Parsimony Fit Measures		
Parsimony Normed Fit Index (PNFI)	It measures the improvement the model achieves from the null model but adjusts the change in degrees of freedom.	Large values indicate better parsimony and fit
Expected Cross-Validation Index (ECVI)	It measures how well the model performs if it is replicated in using a different validation sample drawn from the same population. It is useful in assessing competing models.	The model with the lower value is a better alternative.
Aikake's Information Criteria (AIC)	It compares fit indices amongst alternative models.	The model with the lower value is a better alternative.
Bayesian Information Criteria (BIC)	BIC is similar to AIC but applies a stronger penalty for increasing degrees of freedom.	The model with the lower value is a better alternative.

Source(s): Hair *et al* (2010), Kline (2011), Hu and Bentler (1999), and Hooper *et al* (2008)

It is important to note that model re-specification of the measurement model may be necessary if model diagnostics show that improvements can be made to the model in conjunction with theoretical justification (Hair *et al*, 2010). This research inspects several diagnostics such as factor loadings, modification indices, and standardised residual covariance as guidelines for fit improvement (Hair *et al*, 2010, Schumacker and Lomax, 2010).

5.6.3.5 Step 5: Specifying the Structural Model

Once the measurement model is validated, the constructs composing the model can be used in testing research hypotheses. The process is similar to the specification of the measurement model. The only difference is that variables are linked only to those variables with whom they have meaningful and specified relationships. This is done by constructing a path diagram and connecting exogenous variables with the endogenous variables they represent. Accordingly, each research hypothesis represents a path in the model (Hair *et al*, 2010). Following this step, the structural model should be ready to test research hypothesises, if the model fit is adequate.

5.6.3.6 Step 6: Assessing Structural Model Validity

Once the structural model is specified, the model goodness-of-fit is evaluated using the three categories of fit indices previously employed. Also, the Expected Cross-Validation Index (ECVI), Aikake's Information Criteria (AIC), and Bayesian Information Criteria (BIC) will be used to compare competing models with the structural model (Brown, 2006, Kumar and Sharma, 1999).

5.7 Summary

This chapter has discussed and provided justification for the methodological procedures employed in this research. It discussed critical philosophical underpinnings of the research, as well as described processes and decisions made regarding practical issues and procedures pertinent to research strategy, data collection, and analytical methods. Based on these discussions, the design of this research consists of an initial exploratory stage, which includes a review of the literature and a minor qualitative component. In turn,

the exploratory stage informs the main stage of the research, which employs a survey design using cross-sectional data collected form banking customers from Saudi Arabia. Multivariate statistical analyses, such as EFA, CFA, and SEM will be utilised for data analysis and hypotheses testing.

The next chapter will report on the practical steps of the quantitative data analysis and present the results for testing the theoretical framework.

Chapter 6   Data Analysis

6.1 Introduction

Following the discussions concerning research design and methods utilised for data collection in Chapter 5, this chapter covers in detail the quantitative data analysis process (see Figure 6-1). The aim of this chapter is threefold. First, to identify several sample characteristics of the data, and to screen the data for important multivariate assumptions, such as normality, missing data, and outliers. Second, to identify the underlying structure and dimensionality of the constructs by conducting an exploratory factor analysis (EFA). Finally, to demonstrate the validity of the measurement model and test research hypotheses in structural equation modelling.

Figure 6-1: Data Analysis Process
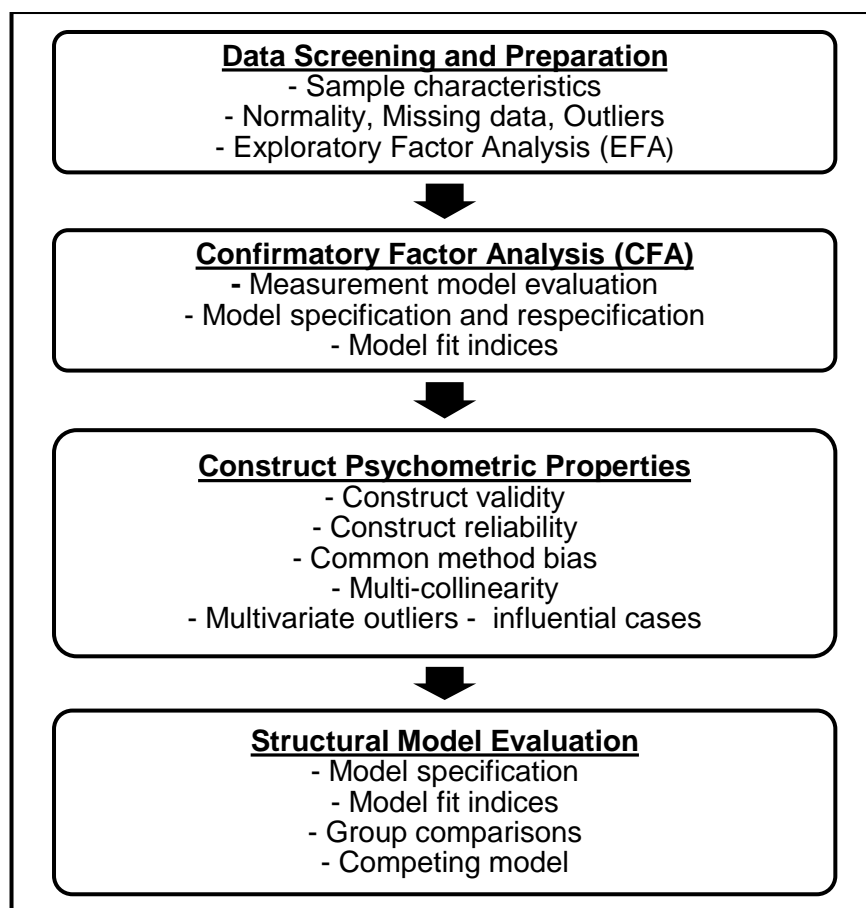
Source: adapted from Hair et al (2010)

6.2 Data Screening and Preparation

Prior to conducting the primary data analysis in this research, data preparation and screening are necessary to identify the sample profile in this research and ensure that certain assumptions are met to determine the appropriate statistical tests for analysis. Multivariate analysis techniques provide researchers with various tools and remarkable power to assist in testing hypotheses and generalising results; however, they are prone to limitations (Hair *et al*, 2010). Many multivariate analytical techniques work under certain assumptions, such as the normal distribution of the data and the absence of missing data. Therefore, this section will provide general characteristics of the research sample and discuss procedures for screening the data for missing data, normality and outliers.

6.2.1 Sample Characteristics

The last section of the questionnaire was designated for the collection of respondent background information such as age, gender, marital status, education, region, and type of banking, and banking relationship duration. Descriptive statistics were utilised to calculate frequencies and percentages of the profile of respondents in the sample.

The demographic profile of the research sample presented in Table 6-1 indicates that the largest age group, 36-45 years group, represents 37.3% of the sample. The 26-35 years group is the second largest group in the sample (29.8%), and nearly 20% of respondents are in the 46-55-year age group. These figures are in line with national census data, which shows that approximately 50% of the Saudi population is between the age of 20 and 45 (General Authority for Statistics, 2017).

As for the gender makeup of the sample (see Figure 6-2), approximately 23% of respondents are females, and 75% are males. Although this distribution is skewed towards male participants, it is understandable considering the social and cultural situation in Saudi Arabia. Gender segregation is widely practised

in the social and professional life in the country, making access to female participants very difficult for a male researcher and vice versa. Besides, the gender profile of the sample may well be representative of the environment in Saudi Arabia where there is relatively low female participation in the labour force when compared to developed or neighbouring nations, even though this has been changing over the past few years. Also, this variable has the highest number of missing responses in the sample represented by 18 missing responses or 2.35% of the total sample.

Figure 6-2: Gender Distribution in Sample
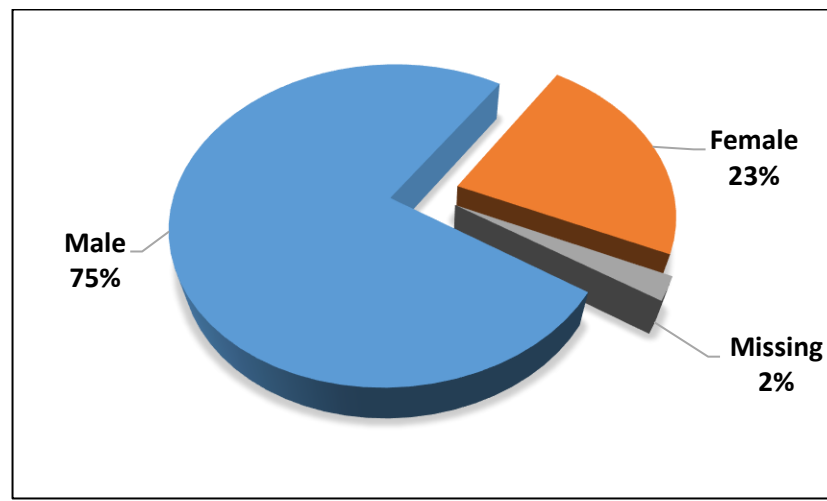
Furthermore, more than half of the participants hold an undergraduate degree (52.3%), while 19.3% of participants hold a graduate qualification or higher. Participants with a diploma and high school or lower accounted for 12.4% and 14.9% respectively. Two important implications can be drawn from these figures about the characteristics of the research sample. The first is that highly educated individuals are more likely to participate in research and surveys and the second is a general characteristic of the population in Saudi Arabia, where a high proportion of the population of Saudi Arabia hold undergraduate degrees as well as an increasing trend in postgraduate education in recent years (General Authority for Statistics, 2017). As for the marital status of respondents, married participants represent approximately 80% of the total sample, compared to a national average of 80.64% (General Authority for Statistics, 2017).

Table 6-1: Characteristics of Research Sample

Demographic Variable	Category	Sample (n = 765)	
		Frequency	%
Age	18-25 years	40	5.3
	26-35 years	227	29.8
	36-45 years	284	37.3
	46-55 years	151	19.8
	56-65 years	50	6.6
	66 and above	9	1.2
	Missing	4	0.5
Gender	Male	575	75.2
	Female	172	22.5
	Missing	18	2.35
Marital Status	Single	97	12.7
	Married	610	79.7
	Divorced	32	4.2
	Widowed	10	1.3
	Missing	16	2.1
Educational Qualification	High School and Lower	95	12.4
	Diploma	114	14.9
	Undergraduate	400	52.3
	Graduate and Above	148	19.3
	Missing	8	1
Region	Makkah	156	20.4
	Madinah	250	32.7
	Riyadh	170	22.2
	Eastern Region	142	18.6
	Qasim	8	1
	Jazan	6	0.8
	Tabuk	3	0.4
	Baha	9	1.2
	Asir	14	1.8
	Northern Borders	1	0.1
	Hail	5	0.7
	Jouf	1	0.1
	Missing	0	0
Banking Relationship Duration	0-5 years	174	22.7
	6-10 years	174	22.7
	11-15 years	158	20.7
	16-20 years	122	15.9
	21 years and above	130	17
	Missing	7	0.9

Also, the geographical locations of respondents in the sample is relatively representative of the distribution from census data. Saudi Arabia is a vast

country with 13 administrative regions. However, the population is mostly concentrated around urban centres in four regions. These are the capital city Riyadh, Makkah (including the city of Makkah and the second largest city in the kingdom Jeddah), Madinah, and Dammam. Almost two-thirds of the population is concentrated in and around these centres (Abdul Salam *et al*, 2014). In this research, 93% of the sample is from the four most populated regions in the country (see Region of Respondents in Table 6-1).

6.2.1.1 Banking and Service Usage of Respondents

Following questions concerning the demographic characteristics, respondents were asked about their banking usage. The first question asked respondents to indicate their usage of Islamic banking services. Results indicate that 68% of respondents have Islamic banking services, while the other 32 % indicate that they do not use Islamic banking services. This is indicative of high penetration of Islamic banking in the country and is consistent with industry data that show that Islamic banking enjoys strong growth in Saudi Arabia and is expected to continue this trend in the future. Then, respondents were asked about their usage of Islamic banking services. Five main categories of Islamic banking services are provided to respondents to choose from, namely Personal Finance, Home Finance, Car Finance, Credit Card, and Takaful Insurance. Figure 6-3 summarises the respondents by type of Islamic banking service they use.

Figure 6-3: Respondents by Islamic Banking Service Type
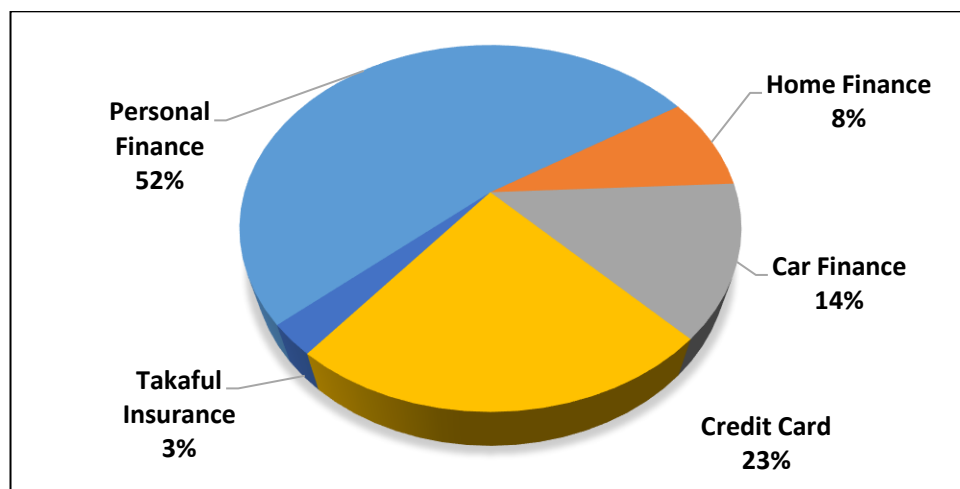
Additionally, respondents were asked to name their main bank. As previously stated in the introduction to this thesis, the banking industry in Saudi Arabia consists of 12 main banking institutions. Four of these institutions offer purely Islamic banking services, while the other eight banks transact as dual window banks offering both conventional and Islamic banking services. In analysing the information provided by respondents, 48.1% of respondents indicated that they use purely Islamic banking institutions (4 institutions out of 12), while 51.1% bank with dual window banking institutions. The actual breakdown of these answers is presented in Table 6-2 and shows that approximately 61% of respondents transact with The National Commercial Bank (NCB) (26%), and Al-Rajhi Bank (35.3%). These numbers are reasonably consistent with industry data, which show that the two banks hold the majority of market share in the sector (≈ 40%) (Albilad Capital, 2017).

Table 6-2: Respondent Banks

Bank	Sample (n = 765)	
	Frequency	%
National Commercial Bank (NCB)	200	26.1
Al-Rajhi Bank *	270	35.3
Al-Bilad Bank *	31	4.1
Al-Jazira Bank *	34	4.4
Alinma Bank *	33	4.3
Saudi British Bank (SABB)	29	3.8
Saudi American Bank (SAMBA)	53	6.9
Riyad Bank	46	6.0
Al-Awwal Bank	16	2.1
Arab National Bank (ANB)	26	3.4
Saudi French Bank	12	1.6
Saudi Investment Bank	10	1.3
Missing	5	0.7

* *indicates purely Islamic bank*

6.2.1.2 Banking Relationship Duration

Another useful and relevant indicator to customer trust is the relationship duration between the customer and bank. Figure 6-4 shows that the sample is diverse in terms of relationship duration. The largest two segments of

respondents have been banking with their main bank for 0-5 years, and 6-10 years with each group representing 23% of respondents.

Figure 6-4: Respondent Banking Relationship Duration
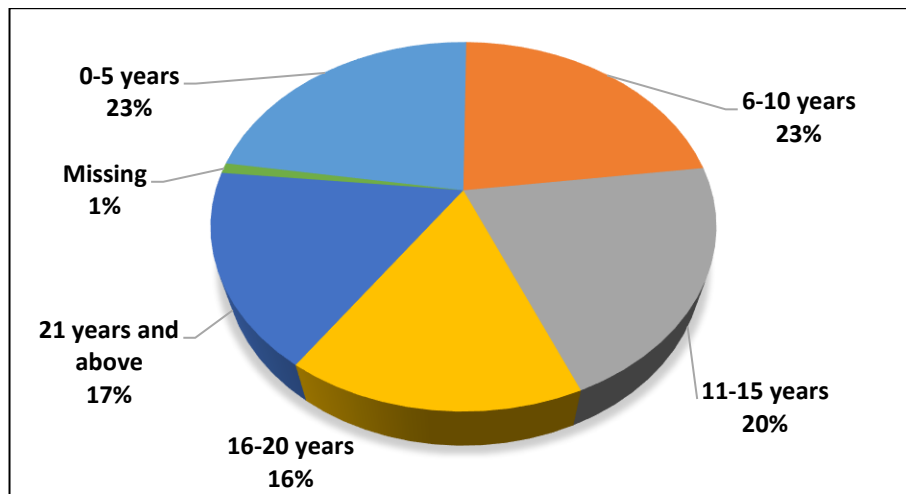
6.2.2 Missing Data

Missing data is a common problem that impedes many studies especially in research adopting survey design (Kline, 2011). In some instances, these data can be problematic posing issues to the representativeness of the data and generalisability of the results. The dangers of the issue rely mainly on the amount of data that is missing, the reason it is missing, and the pattern of their occurrence in the sample (Schafer and Graham, 2002, Hair *et al*, 2010, Tabachnick and Fidell, 2013, Cohen *et al*, 2003). Tabachnick and Fidell (2013) have categorised missing data into three groups, two of which are considered ignorable missing responses. First, data can be missing completely at random (MCAR), where the missing values are not linked to other data in the sample. Their occurrence is completely random and may exist due to reasons relevant to fatigue or lack of interest in the survey for instance. However, MCAR is a strong assumption as data in psychological and social sciences are rarely missing completely at random (Rubin, 1976, Schafer and Graham, 2002). Second, another type of ignorable missing values is when data are missing at random (MAR), where the missing values are dependent on other observed variables in the sample (Tabachnick and Fidell, 2013). Third, the non-ignorable

type of missing values is when data are not missing at random (MNAR). This occurs when the probability of the missing response depends on the variable itself (Tabachnick and Fidell, 2013). For instance, people suffering from obesity are less likely to disclose their weight; similarly, top managers may feel reluctant to reveal accurate information regarding their income. This is the most severe type of missing data because their missingness mechanism is related to the nature of the variable and the fact that any replacement method used can introduce bias to the data.

Additionally, the tolerable amount of missing data in a sample is a contentious topic in the literature. Several researchers have provided different thresholds on the acceptable amount of missing data in a dataset. Tabachnick and Fidell (2013), Schafer (1999), and Kline (2011) assert that a small amount of missing values (<5%) in a large dataset is insignificant and unlikely to cause any severe issues to the results. Hair *et al* (2010) advice that if the amount of missing values is below 10%, they are unlikely to cause any issues, and suggest that any remedy for dealing with missing data is suitable. Cohen *et al* (2003) stresses a more stringent 3% rule of missing data below which they should not make any difference or cause issues in the sample.

Selecting a method to deal with the issue of missing data depends primarily on the randomness of their occurrence. Hair *et al* (2010) provide three conventional approaches to dealing with missing data. The first approach deals with missing data by imputation using only valid data. This approach allows for the exclusion of an entire case containing missing values (i.e. LISTWISE deletion), or the deletion of the variable containing the missing value only (i.e. PAIRWISE deletion). The second approach is the replacement of missing value with the calculation with the mean or median, or by using regression imputation techniques. The third approach uses a complex model-based method to estimate missing values suitable when the amount and pattern of missing data are severe.

In this research, a detailed procedure for examining missing data was conducted. Accordingly, the researcher concluded that missing data in this

research do not pose any issues to the analysis for the following two reasons. First, the missing data in the current research are missing at random. Inspection of pictorial representation of missing data (presented in Appendix D) reveals that missing data indeed occur randomly and indicates the absence of noticeable clusters of missing values in the sample, which may suggest the non-randomness of their occurrence. Second, more importantly, the amount of missing data in this research is relatively small and negligible (<1%). Given the mildness of the issue of missing data, any remedy would be suitable to deal with it. Therefore, missing data in this research have been replaced by imputation using median scores as suggested by Hair *et al* (2010).

6.2.3 Normality

One of the critical assumptions underlying multivariate analysis techniques including structural equation modelling is the normal distribution of data (Tabachnick and Fidell, 2013). Normality is defined as "the shape of the data distribution for an individual metric variable and its correspondence to the normal distribution" (Hair *et al*, 2010, p, 71). Substantial variation from normality in the dataset can jeopardise the validity of statistical techniques used (Tabachnick and Fidell, 2007, Hair *et al*, 2010).

Initially, two statistical tests have been utilised to inspect the data for normality. These are the Kolmogorov-Smirnov (K-S) and Shapiro-Wilk (S-W) tests (Hair et al 2010). Normality of the data is supported if the results are non-significant ($p > 0.05$). However, the results reveal significant values ($p<0.05$) for all variables, which is indicative of non-normally distributed data. Nevertheless, there are logical reasons for these results. First, the two tests used are inherently sensitive to sample size (Hair *et al*, 2010); as such, they are highly unlikely to produce non-significant results in large samples. Second, in reality, data in the social and behavioural sciences are unlikely to follow normally distributed patterns at the univariate or multivariate levels (Micceri, 1989, Roser *et al*, 2017, Blanca *et al*, 2013). Often, ordinal type scales are used to collect these data; thus, causing some degree of deviation from normality (Sullivan and Artino, 2013, De Vaus, 2002). Third, the maximum likelihood

estimation method as the one used in structural equation modelling is quite robust and efficient, that it is unlikely to suffer in the presence of a mild violation of normality especially in large samples (Hair *et al*, 2010, Diamantopoulos and Siguaw, 2000, Brown, 2006).

Given the above results, the researcher has conducted further inspection of the data using skewness and kurtosis values for all variables (Stevens, 2002). Skewness refers to the symmetrical nature (or lack of it) of the distribution of scores, while kurtosis refers to the flatness or peakedness of the distribution curve (Hair *et al*, 2010, De Vaus, 2002, Kline, 2011). Ideally, skewness and kurtosis values should be equal to or near zero for normally distributed data (Tabachnick and Fidell, 2007). However, there is no agreement among researchers on tolerable skewness and kurtosis values; instead, they utilise some rule of thumbs to evaluate normality. Hair *et al* (2010) suggest that skewness values should fall between -1 and +1, and anything outside this range indicates skewed distribution. West *et al* (1995) and Kline (2011) suggest that absolute values of skewness index should not exceed three and kurtosis values above ten are considered not normal. Skewness and kurtosis values in this research are within normal range with the expectation of two variables. INTRARLG1 (*My religious beliefs lie behind my whole approach to life*) and INTRARLG5 (*Religion is especially important to me because it answers many questions about the meaning of life*) items measuring intrapersonal customer religiosity have relatively higher skewness and kurtosis values indicating a violation of normality. This is perhaps plausible considering that the two items measure commitment to two highly ideological religious elements.

Nonetheless, the two items will be retained for further analysis but will be kept under watch throughout subsequent stages to ensure they do not adversely affect the analysis. Skewness and Kurtosis values, as well as results for the Kolmogorov-Smirnov (K-S) and Shapiro-Wilk (S-W) tests, are presented in Appendix E.

6.2.4 Outliers

Another critical assumption underlying multivariate statistical techniques is the absence of outliers in the data. Outliers are cases in the sample with extreme values that differ substantially from other cases in the sample (De Vaus, 2002). These values can exist in the dataset due to errors made while entering or recoding the data by the researcher, or response error made by the respondent. Two types of outliers exist in research studies; the first is a univariate outlier, which can be an extreme value at a single variable, and the second is a multivariate outlier, which refers to a combination of values that exist across two or more variables (Hair *et al*, 2010). Although their effect diminishes as sample size increase (Cohen *et al*, 2003), outliers can contaminate research and cause misleading results (West *et al*, 1995). However, detecting outliers at the ordinal level of measurement has always been a contentious and a challenging issue in the literature (Zijlstra *et al*, 2007, Riani *et al*, 2011). This is perhaps due to the nature of ordinal data (e.g. Likert type scale), which makes it inherently challenging to identify outliers in such scales. Consistent with Cohen *et al's* (2003) suggestion, several steps have been taken to identify outliers in the sample at the univariate and multivariate levels.

First, in the initial stages of the analysis, the researcher has visually inspected the data for any deviant and extreme scores to determine unengaged responses or unusual response patterns and has identified and excluded 23 unengaged responses in the dataset. Second, the next round of inspection was conducted using SPSS by graphing each item on boxplots to determine extreme values in the sample (see appendix F). A few cases emerged on each item; however, these are retained, as there is not sufficient evidence that these cases can be characterised as outlying cases. Thus, the trimmed mean technique has been employed (Parke, 2013). This technique eliminates the smallest and largest values in the data and then calculates the mean without these scores. The results (see Appendix F) reveal that the scores are not significantly different from the original mean scores. Therefore, outlying cases

within the dataset should not be problematic, at least at the univariate level. Finally, a relatively more appropriate technique for the type of data has been utilised following the validation of the measurement model in CFA. A linear regression based global influence test (Cook's Distance) has been used (Cohen *et al*, 2003) to determine the distance between case values and the multivariate mean of the sample (Miles and Shevlin, 2001). A graphical representation of the Cook's Distance method to detect multivariate outliers is presented in Section 6.4.1.3 of this chapter.

Following the process of screening the data for multivariate assumptions, the next section begins the first step in validating research constructs using factor analysis.

6.3 Exploratory Factor Analysis (EFA)

Although all measurement scales in this research, apart from organisational religiosity, are drawn from established and pre-validated instruments, it is the opinion of the researcher that a measurement model evaluation at the exploratory level (i.e. EFA) is necessary to establish validity and identify dimensionality of the constructs. This is due in part to the nature of the study context, and the translation of items from English to Arabic. Therefore, it is crucial to understand the underlying structures and dimensions of the variables in this research through a more exploratory technique as the exploratory factor analysis (EFA) before the confirmatory stage in structural equation modelling.

The exploratory factor analysis procedure employed in this research has been discussed in detail in Chapter 5. Variables were broken down into smaller groups of manageable sizes. Relevant variables were grouped together and accordingly the factor analysis was conducted on four groups of variables as follow:

Group 1: Trust, Trustworthiness, and Trust Disposition
Group 2: Drivers of Trust
Group 3: Customer Religiosity
Group 4: Organisational Religiosity

6.3.1 EFA Group 1: Trust, Trustworthiness, and Trust Disposition

The first group of variables consists of 14 items representing customer trust, which theoretically consists of cognitive and affective trust dimensions, organisational trustworthiness, and customer's trust disposition. The KMO and Bartlett's Test of Sphericity tests were conducted to assess the sample size and sampling adequacy of the data. The results reveal satisfactory values with a KMO statistic of 0.862, and significant Bartlett's Test of Sphericity (see Table 6-3). These results support the factorability and appropriateness of data for factor analysis.

Table 6-3: Group 1 KMO and Bartlett's Test

Test	Statistic	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.862
Bartlett's Test of Sphericity	Approx. Chi-Square	4863.939
	df	91
	Sig.	.000

Following the evaluation of the factorability of the data, 14 items were factor analysed using maximum likelihood extraction and Promax rotation methods. To start, communality values for all items were inspected. Overall, the results indicate that most items had acceptable communality values (>0.5), except for TD2 item. Then, the scree plot and Kaiser Criterion (eigenvalue > 1) were inspected to determine the number of factors to extract. Results reveal a three-factor solution, which accounts for 56.207% of total variance explained. They indicate that TD2 (*I tend to count upon other people*) failed to meet the required minimum factor loading cut off and had a factor loading of 0.265 accompanied with a low communality value (<0.3). Also, the factor solution reveals that there is a minor issue with cross loading for TRUST1 and TRUST2 items, which loaded on the organisational trustworthiness factor. It is, nevertheless, important to note that the severity of the cross loading is very low, because the items loaded strongly on their respective factor (loading >0.5), and the difference between the two loadings is insignificant (<0.2) (Ferguson and Cox,

1993). Therefore, it has been decided to retain the two items for further analysis Table 6-4 presents a summary of the factor solution and consists of factor loadings, communality values, variance explained by every factor, and Cronbach's alpha values for each scale.

The first factor consists of items measuring the trust construct. Originally, six items representing cognitive trust and affective trust were delineated; however, these items were not distinguished in the factor analysis and all items loaded on one factor. Interestingly, this result perhaps supports the decision to conduct an exploratory factor analysis at this stage of the analysis to understand the underlying dimensions of the conceptualised latent constructs. Therefore, this factor is labelled *Customer Trust* and consists of six items, namely TRUST1, TRUST2, TRUST3, TRUST4, TRUST5, and TRUST6. The second factor consists of items measuring the organisational trustworthiness construct, namely TW1, TW2, and TW3. These items are concerned with customer perception of the bank's trustworthy reputation. Accordingly, this factor is labelled as *Organisational Trustworthiness*. Finally, the third factor consists of items measuring customer's disposition to trust and is concerned with faith in humanity and general trusting belief. It consists of four items, namely TD1, TD3, TD4, and TD5, and is labelled *Trust Disposition*.

Table 6-4: Group 1 EFA Results

Constructs		Items	Factors			Cronbach's α	α if Item Deleted	Communality	Variance Explained
			1	2	3				
Customer Trust (CT)	TRUST5	My bank is concerned about my best interests	0.903			0.885	0.857	0.715	36.40%
	TRUST4	My bank is always honest with me	0.856				0.856	0.705	
	TRUST6	My bank makes every effort to address my needs	0.815				0.867	0.591	
	TRUST2	I trust my bank to have my best interests at heart	0.588	0.216			0.863	0.561	
	TRUST3	My bank is very reliable	0.544				0.878	0.394	
	TRUST1	I trust my bank to do what it says it will do	0.532	0.210			0.871	0.479	
Organisational Trustworthiness (TW)	TW2	My bank has a reputation for looking after its customers		0.860		0.841	0.747	0.695	14.61%
	TW3	My bank has a reputation for having its customers interests at heart		0.759			0.767	0.698	
	TW1	My bank has a reputation for being honest		0.665			0.820	0.538	
Trust Disposition (TD)	TD4	I feel that people are generally reliable			0.768	0.784	0.709	0.591	5.19%
	TD5	I generally trust other people unless they give me reason not to			0.712		0.727	0.521	
	TD3	I generally have faith in humanity			0.690		0.725	0.475	
	TD1	I generally trust other people			0.590		0.760	0.345	

*Extraction Method: Maximum Likelihood, Rotation Method: Promax with Kaiser Normalization. * Grey shaded cell indicates cross loading.

