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The Influence of Self-Congruity, Functional Image, and Emotional Attachment on Loyalty

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Abstract

This paper seeks to investigate the interrelationships of self-congruity, functional image, and emotional attachment and loyalty. Specifically, this study tested hypotheses of self-congruity theory in the Islamic banking sector. Much of the previous studies of self-congruity have examined product, brand, and retailers contexts and not much has been explored in the context of banking sector. Questionnaires were distributed to customers of Islamic bank in the city. Results showed that self-congruity has a significant influence on functional image as well as emotional attachment. Functional image is found to have a stronger effect on emotional attachment. Also, self-congruity, functional image, and emotional image have significant influence on loyalty. Interestingly, emotional attachment is a very strong predictor of loyalty and in turn, self-congruity is a strong factor influencing emotional attachment. The key management implication is that Islamic banks should focus on strategies to harness customers’ emotional attachment with the banks.

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Keywords: Self-congruity; functional image; emotional attachment; loyalty

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1. Introduction

Islamic banking in Malaysia is one of the most important players in the service industry that has undergone tremendous and continuous growth over the last decade. As a result of this rapid growth, the industry has become continuously very competitive not only in the Islamic banking sector, but also in the financial industry as a whole. The Islamic banking products have been accepted to both Muslims and non-Muslims alike (Iqbal & Molyneux, 2011).

The functions performed by the Islamic banks are somewhat similar with conventional banking system, except that the transaction carried out by the Islamic banks must be in accordance with the rules and principles of Islam (Iqbal & Mirakhor, 2007).

Thus, the Islamic banks have to compete with the long established conventional banks. Hence, it is important for the Islamic banks to understand how their customers perceive them in terms of self-congruity, functional image and also the emotional attachment in influencing loyalty toward the bank.

Just as people have an image of themselves, so do they have images of products, suppliers, and services, and not surprisingly, research into the theory of self-concept has indicated that consumers generally have favourable attitudes towards products and brands perceived to be consistent with their self-image (Graeff, 1996). Much of the previous studies of Islamic banking have devoted towards Islamic banking adoption based on the perception of attributes of the Islamic banking (e.g. Ahmed, 2010; Thambiah, Eze, Santhapparaj, Arumugam, 2011). There has been very little information and studies that examine loyalty of customers of Islamic banking based on interrelationship of self-congruity, functional image, and emotional attachment. In addition, while congruity in terms of self-image with brand, product, or retail image and its link with purchase intention is well researched and accepted, self-congruity theory in the context of Islamic banking has received very little attention. In addition, there is also evidence that research is lacking regarding the role of emotional attachment in the Islamic banking despite its widely explored as having the positive effects with consumers (e.g Caroll & Ahuvia, 2006). Furthermore, the consumer behavior research now has shifted from relational to emotional decision making process (Khan, 2012).

Against this backdrop, this study extends the literature in yet two more important ways. First, contrary to the extant literature, this study investigates consumers’ emotional attachment in the context of Islamic banking sector, further addressing the calls of Carroll and Ahuvia (2006) for investigating emotional attachment in service industry. Further, this article incorporates insight from the self-congruity theory that examined its influence with functional image and emotional attachment in the Islamic banking domain. Thus, this study is aimed to examine the influence of self-congruity, functional image, and emotional attachment on customer loyalty. This study is intended to achieve the following research objectives: (1) to examine influence of self-congruity on functional image, emotional attachment and loyalty (2) to identify the main predictor of emotional attachment (3) to identify the variable that has the strongest effect on loyalty.

2. Literature Review and Study Framework

2.1. The proposed hypothetical model

The model for the current study examines the structural, causal relationships between self-congruity, functional image and emotional attachment loyalty. Hypothetically, self-congruity influences functional image, emotional attachment and loyalty. In addition, functional image influences emotional attachment and loyalty. Figure 1 depicts the proposed hypothetical causal model for the current study.
3. Theoretical overview of constructs

3.1. Self-congruity theory

Sirgy (1985) explained self-congruity theory as the effect of self-image congruence with product, brand, or store image. It occurs as the interaction between product-user or patron image and self-image. Product user image or patron image is defined as the stereotypic image of the generalized product user or patron of the retail store. The symbolic meanings of products, brands, or stores are often linked to stereotypes associated with the personal images of product user or patron (Sirgy & Samli 1985). It is based on the assumption that consumers select those products, brands, or stores that possess images which are similar to the images that they perceive of themselves or similar to their own self-image (Stern, Bush, & Hair, 1977). It is therefore, the match or mismatch between consumer self-image and product image, brand image, or retail image. Sirgy (1982) introduced four variants of self-congruity namely actual self-congruity, ideal self-congruity, social self-congruity, and ideal social self-congruity. Table 1 describes the descriptions of the four types of self-congruity.