6.3.2 EFA Group 2: Drivers of Trust

The second group of variables consists of 19 items representing drivers of trust, which originally consisted of five dimensions, namely, expertise and competence, integrity and consistency, communications, shared values, and concern and benevolence. Sampling adequacy and factorability of the data was assessed by conducting the KMO and Bartlett's Test. Results indicate a KMO statistic value of 0.941, and a significant Bartlett's Test of Sphericity (see Table 6-5), which support the factorability and appropriateness of data for factor analysis.

__Table 6-5: Group 2 KMO and Bartlett's Test__

Test	*Statistic*	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.941
Bartlett's Test of Sphericity	Approx. Chi-Square	10440.225
	df	171
	Sig.	.000

Following the evaluation of the factorability of the data, 19 items representing the originally delineated five drivers of trust were factor analysed using maximum likelihood extraction and Promax rotation methods. Item communality values were inspected, which are mostly above 0.5 and the average communality of all items is above 0.6 indicating satisfactory extraction of the factor solution (Hair *et al*, 2010, Field, 2009). The analysis proceeded to identify the number of factors extracted from the analysis. Factors with an eigenvalue above one were considered, further inspection of the scree plot was done to support this decision. Results indicate a three-factor solution as presented in Table 6-6.

Table 6-6: Group 2 EFA Results

Constructs		Items	Factor Loadings			Cronbach's α	α if Item Deleted	Communality	Variance Extracted
			1	2	3				
Care and Consistency (CC)	SV3	My bank acts as I would	.909			0.939	.931	.697	48.34%
	SV2	My bank has the same values as me	.890				.930	0.713	
	CB3	My bank can be relied upon to give honest advice	.814				.931	0.663	
	SV1	My bank has the same concerns as me	.809				.932	0.662	
	CB2	My bank acts in the best interests of its customers	.796				.931	0.664	
	CB1	My bank does whatever it takes to make me happy	.778				.932	0.629	
	IC2	My bank shows high integrity	.673				.933	0.594	
	IC4	My bank is consistent in what it does	.667				.934	0.579	
	IC3	My bank is honest	.661				.933	0.574	
Competence and Expertise (EXP)	EXP3	My bank is efficient		.791		0.854	.798	.691	8.96%
	EXP4	My bank is knowledgeable		.784			.822	.539	
	EXP2	My bank competently handles all my requests		.756			.804	.637	
	EXP1	My bank has the information it needs to conduct its business		.699			.829	.501	
Effective Communication (COM)	COM3	My bank informs me immediately of new developments			.902	0.863	.770	.770	6.44%
	COM2	My bank informs me immediately of any problems			.771		.823	.648	
	COM4	My bank communicates regularly			.760		.829	.638	

*Extraction Method: Maximum Likelihood, Rotation Method: Promax with Kaiser Normalization.

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Three items, namely CB4, IC1, and COM1, were deleted from the factor solution. Items CB4 and IC1 cross-loaded with the expertise and competence and had communality values below 0.5. COM1 had low communality and a relatively lower factor loading; thus, deleting it improved validity and reliability of the construct (based on Cronbach's α if Item Deleted value). The results presented in Table 6-6 demonstrate a clean factor structure with the absence of cross loading and satisfactory convergence of all items.

The first factor consists of CB1, CB2, CB3, IC2, IC3, IC4, SV1, SV2, and SV3. These items had initially been a part of the shared values, concern and benevolence, and integrity and consistency constructs that were delineated in the conceptual model for this research. However, the results indicate that these items, except for the deleted IC1 and CB4, loaded strongly under one dimension. Interestingly, these factors fall under the heading of the affective drivers of trust in the literature (Kharouf *et al*, 2014, Sekhon *et al*, 2014, Johnson and Grayson, 2005, Mayer *et al*, 1995). Given the nature and context of the research, it is no surprise that respondents perceived these items in such a manner. A bank's honesty, concern for customer interest, and value alignment with customers may all represent the deeper and more affective connection between a bank and its customers. Perhaps, banking customers in the context of this research perceive caring about and looking after customers interests, behaving genuinely and honestly, and having the same values as qualities that fall under the essential aspects of care and consistency of an organisation. Also, another insight is relevant to the customer orientation of the bank, which is fundamental to the quality of the relationship between organisations and their customers and leads to higher levels of trust (Bejou *et al*, 1998). Customer orientation particularly pertains to marketing practices utilised by organisations to protect and look after the interest of their customers (Saxe and Weitz, 1982, Swan *et al*, 1988). Items such as CB1 (*My bank does whatever it takes to make me happy*), CB2 (*My bank acts in the best interests of its customers*), and CB3 (*My bank can be relied upon to give honest advice*) demonstrate this well. The other items are relevant to shared values between the bank and customers (SV1, SV2, and SV3), and the extent to which a bank

shows high integrity (IC2) and honesty (IC3). Therefore, this factor is labelled as *Care and Consistency* in this research. The second factor consists of items measuring the expertise and competence construct (EXP1, EXP2, EXP3, and EXP4). Accordingly, this factor is labelled as *Expertise and Competence* in this research. Finally, the third factor is labelled as *Effective Communication* and is concerned with the openness and frequency of the communication between the bank and customers. It consists of items COM2, COM3, and COM4.

6.3.3 EFA Group 3: Customer Religiosity

The third group of EFA consists of items measuring the customer religiosity construct. The first step involved the evaluation of the suitability of the factor analysis for religiosity items. The KMO test statistic indicates a satisfactory 0.867 value, which meets the required threshold suggested by Kaiser (1974) and Hair *et al* (2010). Further, results reveal a significant Bartlett test of sphericity, which supports the appropriateness of the data for factor analysis when taken in combination with the KMO results (see Table 6-7).

Table 6-7: Group 3 KMO and Bartlett's Test

Test	*Statistic*	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.867
Bartlett's Test of Sphericity	Approx. Chi-Square	3349.850
	df	45
	Sig.	.000

Ten items representing two dimensions of customer religiosity, namely Intrapersonal Religiosity and Interpersonal Religiosity were included in the factor analysis (Worthington *et al*, 2003). Maximum Likelihood method of extraction and Oblique (Promax) rotation method have been utilised. Items have shown acceptable communality values in general, which are all above 0.5 (Field, 2009), and an overall average of 0.604 (Hair *et al*, 2010). A two-factor solution has emerged. The decision on the number of factors to extract was made by examining a combination of methods. The Kaiser criterion was used to this purpose, and the results show that two factors with eigenvalues

above one emerge from the analysis. The scree plot was also inspected and indicated the emergence of the two-factor solution.

Three issues are present in the factor solution for customer religiosity. First, INTERRLG4 (*I make financial contributions to my religious organisation*) had a very low communality value (0.179), which indicates that this item had a low contribution in explaining the interpersonal religiosity factor. This is coupled with a factor loading of 0.440, which is below the recommended 0.5 level. Therefore, INTERRLG4 was deleted from the analysis. Second, INTRARLG6 (*I often read books and magazines about my faith*), which is originally a part of the intrapersonal (cognitive) dimension of religiosity, loaded strongly on the interpersonal (behavioural) religiosity items. It is surprising to see that results show this item is more relevant to behavioural aspects of religiosity. Reading religious texts and magazines reflects an individual's desire to grow their understanding of their faith, which explains high levels of cognitive religious commitment (Worthington *et al*, 2003). However, it is possible that in a highly collectivist cultural setting (Islamic context) (Al-Hyari *et al*, 2012), this desire for religious growth and understanding can take a more active form of religious behaviour. For instance, Muslims attend religious lessons at mosques and madrasas, where they are exposed to religious teachings and texts, so the notion of religious growth becomes externalised as opposed to an internalised (intrapersonal) feeling. Accordingly, it is decided that this item is retained under the interpersonal religiosity factor as supported by the factor solution. Third, INTRARLG2 (*I spend time trying to grow in understanding of my faith*) and INTRARLG3 (*It is important to me to spend periods of time in private religious thought and reflection*) strongly loaded on the intrapersonal religiosity factor but suffered from a cross-loading issue. However, it was decided to retain both items for further analysis, because the difference between the loadings is less than 0.2 (Ferguson and Cox, 1993).

Therefore, customer religiosity consists of two sub-dimensions. The first factor is *Interpersonal Religiosity* and consists of INTERRLG1, INTERRLG2, INTERRLG3, and INTRARLG6 items, while the second factor is labelled

Intrapersonal Religiosity and consists of INTRARLG1, INTRARLG2, INTRARLG3, INTRARLG4, and INTRARLG5 items. These results are presented in Table 6-8 along with Cronbach's alpha values, variance extracted percentages, and communalities.

Table 6-8: Group 3 EFA Results

Constructs		Items	Factor Loadings		Cronbach's α	Cronbach's α if Item Deleted	Communality	Variance Explained
			1	2				
Intrapersonal Religiosity (IntraRlg)	INTRARLG5	Religion is especially important to me because it answers many questions about the meaning of life	0.787		0.815	0.787	0.506	44.12%
	INTRARLG4	Religious beliefs influence all my dealings in life	0.732			0.773	0.522	
	INTRARLG1	My religious beliefs lie behind my whole approach to life	0.712			0.779	0.479	
	INTRARLG2	I spend time trying to grow in understanding of my faith	0.517	.283		0.771	0.519	
	INTRARLG3	It is important to me to spend periods of time in private religious thought and reflection	0.49	.258		0.784	0.456	
Interpersonal Religiosity (InterRlg)	INTERRLG3	I keep well informed about my local religious group and have some influence in its decisions		0.921	0.859	0.791	0.725	11.07%
	INTERRLG1	I enjoy working in the activities of my religious organisation		0.806		0.795	0.686	
	INTERRLG2	I enjoy spending time with others of my religious affiliation		0.779		0.835	0.549	
	INTRARLG6	I often read books and magazines about my faith		0.605		0.853	0.525	

*Extraction Method: Maximum Likelihood, Rotation Method: Promax with Kaiser Normalization. * Grey shaded cell indicates cross loading.

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6.3.4 EFA Group 4: Organisational Religiosity

The fourth group of variables consists of items capturing the organisational religiosity construct. To start, the suitability of the data for EFA was assessed. The results presented in Table 6-9 reveal a value of 0.927 for the Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) and significant Bartlett's Test of Sphericity. They indicate the suitability to factor analyse the organisational religiosity items and adequacy of sample size (Kaiser, 1974, Hair *et al*, 2010, De Vaus, 2002).

Table 6-9: Group 4 KMO and Bartlett's Test

Test	Statistic	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.933
Bartlett's Test of Sphericity	Approx. Chi-Square	6023.311
	df	78
	Sig.	.000

Thirteen items were factor analysed using the Maximum Likelihood extraction method with an oblique (Promax with Kaiser Normalization) rotation method. The decision regarding the number of factors extracted from the solution was based on the inspection of the scree plot, and the Kaiser criterion (eigenvalue > 1). A two-factor solution has been obtained from the analysis with a total variance explained of 61.544%. The final solution resulted in the deletion of three items (ORRLG10, ORRLG8, and ORRLG3). Item ORRLG10 had a low communality value and significant cross loading, so it was removed from the analysis. ORRLG8 had a significant cross loading and was removed from the factor analysis. Likewise, ORRLG3 caused significant cross-loading for items in the second factor and caused convergence problems for the factor structure. The deletion of the three items resulted in substantial improvement to the factor solution. It is also noteworthy that ORRLG1 and ORRLG9 had a minor cross loading issue, but it was decided to retain the two items because the difference in loadings was not significant. Loadings for ORRLG1 had a difference of 0.344, while loadings for ORRLG9 had a difference of 0.432. These values indicate that cross loading is not an issue in the factor solution and meet the

requirement (the difference between loadings > 0.2) suggested by Ferguson and Cox (1993). Table 6-10 summarises the findings of this factor analysis and presents factor loadings, communalities, percentages of variance explained, and Cronbach's alphas.

Table 6-10: Group 4 EFA Results

Constructs		Items	Factor Loadings		Cronbach's α	Cronbach's α if Item Deleted	Communality	Variance Explained
			1	2				
Organisational Religious Observance (ORIgObv)	ORRLG7	Services offered by my bank are compliant with religious principles	0.865			0.895	0.691	
	ORRLG2	My bank puts religious principles into actions	0.845			0.891	0.751	
	ORRLG4	My bank exhibits a high degree of observance to religious principles	0.840			0.892	0.749	
	ORRLG11	My bank is consistent with principles of economic and social justice	0.769		0.913	0.903	0.502	55.780%
	ORRLG12	My bank's employees are knowledgeable about the religious aspects of services	0.680			0.902	0.530	
	ORRLG13	My bank has a positive influence on society	0.636			0.909	0.453	
	ORRLG1	My bank has a religiously explicit mission statement	0.577	.233		0.904	0.585	
Organisational Religious Promotion (ORIgPro)	ORRLG6	My bank's leadership is religiously oriented		0.807		0.686	0.782	
	ORRLG5	My bank uses religion to encourage customers		0.782	0.822	0.829	0.464	5.763%
	ORRLG9	My bank has a strong religious reputation	.208	0.640		0.740	0.648	

*Extraction Method: Maximum Likelihood, Rotation Method: Promax with Kaiser Normalization. * Grey shaded cell indicates cross loading.

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The first factor was labelled *Organisational Religious Observance* and consisted of seven items (ORRLG1, ORRLG2, ORRLG4, ORRLG7, ORRLG11, ORRLG12, and ORRLG13). Meanwhile, the second factor was labelled *Organisational Religious Promotion* and consisted of three items (ORRLG5, ORRLG6, and ORRLG9). Also, the removal of ORRLG10, ORRLG8, and ORRLG3 from the factor solution was further evaluated. It is the belief of the researcher that these items may have been ambiguous and redundant, which may explain their removal. For instance, ORRLG10 (*My bank's sole purpose is profit*) was a reverse worded item aiming to capture the respondent's perception of their bank's orientation. A higher score would imply that the organisation would adopt a more sales orientation and predatory practices. This reverse wording may have confused respondents and caused them to misinterpret the meaning of the item. This is one of the downsides of reverse coded survey items, as they seem to be problematic and cause confusion to respondents (Swain *et al*, 2008). Also, ORRLG8 (*My bank's employees demonstrate high religious observance*) aimed to capture the respondent's perception of the organisation's employees' level of religious observance through their dealings and interactions. This item may have overlapped with another item such as, ORRLG4 (*My bank exhibits a high degree of observance to religious principles*), which emphasises the organisation's observance and causing the respondent to be confused. Similarly, ORRLG3 (*My bank uses religious images in its marketing*) may have overlapped with items measuring the religious reputation of an organisation. In summary, the exclusion of these items has resulted in a clean factor solution and improved the overall validity and reliability of the scales.

Following the screening, preparation, and validating the measurement models at the exploratory level in EFA, the thesis will move forward to the main quantitative analysis utilising structural equation modelling (SEM) in the next section.

6.4 Structural Equation Modelling (SEM)

Following the validation process of research constructs in exploratory factor analysis, this section will present structural equation modelling procedures for the validation of and testing of the measurement model and structural model. Structural Equation Modelling (SEM) is a name given to a group of statistical procedures, which blends several techniques to test the relationships among multiple latent constructs in a single analysis (Kline, 2011). This research adopts a two-step approach recommended by

Anderson and Gerbing (1988) for conducting structural equation modelling, which has been discussed in detail in Section 5.6.3. Accordingly, the first step will evaluate the measurement model by utilising confirmatory factor analysis (CFA) on all measurement scales in the research. Once construct validity is established in CFA, validated constructs are then used to develop the structural model to test research hypotheses.

6.4.1 Step One - Evaluation of Measurement Model (CFA)

While both exploratory factor analysis and confirmatory factor analysis concern the validation of measurement models, their approaches are quite different. EFA is driven by data, while CFA is driven by theory or previous empirical findings (Schreiber *et al*, 2006). The purpose of the EFA conducted in the previous chapter was to identify the structure of latent constructs, and their corresponding observed variables. The following CFA procedure concerns the validation and confirmation of this structure (i.e. measurement model). As such, the purpose of CFA is to confirm a preconceived theory, hence the name, and validate the measurement model for further use in testing research hypotheses. CFA is a statistical procedure in the SEM family that provides a preliminary foundation for modelling constructs to assess the structural model in the later stages of SEM (Kline, 2005). It seeks to establish a link between a set of observed variables and their corresponding latent constructs. As such, CFA provides researchers with tools in identifying and grouping observed variables in a preconceived theoretical a priori to determine if the collected data confirms the theorised model (Hair *et al*, 2010). In this research, all measurement scales were evaluated by using CFA and following sequential and iterative steps highlighted below.

6.4.1.1 Model Specification

The first step in conducting CFA concerns the development of hypothesised links between latent constructs and their respective measurement items. The initial measurement model was developed using graphical tools and features of SPSS AMOS 24. Following the recommendation of Hair *et al* (2010), all constructs were included in one confirmatory factor analysis and allowed to co-vary. Figure 6-5 shows the initial measurement model for all constructs and variables in this research. These constructs are based on the results obtained from the exploratory factor analysis

conducted in the previous section. Latent variables were labelled in the following fashion:

- Drivers of trust
    - Expertise and Competence – EXP
    - Care and Consistency – CC
    - Communication – COM
- Organisational Trustworthiness – TW
- Customer Trust – CT
- Trust Disposition – TD
- Customer Religiosity
    - Intrapersonal Religiosity – IntraRlg
    - Interpersonal Religiosity – InterRlg
- Organisational Religiosity
    - Organisational Religious Promotion – ORlgPro
    - Organisational Religious Observance - ORlgObv

Following the specification of the initial measurement model, the CFA analysis proceeded to estimate the model using the Maximum Likelihood (ML) method (Kline, 2011, Anderson and Gerbing, 1988). The Maximum Likelihood (ML) method was deemed appropriate for this research following the suggestions of Hair *et al* (2010) who assert that ML estimation is best suited for Likert type data. A ten-factor measurement model representing all constructs in this research was estimated. A combination of fit indices (see Section 5.6.3.4 in Chapter 5) was utilised to evaluate the overall fit of the data with the hypothesised model. This is consistent with the recommendations of several authors in the literature (Hair *et al*, 2010, Brown, 2006, West *et al*, 1995, Kline, 2011, Hu and Bentler, 1999). Three categories of indices are consulted; absolute fit indices (χ^2, CMIN/*df*, GFI, and SRMR), incremental fit indices (CFI, NFI, and TLI), and parsimony fit indices (RMSEA and PNFI) (Brown, 2006). The reason for utilising this combination of indices is the relatively large sample size in this research (n = 765). Relying solely on the Chi-square test statistic as a fit index is not favourable in this case, due to its diminishing power for large samples (West *et al*, 1995). Brown (2006) suggests that at least one fit index from each class of these indices should be used in evaluating model fit.

Figure 6-5: Initial Measurement Model
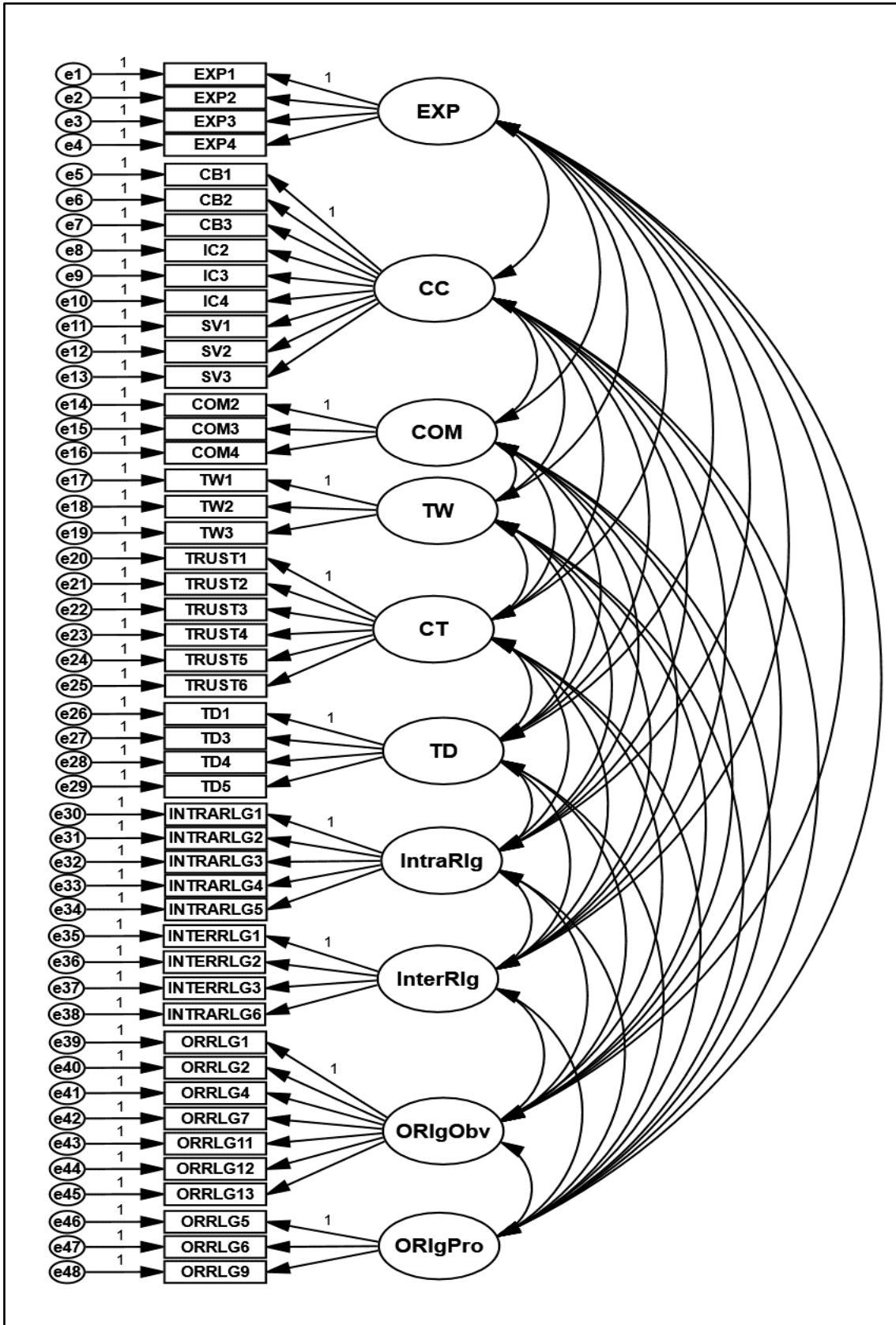
Fit indices for the initial measurement model (χ^2 =3377.629; *df* = 1035; p = .000) are presented in Table 6-11. They reveal that the initial measurement model had a poor overall fit with the data. This warrants additional inspection of standardised regression weights, modification indices, and standardised residual matrices to pinpoint areas where misspecification and discrepancies exist between the model and the sample data (Schumacker and Lomax, 2010, Byrne, 2010, Hair *et al*, 2010). Therefore, the next section will highlight several iterative steps in which the measurement model is re-specified to obtain an improved fit to the sample data.

Table 6-11: Initial Model Fit Indices

Fit Index	Value	Classification	Threshold
Normed Chi-square (cmin/*df*)	3.263	Acceptable	3 to 5 acceptable; < 3 good
CFI	0.898	Poor	> .95
GFI	0.833	Poor	> .90
AGFI	0.810	Acceptable	> .80
SRMR	0.0394	Good	< .08
RMSEA	0.054	Acceptable	< .05 good; .05 to .10 acceptable
TLI	0.888	Poor	> .90
NFI	0.859		
PNFI	0.788		

6.4.1.2 Model Re-specification

Based on the model fit values and estimates obtained from the initial model estimation highlighted above, several re-specifications can improve model fit. Consistent with the recommendations of Hair *et al* (2010) and Schumacker and Lomax (2010), decisions regarding model specification should be based on three primary elements; standardised regression weights (factor loadings), modification indices, and standardised residual covariance values. First, standardised regression weights have been examined for each item in the model. The minimum acceptable level for factor loading is 0.6 as suggested by Hair *et al* (2010). This is done in combination with the t-value assessment for all items to ensure that their loading on their factors is meaningful and significant (Anderson and Gerbing, 1988). Also, the squared multiple correlations of all items (communality) have been assessed, because they are

relevant to factor loadings and variance extracted (Hair *et al*, 2010). Second, modification indices are valuable in directing the researcher's attention to areas where discrepancies occur and what improvements can be made to the model. They are also useful in highlighting any cross-loadings between items in the model. Third, residual covariance values represent the amount of discrepancy between the hypothesised model and the model obtained from the data (Byrne, 2010). When there is a little discrepancy between the two models (good model fit), the value should be small. Hair *et al* (2010) suggest that high standardised residual covariance values (> I4.0I) are problematic, and recommends that values between I2.5I and I4.0I must be evaluated and considered for removal from the analysis. Schumacker and Lomax (2010) recommend that values of standardised residual covariance larger than 2.58 should be investigated to find the sources of discrepancy between the data and the model. These decisions should not be based solely on empirical grounds; instead, they must be driven by theoretical justifications with the support of empirical results from the analysis. Accordingly, a sequential and iterative procedure, based on these three criteria, has been implemented to re-specify the measurement model and improve the overall model fit.

Guided by the above criteria, twelve items from the initial measurement model became candidates for removal, namely, IC2, IC3, CB2, ORRLG11, TRUST2, TRUST1, INTRARLG5, INTRARLG1, INTRARLG6, ORRLG13, TD1 and SV1. Following the above-highlighted process for model re-specification criteria, the logic for removing these items is provided. IC2 had a standardised residual covariance value above six and was removed from the model. Similarly, IC3, CB2, TRUST1, INTRARLG5, ORRLG11, INTRARLG6, ORRLG13, and SV1 were removed from the model because they had high-standardised residual covariance (between I2.5I and I4.0I). Modification indices showed that TRUST2 cross-loaded with the organisational trustworthiness construct and was removed from the measurement model. INTRARLG1 had a factor loading below 0.6 level as well as having very high standardised residual covariance (~4); thus, it was excluded from the analysis. Similarly, TD1 had a factor

loading below 0.6 and caused convergent validity issues to the trust disposition construct, so it was decided to drop it from the model.

__Table 6-12: Final Measurement Model Fit Indices__

Absolute Fit Measures	Value	Threshold
GFI	0.93	> .90
RMSEA	0.034	< .05 good; .05 to .10 acceptable
SRMR	0.0329	< .08
Normed Chi-square (cmin/*df*)	1.885	3 to 5 acceptable; < 3 good
Incremental Fit Measures	**Value**	**Threshold**
Comparative Fit Index (CFI)	0.969	> .95
Normed Fit Index (NFI)	0.937	
Parsimony Fit Measures	**Value**	**Threshold**
AGFI	0.914	> .80
PNFI	0.812	
Chi-square (X^2) = 1028.982 (p = 0.000) **df = 546**		

It is also important to note that re-specification of the measurement model included the identification of strong correlation among observed variables residuals (error terms). An overlap in the content of some items in the survey may cause such correlation between residual terms (Byrne, 2010). Hair *et al*, (2010, p. 675) recommend that it is appropriate to account for error covariances in the measurement model. This decision, of course, should not be based solely on post hoc specification searches; rather it should be based on theoretical justifications (Hooper *et al*, 2008). Several highly correlated error terms exist in the measurement model in this research. Interestingly, these error terms occur solely between pairs of items on the same factor. For instance, error terms for SV3 (My bank acts as I would) and SV2 (My bank has the same values as me) representing the Care and Consistency construct were allowed to co-vary, because their modification index and standardised residual covariance indicated a high correlation between them. Similarly, error terms for CB1 ↔ CB3 and TRUST3 ↔ TRUST5 were allowed to co-vary. Respondents might have found it challenging to understand or distinguish between these pairs of items because of their overlapping content. A possible explanation of this may be that these items are adjacent to each other in the

survey; thus, causing the respondents to provide similar responses to them. Nevertheless, guided by the recommendations provided by several researchers (Byrne, 2010, Bentler and Chou, 1987, Hooper *et al*, 2008), three pairs of residuals were allowed to co-vary in the measurement model. Moreover, it is important to note that the extent to which common method bias is a cause for such issue in this research will be addressed in the next section.

Following the above changes, the initial measurement model was re-specified and fit indices presented in Table 6-12 show relative improvement over the initial measurement model. Modification indices did not propose any substantial changes to the model that could improve its fit; thus, re-specification ceased, and the model in Figure 6-6 is considered final and will be used in the development of the structural model. Final CFA results for the measurement model is presented in Table 6-13.

Table 6-13: CFA Results for Measurement Model

Construct	Item		Standardised Regression Weight	Critical Ratio (T-value)	R²	Composite Reliability	Average Variance Extracted	Cronbach's Alpha
Customer Trust (CT)	TRUST3	My bank is very reliable	0.646	17.98	0.418	0.863	0.613	0.851
	TRUST4	My bank is always honest with me	0.831	25.217	0.691			
	TRUST5	My bank is concerned about my best interests	0.844	25.19	0.712			
	TRUST6	My bank makes every effort to address my needs	0.795	-----	0.633			
Organisational Trustworthiness (TW)	TW1	My bank has a reputation for being honest	0.743	-----	0.553	0.843	0.642	0.841
	TW2	My bank has a reputation for looking after its customers	0.832	21.566	0.692			
	TW3	My bank has a reputation for having its customers interests at heart	0.826	21.454	0.682			
Customer Disposition to Trust (TD)	TD3	I generally have faith in humanity	0.632	-----	0.399	0.77	0.531	0.76
	TD4	I feel that people are generally reliable	0.844	14.049	0.712			
	TD5	I generally trust other people unless they give me reason not to	0.695	14.559	0.482			

Construct	Item		Standardised Regression Weight	Critical Ratio (T-value)	R^2	Composite Reliability	Average Variance Extracted	Cronbach's Alpha
Care and Consistency (CC)	**CB1**	My bank does whatever it takes to make me happy	0.765	-----	0.586	0.889	0.615	0.899
	CB3	My bank can be relied upon to give honest advice	0.797	26.038	0.636			
	IC4	My bank is consistent in what it does	0.757	20.633	0.572			
	SV2	My bank has the same values as me	0.809	21.808	0.654			
	SV3	My bank acts as I would	0.791	21.265	0.626			
Effective Communication (COM)	**COM2**	My bank informs me immediately of any problems	0.812	-----	0.66	0.865	0.682	0.863
	COM3	My bank informs me immediately of new developments	0.864	25.447	0.746			
	COM4	My bank communicates regularly	0.801	23.69	0.641			
Expertise and Competence (EXP)	**EXP1**	My bank has the information it needs to conduct its business	0.697	-----	0.485	0.852	0.592	0.854
	EXP2	My bank competently handles all my requests	0.817	20.146	0.667			
	EXP3	My bank is efficient	0.843	20.625	0.71			
	EXP4	My bank is knowledgeable	0.71	17.817	0.505			

Construct	Item		Standardised Regression Weight	Critical Ratio (T-value)	R^2	Composite Reliability	Average Variance Extracted	Cronbach's Alpha
Interpersonal Customer Religiosity (InterRlg)	**INTERRLG1**	I enjoy working in the activities of my religious organisation	0.807	-----	0.651	0.854	0.662	0.853
	INTERRLG2	I enjoy spending time with others of my religious affiliation	0.781	22.42	0.61			
	INTERRLG3	I keep well informed about my local religious group and have some influence in its decisions	0.851	24.216	0.724			
Intrapersonal Customer Religiosity (IntraRlg)	**INTRARLG2**	I spend time trying to grow in understanding of my faith	0.818	-----	0.669	0.765	0.527	0.756
	INTRARLG3	It is important to me to spend periods of time in private religious thought and reflection	0.768	18.259	0.589			
	INTRARLG4	Religious beliefs influence all my dealings in life	0.567	14.34	0.321			
Organisational Religious Promotion (ORIgPro)	**ORRLG5**	My bank uses religion to encourage customers	0.634	-----	0.402	0.825	0.616	0.822
	ORRLG6	My bank's leadership is religiously oriented	0.877	18.81	0.769			
	ORRLG9	My bank has a strong religious reputation	0.822	18.171	0.676			

Construct		Item	Standardised Regression Weight	Critical Ratio (T-value)	R^2	Composite Reliability	Average Variance Extracted	Cronbach's Alpha
Organisational Religious Observance (ORIgObv)	**ORRLG1**	My bank has a religiously explicit mission statement	0.773	-----	0.598	0.825	0.616	0.822
	ORRLG2	My bank puts religious principles into actions	0.882	26.634	0.777			
	ORRLG4	My bank exhibits a high degree of observance to religious principles	0.876	26.422	0.767			
	ORRLG7	Services offered by my bank are compliant with religious principles	0.815	24.195	0.664			
	ORRLG12	My bank's employees are knowledgeable about religious aspects of services	0.695	19.997	0.483			

Figure 6-6: Final Measurement Model
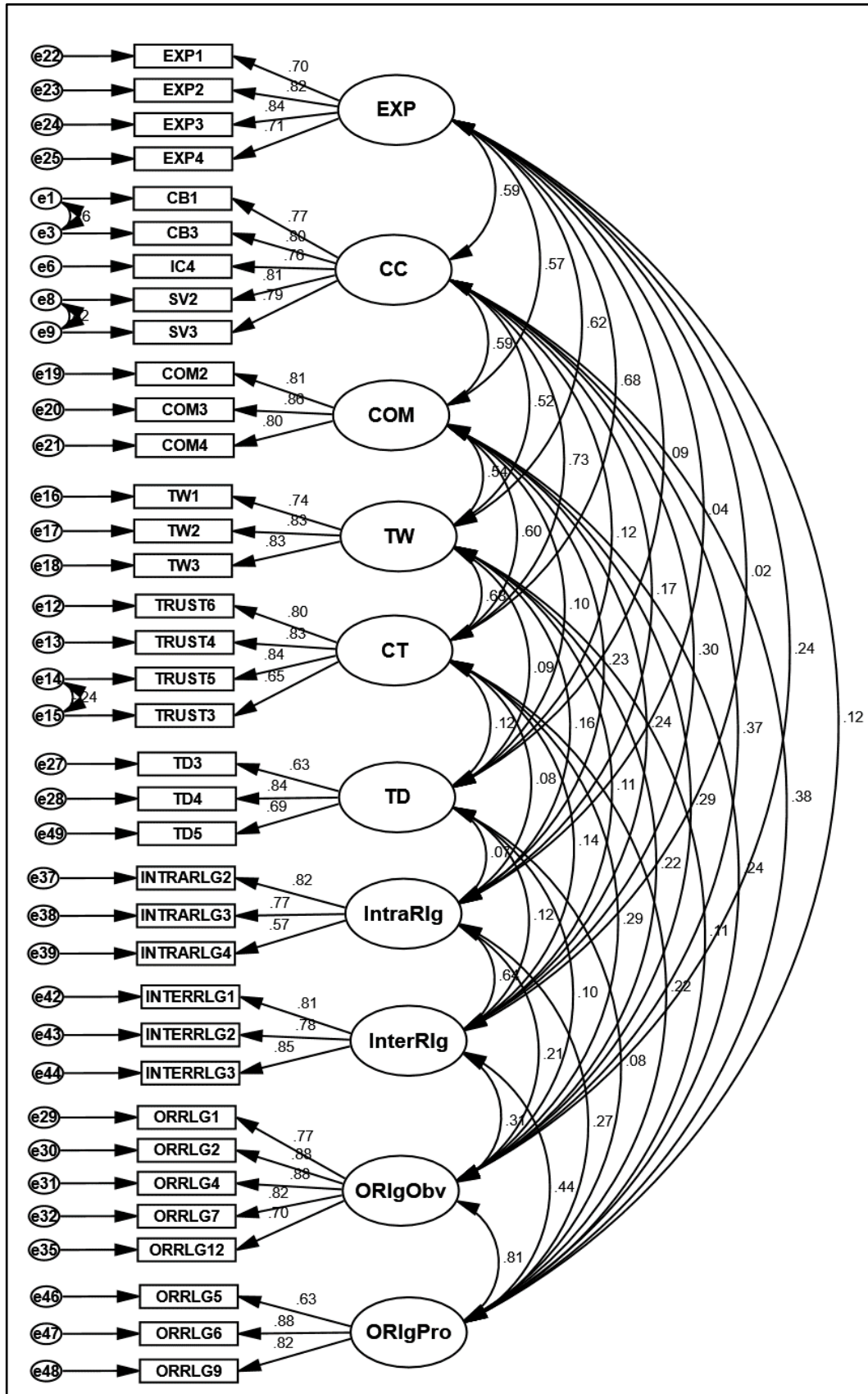
6.4.1.3 Item and Scale Psychometric Properties

6.4.1.3.1 Validity and Reliability

Following the specification of a measurement model, it is essential to assess the psychometric properties of constructs and their measurement in this research before moving to the development of the structural model and testing research hypotheses. This section is mainly concerned with the evaluation of construct unidimensionality, construct validity, and construct reliability. The description of statistical techniques utilised to assess the psychometric properties of measurement scales used in this research was discussed in detail in Chapter 5, so this section will present results that establish scale properties.

First, unidimensionality has been assessed by the inspection of the model fit of the measurement model and standardised regression weights (Anderson and Gerbing, 1988). The final measurement model in this research demonstrates a good model fit and all loadings meet the recommended 0.6 level, except for INTRARLG4 (0.567). Nonetheless, it was decided to retain it given its loading is very close to the cut off level and its critical ratio (t-value) is significant. Critical ratio values (t-values) are all significant at the 0.001 level (t-value > 1.96), which indicate the significance of factor loadings on their hypothesised constructs. Table 6-13 above provides a summary of the results of the final measurement model fit indices, factor loadings, and critical ratios.

Second, construct validity concerns the accuracy of the measurement scale used. Two types of construct validity have been assessed, namely convergent validity and discriminant validity. Convergent validity is established when items representing a construct highly correlate with each other. Hair *et al* (2010) suggest that factor loadings should exceed 0.5 to establish convergent validity. In this research, all items loadings meet this requirement. Another method to establish convergent validity was utilised by examining the average variance extracted (AVE) of a construct. Hair *et al* (2010) suggest that AVE should be above 0.5 to establish convergent validity. AVE for all constructs in this research are above 0.5 supporting convergent validity (see Table 6-13). While

convergent validity concerns the common characteristics a set of items forming a factor share, discriminant validity requires each construct to be unique and does not highly correlate with other constructs in the sample. Kline (2005) suggests that construct inter-correlations should not exceed 0.85 level; otherwise discriminant validity cannot be established. Also, the square root of AVE for each latent construct should be larger than its inter-correlation with any other construct to establish discriminant validity (Fornell and Larcker, 1981). The square roots of AVE of all constructs in this research are all above their inter-correlations with other constructs, except for organisational religious promotion, which has a minor issue with organisational religious observance (see Table 6-14). Nevertheless, this discriminant validity requirement is not severely violated, given that the correlation between the two constructs is below 0.85 level (Kline, 2005). Overall, construct validity in this research is supported.

Finally, Cronbach's alpha and composite reliability (CR) were inspected to assess reliability of research constructs. As presented in Table 6-13 and Table 6-14, all Cronbach's alpha and CR values exceed the 0.7 supporting internal consistency and reliability of all constructs (Hair *et al*, 2010). Also, reliability at the item level is assessed by inspecting the squared multiple correlations of all items in the measurement model. All items have achieved acceptable levels of item reliability ($R^2 > 0.5$). In summary, the scales used in this research show acceptable levels of construct validity and reliability.

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Table 6-14: Reliability and Discriminant Validity of Research Constructs

Constructs	CR	AVE	1	2	3	4	5	6	7	8	9	10
1. Care and Consistency	0.889	0.615	0.784									
2. Customer Trust	0.863	0.613	0.743	0.751								
3. Communications	0.865	0.682	0.590	0.631	0.826							
4. Expertise and Competence	0.852	0.592	0.587	0.71	0.572	0.769						
5. Trust Disposition	0.770	0.531	0.120	0.144	0.101	0.089	0.729					
6. Org. Religious Observance	0.905	0.658	0.374	0.323	0.285	0.241	0.097	0.811				
7. Intrapersonal Religiosity	0.765	0.527	0.167	0.10	0.226	0.041	0.067	0.207	0.726			
8. Interpersonal Religiosity	0.854	0.662	0.300	0.155	0.242	0.022	0.125	0.307	0.642	0.813		
9. Org. Religious Promotion	0.825	0.616	0.377	0.226	0.242	0.124	0.081	0.809	0.272	0.444	0.785	
10. Organisational Trustworthiness	0.843	0.642	0.524	0.711	0.541	0.623	0.092	0.221	0.160	0.109	0.110	0.801

* Values on the diagonal are the square root of AVE; construct inter-correlations values are off the diagonal.

6.4.1.3.2 Common Method Bias - CMB

The effects of common method bias in this research were evaluated using two statistical techniques. Initially, Harman's single factor method has been used as an exploratory approach to detect CMB. All items in this research were placed in exploratory factor analysis. The results reveal that the first and largest factor explains 26.467% of the variance, which is indicative of the absence of CMB in the data. Then, consistent with the suggestions of Malhotra *et al* (2017) and Podsakoff *et al* (2003), the more rigorous common latent factor (CLF) method to detect CMB was applied in the CFA analysis following the validation of the measurement model. Comparing the factor loadings of all items before and after adding the CLF to the CFA, the model revealed the absence of common factor bias from all the factor loadings ($\Delta \lambda < 0.2$), which indicates that CMB is not present in this research. For conciseness, tables presenting results of Harman's single factor method and CLF method to detect CMB are provided in Appendix G.

6.4.1.3.3   Multivariate Outliers

The issue of multivariate outliers has been discussed briefly in chapter 6. It was concluded that this assumption should be addressed at a later stage in the analysis following the measurement model evaluation and imputation of factor scores of the variables in SPSS AMOS. The rationale behind this is that the detection of outliers at the ordinal level has been problematic due to the nature of such data (Zijlstra *et al*, 2007, Riani *et al*, 2011). This research is consistent with Cohen *et al*'s (2003) recommendation and utilises influence statistics to detect outliers at the multivariate level by identifying responses with extreme values that differ significantly from others in the sample. Accordingly, a Cook's distance score for each observation has been calculated and saved using the linear regression analysis in SPSS. Then, these scores have been graphed on a scatter plot to identify observations that differ substantially from the rest of the sample. As illustrated in Figure 6-7, observations above the red line are slightly different from most of the observations, which are concentrated at or near the bottom of the scatter plot.

The graph reveals that eleven observations can potentially be labelled as multivariate outlying cases in the data. Also, an investigation of these cases was conducted; however, no evidence can be obtained to support that these cases are abnormal or not representative of the sample population (Hair *et al*, 2010). Moreover, it is not uncommon to have a few outlying cases in a large sample, and these should not pose a significant threat to the research study (Kline, 2011). Therefore, these cases were retained in the analysis.

Figure 6-7: Multivariate Outliers (Cook's Distance)
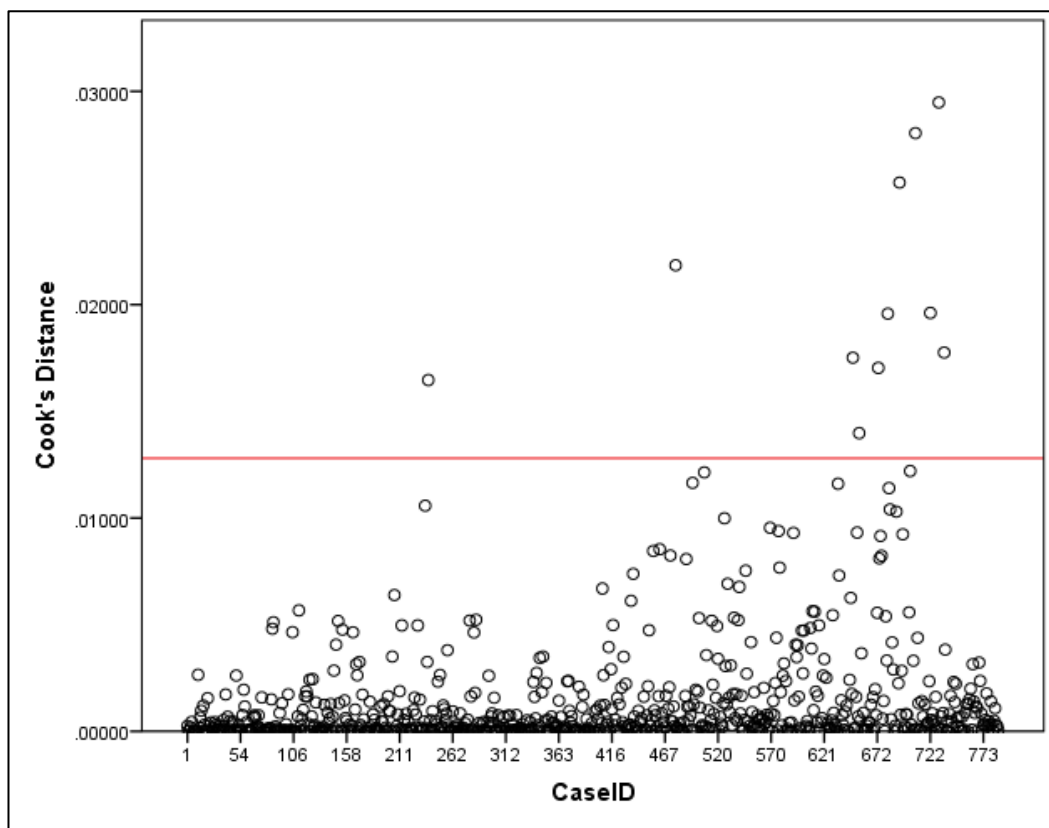
6.4.1.3.4 Multi-collinearity

As discussed earlier in Chapter 5, multi-collinearity refers to the presence of high correlation among independent variables. VIF values exceeding 10 and tolerance values below 0.1 would be indicative of high levels of multicollinearity in the data (Hair *et al*, 2010). Table 6-15 presents VIF and tolerance values produced using the collinearity diagnostics in linear regression analysis in SPSS. All VIF values are below 10, and all tolerance values are above 0.1,

which support the absence of multicollinearity in the data. Therefore, multicollinearity is not an issue in this research.

Table 6-15: Multicollinearity Diagnosis

Construct	Tolerance	VIF
Organisational Trustworthiness	.430	2.327
Organisational Religious Promotion	.180	5.542
Interpersonal Religiosity	.346	2.892
Intrapersonal Religiosity	.436	2.292
Organisational Religious Observance	.209	4.776
Care and Consistency	.365	2.741
Trust Disposition	.962	1.039
Expertise and Competence	.358	2.789
Communications	.444	2.250

* Dependent Variable: Customer Trust (CT)

After revisiting and ensuring the data meets the above multivariate assumptions, the analysis will proceed to the next stage of structural equation modelling. The next section will develop the structural model, which will enable the researcher to specify and test the hypothesised relationships developed earlier in the thesis.

6.4.2 Step Two - Structural Model Evaluation

The previous section has presented and discussed the measurement model for all constructs in this research. The final model has fulfilled requirements for reliability, construct validity, and unidimensionality, as well as several multivariate assumptions. All goodness of fit indices exhibited acceptable levels of model fit. Therefore, this section develops the structural model to test relationships amongst validated constructs, based on the delineated conceptual framework presented earlier in the thesis. The structural model has been developed and estimated in the SPSS AMOS version 24.0 statistical package, using maximum likelihood (ML) estimation method. Similar to the evaluation of the measurement model, if the structural model demonstrates a good model fit, then the acceptability of the postulated relations can be established. Conversely, if an adequate model fit is not established, then hypothesised relationships in the structural model cannot be accepted and

perhaps measurement model should be re-evaluated (Hair *et al*, 2010, Byrne, 2010).

The specification of the structural model follows the same procedure of specifying the measurement model. Latent variables are represented by ellipses, while rectangles represent observed variables. Each observed variable is connected to an error term represented by a small circle. Exogenous variables are co-varied by double-headed arrows, but these have been omitted from the illustration of the model for clarity. A distinction between the specification of the measurement model and the structural model is the recognition of error terms in the endogenous variables. These are the small circles connected to the ellipses representing endogenous variables. Finally, single-headed arrows between variables represent the hypothesised structural paths between variables. A graphic illustration of the hypothesised structural model in this research is provided in Figure 6-8.

Figure 6-8: Hypothesised Structural Model
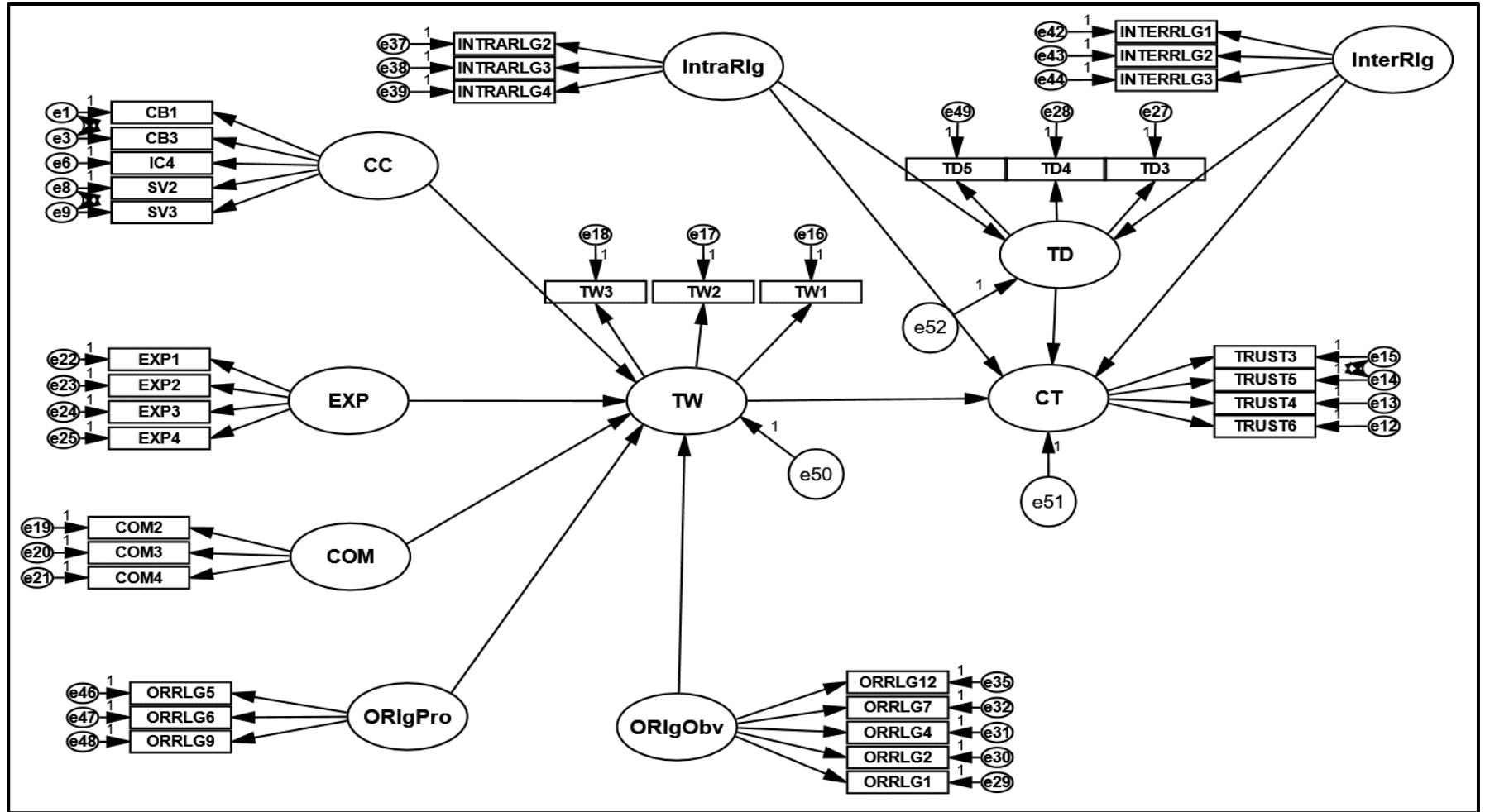
6.4.2.1 Structural Model Fit

Before testing the hypotheses proposed in the conceptual model, it is necessary to evaluate the fit of the structural model to ensure it demonstrates an adequate representation of the hypothesised causal links amongst constructs. Hair *et al* (2010) suggest that a comparison should be made between the results from the structural model and the measurement model. Substantial deviation from the measurement model would indicate issues to the specification of the structural model. This research follows this procedure and compares the fit indices of the measurement model from CFA and the structural model (see Table 6-16).

Table 6-16: CFA and Structural Models Fit Indices Comparison

Category	Structural Model	CFA Model
Absolute Fit Measures		
Chi-square (X^2)	1248.351	1028.982
Degrees of freedom	559	546
Probability	0.000	0.000
GFI	0.917	0.930
SRMR	0.0502	0.0329
Normed Chi-square (cmin/*df*)	2.233	1.885
Incremental Fit Measures		
Comparative Fit Index (CFI)	0.956	0.969
Normed Fit Index (NFI)	0.923	0.937
Tucker-Lewis Index (TLI)	0.950	0.964
Parsimony Fit Measures		
PNFI	0.819	0.812
RMSEA	0.040	0.034

The structural model exhibits a slight decrease in model fit when compared to the CFA model. The increase in the Chi-square value can explain the slight drop in model fit. Nevertheless, the structural model demonstrates good fit and such decrease in model fit is understandable given that a recursive structural model, hence the model in this research, will always have higher Chi-square value than CFA model (Hair *et al*, 2010). Therefore, given the satisfactory model fit indices and parameter estimates of the structural model, re-specification of the measurement model is not warranted and analysis can move forward to the evaluation of the structural paths.

The structural model (χ2/*df* = 2.233; GFI = 0.917; CFI = 0.956; TLI = 0.95; RMSEA = 0.04) illustrated in Figure 6-9 presents results of the hypothesised relationships between customer trust, trustworthiness and five drivers of trust, as well as the influence of two forms of customer religiosity (interpersonal and intrapersonal) on customer trust and trust disposition. Results from the structural model reveal that 57.9% of the variance in Organisational Trustworthiness is explained by the five delineated drivers of trust, namely Care and Consistency (CC → TW = 0.261), Expertise and Competence (EXP → TW = 0.4), Communications (COM → TW = 0.221), Organisational Religious Observance (ORIgObv → TW = 0.137), and Organisational Religious Promotion (ORIgPro → TW = - 0.173). Moreover, results reveal that Customer Trust is predicted by organisational trustworthiness (TW → CT = 0.763), and the two delineated customer religiosity constructs - Interpersonal Religiosity (InterRlg → CT = 0.164) and Intrapersonal Religiosity (IntraRlg → CT = - 0.143). Customer Religiosity was found to influence trust disposition only through its Interpersonal dimension (InterRlg → TD = 0.146), while Intrapersonal Religiosity's effect on trust disposition is non-significant (IntraRlg → TD = -0.026). Similarly, the results reveal a non-significant causal path between customer trust and trust disposition (TD → CT = 0.038). Furthermore, 61.3% of the variance in customer trust is explained by organisational trustworthiness, interpersonal religiosity, and intrapersonal religiosity. It is important to note that trust disposition has a very low squared multiple correlation (R^2 = 0.017). In other words, only 1.7% of the variance in trust disposition is explained in the model, which is considered extremely low (Sarstedt and Mooi, 2014). To summarise, out of the 11 hypothesised causal paths specified in the conceptual model of this research, nine of these are supported by the results of the structural model presented in Table 6-17.

Table 6-17: Path Coefficients of the Structural Model

Hypothesised Path	Hypothesis	Standardised Coefficient (β)	Critical Ratio (*t*-value)	*p*-Value	Result
Expertise and Competence → Trustworthiness	H$_1$	0.4	7.881	***	Supported
Care and Consistency → Trustworthiness	H$_2$	0.261	5.174	***	Supported
Effective Communication → Trustworthiness	H$_3$	0.221	4.871	***	Supported
Organisational Religious Observance → Trustworthiness	H$_{6A}$	0.137	2.12	0.034	Supported
Organisational Religious Promotion → Trustworthiness	H$_{6B}$	-0.173	-2.545	0.011	Supported
Trustworthiness → Customer Trust	H$_7$	0.763	14.314	***	Supported
Trust Disposition → Customer Trust	H$_8$	0.038	1.211	0.226†	Rejected
Intrapersonal Religiosity → Trust Disposition	H$_{9A}$	-0.026	-0.405	0.685†	Rejected
Interpersonal Religiosity → Trust Disposition	H$_{9B}$	0.146	2.3	0.021	Supported
Intrapersonal Religiosity → Customer Trust	H$_{10A}$	-0.143	-3.059	0.002	Supported
Interpersonal Religiosity → Customer Trust	H$_{10B}$	0.164	3.543	***	Supported

* p < 0.05 (t > ± 1.96); ** p < 0.01 (t > ± 2.57); *** p <0.001 (t > ± 3.29); † = non-significant

Figure 6-9: Hypothesis Testing Results
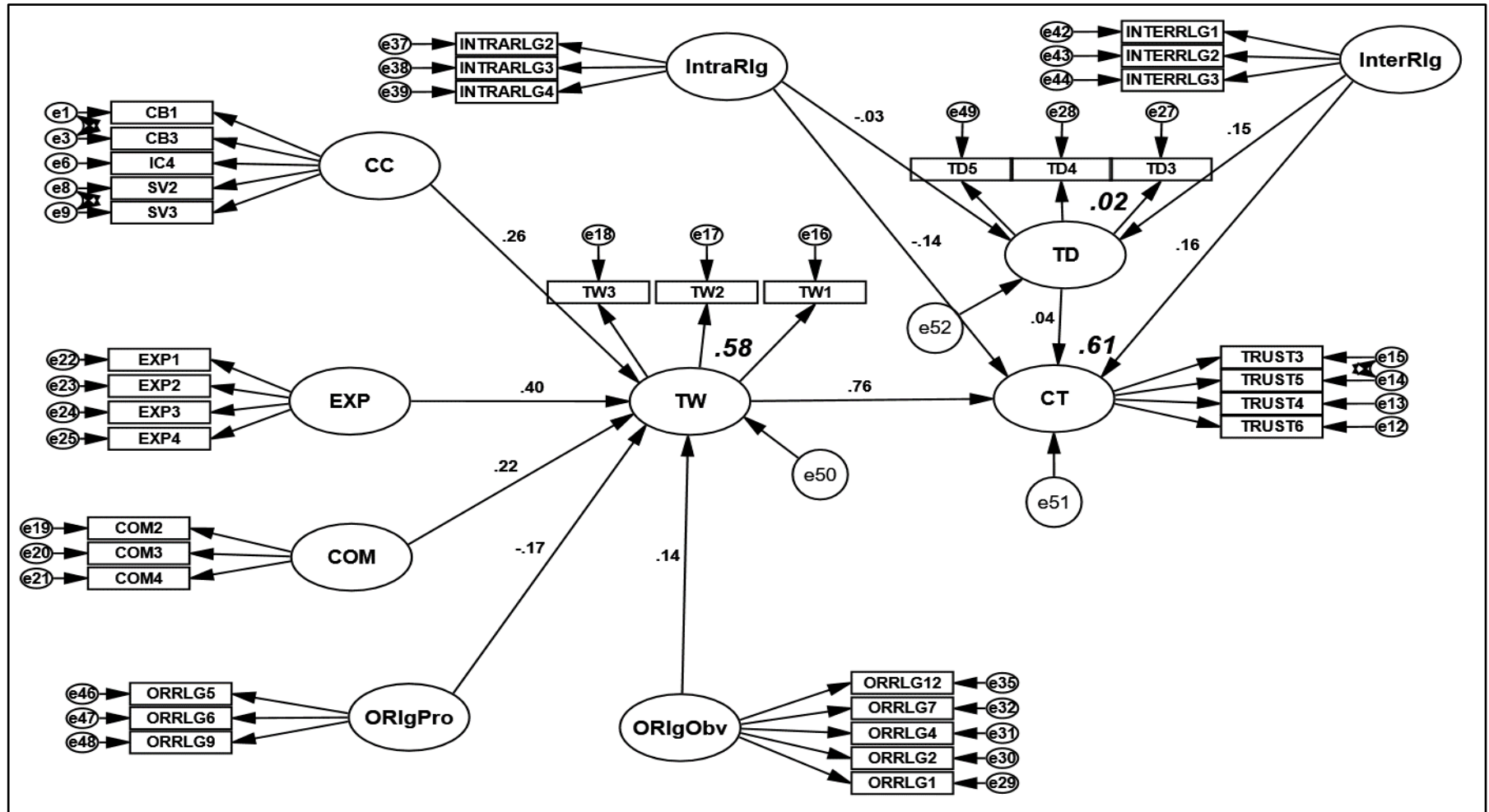
* _Note: output rounded up to two decimal places_

6.4.2.2 Competing Structural Model

The final structural model in this research has been refined further. This was done by the inclusion of emerging significant paths and deletion of the trust disposition construct due to its very low R^2 value. This has resulted in a competing model in addition to the hypothesised model. The competing model approach is consistent with structural equation modelling literature (Kumar and Sharma, 1999, Hair *et al*, 2010, Byrne, 2010). However, Hair *et al* (2010) warn that any relationships that emerge from post hoc model re-specification should only be considered on empirical grounds. They further explain that changes to the hypothesised theoretical model should be considered as possible improvements, which can be cross-validated by drawing more data from the same population. Nevertheless, a competing model, which recognises significant path(s) that emerged during the estimation of the structural model, was estimated.

Table 6-18: Comparison between Structural and Competing Model

Fit Index	Structural Model	Competing Model
Chi-square (X^2)	1248.351	946.036
Degrees of freedom	559	462
Probability	0.000	0.000
GFI	0.917	0.931
SRMR	0.0502	0.0353
Normed Chi-square (cmin/*df*)	2.233	2.048
Comparative Fit Index (CFI)	0.956	0.968
Normed Fit Index (NFI)	0.923	0.934
Tucker-Lewis Index (TLI)	0.950	0.963
PNFI	0.819	0.822
RMSEA	0.040	0.037
Expected Cross-Validation Index (ECVI)	1.914	1.497
Aikake's Information Criteria (AIC)	1462.351	1144.036
Bayesian Information Criteria (BIC)	1958.817	1603.384

Inspecting model diagnostics and modification indices reveal that there is a significant path connecting Care and Consistency (CC) and Customer Trust (CT), and indicates that the trust disposition construct suffers from a low explanatory power in the model (R^2 = .017). The structural model was respecified and the resultant competing model (see Figure 6-10) exhibits

improved model fit ($\chi2/df$ = 2.048; GFI = 0.931; CFI = 0.968; TLI = 0.963; RMSEA = 0.037) when compared with the hypothesised model ($\chi2/df$ = 2.233; GFI = 0.917; CFI = 0.956; TLI = 0.95; RMSEA = 0.04). The Expected Cross-Validation Index (ECVI), Aikake's Information Criteria (AIC), and Bayesian Information Criteria (BIC) were used to compare the two models, as well as other conventional fit indices used previously (Kumar and Sharma, 1999, Brown, 2006). By comparing the fit indices of the two models, the competing model shows a relatively better fit (see Table 6-18).

Several paths, namely ORlgObv → TW, InterRlg → CT, and IntraRlg → CT become insignificant in the competing model as presented in Table 6-19. Nevertheless, it is noteworthy that the competing model is considered from a purely statistical perspective. This is consistent with Hair *et al* (2010) who recommend that any changes to the hypothesised structural model should not be based on post hoc modifications. Accordingly, the structural model in Figure 6-9 is considered the final model in this research; however, the researcher believes that both models taken together bring interesting insights and findings into the study. Therefore, the discussion in the next chapter will build on both models in conjunction.

Table 6-19: Path Coefficients of the Competing Model

Hypothesised Path	Hypothesis	Standardised Coefficient (β)	Critical Ratio (*t*-value)	*p*-Value	Result
Expertise and Competence → Trustworthiness	**H₁**	0.403	7.397	***	Supported
Care and Consistency → Trustworthiness	**H₂**	0.146	2.673	0.008**	Supported
Effective Communication → Trustworthiness	**H₃**	0.237	4.863	***	Supported
Organisational Religious Observance → Trustworthiness	**H₆ₐ**	0.128	1.86	0.063†	Rejected
Organisational Religious Promotion → Trustworthiness	**H₆ʙ**	-0.153	-2.124	0.034*	Supported
Trustworthiness → Customer Trust	**H₇**	0.424	9.995	***	Supported
Trust Disposition → Customer Trust	**H₈**	Trust Disposition construct removed			
Intrapersonal Religiosity → Trust Disposition	**H₉ₐ**	Trust Disposition construct removed			
Interpersonal Religiosity → Trust Disposition	**H₉ʙ**	Trust Disposition construct removed			
Intrapersonal Religiosity → Customer Trust	**H₁₀ₐ**	-0.047	-1.122	0.262†	Rejected
Interpersonal Religiosity → Customer Trust	**H₁₀ʙ**	-0.036	-0.846	0.398†	Rejected
Care and Consistency → Customer Trust	**H₁₁**	0.541	11.369	***	Emerging Path (Significant)

* p < 0.05 (t > ± 1.96); ** p < 0.01 (t > ± 2.57); *** p <0.001 (t > ± 3.29); † = non-significant

Figure 6-10: A Competing Structural Model
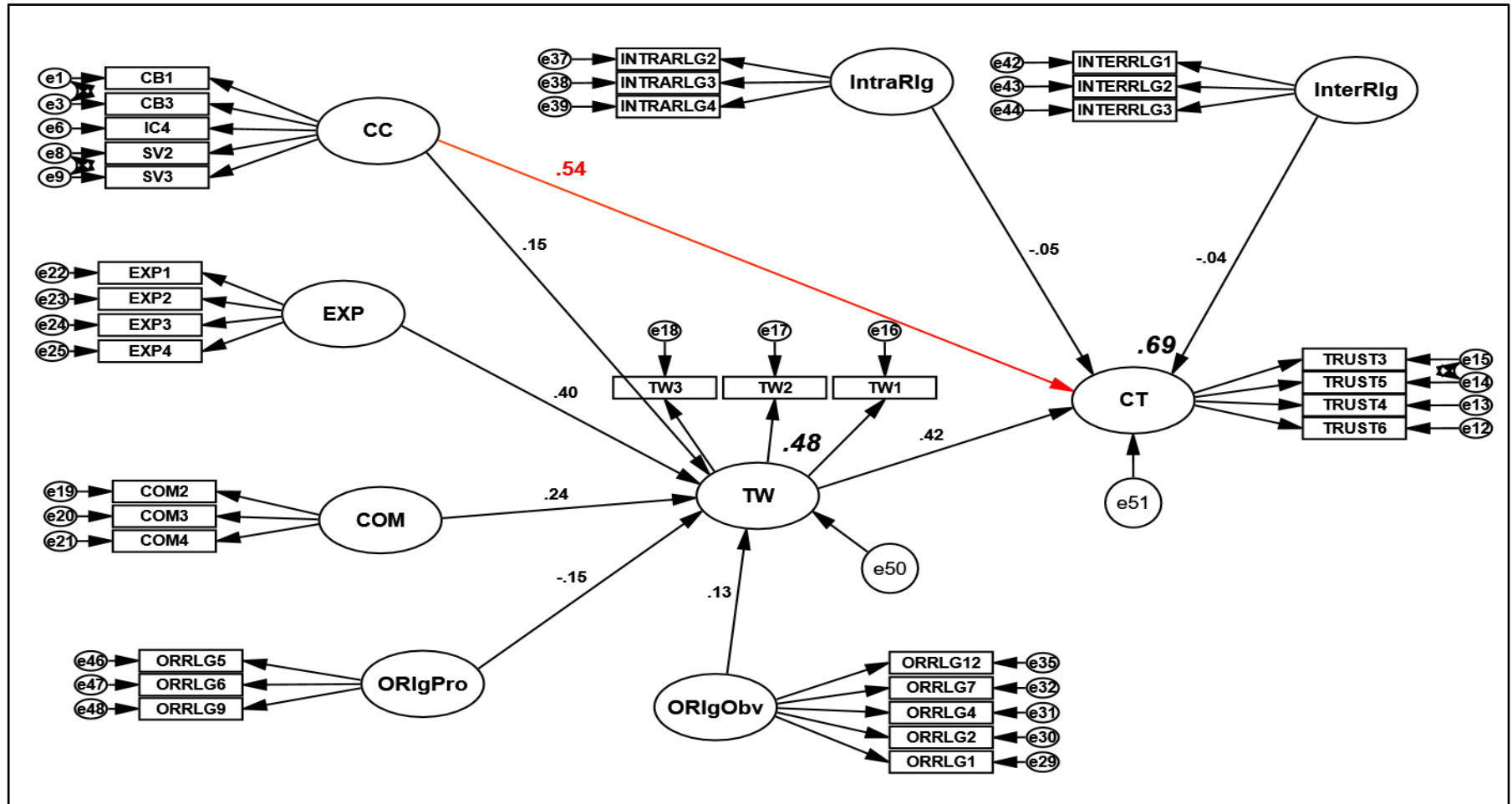
* Note: output rounded up to two decimal places, Emergent path Care and Consistency → Customer trust in red.

6.4.2.3 Multiple Group Analysis

In this section, a comparison between different groups of respondents in the data is conducted based on the length of banking relationship with the bank and type of bank (Islamic vs Dual-window). The objective is to investigate the differences in the strength of structural paths in the model based on these characteristics. This effect is also referred to as moderating effect is statistically defined as the interactive effect of a third variable, which causes a change in the strength and direction of a causal link between the exogenous and endogenous variables (Hair *et al*, 2010, Cohen *et al*, 2003). A two-step process has been used to explore the interaction of the four variables (Kline, 2011, Byrne, 2010). Initially, an overall Chi-square difference test between an unconstrained model and a fully constrained one is performed to determine if the structural model is different across groups. The chi-square difference between the two models is evaluated with the null hypothesis that there is no difference between the two groups of respondents (Floh and Treiblmaier, 2006). When the results of comparing the two models are significant, this hypothesis is rejected, suggesting that the moderator variable has an interactive effect on the respective path(s). The second step concerns the evaluation of structural paths individually and compares them across groups by inspecting differences in critical ratios across all paths in the model. The following sections will report the application of the above-highlighted process and its results for each moderating variable.

6.4.2.3.1 Multiple Group Analysis for the Length of Relationship Duration

In this section, the hypothesised relationships between 10 latent constructs and customer trust are explored. Relationship length is an essential element of the exchange between customers and organisations (Swan and Nolan, 1985, Bejou *et al*, 1998, Palmer and Bejou, 1994, Dwyer *et al*, 1987). Thus, this part of the analysis is conducted to explore the relationships in the model based on the length of relationship respondents have with their banks. Accordingly, the data were divided into two groups. The first group is named

Short-Term Relationship and represents respondents who have been banking with their bank for less than ten years (n = 348) and the second group is named Long-Term Relationship and includes respondents who have been banking with their institution for more than ten years (n = 417). The results of the model comparison along with structural path coefficients and model fit indices presented in Table 6-20 show that the two models are different suggesting that structural paths differ across groups of respondents. The next step is to compare the path coefficients across the two groups.

As predicted, the effect of relationship length moderates the trust development process in this research. The most significant difference between the two groups is salient on the causal path TW → CT. The effect of organisational trustworthiness on customer trust almost doubles for long-term banking duration respondents. Moreover, the effect of organisational religious promotion is significant for long-term banking duration respondents. This finding is interestingly consistent with the effects of customer religiosity on customer trust for the same group of respondents. As such, religiosity has no effect on customer trust for the short-term banking duration, contrary to long-term duration respondents whose religiosity is a salient factor for shaping their trust in their banking institution. The remaining paths in the model remain slightly unchanged with marginally stronger paths for long-term group.

Table 6-20: Summary of Multi-Group Effects of Relationship Length

Structural Path	Short-term Duration (n = 348)			Long-term Duration (n = 417)		
	Estimate	CR	*p-value*	Estimate	CR	*p-value*
CC → TW	0.228	3.137	0.002**	0.304	4.313	***
COM → TW	0.226	3.163	0.002**	0.203	3.434	***
EXP → TW	0.351	4.708	***	0.423	6.289	***
ORIgPro → TW	-0.173	-1.72	0.085	-0.19	-2.044	0.041**
ORIgObv → TW	0.155	1.591	0.111	0.14	1.603	0.109
IntraRlg → TD	-0.125	-1.378	0.168	0.091	0.996	0.319
InterRlg → TD	0.21	2.316	0.021**	0.057	0.652	0.515
TW → CT	0.69	7.733	***	0.826	12.395	***
InterRlg → CT	0.13	1.883	0.06	0.224	3.629	***
IntraRlg → CT	-0.033	-0.485	0.628	-0.269	-4.141	***
TD → CT	0.056	1.064	0.287	0.037	0.94	0.347
Unconstrained Model: $\chi 2$ = 1910.804; *df* = 1118 CFI = 0.950; TLI = 0.943; RMSEA = 0.030			**Constrained Model:** $\chi 2$ = 1983.356; *df* = 1155 CFI = 0.947; TLI = 0.943; RMSEA = 0.031			
Δ $\chi 2$ = 72.552; Δ *df* = 37; *p*-value = 0.000						

*** p-value < 0.01; ** p-value < 0.05; CR: Critical Ratio

6.4.2.3.2 Multiple Group Analysis for Banking Model

Having explored the group differences among short-term and long-term banking respondents, this section explores the group differences among respondents who bank with purely Islamic banks (n = 373) and those who bank with dual-window banks (n = 392). The analysis follows the same process conducted in the previous section. The results presented in Table 6-21, reveal a non-significant (p = 0.131) Chi-square difference test, suggesting that no differences exist across these two groups of respondents. It is, nevertheless, important to note that some path coefficients differ across groups. For instance, organisational religious observance and promotion representing organisational religiosity appear to be an insignificant determinant for organisational trustworthiness for the dual-banking users. Conversely, this effect is salient in Islamic banking users, who appear to be more critical of the religious attributes of their banking services providers. Moreover, the effect of intrapersonal religiosity on trust (IntraRlg → CT) is significant for dual-window banking users, but insignificant for Islamic banking users. Interestingly, this

means that in the presence of strong intrapersonal religiosity, Islamic banking users exhibit relatively less critical stance against their bank. This can be caused by their confidence that their bank only transacts in accordance with religious principles. It is important to note that these results should be interpreted with caution because there were no model-level differences. Despite the model failing the global test (Chi-square difference test), the local test was supported by exhibiting some differences at the path-level. Further discussion of these findings will be provided in the next chapter.

Table 6-21: Summary of Multi-Group Effects of Banking Model

Structural Path	Islamic Banking Users (n = 373)			Dual-window Banking Users (n = 392)		
	Estimate	CR	*p-value*	Estimate	CR	*p-value*
CC → TW	0.214	2.943	0.003	0.286	3.948	***
COM → TW	0.261	3.87	***	0.169	2.747	0.006
EXP → TW	0.354	5.437	***	0.448	5.434	***
ORIgPro → TW	-0.27	-3.014	0.003	-0.032	-0.328	0.743
ORIgObv → TW	0.282	3.336	***	-0.024	-0.255	0.798
IntraRlg → TD	-0.054	-0.554	0.58	-0.021	-0.241	0.81
InterRlg → TD	0.25	2.604	0.009	0.079	0.923	0.356
TW → CT	0.672	8.348	***	0.826	11.433	***
InterRlg → CT	0.183	2.398	0.016	0.129	2.253	0.024
IntraRlg → CT	-0.083	-1.104	0.27	-0.178	-3.027	0.002
TD → CT	-0.008	-0.15	0.881	0.078	1.901	0.057
Unconstrained Model: χ2 = 1941.048; *df* = 1118 CFI = 0.947; TLI = 0.940; RMSEA = 0.031			**Constrained Model:** χ2 = 1987.786; *df* = 1155 CFI = 0.946; TLI = 0.941; RMSEA = 0.031			
Δ χ2 = 46.738; Δ *df* = 37; *p*-value = 0.131						

Notes: *** p-value < 0.01; ** p-value < 0.05; CR: Critical Ratio

6.5 Summary

This chapter has served three purposes for the current study. First, it has provided a thorough analysis of the data and highlighted key characteristics of the respondents and has performed an inspection of key assumptions of multivariate analytical techniques. Second, it demonstrated the validation process of measurement models for research constructs using exploratory

factor analysis and confirmatory factor analysis. Finally, it has developed a structural model reflecting the conceptual model proposed earlier in the thesis and provided important insights on differences of the results, based on two important facets of the sample, namely relationship duration and type of banking customs. The next chapter will interpret the results derived from the analysis and position them in terms of their relevance to existing literature.

Chapter 7 Discussion of Research Results

7.1 Introduction

The aim of this chapter is to discuss the findings of the research analysis presented earlier in Chapter 6. This discussion is divided into four main sections. The chapter starts by reintroducing the conceptual model tested in this research and restating relationships and hypotheses in Section 7.1. Then, Section 7.2 discusses the results of the hypothesised relationships between drivers of trust (including non-religious and religious drivers) and customer trust through their effect on organisational trustworthiness; customer trust disposition and customer trust; and customer religiosity and customer trust. Next, Section 7.3 discusses findings obtained from the multi-group moderating roles of relationship duration and banking model on the tested model. Finally, Section 7.4 concludes the discussion by introducing an alternative model that was estimated based on post hoc adjustments to the structural model.

Figure 7-1: Research Model
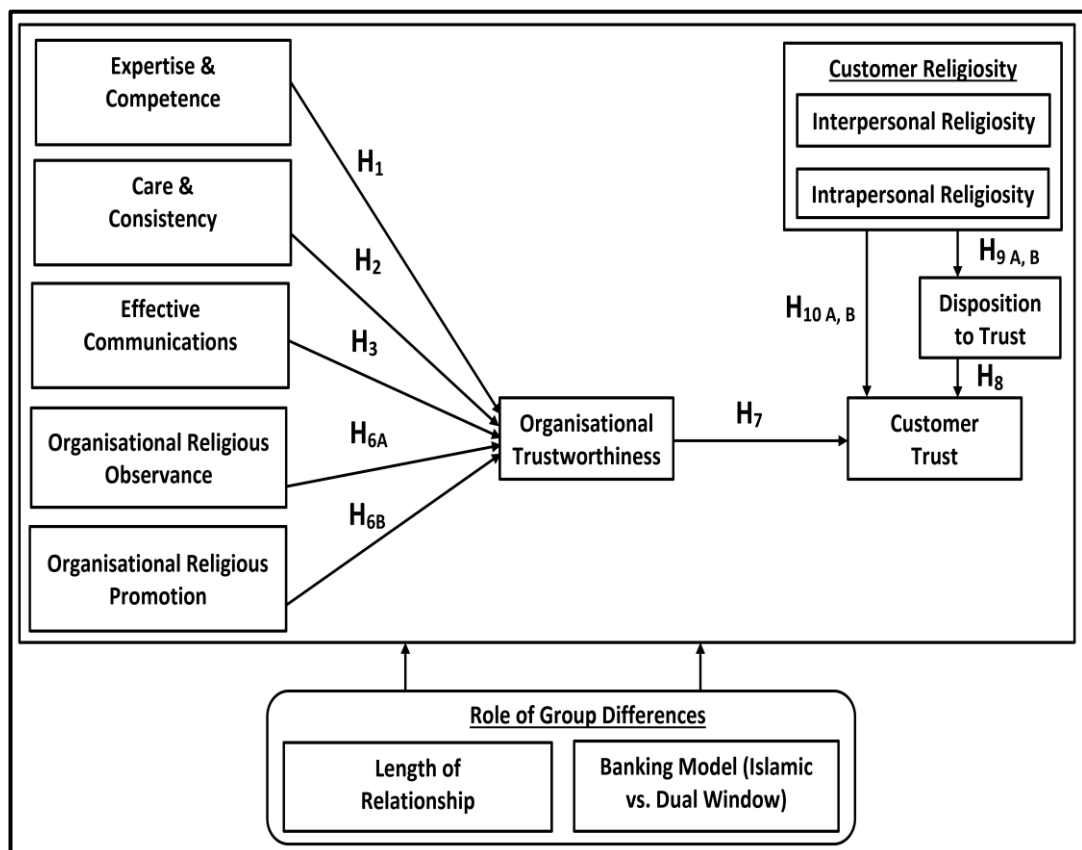
7.2 Conceptual Model and Proposed Relationships

The model (see Figure 7-1) aims to measure trust in the banking industry and explain the influence of relevant constructs in shaping customer trust and its formation. It is noteworthy that the model presented herein takes into account the modifications suggested during construct validation in exploratory factor analysis. Several constructs in this research did not perform as anticipated nor did they identify with their respective dimensions, so clearly the factor analysis revealed that these constructs suffered dimensionality issues. For instance, items for three drivers of trust; namely, shared values, concern and benevolence, and integrity and consistency collapsed under one dimension. Cognitive and affective trust dimensions also revealed similar results and fell under a single dimension labelled customer trust. Also, this section restates the hypothesised relationships proposed in this research (see Table 7-1) along with the empirical results obtained in Chapter 6.

Table 7-1: Summary of the Results of Hypothesised Relationships

Hypotheses		Result
Hypothesis 1	Perceived expertise and competence is positively related to trustworthiness.	Supported
Hypothesis 2	Perceived care and consistency of the organisation is positively related to trustworthiness.	Supported
Hypothesis 3	Effective communication is positively related to trustworthiness.	Supported
Hypothesis 6$_A$	Organisational religious observance is positively related to trustworthiness.	Supported
Hypothesis 6$_B$	Organisational religious promotion is positively related to trustworthiness.	Supported (Reverse)
Hypothesis 7	Trustworthiness is positively related to customer trust in the organisation.	Supported
Hypothesis 8	Higher levels of Customer's disposition to trust will lead to increased customer trust in the organisation.	Rejected
Hypothesis 9$_A$	Intrapersonal customer religiosity is positively related to customer disposition to trust.	Rejected
Hypothesis 9$_B$	Interpersonal customer religiosity is positively related to customer disposition to trust.	Supported
Hypothesis 10$_A$	Intrapersonal customer religiosity is positively related to customer trust.	Supported (Reverse)
Hypothesis 10$_B$	Interpersonal customer religiosity is positively related to customer trust.	Supported

7.3 Research Findings and Discussions

7.3.1 Drivers of Trust

The conceptual model tested herein has proposed that five drivers, namely expertise and competence, effective communication, integrity and consistency, shared values, and concern and benevolence, drive organisational trustworthiness. However, as mentioned earlier, results of the factor analysis revealed that three of these constructs, namely, integrity and consistency, shared values, and concern and benevolence collapsed into a single factor, which was subsequently labelled "care and consistency". These were drawn mainly from the theory on organisational trust in financial services developed by Sekhon *et al* (2014). They represent the non-religious drivers of trust in this research. Also, two religious oriented drivers of trust; namely, organisational religious observance and organisational religious promotion, have been proposed to influence trust in the current research. For purposes of clarity and ease, drivers of trust have been divided into two main components: (1) non-religious drivers of trust and (2) religious drivers of trust.

7.3.1.1 Non-Religious Drivers of Trust

The findings in this research offer valuable insights into the process of developing customer trust in the Islamic banking context. First, similar to numerous studies in financial services, the findings support the importance of building and maintaining perceptions of trustworthiness for banking institutions. Second, the empirical results validate and support the distinction between trust as a customer belief, and trustworthiness as an attribute of the bank. Third, the results also support the distinctiveness and multidimensional nature of the trust concept. These results are consistent with views on trust in the management and marketing literatures, which uphold that trust is driven by several unique factors or what is commonly referred to as antecedents of trust (Johnson and Grayson, 2005, Mayer *et al*, 1995, Morgan and Hunt, 1994, Sekhon *et al*, 2014). These drivers reflect customer judgment concerning the organisation's trustworthy qualities. In this research customer trust is driven by three factors; namely, expertise and competence, care and consistency, and

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effective communication. These findings are discussed in several points below.

Firstly, the findings suggest there is a positive influence of a customer's perception of expertise and competence on organisational trustworthiness. Attributes, such as a bank's competency, knowledge and efficiency in handling tasks, and availability of information while fulfilling customer requests are vital to trustworthiness. Previous studies in the marketing and service literature highlight the importance of such attributes in harnessing customer trust. For instance, Sekhon *et al* (2014) stress the importance of customers' perceptions regarding the organisation's ability to deliver services in the requested quality in developing trustworthiness as it reflects the organisation's competence in conducting its business. This can increase customer confidence in the bank's ability in fulfilling its promises; thus, causing higher levels of trust to emerge (Balasubramanian *et al*, 2003, Doney and Cannon, 1997).

Secondly, the findings suggest that attributes of care and consistency are essential drivers of trust in the organisation. The construct, labelled *Care and Consistency*, composed initially of items that were parts of the integrity and consistency, shared values, and concern and benevolence drivers of trust. This driver of trust emphasises attributes of an organisation's consistent behaviour with its customers, shared values with customers, genuine care for customer interests, and reliability to give sound and honest advice. Interestingly, the original constructs (shared values, concern and benevolence, and integrity and consistency) represent the affective and more relationally oriented drivers of trust, which reflect the trustee's genuine intention, reliability, and care for its customers (Xie and Peng, 2009, Kharouf *et al*, 2014, Sekhon *et al*, 2014). Such positive affective signals promote a deeper connection between the organisation and its customers and stronger trust to emerge. The findings support the importance of such trust aspects and suggest that trust increases as a customer develops stronger perceptions of the bank's behavioural consistency and care for customer interests.

Thirdly, results support the importance of effective communication as a determinant of trust in the organisation. The results suggest that there is a positive relationship between effective communication and organisational trustworthiness. Past research in the marketing and financial services literature has highlighted the vital role of communication to trust building strategies (Sekhon *et al*, 2014, Ennew and Sekhon, 2007, Ennew *et al*, 2011, Kharouf *et al*, 2014, Morgan and Hunt, 1994). The findings support the importance of such perceptions in shaping trust in the bank. The purpose of communication extends beyond information sharing; it is an essential part of the relationship that functions as a medium to share concerns and issues. It acts as a relieving mechanism to overcome uncertainty and risk in a relationship (Sekhon *et al*, 2014). Thus, communication that is open, clear and accurate becomes paramount to put customer fear to rest and harness their trust (Ennew *et al*, 2011).

Fourthly, the results suggest that perceptions of expertise and competence have the most substantial effect on trust. Findings from the service literature produce somewhat conflicting results. For instance, Johnson and Grayson (2005) found that salesperson expertise accounts for the largest effect on customer trust in their sample in the UK financial advisory industry. Other studies in the literature emphasise the relationally oriented drivers of trust (benevolence, integrity, and similarity) as the most dominant in driving trust (see Sekhon *et al*, 2014, Kharouf *et al*, 2014). Nonetheless, these differences possibly exist since trust is inherently context-dependent (Rousseau *et al*, 1998, McEvily and Tortoriello, 2011). While competency and expertise generally define the operational capabilities of an individual to accomplish a task, in the Saudi Arabian context this quality can be viewed in terms of operational and moral competency. For instance, a knowledgeable individual is viewed as operationally competent and morally sound. Such a connection between competency and morality in the cultural context of Saudi Arabia may have caused this result to emerge. Regardless of the order and strength of drivers of trust, the current research offers support for the particular importance

of this antecedent in shaping trust development in the Saudi Arabian banking context.

Finally, reflecting upon these results and considering the drivers of trust in terms of their influence on customer trust, interesting insights emerge. These drivers may be categorised based on the aspects of trust that they represent or influence. For instance, expertise and competence are representative of calculative and rational aspects of trust, which potentially give the customer signals about the reliability and efficiency of the organisation in fulfilling its promises (Kharouf *et al*, 2014). Additionally, care and consistency are representative of the affective aspects of trust and are theoretically associated with stronger and more stable affective trust responses, which in turn provide customers with the assurance of the predictability of the organisation. Interestingly, effective communication may be thought of as a process factor that has important implications for trust development. Previously, researchers have either categorised the construct under the category of affective drivers of trust (Kharouf *et al*, 2014), combined it with other drivers, such as similarity (Roy and Shekhar, 2010a, b), or treated it separately (Sekhon *et al*, 2014). However, findings in this research suggest that the construct is distinctive from other drivers. This is perhaps suggestive of the contextual nature of trust and indicative of the construct's profound influence on shaping trust in a context highly influenced by Islamic banking. Perhaps, this is caused by the emotive influence of religious promotional cues, which is relevant to communication and advertisement channels of the organisation (Minton, 2015). As such, communicational capabilities of the organisation, in addition to its role in resolving conflicts, aligning interests, and setting priorities and expectations in the relationship (Morgan and Hunt, 1994, Dwyer *et al*, 1987), act as a vehicle to deliver important religious cues and signals that are essential to developing trust. Therefore, non-religious drivers of trust represent three essential aspects, namely cognitive (expertise and competence), affective (care and consistency), and process (effective communication). These aspects are useful to enhance the understanding of trust formation and highlight the

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evolution of trust in a relationship as a developmental process. In essence, further research investigating this may be a fruitful future research endeavour.

7.3.1.2 Organisational Religiosity as a Cue for Trustworthiness

In addition to the above drivers of trustworthiness, it was hypothesised that customer perception of a bank's religiosity influences its trustworthiness. This research complements trust literature in financial services by extending current literature on trust by including religious drivers to trust. It also complements existing Islamic banking and finance literature by recognising the importance of religious factors in shaping various forms of consumer behaviours (Naser *et al*, 1999, Metawa and Almossawi, 1998, Ullah and Lee, 2012, Abdul Rehman and Masood, 2012, Dusuki and Abdullah, 2007, Mansour *et al*, 2010). Accordingly, this research has included a relevant construct; namely, organisational religiosity as an influencer of organisational trustworthiness of the bank by building on Jeavons's (1998) definition and typology of religious organisations. Findings suggest that two components of organisational religiosity have salient effects on organisational trustworthiness of the bank. The first is Organisational Religious Observance, which refers to the extent to which an organisation, its employees and products and services, are perceived as adherent to religious principles. The second factor is Organisational Religious Promotion, which pertains to the extent to which an organisation uses religion to promote its products, services and activities, and encourage its customers including the use of religious images, symbols, and phrases (Jeavons, 1998, Ebaugh *et al*, 2006b).

Also, it is noteworthy before conversing about the results of the two organisational religiosity dimensions to mention that the effect of Islamic religious values in the Saudi Arabian social, cultural and business life is unquestionable, including banking institutions and the financial services industry. More importantly, all banks in the country, including purely Islamic banks and conventional banks with Islamic windows, offer Islamic banking products and services; thus, religion plays a vital role in shaping and influencing the behaviours of these institutions and their customers. Therefore,

any discussion of the Saudi banking context will inevitably involve the topic of religion and its significant effect on the industry.

7.3.1.2.1 Organisational Religious Observance and Organisational Trustworthiness

The result of Hypothesis 6$_A$ suggests that there is a positive link between customer perception of bank religious observance and its trustworthiness. The topic of religious observance is closely related to the issue of compliance of Islamic banks with *Sharia* principles. There are two major impediments facing Islamic banking industries: (1) the absence of a specific and well-defined regulatory framework that oversees product and compliance issues offered by financial institutions; and (2) the lack of qualified personnel possessing conventional (financial) and religious knowledge (Ullah, 2014, Ahmad and Hassan, 2007, Malik *et al*, 2011). These challenges have created a context of high uncertainty and low structural assurance; thus, religious compliance becomes a matter of perception of the organisation's level of observance. Customers rely on their experiences with these institutions and specific cues that signal religious observance and ultimately provide them with confidence in the organisation.

Also, knowledge about banking products and services is an important determinant of the trustworthiness in the banking institution. Besides technical knowledge about the services, there is an added dimension in this context. The results point to the importance of bank employee religious knowledge of the products and services in signalling strong perceptions of the religious observance and trustworthiness of the bank. Inherently, the industry is highlighted by a gap between market knowledge and Islamic knowledge amongst *Sharia* scholars, compliance board members, and employees (Harrison and Ibrahim, 2016). For instance, frontline bank employees have the necessary market knowledge to negotiate and address relevant issues with customers; however, they would potentially fail at addressing specific religious issues and details about the services. Therefore, findings in this research are suggestive of the value of religious training targeting bank employees to

address this issue and boost customer confidence. This echoes several studies in the literature. For instance, Tameme and Asutay (2012) accentuate the importance of a salesperson's knowledge of Islamic mortgage products (i.e. Islamic knowledge) to promoting such products to consumers in the UK. This also links to the critical influence of *Sharia* compliance boards, in terms of the prominence and knowledge of their members, and their effect on the confidence customers have in banking institutions (Naser *et al*, 1999).

Furthermore, mission statements can be powerful tools in communicating the bank's core values and beliefs to customers without being overly assertive. The results in this research are suggestive of the importance of having a clear and explicit religious mission of the bank. This importance also emerged in the exploratory interviews conducted with banking customers in Saudi Arabia. Surprisingly, upon the inspection of the mission statements of twelve banks in Saudi Arabia, only three banks have explicit reference to religion and *Sharia* compliance in their mission statements. Nevertheless, the results are suggestive of the importance of having a religious mission, which can potentially provide customers with cues about the importance of *Sharia* compliance to the bank and the authenticity of the bank's claims.

In summary, the result of Hypothesis 6 supports the value of religious observance and its role in driving organisational trustworthiness. Next, a discussion of the unexpected result relating to the influence of religious marketing and promotion on trustworthiness is provided.

7.3.1.2.2 Organisational Religious Promotion and Organisational Trustworthiness

Another important dimension of organisational religiosity is the organisational religious promotion, which was hypothesised to influence organisational trustworthiness positively. However, findings suggest that an inverse relationship exists between the two constructs. Although these findings are unexpected, they present compelling evidence and important implication for banking institutions. This result suggests that banking customers do not, in fact, favour the utilisation or overstressing of the use of religion in promoting

and marketing banking services. Discussion of this result and possible explanation are summarised in the following points.

First, an erosion of trust in financial institutions including banks has been caused in recent years by the 2008 global financial crisis and other mismanagement scandals. Further, the trustworthiness of the banking industry has been undermined by a dominant culture in the industry, which has had damaging consequences on the reputation of banking institutions (Cohn *et al*, 2014). Institutions offering Islamic banking services are no exception as the industry faces several challenges that have caused trust erosion (Marliere, 2013, Mansour *et al*, 2016). Lack of standardised regulatory framework, ambiguity about the functions of Sharia boards (Aldossari, 2010), and the gap between market and religious knowledge of board members (Harrison and Ibrahim, 2016) are all issues that contribute to an overall atmosphere of uncertainty and risk (Marliere, 2013, Mansour *et al*, 2016). Further, the Islamic banking industry appears to be struggling to balance the religious requirement of religiously based products and services and the secular aims and purposes of banking (Haniffa and Hudaib, 2010). This has caused an apparent misrepresentation of and distortion to the application of *Maqasid Al-Sharia* (purposes of Islamic law) in the industry (Dusuki, 2010, Ahmed, 2011, Mansour *et al*, 2016). Generally, the use of religion in marketing has engendered much controversy in recent years (Alhouti *et al*, 2015), and perhaps this is a good illustration of Haniffa and Hudaib's (2010) note on the challenges facing Islamic banks in balancing the sacred intentions of *Maqasid Al-Sharia* and their secular objectives. For that, adopting a religious promotional approach in marketing activities can perhaps be considered as an improper utilisation of religion and seen as hypocritical by customers in such an industry.

Furthermore, the use of religious references and cues in banking has been a subject of debate in the Saudi Arabian banking industry. This is evident in the recent case of the National Commercial Bank of Saudi Arabia, the second largest bank in the Arab world and one of the largest dual-window banks in the world, which stirred intense religious debates in Saudi Arabia (Fitch Ratings,

2016). In 2014, the state-owned bank announced its plans for initial public offering (IPO) of $6 billion, the largest ever in the region. The controversy started when a prominent religious scholar provided a fatwa (religious opinion in Islam) to prospective investors that investing in the bank is not permissible. Other religious clerics followed suit and claimed subscribing to the IPO is against *Sharia* principles. This incident has created a trust crisis among customers about the truthfulness of the claims banks make about the compliance of their services. A different cleric notes that all banks are the same the only difference is that "one bank has a beard while the other does not" in reference to the typical portrayal of Muslim men, and to describe the religious image these banks portray to their customers (Reuters, 2014). The findings of this research are reflective of the elements of the above story and suggest that customers are critical of the usage of religion for promotional and marketing purposes. It presents customers with a paradoxical challenge about the religious and secular (i.e. economic) realities of the banking institution. This relates more so to conventional banks operating an Islamic banking window (e.g. HSBC and their Islamic division Amanah). In this situation, customers are less likely to have confidence in a bank operating a dual window (Ashraf *et al*, 2015).

Various studies have demonstrated that the Islamic image, appearance, or aspect of the bank or salesperson have a positive influence on various forms of behaviours (Mansour *et al*, 2010, Amin *et al*, 2013, Naser *et al*, 1999). However, the findings indicate that the use of religious promotion adversely affects trustworthiness, and are in line with the views of a marketing manager interviewed at the initial stages of this research. He displayed a critical stance against the use of religious messages in promoting services and warned of the risks and dangers of adopting such a strategy, even though this strategy is widespread in the industry.

> *"Whenever we talk about Sharia compliance … some banks exploit the Sharia (religious) element of the business to attract customers. This religious approach can be risky and damaging to the bank. We do not touch on the religious element unless*

asked by the customer … we never emphasise or mention religion, while promoting banking services. It is the company's strategy; surely, we are 100% Islamic bank, but we are directed to let the customer know that services are Sharia compliant and refrain from using religious images or terminologies." (Participant # 1)

A final note on the influence of the broader environment of this study and its relevance to the unexpected result of Hypothesis 6B. Considering the present political and social situation in Saudi Arabia can help understand this finding. The country has been undergoing tremendous changes in the last two years. Data of this research have been collected at the height of significant and unprecedented political and social changes in the country. These changes are targeting decades of influence of the Islamic Revivalist Movement, which has played an integral part in the Saudi Arabian social and political spheres since the 1970s. The leading discourse in the country has shifted towards more openness in debating and commenting on some religious or cultural norms and customs. A claim has been made that this new model allegedly aims at shifting the country towards a more moderate stream of Islam (BBC, 2017). For decades, the questioning of religious or cultural norms had been considered taboo, before the recent shift led by the crown prince of the country. Because of this transformation, people have been taking a more active approach in expressing their views about religious issues and their specific interpretations. To summarise, these recent developments may have influenced how customers feel about religious entities or organisations that are religiously affiliated, including banking institutions.

To summarise, although one of the relationships showed reverse support, the findings of Hypotheses 6A and 6B, highlight the importance of the two dimensions of organisational religiosity to trust. The next section discusses the influence of trustworthiness on customer trust as well as its mediating effects on drivers of trust.

7.3.2 Organisational Trustworthiness and Customer Trust in the Organisation

Organisational trustworthiness was initially hypothesised to influence two forms of trust, namely cognitive trust and affective trust. However, exploratory factor analysis results reveal that the two dimensions of trust have not been distinguished. The two constructs collapsed under one dimension labelled customer trust. Therefore, it is hypothesised that organisational trustworthiness is positively related to customer trust in the organisation.

The findings of the current research support the hypothesised relationship and suggest a positive link between trustworthiness and customer trust. These results offer several insights into customer trust. First, the results stress the importance of the differentiation made between trustworthiness as an organisational attribute and trust as a customer belief. While trustworthiness attributes are theoretically recognised as antecedents of trust (Hardin, 2002), often, conversations about trustworthiness are shadowed by those emphasising trust, resulting in a lack of distinction between the two concepts. This research is in line with several research studies in the literature that have embraced this distinction (Sekhon *et al*, 2014, Ennew *et al*, 2011, Ennew and Sekhon, 2007, Kharouf *et al*, 2014).

Second, such a distinction between the two constructs offers a more in-depth understanding of the process through which trust in the financial service institution develops. Accordingly, the mediating role of trustworthiness is recognised, and the connection between trust antecedents and customer trust are better understood.

Third, the findings further point to the robustness of the concept of trustworthiness and its value to modelling and understanding trust in a wide range of settings. Perhaps, this is salient in the direct effect that organisational religious attributes have on trustworthiness, providing support for the concept as an essential precursor of trust. Relatedly, Hardin (2002) noted that trustworthiness is more important than trust in the sense that it can be

managed and one can implement strategies to enhance it and ultimately boost the chances for strong trust to emerge.

Finally, due to the dimensionality issue, which caused the cognitive and affective trust dimensions not to emerge, the research was not able to explore the impact of trust antecedents and mediating effect of trustworthiness on the cognitive and affective dimensions of customer trust in the organisation. Two explanations may shed some light on this issue. First, on a general note, trust is contextual in nature (Dietz *et al*, 2010, Branzei *et al*, 2007). Current theories and definitions of trust are derived from and heavily focused on western contexts (Dietz *et al*, 2010, Sekhon *et al*, 2013). This point leads to the second explanation, which may be of relevance to the nature of trust in the research context. Houjeir and Brennan (2017) suggest that trust in the Arab culture is unique in its own right and is vastly influenced by shared cultural and religious values. They studied the nature of trust in the Arab and Non-Arab business-to-business banking consumer segments in the United Arab Emirates and concluded that affective trust is more relevant to Arabic consumers, whereas Non-Arabs displayed a higher level of rationality and cognitive trust responses. Possibly, the emergence of only one dimension of customer trust reflects the true nature of the concept in the research context. Surely, had these dimensions been distinguished in the data, they would have provided a more in-depth understanding of trust development. Nonetheless, the results of this research lend support for the contextual nature of trust and offer fruitful insights into its development and relevance to trustworthiness in the Saudi banking context.

The next section will uncover findings concerning customer disposition to trust and customer trust in the organisation.

7.3.3 Customer Disposition to Trust and Customer Trust in Organisation

A surprising finding in this research is the absence of any link between customer disposition to trust and trust in the organisation. While it has been

hypothesised that stable psychological trust dispositions drive trust, the results suggest that customer trust did not differ based on general disposition to trust others. This is contrary to findings in mainstream research on trust in management and marketing (Gefen, 2000, Mayer *et al*, 1995, McKnight *et al*, 2002, Sekhon *et al*, 2013). It is important nevertheless to highlight the insignificant finding in this research and propose a possible explanation for it.

The model in the current research delineated that customer disposition to trust influences customer trust through two aspects, namely an individual's general faith in humanity and trusting stance towards others (Gefen, 2000, McKnight *et al*, 2002). Past research has highlighted the importance of the construct as a psychological construct in the initial stages of a relationship, and perhaps its importance as a determinant of trust diminishes as a relationship reaches maturing stages. In this research, the sample is mainly represented (approximately 77%) by individuals who have a banking relationship duration of more than five years. Because the majority of respondents have been transacting with their banks for a relatively long time, their trust in the bank may not be based on their general trusting disposition. Customers rely on their general dispositions at initial stages of a relationship, when uncertainty is high, and information about the trustee and service is limited (Mayer *et al*, 1995, Salam *et al*, 2005, McKnight *et al*, 2002). Conversely, when a customer has an established relationship with the bank, they rely more on dynamic forms of trusting beliefs that result from their experiences and perceptions of the bank, and this is perhaps the case in this research. Trust as a belief is more prevalent in this research, as opposed to a psychological or individual disposition; thus, customer trust disposition becomes less relevant in a relationship that is established and maintained.

Additionally, another explanation of this insignificant result is the fact that banking involves intense levels of risk, given the inherent nature of banking services and the high level of information asymmetry in financial services exchanges. This is coupled by the generally negative portrayal of the banking industry due to an overall view of the industry as untrustworthy (Cohn *et al*,

2014), and scandals that have adversely impacted the industry in recent years (Moin *et al*, 2015). Thus, elevated levels of risk may have sharply reduced the effect of customer disposition to trust to insignificant levels. Accordingly, given the limited information, risk and uncertainty in the context, customers likely ignore their dispositions to take a leap of faith and transfer their trust to the bank. In such a situation, there is more reliance on specific forms of trusting beliefs and evaluations of the trustee, rather than an abstract or general form of trust. Although this result is surprising, several studies in e-commerce have reported similar patterns of insignificant results related to the effect of trust disposition on developing trust (e.g. Jones and Leonard, 2008, Koufaris and Hampton-Sosa, 2004, Hampton-Sosa and Koufaris, 2005). This raises the question about whether customers surveyed in this research are in fact online banking users and perhaps there are certain facets of trust that are relevant to both the online and offline banking, which were not included in the model. This can offer an exciting venue for future research in this area.

The next section will begin to discuss the influence of customer religious commitment on customer trust in the organisation.

7.3.4 Customer Religiosity and Customer Trust in the Organisation

Prior research studies linking trust and religiosity present contradictory evidence and suggest that religiosity leads to either increased trust (Welch *et al*, 2007, Tan and Vogel, 2008, Guiso *et al*, 2003, Minton, 2015), or decreased trust (Berggren and Bjørnskov, 2011, La Porta *et al*, 1997, Zak and Knack, 2001). This research finds support for both sides of the literature depending on the dimension of religiosity. The results in this research offer interesting insights into the effects of the two elements of religiosity on the two levels of trust (trust disposition and customer trust). Therefore, this section will proceed as follow: first, the effect of intrapersonal and interpersonal religiosity dimensions on customer disposition to trust is discussed; then, a discussion of these two dimensions of religiosity and their link to customer trust is provided.

7.3.4.1 Customer Religiosity and Customer Dispositional Characteristics

As mentioned earlier, competing theories exist concerning the effect of religiosity on trust. In assessing the effects of customer religiosity on customer disposition to trust, the current research has proposed that interpersonal (behavioural) and intrapersonal (cognitive) religious commitment dimensions positively influence general trusting dispositions. Interpersonal (behavioural) religiosity concerns the level of engagement an individual has in religious activities and events, whereas intrapersonal (cognitive) religiosity refers to the internalisation of religious beliefs and experiences, and their influence on an individual's life (Swimberghe *et al*, 2011, McDaniel and Burnett, 1990). Findings suggest that interpersonal (behavioural) religiosity is positively linked with customer disposition to trust, while the results show that intrapersonal (cognitive) religiosity is insignificant in influencing customer trust disposition. Several insights about the link between customer religiosity and trust disposition are discussed below.

Firstly, although it is often viewed as a stable psychological trait, trust disposition is perhaps highly influenced by an individual's culture, early development and lived experiences (Lee and Turban, 2001). The findings in the current research are in line with this view and support the importance of culture and its effect on general disposition to trust and suggest that cultural factors (i.e. religious factors) can influence the formation of trust. In fact, this view of trust and its link to religiosity has been the subject of research in several studies in sociology of religion and economics exploring the religious effect on social or general trust (Welch *et al*, 2007, Welch *et al*, 2004, Hempel *et al*, 2012, Brañas-Garza *et al*, 2009). Thus, this research supports this view on trust and highlights its value in understanding trust development.

Secondly, the result of Hypothesis 9_B suggests that interpersonal features of religious commitment are positively related to customer disposition to trust. Engagement in religiously organised events and attendance to religious activities and sermons are prominent features in many religions, and their

influence in shaping various forms of behaviour is undeniable (Worthington et al 2003). The current research has recognised the importance of this aspect of religion and explored its influence on the more personal form of trust. A possible explanation for this result rests in the socialising effect of religion through religious engagement and attendance in determining the level of trust disposition (Schoenfeld, 1978). Accordingly, religious engagement may provide customers with greater emotional and psychological security to interact with others, and promote a feeling of comfort and harmony amongst individuals; thus, providing strong foundations for trust to occur (Guiso *et al*, 2003). Relatedly, individuals who are socially active in religious events and ceremonies will likely show more propensity towards trusting others. This is in line with Uslaner's (1999) suggestion that religious individuals, who display liberal views towards engagement in their local congregations and communities, are more optimistic and have higher propensity to trust others.

Thirdly, this research did not find support for the influence of religiosity through its internalised influence and manifestation (i.e. cognitive or intrapersonal religiosity) on customer disposition to trust, although the result obtained suggested a negligible negative effect. This result may be relevant to the discussion of the relationship between trust disposition and customer trust, which indicates that the trust disposition construct is less relevant to the model tested in this research. It is also noteworthy that the construct has achieved a very low squared multiple correlation (R^2) value of only 1.7%, which translates to a marginal explanatory power in the research model.

To summarise, although support in the data that trust disposition is shaped by interpersonal religiosity exists, any interpretation of relationships involving the construct should be made cautiously due to the low explanatory power of the construct within the model. Also, the unexpected performance of the trust disposition construct may be indicative of its irrelevance to the overall conceptual model tested in this research; thus, posing a challenge to this research and pointing to a research area where future efforts are needed. The

next section will discuss the results relevant to the connection between religiosity and customer trust.

7.3.4.2 Customer Trust in the Organisation and Customer Religiosity

In assessing the influence of customer religiosity on customer trust in the organisation, the results provide contradictory support for the effect depending on the dimension of religiosity in question. As mentioned earlier, the literature on trust and religion is highly influenced by competing theories across and within disciplines. Nonetheless, this research provides interesting insights into the distinct and unique effects of the two customer religiosity constructs. They demonstrate the complexity of the trust constructs and particularly its nature within the context of financial services marketing relationships. Notably, the results of Hypotheses 10_A and 10_B extend the understanding of some of the psychological processes that underlie the development of trust at individual consumer level. These results will be discussed below.

To start, the results suggest that interpersonal religiosity is positively linked to customer trust in the financial organisation. A plausible explanation of this result is that religious engagement and attendance stimulate more trust through socialisation (Schoenfeld, 1978). Organised religious events and service activities embody the collectivist function of many religions (Allport and Ross, 1967, McDaniel and Burnett, 1990, Wilkes *et al*, 1986, Worthington *et al*, 2003); thus, promote an overall atmosphere of harmony and relational activity (Saroglou, 2014). Moreover, religious activities can provide customers with an extensive source of information obtained from others in their religious worship places and congregations (Choi *et al*, 2010), which may provide stronger foundations for trust through information sharing. Furthermore, customers who show high interpersonal religious commitment may be more willing to engage in various relationships including business ones. This relates to the view of religion as a collection of cognitive systems that are communicated and practised through various religious and social activities (Hirschman, 1982). These include normative rules and expectations that are shared amongst members in the same congregation. These in a way provide

a fertile ground for trusting relationships to emerge. Thus, religiously motivated customers may display more openness to interact with others and are more likely to be active in relational contexts (Skarmeas and Shabbir, 2011).

Conversely, intrapersonal customer religiosity is found to affect trust in the organisation negatively. This is opposite to what was originally hypothesised in this research. Although this result is surprising and unexpected, it supports an important stream in the literature showing that trust is negatively influenced by religiosity (La Porta *et al*, 1997, Berggren and Bjørnskov, 2011, Zak and Knack, 2001). This result can be explained by the nature of some religions and their worldviews that play an influential role in shaping the behaviours and attitudes of their followers. The negative influence of religion on trust is often discussed and studied within the contexts of economics and politics, where scholars study the effects of religion on trust and its implications for cooperation (e.g. Putnam, 1993, Zak and Knack, 2001). Evidence in these studies suggest that religions, especially organised religions, tend to discourage their followers from engaging in horizontal relationships; thus, negatively affecting trust and cooperation (La Porta *et al*, 1997). Also, the doctrine of the original sin professed by several religions especially Abrahamic faiths can shed some light on this result (Hempel *et al*, 2012). Hence, such worldview would discourage trust and adversely affect its formation. As such, religious customers rated highly on the intrapersonal religiosity, sometimes referred to as intrinsically religious, have a pessimistic outlook towards individuals, entities and events. This can be more relevant to the dispositional attributes of the individual than the relational aspects of trust. Nonetheless, the result offers an interesting suggestion that customer religious commitment influence has a far-reaching effect on trust including both specific and general types of trust.

Furthermore, the connection between risk perception and religion can be of benefit in explaining the results of Hypothesis 10$_A$ that intrapersonal customer religiosity negatively influences customer trust. Any discussion of trust must

take into account risk perception and its influence on the formation of trust. In the context of financial services, intangibility, complexity, and time orientation of financial services coupled with uncertainty cause customers to face intense levels of risk (Mitchell and Greatorex, 1993, Ennew and Sekhon, 2007). As a result, customers are faced with a dilemma causing them to perceive various types of risk, while purchasing a service, including financial and psychological risks (Mitchell and Greatorex, 1993). These include fear of embarrassment and low self-esteem inflicted upon the customer in case of service or product failure (Mitchell and Greatorex, 1993, Stone and Winter, 1987). Relatedly, a common theme in the interviews conducted with banking customers, who were explicit about the possible damages that are caused in case of lack of compliance of the Islamic banking services. For instance, in one of the interviews, the interviewee told a story of his friend who comes from a highly religious background and family. He signed up for a credit card from a dual window bank (a conventional bank with an Islamic window). The dilemma started with post-purchase remorse and fear that the product is not religiously compliant, due to the intense feeling of guilt that he may have sinned by purchasing a Haram (impermissible) service.

> *"It was a secret that he kept from his parents, family and colleagues. He did not know what their reaction would be when they know that he is using a Riba (interest based) credit card … it is very difficult as he risks his reputation in his family and work circle"* (Participant # 3)

The literature often describes religious individuals as highly dogmatic and usually displaying lower levels of flexibility and tolerance to risk (Delener, 1994). Perhaps, religious customers would perceive risk in a purchase situation through the religious lens. This is in line with the view of Delener (1990) who found that highly religious individuals perceive higher risk while making a purchase decision, due to lower feelings of security and self-confidence. Similarly, Essoo and Dibb (2004) and Wilkes *et al* (1986) suggest that religiosity largely influences various purchase behaviour and lifestyle constructs including risk avoidance. The result of Hypothesis 10$_A$ is in line with these views and suggests that intrapersonal (cognitive) religious individuals

may display less rational trusting attitudes than their non-religious counterparts may.

In summary, although the results of Hypotheses 10$_A$ and 10$_B$ reveal opposing views on the influence of religiosity on customer trust, they provide valuable insights into the relationship between the constructs. They suggest that interpersonally religious consumers are more likely to develop favourable attitudes towards an organisation and are easier to convince and manage than intrapersonal religious customers. The next section will discuss how the relationships discussed above differ for certain groups of respondents in the sample.

7.4 Group Difference Moderating Analysis

The purpose of the multi-group analysis is to explore the differences among groups of respondents in the research by investigating if there are differences in the model paths based on two categories, namely type of banking model (Islamic vs dual window) and duration of relationship (Short vs Long). In other words, the objective is to check whether the banking model or length of relationship have, if any, an effect on the relationships in the research model. The following discussion will highlight the results of the moderator multi-group analysis for affected paths.

7.4.1 The Moderating Role of the Length of Relationship Duration

As hypothesised, banking relationship duration affects trust development. The results, as presented in Table 7-2, offer interesting insights into the development of trust, while taking into account the duration of the banking relationship.

First, the intensity of the influence of organisational trustworthiness on customer trust has almost doubled in the long banking relationship group. This result is supported by various studies in the trust literature, which assert the importance of the longevity of the relationship on trust (Bejou *et al*, 1998). Trust

may be understood as a dynamic and developmental process; as such, with the element of time in play, customers are exposed to greater experience and familiarisation with the organisation (Swan and Nolan, 1985). The results suggest that customers, who have had a long-term relationship with their bank, may have developed a stronger connection and a sense of commitment towards their bank, which can translate into a stronger desire for relationship continuity with the bank. This view is consistent with research suggesting that buyer-seller relationships advance through several unique stages consisting of different perceptions of the trustworthiness of the other party (Palmer and Bejou, 1994, Dwyer *et al*, 1987). Customers develop a deeper connection with their bank when the relationship enters a stage of stability at the advanced stages of the relationship.

Second, relationship duration has a salient effect on the influence of non-religious drivers of trust on organisational trustworthiness. The effect of expertise and competence, care and consistency, and effective communication on trustworthiness is stronger in the long relationship duration group. This is in line with the expectation that with time, the buyer-seller relationship enters an expansion and commitment stage (Dwyer *et al*, 1987), where customers may develop stronger favourable perceptions of the organisation and make a greater investment in the relationship (Doney and Cannon, 1997). These perceptions are likely to be caused by extensive first-hand experience, which can boost the predictability, and cause customers to become familiarised with the organisation and have greater comfort while interacting with the organisation.

Table 7-2: Summary of the Moderating Effect of Relationship Length

Hypothesis	Path	Result
Hypothesis 1	Perceived expertise and competence is positively related to trustworthiness.	Effect stronger for long relationship duration
Hypothesis 2	Perceived care and consistency of the organisation is positively related to trustworthiness.	Effect stronger for long relationship duration
Hypothesis 3	Effective communication is positively related to trustworthiness.	Effect stronger for long relationship duration
Hypothesis 6$_A$	Organisational religious observance is positively related to trustworthiness.	The effect is insignificant for both groups
Hypothesis 6$_B$	Organisational religious promotion is positively related to trustworthiness.	The effect is insignificant for short relationship duration, while the effect is significant for the long duration group.
Hypothesis 7	Trustworthiness is positively related to customer trust in the organisation.	The effect is much stronger for the long duration group.
Hypothesis 8	Higher levels of customer's disposition to trust will lead to increased customer trust in the organisation.	The effect is insignificant for both groups.
Hypothesis 9$_A$	Intrapersonal customer religiosity is positively related to customer disposition to trust.	The effect is insignificant for both groups.
Hypothesis 9$_B$	Interpersonal customer religiosity is positively related to customer disposition to trust.	The effect is insignificant for the long relationship duration group, while it is significant for the short duration group.
Hypothesis 10$_A$	Intrapersonal customer religiosity is positively related to customer trust.	The effect is insignificant for the short duration group, while it is significant for the long duration group.
Hypothesis 10$_B$	Interpersonal customer religiosity is positively related to customer trust.	

Third, it must also be noted that the effects of customer disposition to trust on customer trust are insignificant across both groups of customers. As mentioned earlier, this result may be explained by the specific composition of the research sample, which comprises of customers belonging to the long-duration group (i.e. 77% of the sample). Also, customer dispositional characteristics become unessential due to excessive levels of risk and

uncertainty involved in the context of financial services exchanges. As a result, trusting decisions much rely upon rational choices and objective evaluations that are based on knowledge about the other party. Therefore, trust dispositions become irrelevant to this specific context. Finally, the effect of religious constructs in the model differs across the two groups. This effect is salient in the long relationship duration. For instance, the effect of organisational religious promotion on trustworthiness diminishes in the short relationship group, while it remains significant in the long relationship duration group. Also, the influence of intrapersonal and interpersonal customer religiosity is significant for the long relationship duration group. These results offer valuable insights into understanding customers at different stages of the relationship. They also reveal the distinctive and sophisticated characteristics of customers with long relationship duration. Surely, they may exhibit more stable attitudes in the relationship than their short-timer counterparts may. However, the results suggest they are more critical and likely to evaluate the organisation religiously. As to why the effect of the religious construct is apparent in the long duration group, a plausible explanation may rest in the fact that respondents in this group are older individuals, who generally exhibit stronger association to religion than younger individuals (Kramer and Fahmy, 2018). These individuals may be more appreciative of religion and have a rather traditional view of religion and its value in life.

7.4.2 The Moderating Role of the Banking Model

The second variable used to differentiate among the respondents in this research is the type of banking model. In a dual banking system, customers display differing attitudes and behaviours towards their banks (Ullah and Lee, 2012, Mansour *et al*, 2010, Ashraf *et al*, 2015). The banking context in Saudi Arabia is a dual banking system consisting of purely Islamic banks and conventional banks with Islamic windows. Accordingly, the objective is to investigate the differences, if any, among the relationships in the model based on the type of institution with which they mainly bank (purely Islamic vs dual window). The results, presented in Table 7-3, reveal that differences exist

among the path relationships in the model depending on the type of banking institution. Therefore, several insights can be obtained from the findings.

First, the findings emphasise the importance of non-religious drivers of trust through their effect on organisational trustworthiness. The influence of a customer's perception of a bank's expertise, care and consistency, and effective communication on trustworthiness is significant across the two groups. Similarly, the effect of trustworthiness on customer trust is significant across the two groups, though the path is relatively stronger for dual-window banking users.

Second, the influence of the two organisational religiosity constructs on organisational trustworthiness differs across the two groups of banking users. The effect of religious organisational attributes seems to be relevant to users of purely Islamic banking services. On the other hand, this effect diminishes for dual-window banking users. This result taken in combination with results of non-religious drivers of trust offers interesting insights into looking at these relationships and comparing between the two groups. Importantly, customers have different motivations when deciding whether to use a purely Islamic bank or a dual window institution. For instance, dual window banking customers may not place a strong emphasis on the religious aspects of their bank. Their trust is driven mainly by non-religious antecedents, which are perhaps sufficient for them to make informed judgments about the organisation's trustworthiness. Conversely, the results indicate that organisational religiosity constructs are significant for customers who use purely Islamic banks, which suggest that these constructs are relevant to the purely Islamic bank category and indeed customers utilise their perception of their bank's religious commitment to make trusting decisions. These results offer support for the importance of religious factors on customers of Islamic banks and in line with a large body of literature on Islamic banking and finance that suggest the important role of religious factors and attributes in driving the choices and preferences of Islamic banking customers.

Table 7-3: Summary of the Moderating Effect of Banking Model

Hypothesis	Path	Result
Hypothesis 1	Perceived expertise and competence is positively related to trustworthiness.	The relationship is significant and invariant across both groups.
Hypothesis 2	Perceived care and consistency of the organisation is positively related to trustworthiness.	The relationship is significant and invariant across both groups.
Hypothesis 3	Effective communication is positively related to trustworthiness.	The relationship is significant and invariant across both groups.
Hypothesis 6$_A$	Organisational religious observance is positively related to trustworthiness.	The relationship is significant for the Islamic banking users group and insignificant for dual-window banking users.
Hypothesis 6$_B$	Organisational religious promotion is positively related to trustworthiness. (Supported – Reverse)	The relationship is significant for the Islamic banking users group and insignificant for dual-window banking users.
Hypothesis 7	Trustworthiness is positively related to customer trust in the organisation.	The relationship is significant across both groups but much higher for dual-window banking users.
Hypothesis 8	Higher levels of Customer's disposition to trust will lead to increased customer trust in the organisation.	The relationship is insignificant across the two groups.
Hypothesis 9$_A$	Intrapersonal customer religiosity is positively related to customer disposition to trust.	The relationship is insignificant across the two groups.
Hypothesis 9$_B$	Interpersonal customer religiosity positively related to customer disposition to trust.	The relationship is significant for the Islamic banking user group, while this effect diminishes in the dual-window user group.
Hypothesis 10$_A$	Intrapersonal customer religiosity is positively related to customer trust.	The relationship is significant for dual-window banking users but insignificant for Islamic banking users group.
Hypothesis 10$_B$	Interpersonal customer religiosity is positively related to customer trust.	The relationship is significant and invariant across both groups.

Finally, the effect of intrapersonal religiosity on customer trust differs across the two groups of banking users. The findings reveal that the relationship

between intrapersonal customer religiosity and customer trust is significant and negative for the dual-window banking user group. Notably, they highlight the critical stance cognitively (intrapersonal) religious customers take against conventional banks with Islamic window. Past research has pointed to the lack of confidence Muslim customers have in conventional banks operating Islamic windows (Ashraf *et al*, 2015). However, it is noteworthy that some indication is present that religious customers use dual-window banks, though the data and results are inconclusive and can only be interpreted within this context. Factors motivating religious customers to bank with dual-window banks may include other factors that are not religious. Future researchers can explore factors motivating religious consumers using dual-window banks.

7.5 Insights from an Alternative Structural Model

An alternative model in this research was estimated based on post hoc modification, including the recognition of emergent structural path(s), and the removal of the insignificant path(s). Although the practice of estimating alternative structural model is consistent with structural equation modelling literature (Kumar and Sharma, 1999, Byrne, 2010, Hair *et al*, 2010), the current research estimated an alternative model on purely empirical grounds rather than seeking support for current theories and hypotheses used in this research. Consequently, the researcher has modified the final model by drawing a direct link between concern and consistency, and customer trust, and deleting the customer disposition to trust to customer trust paths from the model. As a result, several paths in the model became insignificant; namely, Interpersonal Religiosity -> Customer Trust, Intrapersonal Religiosity -> Customer Trust, and Organisational Religious Observance -> Organisational Trustworthiness. These results offer several insights into the importance of perceptions of care and consistency on the development of trust.

First, attributes of the organisation relevant to care, benevolence, integrity and consistency have been considered among the most influential factors driving trust in management and marketing (McEvily and Tortoriello, 2011, Mayer *et al*, 1995, Mayer and Davis, 1999, Cummings and Bromiley, 1996). Sekhon *et*

al (2014) have found that perceptions of shared values and integrity and consistency account for the largest effect on trust in their study of trust and trustworthiness in financial services. These are a part of the affective and relationally oriented drivers of trust, and it is not surprising to observe their dominant effect on shaping trust.

Second, the care and consistency construct consists of attributes relevant to value congruency between the organisation and customer, honesty, and benevolence. These represent the empathy and genuine care the organisation displays while dealing with its customers, and fall under the general heading of customer orientation of the service provider. It has been suggested that organisations that are customer oriented and show empathy to the needs of their customers develop stronger trusting relationships (Palmer and Bejou, 1994, Bejou *et al*, 1998, Bateman and Valentine, 2015, Saxe and Weitz, 1982). The emergence of the significant path in the alternative model highlights the importance of the role of perceptions of empathy and customer orientation in shaping customer trust. In other words, in the presence of such positive and genuine perceptions, religious constructs in the model become less relevant to determining trust.

Finally, the results indicate that strong perceptions of care and consistency would compensate for the effect of perceptions of organisational religious observance. In a banking buyer-seller relationship, such strong perceptions result in strong signals of the compliance of the bank with the religious principles. Insightfully, there is perhaps a greater alignment in values between customers, particularly Islamic banking customers, and banks through their faith and hence the perception of care and consistency may be heightened and emulate perceptions of the bank's religious observance. Conversely, the results suggest that organisational religious promotion remains a significantly negative factor to organisational trustworthiness, which is indicative of the potentially harmful impact of employing explicitly religious marketing strategies and utilising religion in promoting banking services on the trustworthiness of an organisation.

7.6 Summary

This chapter presented the discussion of research results reported in Chapter 6. The chapter initially introduced the conceptual model tested in this research along with a restatement of research hypotheses representing the paths in the research model. A discussion of hypothesis testing results and their link to extant literature was provided. This was followed by a presentation of multi-group moderating analysis results. Finally, the chapter briefly presented and discussed an alternative competing model that emerged from the structural model analysis.

The final chapter will provide a summary of this thesis, present the theoretical and practical implications and contributions of the research, explain limitations and challenges in the current research, and offer venues for future research directions and recommendations.

Chapter 8   Conclusion to the Thesis

8.1 Introduction

This chapter provides concluding remarks on the thesis. It is divided into four main sections. It starts by providing a summary of the thesis and reinstating its objectives in Section 8.2. Then, Sections 8.3 and 8.4   present the main theoretical and practical contributions of research findings. Finally, Section 8.5 discusses some of the limitations of this research and presents venues for future research directions.

8.2 Summary of the Thesis

This research has achieved the following objectives:

1. It has developed an extended conceptual framework that explains customer trust and its antecedents in a financial services context, and empirically tested it using a sample of banking customers from Saudi Arabia.
2. It explored a unique theoretical link between religion and trust in a consumer behaviour context, and empirically demonstrated the influence of religion in shaping customer trust in financial services.
3. It has explained the influence of organisational religiousness or religiosity in shaping the trustworthiness of financial institutions.
4. Finally, it makes several theoretical and methodological contributions to the understanding of trust and practical implications for banks and other financial institutions seeking to develop or deepen their trusting relationships with customers.

Through the literature review on trust, a framework for measuring trust in financial services was identified and chosen as the primary theoretical precursor for this research (Chapter 2). Next, a literature review on religiosity in consumer research and extant literature was conducted to identify and propose a link between trust and trustworthiness, and religiosity (customer and

organisational) (Chapter 3). As a result, the researcher integrated relevant religious constructs into the conceptual model proposed and formulated testable research hypothesises and propositions (Chapter 4). Then, items measuring trustworthiness, trust, and its drivers, customer religiosity, and organisational religiosity were purposefully identified from the literature. A rigorous methodological strategy, consistent with the suggestions of Sekaran and Bougie (2013) and Churchill and Iacobucci (2002), was implemented to identify suitable data collection and analytical methods to aid in answering research questions and achieving its objectives. Consequently, a survey questionnaire method was utilised using traditional and electronic modes of administration to collect data from the research context (Chapter 5). Next, data were screened and prepared for the quantitative analysis; then, data were analysed, and research hypotheses were tested by employing exploratory factor analysis and structural equation modelling analytical techniques (Chapter 6). Finally, the results of this research and its relevance to extant literature were thoroughly discussed (Chapter 7).

The next section highlights the value of this research by discussing key theoretical and methodological contributions it has made to several areas of relevant literature.

8.3 Key Theoretical and Methodological Contributions of the Thesis

This research provides significant insights into the nature of customer – organisation interactions in financial services exchanges and offers several theoretical and methodological contributions that can substantially benefit researchers in the extant literature. The study responds to calls in the literature to account for religious factors that profoundly impact consumer behaviour in general (Mathras *et al*, 2016, Minton and Kahle, 2014) and trust in particular (Minton, 2015). Overall, this work is underpinned by the multidimensional view of trust and draws theoretical foundations of the link between religiosity and trust from psychology, sociology, and personality theories. In doing so, this

thesis and its contributions go some way towards unveiling some of the mysteries that surround the understanding of trust and its nature. This section summaries the theoretical and methodological contributions of this research and discusses their implications.

First, this research contributes to the theory of trust by extending existing knowledge of trust through the inclusion of key variables relevant to religion. This provides a more holistic approach to understanding trust in marketing relationships and how they are formed through acknowledgement of an important cultural dimension. Specifically, it incorporates religiosity on the formation of trust in financial services marketing relationships. Researchers have long asserted the contextual nature of trust suggesting that its nature and constructs behave differently across cultural boundaries (Dietz *et al*, 2010, Zaheer and Zaheer, 2006). Particularly, cultural values have been shown to influence trust building pathways and strategies (Branzei *et al*, 2007, Schumann *et al*, 2010, Grayson *et al*, 2008). Differences have been observed in the way trust develops in individualistic and collectivist cultures (Yamagishi *et al*, 1998, Schumann *et al*, 2010). As companies expand globally, the understanding of subtle differences that exist across cultures and their effect on the process of building trust becomes crucial (Doney and Cannon, 1997). Among the most pervasive and ubiquitous cultural dimensions is the religious influence with approximately 84% of the world population characterised as religiously affiliated (Pew Research Center, 2012), yielding a tremendous influence on marketing and consumption of products and services. Also, the way in which cultural factors and values impact on trust have long been a debated subject in the literature (cf. Doney *et al*, 1998, Noorderhaven, 1999). This research contributes to the understanding of trust by focusing on specific psychological processes that are drawn from the wider cultural sphere and underlie the development of trust in marketing relationships.

Second, the research contributes by drawing on the multidimensional perspective. The multidimensional perspective on trust provides a holistic approach to understanding the process of trust development. Several studies

focused on firm-related attributes that drive trust in the organisation. The findings in this research reinforce this view and suggest that trust is driven by three antecedents, namely expertise and competence, care and consistency, and effective communication. Nevertheless, it must be noted that dimensionality issues were present in some of the research constructs. Integrity and consistency, shared values and concern and benevolence, as well as the cognitive and affective trust dimensions were not distinguished in the sample. While these results provide some indication that trust is fairly consistent in terms of its antecedents, they suggest that their importance and performance in the model is perhaps underlined by subtle contextual or cultural effects, especially affective drivers of trust (i.e. concern and benevolence and shared values). This begs the question of whether the psychological processes of building trust are similar across contextual boundaries. Thus, the findings of this research test the assumption that trust drivers and building processes are universally applicable and provide an insightful research agenda for trust researchers to further extend the understanding of trust from a cross cultural perspective.

Third, this research contributes by providing a more nuanced understanding of two views on trust antecedents, namely the firm-related (i.e. organisational religiosity) and consumer-related (i.e. customer religiosity) drivers of trust to demonstrate the value and relevance of religion as an essential and novel influencer of trust. In doing so, the findings indicate that religiosity, a core customer characteristic is central to the understanding of trust development process. Customers differ in their trust based on their cognitive and behavioural religious commitment with cognitively religious consumers displaying less trust and more scepticism, and behaviourally religious consumers holding positive, trusting attitudes towards a trustee. The central role of religiosity, as a customer trait, should alert researchers about the significance of religion as a driver of behaviour and an influencer of core values and beliefs (La Barbera and Gürhan, 1997). In essence, this research responds to calls in the literature for testing the role of religious constructs in terms of their psychological effects on behaviour rather than utilising them as

market segmentation variables (Mathras *et al*, 2016, Minton and Kahle, 2014). This research appeals to the broader literature by tapping into customer religiosity as a process to explain its psychological effects on the formation of trust.

The study also contributes to the organisational reputation literature by demonstrating the importance of religiosity as an organisational attribute that has a significant influence on trust formation as an influencer of trustworthiness. In essence, customer belief about the religious compliance of products and services, and observance of its staff and leaders enhance its trustworthiness reputation. On the other hand, the belief about the extent to which an organisation utilises religion in the marketing and promotion of its products and services has harming effects on trustworthiness. The identification of organisational religiosity constructs contributes to theories emphasising the role of trustworthiness in driving trust. Although these constructs have been explored within the context of financial services, they have several theoretical implications that can be of benefit to researchers. The findings, particularly those concerning organisational religious promotion, can have greater appeal for the branding literature. Religious values have been shown to influence various shopping and consumption choices relevant to food (e.g. Halal and Kosher) and clothing (Minton and Kahle, 2014, Einstein, 2008). As a result, the influence of these values on marketing activities is unquestionable, so religious branding has been a prominent feature of many companies to appeal to religious consumers (Einstein, 2008, Minton and Kahle, 2014, Alhouti *et al*, 2015). The basic premise is that a theoretical distinction may be made between favourable and unfavourable religious signalling in branding and advertising. The framework can be extended to further understand the role of organisational religiosity in building brand personality when marketing religious products and services. With the insightful findings obtained, a market researcher interested in religious branding might ask: to what extent should religious signalling and referencing be used in brands? How would different segments of the target market react to such signals? Therefore, the insights from this study can contribute to the wider

marketing and branding literature and the understanding of religion within their domains, as well as the broader corporate reputation literature.

Additionally, suggestions relevant to the effects of customer and organisational religiosity constructs in this research offer an insightful view of the customer – organisation relationships. The view of customer religiosity as a set of individual values that may align with those of the organisation may provide further insights into the understanding of organisational behaviours and functions. More importantly, as the results suggest that organisational religious promotion and observance have negative and positive effects on trustworthiness respectively, this research can provide a fruitful agenda for understanding the repercussions of these constructs on crucial aspects of management and marketing functions such as strategic planning, corporate social responsibility (CSR), and employee and customer empowerment. In essence, organisations, similar to people, are interactive and exhibit dynamic and fluid behaviours and attitudes that reflect their beliefs and values.

Finally, this research offers several methodological contributions. To start, the model in this research offers a novel approach to viewing trust. It responds to calls for theoretical testing of relationships between religiosity and consumer behaviour constructs (Mathras *et al*, 2016, Minton and Kahle, 2014) as well as between consumer-oriented constructs and trust (Minton, 2015). Also, as previously mentioned, the integration of religiosity constructs in the research model aims primarily at understanding the psychological processes that underlie trust development. This approach is contrary to the common treatment of religious constructs in marketing studies as segmentation variables (Mathras *et al*, 2016). Lastly, the research provides justification for a well-thought-out approach to understand better the processes outlined in the model through categorising participants based on the type of banking model and relationship duration with their service provider. Such an approach facilitated analysis of temporal effects and type of banking on trust development and assessed in obtaining more in-depth insights into interrelationships amongst constructs in the model.

8.4 Implications for Practice

In addition to the above highlighted theoretical contributions, this research provides several practical implications for banks and marketers.

First, this research highlights two important religious commitment aspects that have profound influences on shaping customer trust. To start, customer perception of religious observance of a bank is an essential driver of trustworthiness. Banks should adopt a genuine approach in addressing concerns about religious compliance of services. Having a clear mission statement that highlights the importance of religion to the bank is important, but banks also need to walk the talk and put religious principles into practice. Religious knowledge about the services and transparent process of service development may signal genuine sacred intention and religious compliance, which will in turn increase trustworthiness. Banks can capitalise on this in two useful ways. The first is that they can adopt a more proactive approach in collaborating with other relevant stakeholders, such as governmental agencies and other regulatory bodies to develop and enhance a comprehensive system that ensures the compliance of financial services to religious principles. In parallel, banks can take a strong initiative to empower their customers by providing educational programmes and campaigns that aim at making customers informed about technical and religious aspects of their financial services.

Conversely, high emphasis on religion in promoting products can adversely affect trust. The results suggest that the religious orientation of bank leadership and the overall religious reputation of the bank are not as important to customers as assurances of genuine compliance with and observance to religious principles. The utilisation of religion in pushing customers to purchase more and for purely profit motives may appear hypocritical; thus, reducing trustworthiness. It is also noteworthy that there is a thin line between these two religious aspects of organisational religiosity, so banks need to balance the two and lower the use of religious tone in their marketing, but at the same token

do not neglect the importance of displaying the religious compliance of services.

Second, in addition to the above two organisational religiosity constructs, marketers should focus their efforts on developing strategies to improve other non-religiously oriented attributes of the organisation. For instance, perceptions of expertise and competence, care and consistency, and effective communication have been shown to influence trustworthiness positively. Moreover, these perceptions can be categorised as cognitive, affective, and procedural. Such categorisation may be helpful to banks in developing sound strategies for managing their trustworthiness. For instance, expertise and competence perception represents the rational side of trust, care and consistency perception highlights the more emotional trust responses, while the role of effective communication emphasises the process through which these trust signals, both cognitive and affective, are delivered to the customer. Visualising and treating the trust process in such a manner can be of benefit to marketers in prioritising and emphasising where more efforts are needed for developing or repairing trust.

Third, perceptions of care and consistency have a profound influence on the effect of the two religious aspects of the bank. Results from a competing model reveal that in the presence of strong perceptions of care and consistency, the effect of organisational religious observance becomes negligible. They point to the value of showing genuine care about customer interests, and consistent and honest behaviour, which are crucial to banks; notwithstanding the influence of perceptions of organisational religious observance. In opposition, the influence of organisational religious promotion remains negative even in the presence of strong levels of care and consistency perceptions.

Fourth, customer trust levels in their bank vary based on their level of religious commitment. This research has provided valuable insights into understanding religious consumers. Banks and practitioners should develop their approaches, while dealing with such unique segments of the target market, accordingly. Customers who describe themselves as cognitively

(intrapersonally) religious display less trusting attitudes towards banks. Conversely, behaviourally (interpersonally) religious customers are more trusting of banks. Perhaps, banks should develop and implement strategies aiming at addressing these unique segments. For instance, banks should perhaps adopt less aggressive, and more customer-oriented sales strategies when targeting cognitively religious consumers. Promotional materials directed at these consumers should be more informative and assuring about the compliance of services. Also, it may be implied from the results that these customers possibly have extensive religious and scriptural knowledge; thus, banks should approach and address them with care.

Finally, relationship duration has a subtle effect on the trust development process. Customers who have been with their banking institutions for extended periods appear to be more proactive in utilising their religiosity in making trust decisions. This result has perhaps two implications. The first is that this group of customers are older and more religious; thus, they see more utility in using their religious beliefs in their purchase decisions and exchanges with their banking institutions. The second implication is that marketers should perhaps be more careful and less provocative in their marketing approaches with this group of customers. The increasing influence of personal religiosity in this segment would indicate that these customers are possibly more penalising in case of religious violation by banks. Conversely, religious constructs in the research including customer and organisational dimensions are insignificant in determining trust for short-term relationship duration customers. This implies that customers are relatively less religiously critical during initial stages of banking relationships and more likely to focus on non-religious drivers of trust.

8.5 Limitations and Future Research Directions

Although this research offers several useful insights into the development of customer trust in financial services, several limitations exist in this study, so results and implications presented herein should be construed accordingly.

First, the sample in this research was drawn from the context of Saudi Arabia. While this context presents an excellent opportunity for studying religious effects on customer trust, results should be interpreted and generalised carefully. It is expected that the attitudes and behaviours of customers may vary not only across religions but also across sects within the same faith, due to national cultural influences and different interpretations of religious texts. Subtle differences exist among different Muslim countries in their understanding and interpretation of Sharia compliance. It is possible that Muslims in other countries may behave differently as too individuals from other religions and faiths. Future researchers should extend the model to Muslims in other country contexts and to other religions. This will help understand the wider impact of religiosity, rather than the impact of a single religion, and reinforce the findings of the research.

Second, although the current research provides an applicable and relevant approach, to view and understand customer trust in financial services, it has collected data from business-to-consumer (B2C) retail banking customers. The results may not be generalisable to other banking or financial service contexts, such as corporate and business-to-business banking services, investment services, or even online banking services. Also, the research did not distinguish between online and offline banking customers. Other forms and modes of financial services exchange may manifest different elements of the relationship between a customer and a service provider, which can potentially cause different attitudes and behaviours to emerge. Future research should replicate the research in different segments and contexts and extend the framework beyond retail and offline banking. This will ultimately aid researchers in observing differences and similarities across these contexts and reinforce research findings.

Third, this research encountered several issues concerning the dimensionality of some of research constructs. As previously mentioned, these outline the contextual nature of the trust concept and may have been caused by subtle cultural differences that impact on trust development processes and pathways.

Also, these issues may underlie limitations in current trust theories that have been mainly developed in western contexts and highlight the need for further theory development in the domain. Future researchers are encouraged to engage in interpretative research employing qualitative methods to inductively generate applicable theories and conceptualisations and to understand the phenomenon of trust from a cross-cultural perspective.

Fourth, this research has utilised self-reported instruments to capture latent contracts and collect data about research participants. Self-reported methods are commonly used in the fields of psychology and social sciences. However, issues such as social desirability bias and non-response bias can distort the results of the survey (McDonald, 2008). Several measures were taken in this research to minimise these issues. To start, the survey in the current research has used multi-item instruments to capture research constructs. Then, it has been subjected to a rigorous development process including its translation from English to Arabic to achieve high levels of content validity. Respondent self-completion was utilised as an administration method of the survey to provide participants with a chance to complete the survey privately, conveniently, and comfortably at their own time and pace. Also, the survey was presented to participants with a cover letter containing assurances of response and identity anonymity, and an envelope that can be sealed after completion of the survey to ensure the confidentiality of their responses.

Fifth, data in the current research were collected from banking customers at a single point in time utilising a cross-sectional approach due to time and resource constraints; thus, the probability for common method bias is present in this research (Malhotra *et al*, 2017). However, common method bias has not been an issue in this research following the utilisation the Harman single factor and common latent factor methods. Also, the results of the measurement model have revealed acceptable levels of discriminant validity. Future researchers may utilise more extensive and sophisticated statistical methods such as the multitrait-multimethod and marker variable techniques to examine the influence of common method effects. Equally, future researchers are

encouraged to adopt a longitudinal research design to gain a deeper understanding of temporal effects on consumer behaviours especially their trusting attitudes towards their banks. Such a design can also provide insights concerning the impact of religion on the process of trust. Researchers can observe changes in the effects of religious constructs in the model over time.

Sixth, this research has utilised non-probabilistic sampling methods to locate and recruit participants in the study. A disadvantage of utilising such techniques is that the selection of participants does not rely on an objective means; thus, limiting the generalisability of the findings (Malhotra *et al*, 2012). Although this research has implemented a carefully developed sampling process to minimise the disadvantages and limitations associated with this through comparison against official census data and figures, future researchers should aim at utilising probabilistic selection techniques. This will offer reinforcement and greater generalisability of the results.

Finally, this research was conducted in a context that is vastly influenced by Islamic banking, where every banking institution offers Islamic banking services including conventional ones (i.e. dual-window banking). Future researchers are encouraged to replicate the study in contexts where wholly conventional and Islamic banks operate side by side to observe how constructs in the model behave between the two distinct banking systems.

8.6 Summary

This thesis has provided an integrative and interdisciplinary approach to understanding customer trust in financial services marketing relationships. A model has been derived from the literature and modified by the inclusion of religiosity constructs relevant to the organisation and the customer. The results demonstrate the importance of religious values, particularly religiosity, in shaping customer trust in financial services marketing relationships and offer useful implications for theory and practice, which were discussed thoroughly in this chapter.

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Appendix A – Survey Questionnaire

UNIVERSITY OF EDINBURGH
Business School

RELIGIOSITY AND CUSTOMER TRUST IN FINACIAL SERVICES

Dear Madam/Sir,

At The University of Edinburgh Business School, I am conducting research into the role of religiosity in customer trust in the banking industry. This questionnaire seeks to gather individuals' views on trust and religion in relation to their bank, to better understand the customer-bank relationship. Your cooperation in the survey would be much appreciated and should take around 10 minutes to complete.

I can assure you that all responses to the questions will be treated as confidential, will only be used for the purpose of this research, and no individuals will be identified. Your participation is voluntary and you may choose to opt out from completing the survey at any time. If you have any concerns that you would like to discuss, please do not hesitate to contact me at any time.

For additional information and feedback about this research and its results, please feel free to contact the researcher.

Sincerely,

Basem Alhazmi
b.alhazmi@sms.ed.ac.uk

□ Please tick this box to confirm that you have read and agreed to the information above, and you provide your consent to participate in this survey.

Section A: Customer Trust

Please indicate your level of agreement with the following statements <u>about your main bank</u> by **circling** the appropriate response.

Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1. I trust my bank to do what it says it will do	5	4	3	2	1
2. I trust my bank to have my best interests at heart	5	4	3	2	1
3. My bank is very reliable	5	4	3	2	1
4. My bank is always honest with me	5	4	3	2	1
5. My bank is concerned about my best interests	5	4	3	2	1
6. My bank makes every effort to address my needs	5	4	3	2	1

Section B: Drivers of Trustworthiness

Please indicate your level of agreement with the following statements <u>about your main bank</u> by **circling** the appropriate response.

Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
My main bank …					
1. Keeps its word	5	4	3	2	1
2. Shows high integrity	5	4	3	2	1
3. Is honest	5	4	3	2	1
4. Conducts transactions fairly	5	4	3	2	1
5. Is consistent in what it does	5	4	3	2	1
6. Has the information it needs to conduct its business	5	4	3	2	1
7. Competently handles all my requests	5	4	3	2	1
8. Is efficient	5	4	3	2	1
9. Is knowledgeable	5	4	3	2	1
10. Communicates clearly	5	4	3	2	1
11. Is responsive when contacted	5	4	3	2	1
12. Informs me immediately of any problems	5	4	3	2	1
13. Informs me immediately of new developments	5	4	3	2	1
14. Communicates regularly	5	4	3	2	1
15. Does whatever it takes to make me happy	5	4	3	2	1
16. Acts in the best interests of its customers	5	4	3	2	1
17. Can be relied upon to give honest advice	5	4	3	2	1
18. Shows respect for the customer	5	4	3	2	1
19. Treats customers fairly	5	4	3	2	1
20. Is receptive to my needs	5	4	3	2	1
21. Has the same concerns as me	5	4	3	2	1
22. Has the same values as me	5	4	3	2	1

Section C: Attitude toward trusting others

Please indicate your level of agreement with the following statements by **circling** the appropriate response.

Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1- I generally trust other people	5	4	3	2	1
2- I tend to count upon other people	5	4	3	2	1
3- I generally have faith in humanity	5	4	3	2	1
4- I feel that people are generally reliable	5	4	3	2	1
5- I generally trust other people unless they give me reason not to	5	4	3	2	1

Section D: Organisational Trustworthiness

Please indicate your level of agreement with the following statements <u>about your main bank</u> by **circling** the appropriate response.

Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1- My bank has a reputation for being honest	5	4	3	2	1
2- My bank has a reputation for looking after its customers	5	4	3	2	1
3- My bank has a reputation for having its customer's interests at heart	5	4	3	2	1

Section E: Attitude toward religion/religiosity

Please indicate your level of agreement with the following statements by **circling** the appropriate response.

Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1- My religious beliefs lie behind my whole approach to life	5	4	3	2	1
2- I spend time trying to grow in understanding of my faith	5	4	3	2	1
3- It is important to me to spend periods of time in private religious thought and reflection	5	4	3	2	1
4- Religious beliefs influence all my dealings in life	5	4	3	2	1
5- Religion is especially important to me because it answers many questions about the meaning of life	5	4	3	2	1
6- I often read books and magazines about my faith	5	4	3	2	1
7- I enjoy working in the activities of my religious organization	5	4	3	2	1
8- I enjoy spending time with others of my religious affiliation	5	4	3	2	1
9- I keep well informed about my local religious group and have some influence in its decisions	5	4	3	2	1
10- I make financial contributions to my religious organization	5	4	3	2	1

Section F: Organisational Religiosity

This section is related to religious aspects of banks. Please indicate the level of importance of the following statements <u>about your main bank</u>.

Statement	Very Important	Important	Moderately Important	Slightly Important	Not at all Important
1- My bank has a religiously explicit mission statement	5	4	3	2	1
2- My bank puts religious principles into actions	5	4	3	2	1
3- My bank uses religious images in its marketing	5	4	3	2	1
4- My bank exhibits a high degree of observance to religious (Shariah) principles	5	4	3	2	1
5- My bank uses religion to encourage customers	5	4	3	2	1
6- My bank's leadership is religiously oriented	5	4	3	2	1
7- Services offered by my bank are compliant with religious (Shariah) principles	5	4	3	2	1
8- My bank's employees demonstrate high religious observance	5	4	3	2	1
9- My bank has a strong religious reputation	5	4	3	2	1
10- My bank's sole purpose is profit	5	4	3	2	1
11- My bank is consistent with principles of economic and social justice	5	4	3	2	1
12- Employees are knowledgeable about religious aspects of services	5	4	3	2	1
13- My bank tends to have a positive influence on society	5	4	3	2	1

Section G: Additional Information

Do you have an Islamic banking product?	□ Yes	□ No
If yes, what is the type of Islamic banking product? (you may choose more than one)	□ Personal finance □ Home finance □ Car finance	□ Credit Card □ Takaful Insurance □ Other, please specify ………….
What is your main bank?	□ The National Commercial Bank □ The Saudi British Bank □ Saudi Investment Bank □ Arab National Bank □ Saudi Hollandi Bank	□ Al Rajhi Bank □ Riyad Bank □ Alinma Bank □ Bank Albilad □ Bank Aljazira □ Banque Saudi Fransi □ Samba Financial Group (Samba)
Duration of relationship with bank	□ 0 – 5 years □ 6 – 10 years □ 11 – 15 years	□ 16 – 20 years □ 21 or more years
Your gender	□ Male	□ Female
Your age	□ 18-25 years □ 26-35 years □ 36-45 years	□ 46-55 years □ 56-65 years □ 66 years or above
Your marital status	□ Single □ Married □ Other	
Your highest educational qualification	□ High School or Below □ Diploma □ Bachelor's/undergraduate □ Master's/postgraduate or above	
Your region	□ Makkah Region □ Riyadh Region □ Qasim Region □ Tabuk Region □ Asir Region □ Hail Region	□ Madinah Region □ Eastern Region □ Jazan Region □ Baha Region □ Northern Borders □ Jouf Region

Appendix B – Data Collection Procedure

Field Worksheet Planning and Record Keeping			
Fieldwork Duration	27 MAY 2017 - 25 AUG 2017	90 days	
Actual Duration	01 JUN 2017 to 23 JUN 2017	22 days	62 days (approx. 9 weeks)
	10 JUL 2017 to 20 AUG 2017	40 days	

Paper Survey			
Name of Organisation	Type	Section	Location
General Organization for Social Insurance (Branch)	Public	Male	Jeddah
General Organization for Social Insurance (Branch)	Public	Male	Madinah
Directorate of Health Affairs (Branch)	Public	Male / Female	Jeddah
Al-Rajhi Bank (Branch)	Private	Male / Female	Makkah
Al-Rajhi Bank (Branch)	Private	Male / Female	Jeddah
Inma Bank	Private	Male / Female	Madinah
Directorate of Health Affairs (Branch)	Public	Male / Female	Madinah
The National Commercial Bank (Branch)	Private	Male / Female	Madinah
Madinah Municipality	Public	Male / Female	Madinah
The National Commercial Bank (Branch)	Private	Male / Female	Jeddah
Inma Bank	Private	Male / Female	Jeddah
Agricultural Development Fund (Branch)	Public	Male	Madinah
Ministry of Justice (Branch)	Public	Male	Madinah
Paper Survey Distribution *(Distributed = 650; Returned = 317; Response % = 48.77%*			

Online Survey			
Name of Organisation	**Type**	**Section**	**Location**
Umm Al-Qura University (Jamoum Campus)	Public	Male / Female	Makkah
Umm Al-Qura University (Makkah Campus)	Public	Male / Female	Makkah
Taiba University	Public	Male / Female	Madinah
Al-Moammar Information Systems	Private	Male	Riyadh
General Commission for Audio-visual Media	Public	Male / Female	Dammam
General Commission for Audio-visual Media	Public	Male / Female	Riyadh
Madinah Municipality	Public	Male / Female	Madinah
General Organization for Social Insurance (Branch)	Public	Male / Female	Riyadh
General Organization for Social Insurance (Branch)	Public	Male / Female	Dammam
Jeddah Municipality	Public	Male / Female	Jeddah
Online Survey Distribution *(Returned = 497; completion rate % = 50.66%*			

Appendix C – List of Excluded Cases

Case #	Type of Survey	Time (minutes)	Reason
Excluded Cases (n = 23)			

| Excluded Cases (n = 23) |

Case #	Type of Survey	Time (minutes)	Reason
12	Online	02:51	Unengaged respondent. No variation in answers provided. Survey completed in 2:51 minutes well below average completion time 10:36.
26	Online	06:49	Unengaged respondent. Same answer to all questions.
33	Online	10:01	no variation in answers
98	Online	07:07	No variation in answers. Age 56-65 and banking relationship 0-5 years
101	Online	06:52	Short completion time and have a unified answer to all questions.
120	Online	13:45	Unengaged respondent. Same answer to all questions.
141	Online	07:27	Unengaged respondent. Mostly one answer to survey questions.
160	Online	08:14	Unengaged respondent. Mostly one answer to survey questions.
171	Online	08:32	Unengaged respondent. Mostly one answer to survey questions.
172	Online	04:43	Uniform responses and short completion time.
220	Online	15:21	Unengaged respondent. One answer (5) was chosen across all items
316	Online	06:27	No variation in answers. Completed survey in 6:27 minutes.
368	online	51:15:00	Unengaged responses and survey took 51:15 minutes to complete.
373	Online	07:24	Unengaged respondent. One answer (4) was chosen across all items
389	Online	03:35	Short completion time and provided one answer to all questions.
435	online	05:08	Unengaged responses and survey took 5:08 minutes to complete.
483	Online	07:28	No variation in answers. Age 46-55 and banking relationship is 0-5 years.
488	Online	04:00	Unengaged, short time for completion
497	Online	03:39	Unengaged respondent. No variation in answers and survey was completed in 3:39.
607	Paper	NA	Unengaged respondent. Mostly one answer to survey questions. Answers to age and relationship duration with bank are somewhat not plausible. E.g., age is 26-35 and duration is 11-15.
645	Paper	NA	No variation in answers. All questions answered 4
765	Paper	NA	no variation in answers
777	Paper	NA	No variation in answers

Appendix D - Missing Data Summary and Diagnosis

Summary of missing Data			
Construct	**Item**	**Missing (N)**	**Missing (%)**
Organisational Trustworthiness	TW1	1	.13%
	TW2	2	.26%
	TW3	2	.26%
Cognitive Trust	TRUST1	1	.13%
	TRUST2	4	.52%
	TRUST3	1	.13%
Affective Trust	TRUST4	2	.26%
	TRUST5	6	.78%
	TRUST6	2	.26%
Expertise and Competence	EXP1	3	.39%
	EXP2	3	.39%
	EXP3	8	1.05%
	EXP4	8	1.05%
Integrity and Consistency	IC1	2	.26%
	IC2	3	.39%
	IC3	2	.26%
	IC4	3	.39%
Communications	COM1	1	.13%
	COM2	6	.78%
	COM3	4	.52%
	COM4	3	.39%
Shared Values	SV1	1	.13%
	SV2	5	.65%
	SV3	4	.52%
Concern and Benevolence	CB1	4	.52%
	CB2	3	.39%
	CB3	2	.26%
	CB4	0	0%
Disposition to Trust	TD1	0	0%
	TD2	1	.13%
	TD3	4	.52%
	TD4	1	.13%
	TD5	0	0%
Intrapersonal Religiosity	INTRARLG1	0	0%
	INTRARLG2	1	.13%
	INTRARLG3	2	.26%
	INTRARLG4	2	.26%
	INTRARLG5	1	.13%

	INTRARLG6	0	0%
Interpersonal Religiosity	INTERRLG1	2	.26%
	INTERRLG2	1	.13%
	INTERRLG3	1	.13%
	INTERRLG4	5	.65%
Organisational Religiosity	ORRLG1	2	.26%
	ORRLG2	4	.52%
	ORRLG3	4	.52%
	ORRLG4	5	.65%
	ORRLG5	3	.39%
	ORRLG6	3	.39%
	ORRLG7	1	.13%
	ORRLG8	2	.26%
	ORRLG9	8	1.05%
	ORRLG10	6	.78%
	ORRLG11	4	.52%
	ORRLG12	1	.13%
	ORRLG13	1	.13%
Main Bank	Bank	6	.78%
Banking Relationship Duration	Relationship Duration	7	.92%
Gender	Gender	18	2.35%
Age	Age	4	.52%
Marital Status	Marital Status	16	2.09%
Educational Qualification	Education	8	1.05%
Region	Region	0	0%

Overall Summary of Missing Data
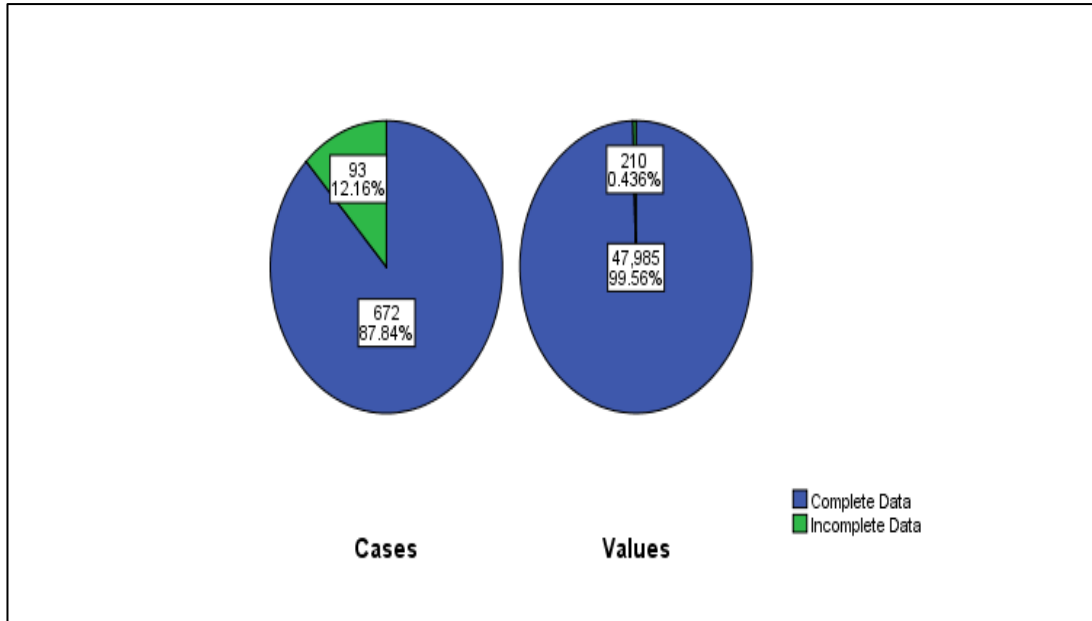
Missing Value Patterns
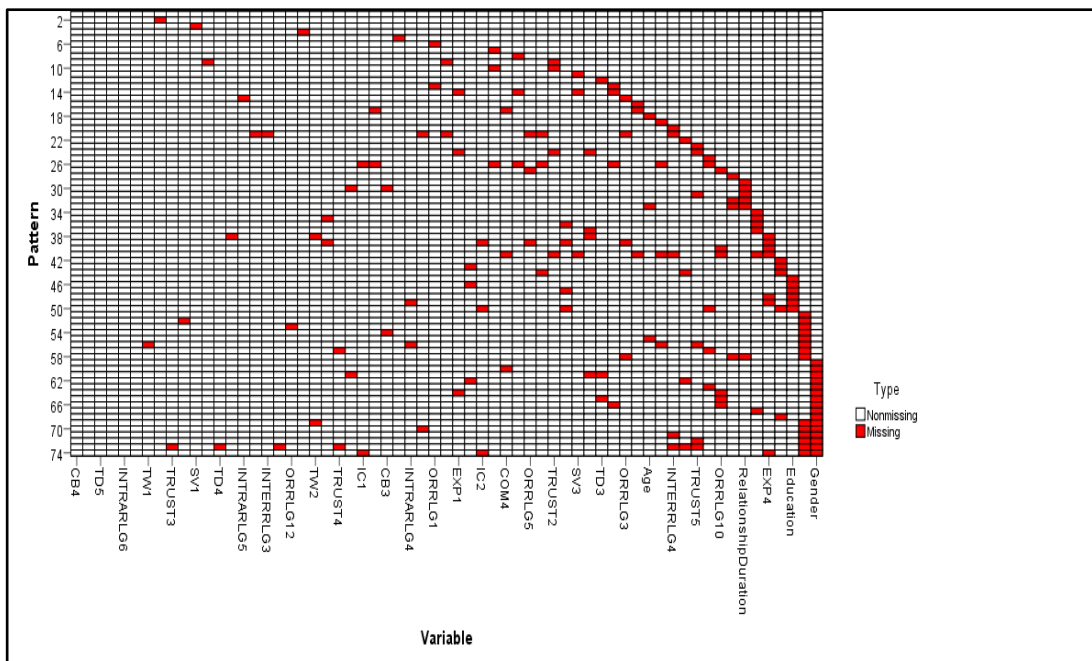
Appendix E – Normality Check

Kolmogorov-Smirnov and Shapiro-Wilk Tests for Normality					
Items	**Kolmogorov-Smirnov**[a]			**Shapiro-Wilk**		
	Statistic	df	Sig.	Statistic	df	Sig.
TW1	.263	765	.000	.867	765	.000
TW2	.255	765	.000	.886	765	.000
TW3	.228	765	.000	.895	765	.000
TRUST1	.233	765	.000	.889	765	.000
TRUST2	.203	765	.000	.907	765	.000
TRUST3	.278	765	.000	.864	765	.000
TRUST4	.251	765	.000	.888	765	.000
TRUST5	.223	765	.000	.907	765	.000
TRUST6	.221	765	.000	.900	765	.000
EXP1	.306	765	.000	.832	765	.000
EXP2	.278	765	.000	.871	765	.000
EXP3	.292	765	.000	.860	765	.000
EXP4	.285	765	.000	.836	765	.000
IC1	.228	765	.000	.894	765	.000
IC2	.211	765	.000	.895	765	.000
IC3	.237	765	.000	.889	765	.000
IC4	.207	765	.000	.904	765	.000
COM1	.294	765	.000	.863	765	.000
COM2	.210	765	.000	.902	765	.000
COM3	.200	765	.000	.905	765	.000
COM4	.189	765	.000	.913	765	.000
SV1	.206	765	.000	.909	765	.000
SV2	.194	765	.000	.914	765	.000
SV3	.213	765	.000	.909	765	.000
CB1	.178	765	.000	.913	765	.000
CB2	.204	765	.000	.910	765	.000
CB3	.202	765	.000	.911	765	.000
CB4	.259	765	.000	.872	765	.000
TD1	.282	765	.000	.866	765	.000
TD2	.222	765	.000	.897	765	.000
TD3	.229	765	.000	.897	765	.000
TD4	.261	765	.000	.880	765	.000
TD5	.304	765	.000	.841	765	.000
INTRARLG1	.344	765	.000	.712	765	.000
INTRARLG2	.238	765	.000	.826	765	.000
INTRARLG3	.244	765	.000	.821	765	.000
INTRARLG4	.318	765	.000	.749	765	.000

INTRARLG5	.414	765	.000	.637	765	.000
INTRARLG6	.223	765	.000	.878	765	.000
INTERRLG1	.238	765	.000	.879	765	.000
INTERRLG2	.227	765	.000	.875	765	.000
INTERRLG3	.254	765	.000	.886	765	.000
INTERRLG4	.252	765	.000	.864	765	.000
ORRLG1	.166	765	.000	.903	765	.000
ORRLG2	.182	765	.000	.893	765	.000
ORRLG3	.164	765	.000	.904	765	.000
ORRLG4	.180	765	.000	.888	765	.000
ORRLG5	.176	765	.000	.901	765	.000
ORRLG6	.163	765	.000	.907	765	.000
ORRLG7	.202	765	.000	.861	765	.000
ORRLG8	.181	765	.000	.909	765	.000
ORRLG9	.163	765	.000	.903	765	.000
ORRLG10	.224	765	.000	.846	765	.000
ORRLG11	.172	765	.000	.898	765	.000
ORRLG12	.165	765	.000	.907	765	.000
ORRLG13	.194	765	.000	.884	765	.000

Skewness and Kurtosis Values for Normality				
Construct	Item	SD	Skewness	Kurtosis
Organisational Trustworthiness	TW1	1.003	-0.727	0.203
	TW2	1.032	-0.52	-0.3
	TW3	1.025	-0.449	-0.255
Cognitive Trust	TRUST1	0.975	-0.478	-0.01
	TRUST2	1.031	-0.242	-0.381
	TRUST3	0.964	-0.726	0.373
Affective Trust	TRUST4	1.031	-0.521	-0.238
	TRUST5	1.05	-0.128	-0.431
	TRUST6	1.041	-0.403	-0.352
Expertise and Competence	EXP1	0.826	-0.769	0.827
	EXP2	0.929	-0.55	-0.035
	EXP3	0.973	-0.715	0.168
	EXP4	0.874	-0.856	0.994
Integrity and Consistency	IC1	0.999	-0.429	-0.18
	IC2	1.019	-0.426	-0.131
	IC3	0.997	-0.506	-0.057
	IC4	1.08	-0.38	-0.43
Communications	COM1	1.048	-0.496	0.687
	COM2	1.078	-0.398	-0.421
	COM3	1.07	-0.356	-0.403
	COM4	1.115	-0.156	-0.657
Shared Values	SV1	1.039	0.095	-0.372
	SV2	1.093	-0.111	-0.576
	SV3	1.099	0.029	-0.518
Concern and Benevolence	CB1	1.119	-0.209	-0.667
	CB2	1.084	-0.139	-0.442
	CB3	1.105	-0.19	-0.514
	CB4	1.074	-0.723	0.057
Disposition to Trust	TD1	0.891	-0.536	0.017
	TD2	0.966	0.233	-0.492
	TD3	1.055	-0.404	-0.493
	TD4	0.952	-0.442	-0.326
	TD5	0.894	-0.821	0.693
Intrapersonal Religiosity	**INTRARLG1**	**0.695**	**-1.363**	**2.395**
	INTRARLG2	0.751	-0.335	-0.629
	INTRARLG3	0.748	-0.494	-0.137
	INTRARLG4	0.68	-0.889	0.468
	INTRARLG5	**0.585**	**-1.511**	**2.51**
	INTRARLG6	0.879	-0.269	-0.029

Interpersonal Religiosity	INTERRLG1	0.926	-0.113	-0.225
	INTERRLG2	0.938	-0.264	0.094
	INTERRLG3	0.987	-0.063	0.002
	INTERRLG4	0.912	-0.621	0.585
Organisational Religiosity	ORRLG1	1.163	-0.302	-0.645
	ORRLG2	1.182	-0.438	-0.551
	ORRLG3	1.261	-0.225	-0.947
	ORRLG4	1.203	-0.454	-0.632
	ORRLG5	1.248	-0.332	-0.808
	ORRLG6	1.271	-0.152	-0.937
	ORRLG7	1.169	-0.625	-0.447
	ORRLG8	1.189	0.171	-0.705
	ORRLG9	1.299	-0.208	-0.999
	ORRLG10	1.152	-0.698	-0.359
	ORRLG11	1.151	-0.381	-0.513
	ORRLG12	1.174	-0.258	-0.685
	ORRLG13	1.279	-0.471	-0.784

* SE for skewness = .088; SE for kurtosis = .177

Appendix F – Diagnosis of Univariate Outliers

Organisational Trustworthiness

Customer Trust

Expertise and Competence

Integrity and Consistency

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Communication

Shared Values

Concern and Benevolence

Trust Disposition

Intrapersonal Religiosity

Interpersonal Religiosity

Organisational Religiosity

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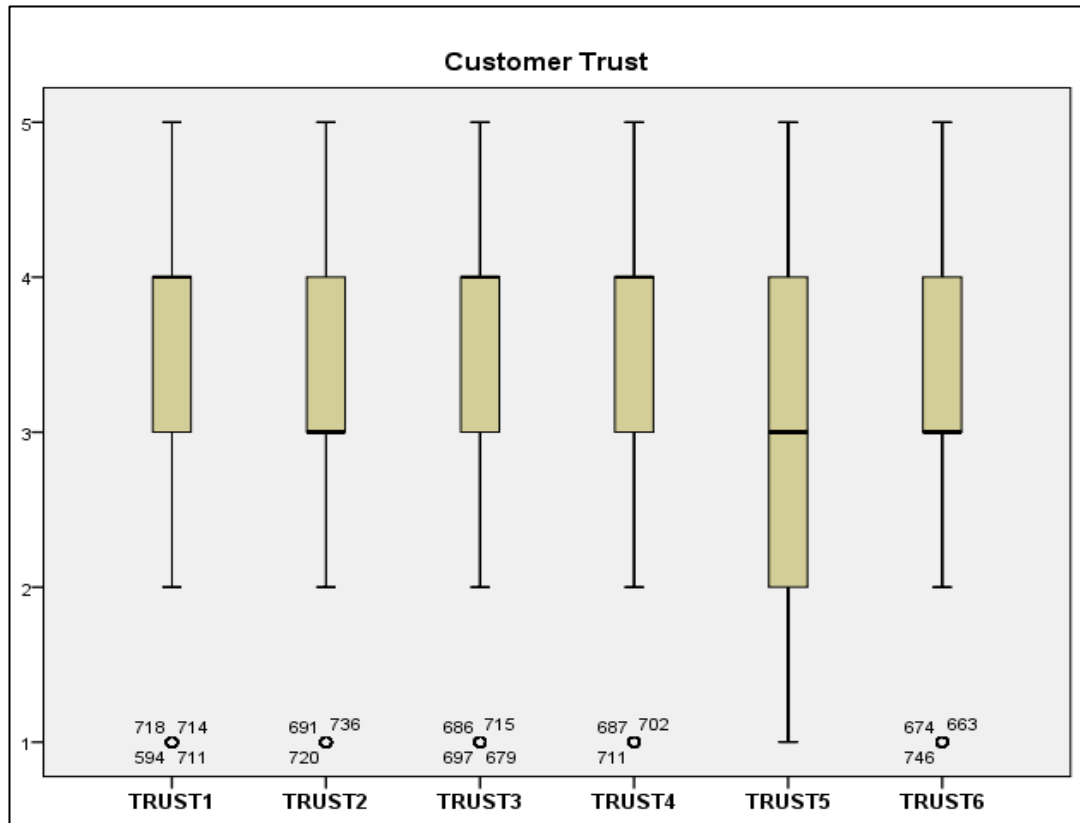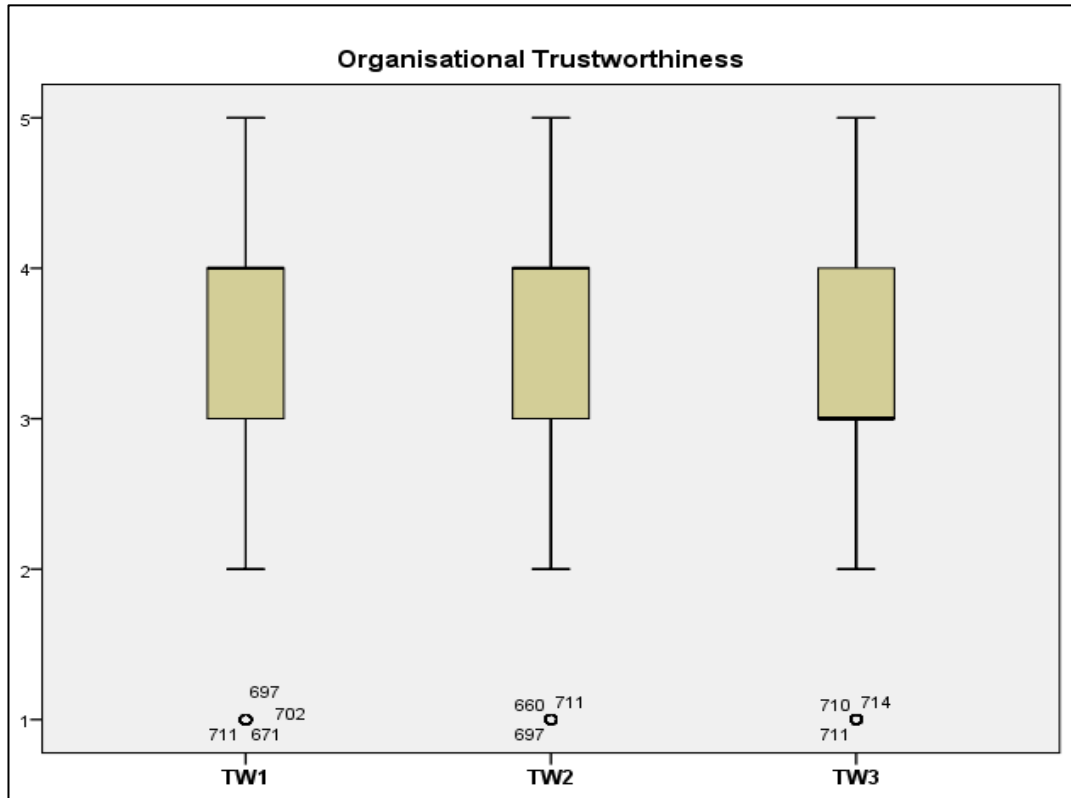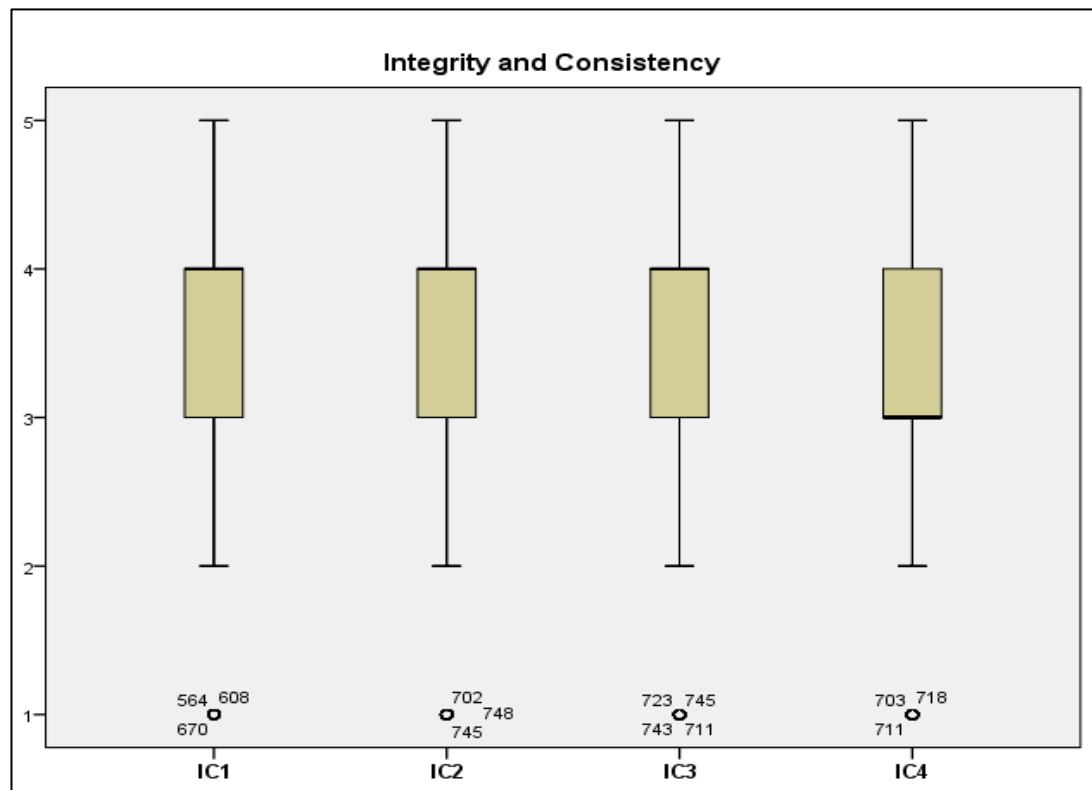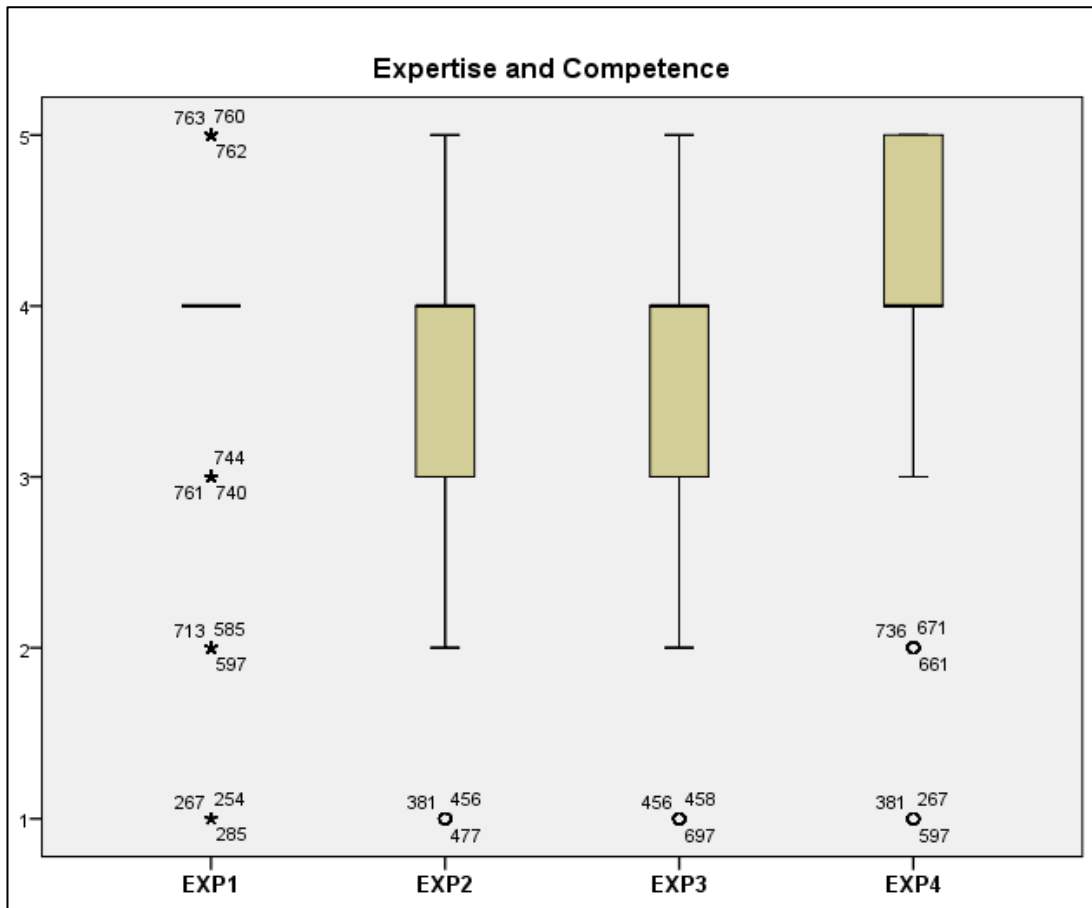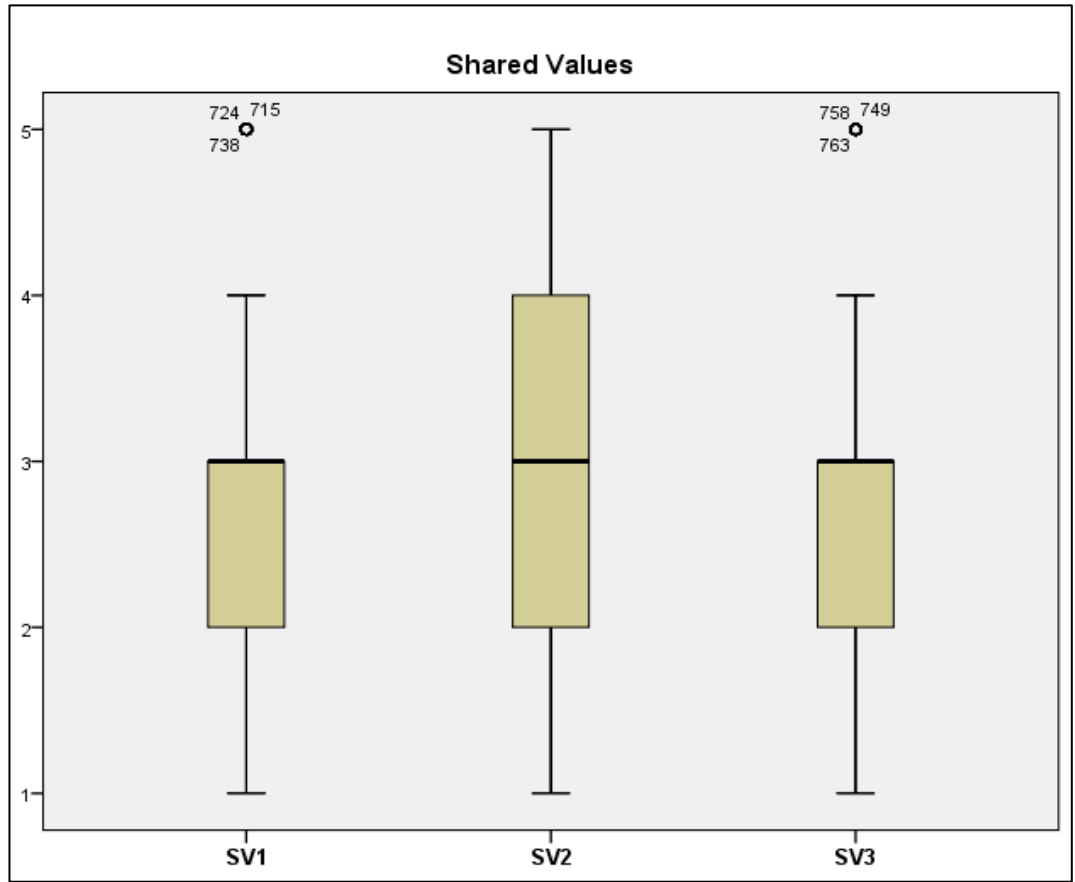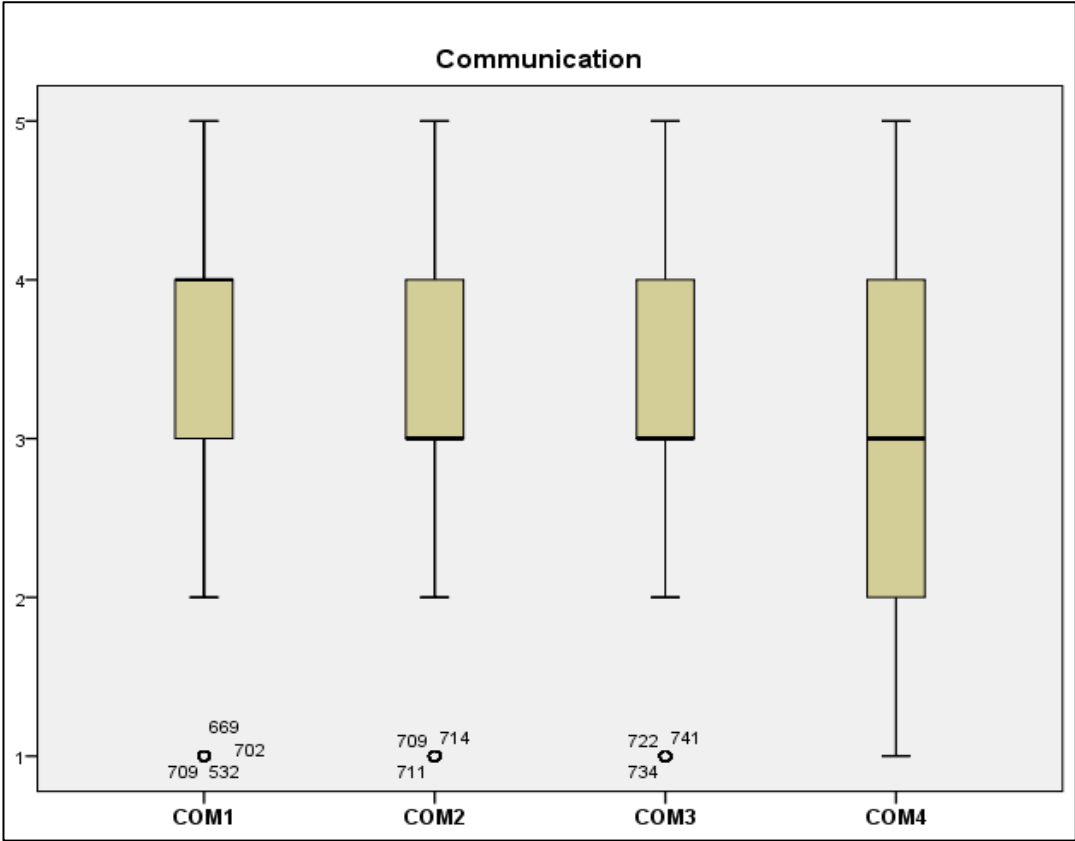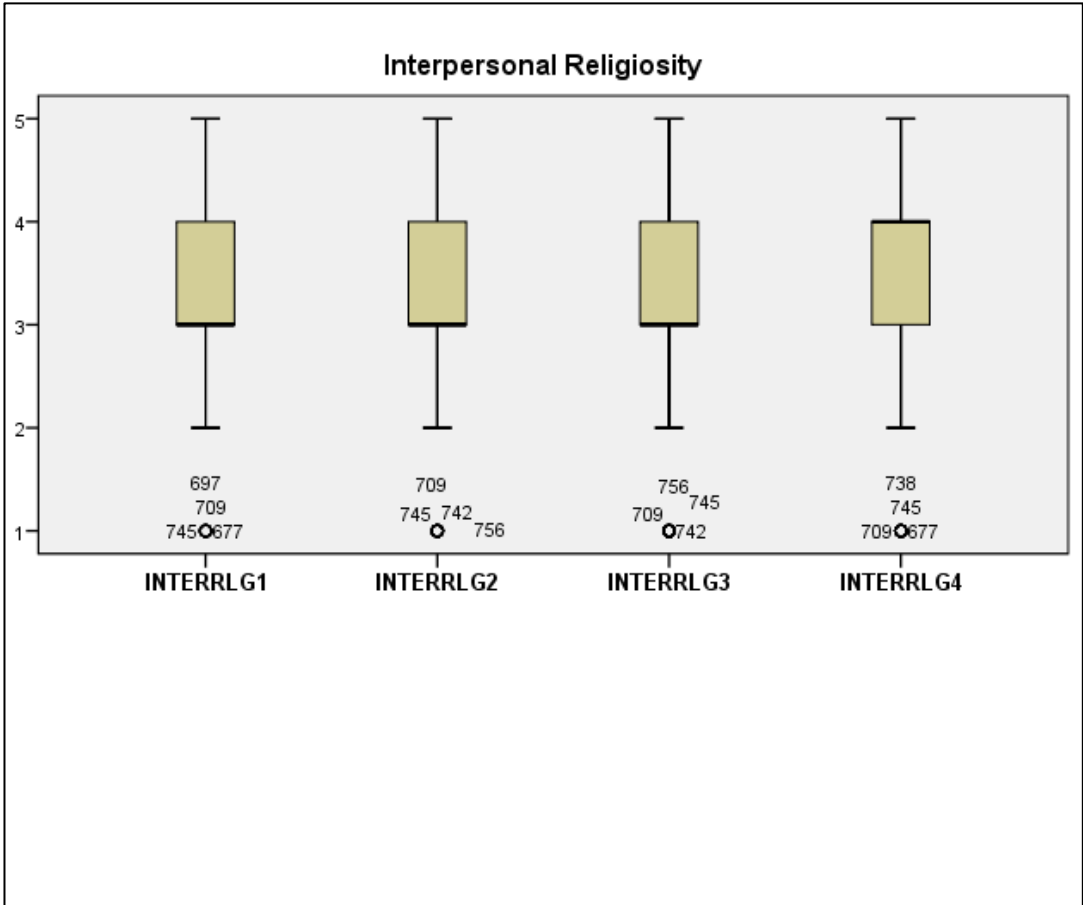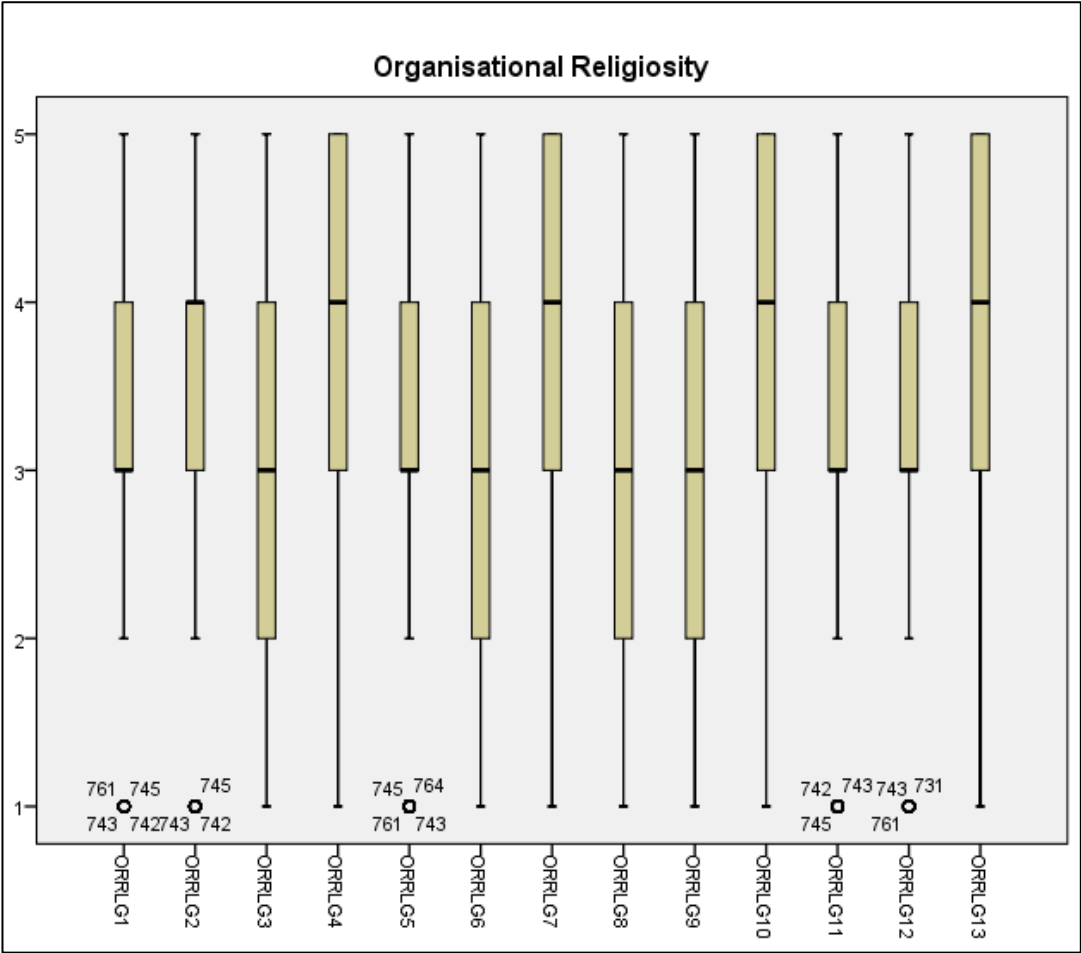
Diagnosis of Outliers Using Trimmed Mean Technique

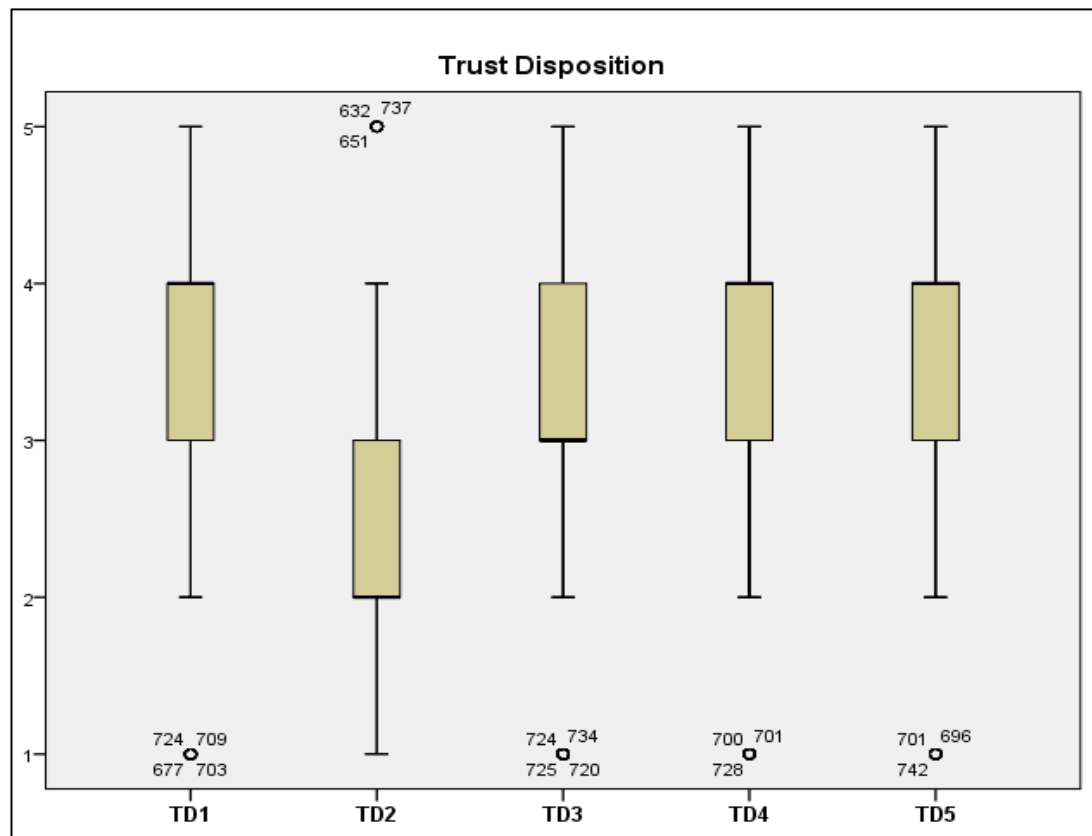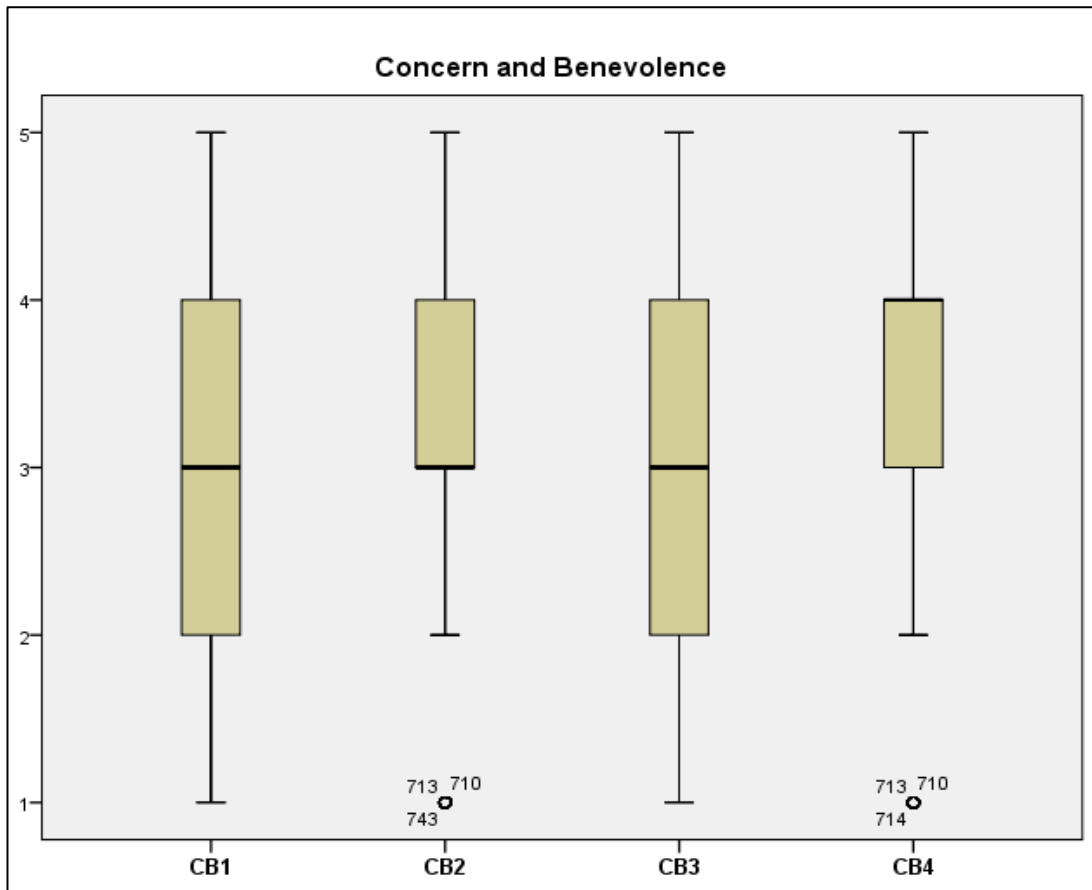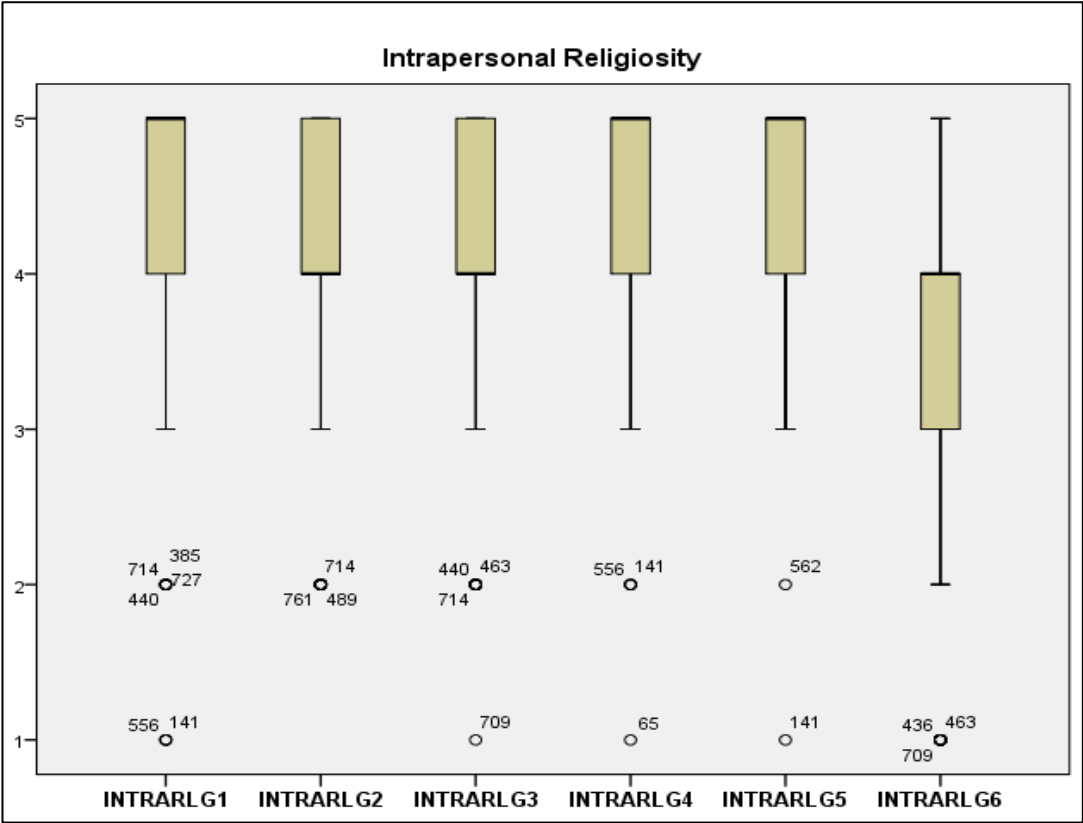| Item Mean and 5% Trimmed Mean Values					
TW1	Mean	3.74	TD1	Mean	3.52
	5% Trimmed Mean	3.80		5% Trimmed Mean	3.55
TW2	Mean	3.55	TD2	Mean	2.56
	5% Trimmed Mean	3.59		5% Trimmed Mean	2.55
TW3	Mean	3.36	TD3	Mean	3.26
	5% Trimmed Mean	3.40		5% Trimmed Mean	3.29
TRUST 1	Mean	3.45	TD4	Mean	3.39
	5% Trimmed Mean	3.49		5% Trimmed Mean	3.41
TRUST 2	Mean	3.14	TD5	Mean	3.82
	5% Trimmed Mean	3.16		5% Trimmed Mean	3.88
TRUST 3	Mean	3.59	INTRARLG 1	Mean	4.47
	5% Trimmed Mean	3.64		5% Trimmed Mean	4.54
TRUST 4	Mean	3.48	INTRARLG 2	Mean	4.09
	5% Trimmed Mean	3.53		5% Trimmed Mean	4.11
TRUST 5	Mean	2.95	INTRARLG 3	Mean	4.13
	5% Trimmed Mean	2.94		5% Trimmed Mean	4.16
TRUST 6	Mean	3.37	INTRARLG 4	Mean	4.41
	5% Trimmed Mean	3.41		5% Trimmed Mean	4.46
EXP1	Mean	3.90	INTRARLG 5	Mean	4.63
	5% Trimmed Mean	3.95		5% Trimmed Mean	4.70
EXP2	Mean	3.52	INTRARLG 6	Mean	3.61
	5% Trimmed Mean	3.55		5% Trimmed Mean	3.63
EXP3	Mean	3.68	INTERRLG 1	Mean	3.54
	5% Trimmed Mean	3.73		5% Trimmed Mean	3.57
EXP4	Mean	3.93	INTERRLG 2	Mean	3.54
	5% Trimmed Mean	3.99		5% Trimmed Mean	3.57
IC1	Mean	3.47	INTERRLG 3	Mean	3.21
	5% Trimmed Mean	3.51		5% Trimmed Mean	3.23
IC2	Mean	3.44	INTERRLG 4	Mean	3.68
	5% Trimmed Mean	3.49		5% Trimmed Mean	3.73
IC3	Mean	3.53	ORRLG1	Mean	3.40
	5% Trimmed Mean	3.58		5% Trimmed Mean	3.44
IC4	Mean	3.38	ORRLG2	Mean	3.48
	5% Trimmed Mean	3.42		5% Trimmed Mean	3.54
COM1	Mean	3.56	ORRLG3	Mean	3.29
	5% Trimmed Mean	3.61		5% Trimmed Mean	3.32
COM2	Mean	3.30	ORRLG4	Mean	3.53
	5% Trimmed Mean	3.33		5% Trimmed Mean	3.59
COM3	Mean	3.30	ORRLG5	Mean	3.31

	5% Trimmed Mean	3.34			5% Trimmed Mean	3.35
COM4	Mean	3.03	ORRLG6	Mean	3.12
	5% Trimmed Mean	3.03		5% Trimmed Mean	3.13
SV1	Mean	2.84	ORRLG7	Mean	3.75
	5% Trimmed Mean	2.82		5% Trimmed Mean	3.84
SV2	Mean	3.03	ORRLG8	Mean	2.81
	5% Trimmed Mean	3.03		5% Trimmed Mean	2.78
SV3	Mean	2.84	ORRLG9	Mean	3.18
	5% Trimmed Mean	2.82		5% Trimmed Mean	3.19
CB1	Mean	3.12	ORRLG10	Mean	3.84
	5% Trimmed Mean	3.13		5% Trimmed Mean	3.93
CB2	Mean	3.14	ORRLG11	Mean	3.44
	5% Trimmed Mean	3.15		5% Trimmed Mean	3.49
CB3	Mean	3.11	ORRLG12	Mean	3.33
	5% Trimmed Mean	3.12		5% Trimmed Mean	3.37
CB4	Mean	3.59	ORRLG13	Mean	3.46
	5% Trimmed Mean	3.66		5% Trimmed Mean	3.51

Appendix G - Common Method Bias Tests

Factor	Initial Eigenvalues			Extraction Sums of Squared Loadings		
Harman's Single Factor Method						
Factor	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	14.822	26.467	26.467	14.362	25.646	25.646
2	6.222	11.110	37.578	5.811	10.376	36.023
3	3.639	6.499	44.077	3.200	5.715	41.737
4	2.554	4.560	48.637	2.004	3.579	45.316
5	2.348	4.192	52.829	2.001	3.573	48.889
6	1.632	2.914	55.743	1.112	1.986	50.875
7	1.495	2.670	58.413	1.089	1.945	52.820
8	1.382	2.468	60.880	0.997	1.780	54.600
9	1.308	2.335	63.215	0.955	1.705	56.305
10	1.038	1.854	65.069	0.771	1.378	57.683
11	1.021	1.822	66.892	0.701	1.251	58.934
12	0.958	1.710	68.602			
13	0.910	1.625	70.227			
14	0.857	1.530	71.757			
15	0.754	1.347	73.104			
16	0.722	1.290	74.393			
17	0.700	1.250	75.644			
18	0.650	1.160	76.804			
19	0.632	1.129	77.933			
20	0.608	1.086	79.019			
21	0.549	0.980	79.999			
22	0.531	0.949	80.948			
23	0.523	0.934	81.882			
24	0.507	0.905	82.787			
25	0.501	0.894	83.681			
26	0.462	0.824	84.506			
27	0.439	0.784	85.290			
28	0.435	0.778	86.068			
29	0.415	0.742	86.809			
30	0.402	0.718	87.528			
31	0.397	0.709	88.236			
32	0.385	0.687	88.923			
33	0.371	0.662	89.585			
34	0.364	0.650	90.235			
35	0.354	0.633	90.869			
36	0.343	0.612	91.481			
37	0.322	0.575	92.056			

38	0.315	0.563	92.619			
39	0.311	0.555	93.174			
40	0.293	0.524	93.698			
41	0.288	0.515	94.213			
42	0.276	0.493	94.706			
43	0.267	0.477	95.183			
44	0.263	0.470	95.653			
45	0.252	0.450	96.102			
46	0.242	0.433	96.535			
47	0.229	0.408	96.943			
48	0.226	0.404	97.348			
49	0.222	0.397	97.745			
50	0.209	0.374	98.119			
51	0.199	0.356	98.475			
52	0.193	0.345	98.820			
53	0.184	0.328	99.148			
54	0.180	0.322	99.470			
55	0.170	0.303	99.773			
56	0.127	0.227	100.000			

Common Latent Factor Method for Common Method Bias Detection

Factor Loading Comparison (CLF Retained vs No CLF Model)			
Factor	**Loading With CLF**	**Loading Without CLF**	**△ λ**
TRUST6 ← CT	0.777	0.795	0.018
COM2 ← COM	0.811	0.812	0.001
COM3 ← COM	0.864	0.864	0
COM4 ← COM	0.801	0.801	0
EXP1 ← EXP	0.605	0.697	0.092
EXP2 ← EXP	0.755	0.817	0.062
EXP3 ← EXP	0.776	0.843	0.067
EXP4 ← EXP	0.607	0.71	0.103
TD3 ← TD	0.608	0.632	0.024
TD4 ← TD	0.84	0.844	0.004
ORRLG1 ← ORLGOBV	0.761	0.773	0.012
ORRLG2 ← ORLGOBV	0.876	0.882	0.006
ORRLG4 ← ORLGOBV	0.871	0.876	0.005
ORRLG7 ← ORLGOBV	0.827	0.815	0.012
INTRARLG2 ← INTRARLG	0.811	0.818	0.007
INTRARLG3 ← INTRARLG	0.776	0.768	0.008
INTERRLG1 ← INTERRLG	0.786	0.807	0.021
INTERRLG2 ← INTERRLG	0.744	0.781	0.037
INTERRLG3 ← INTERRLG	0.813	0.851	0.038
ORRLG5 ← ORLGPRO	0.62	0.634	0.014
ORRLG6 ← ORLGPRO	0.842	0.877	0.035
ORRLG9 ← ORLGPRO	0.809	0.822	0.013
SV2 ← CC	0.801	0.809	0.008
TRUST4 ← CT	0.802	0.831	0.029
TRUST5 ← CT	0.807	0.844	0.037
TRUST3 ← CT	0.645	0.646	0.001
TW1 ← TW	0.739	0.743	0.004
TW2 ← TW	0.832	0.832	0
TW3 ← TW	0.828	0.826	0.002
SV3 ← CC	0.782	0.791	0.009
INTRARLG4 ← INTRARLG	0.568	0.567	0.001
TD5 ← TD	0.681	0.695	0.014
IC4 ← CC	0.758	0.757	0.001
CB3 ← CC	0.801	0.797	0.004
CB1 ← CC	0.773	0.765	0.008
ORRLG12 ← ORLGOBV	0.687	0.695	0.008