<table>
<thead>
<tr>
<th>An example of a column heading</th>
<th>Column A ( (t) )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual self-congruity</td>
<td>The degree of match between how shoppers actually see themselves in relation to retail patron image</td>
</tr>
<tr>
<td>Ideal self-congruity</td>
<td>The degree of match between how shoppers like to see themselves in relation to retail patron image</td>
</tr>
<tr>
<td>Social self-congruity</td>
<td>The degree of match between how shoppers believe they are seen by others in relations to retail patron image</td>
</tr>
<tr>
<td>Ideal social self-congruity</td>
<td>The degree of match between how shoppers would like to be seen by others in relations to retail patron image</td>
</tr>
</tbody>
</table>


Much of the self-congruity studies have been in the product, brand, and store domain (e.g. Jamal & Goode, 2001). Results from these studies indicated that image congruence affects consumer behavior both directly and indirectly through functional aspects of product, brand, or retail stores (Sirgy, Johar, Samli, & Claiborne, 1991). Of particular important is attempts have been made to investigate self-congruity that predicts different types of consumer behaviors such as product use, purchase intention, repeat intention, store choice and store loyalty (Govers...
Concepts like satisfaction, trust, attitude, functional store image as well as social responsibility image have been examined and found to mediate the self-congruity and consumer behaviors relationship (Helgeson & Supphellen, 2004).

3.2. Functional Image

In the marketing context, Martineau (1958) was the first to suggest the dimensions and definition of store image. In the definition, he suggested that image comprises of two main characteristics namely functional and psychological attributes. Drawn upon Martineau’s definition, in the context of retailing, image has been conceptualized as the mental representation that encompasses all dimensions associated with the store, which include both tangible and intangible attributes of the store (D’Astous and Levesque, 2003).

In the image congruity studies, Sirgy and Samli (1985) specifically examined the role of functional store image in the congruity theory on store loyalty. It was found that functional store image mediate the relationship between congruity and store loyalty.

In a study that examines differential determinants of store loyalty, Samli and Sirgy (1985) revealed that self-congruity failed to significantly influence store loyalty, but it is found to significantly affect functional image (functional store image evaluation).

3.3. Emotional Attachment

The concept of emotional attachment was first established by Bowlby (1979) in the attachment theory. The theory suggests that degree of emotional attachment to an object predicts the nature of an individual’s interaction with the object. In the context of consumer behavior, consumers who are attached emotionally with the product of brand will predict their commitment to the brand or objects. As such, they are willing to make financial sacrifices by even paying premium price to obtain the brands or products. Extent literature suggests that consumers can become emotionally attached with products and brands and they will develop an intense emotional bond such as love as well as warm feelings toward the brands or products. Emotional attachment is also predicted as consumers’ commitment (Drigotas & Rusbult, 1992) where it is measured in terms of marketing effectiveness. According to Garbarino and Johnson (1999), a relevant indicator of commitment of consumers is reflected in the extent to which the individual remains loyal to the brand.

3.4. Loyalty

Loyalty has been broadly studied in marketing literature and is an important concept in strategic marketing and banks are no exception. Many researchers have accepted the notion that loyalty or loyal customers are the lifeblood of an organization regardless of its scale and business scope (Chen & Quester, 2006). Oliver (1999) asserts that keeping loyal customers is critical for business to maximize their profit. Loyalty has also been the subject of study in banking. Bloemer and Oderkeken-Schroder (2002) take a closer look at the relationship between satisfaction and loyalty in the context of service industry by assessing antecedents of store satisfaction in terms of store image, positive affect and consumer relationship proneness. Their results reveal that store image as well as consumer relationship proneness and store affect have a positive impact on store satisfaction and in turn lead to store loyalty. Similarly, Bloemer, De Ruyter, and Peeters (1998) investigate how image, perceived service quality and satisfaction determine loyalty in a retail bank setting at the global construct level and the empirical study reveals that image is indirectly related to bank loyalty through perceived quality. Their result concludes that there is a clear positive relationship between image and loyalty, but image is indirectly related to bank loyalty via satisfaction.
On the basis of preceding findings, the following is hypothesized:

Hypothesis 1: Self-congruity has a significant positive effect on functional image
Hypothesis 2: Self-congruity has a significant positive effect on emotional attachment
Hypothesis 3: Functional image has a significant positive effect on loyalty
Hypothesis 4: Emotional attachment has a significant positive effect on loyalty
Hypothesis 5: Self-congruity has a significant positive effect on loyalty
Hypothesis 6: Functional image has a significant positive effect on emotional attachment

4. Research methodology and data analysis

4.1. Research design, sampling method, and procedure

To test the hypothesis, questionnaires were distributed to customers of Islamic banks to answer the questionnaire with regard to the latest and frequently transaction made. This means that the customers are those who have an account with the Islamic banks. The adult customers of over 18 years old were chosen as the target group for the distribution of the questionnaire. Self-administered questionnaires were distributed in office as in drop off and collect technique. Research has shown that this technique is suitable for extensive questionnaires and furthermore, it can minimize non-response errors (Hair, Babin, Money, and Samouel, 2003). This study is also using a convenient sampling method with a sample size of 320. 320 questionnaires were distributed and there were about 285 questionnaires collected and completed. Out of this, 257 contained usable data. Of the total subjects, 67.7 percent were female and only about 32.3 percent were male. Most participants were aged from 20 to 34 (76 percent) and within this age group, majorities are in the age range between 25 to 26 (27.6 percent). In terms of the marital status, married participants accounted for 56 percent of the sample. Respondents with monthly household incomes between RM 2,000 and 4,000 represented 36 percent, which is the majority result of the respondents. Malay customers constitute majority of the respondents (95 percent), although there were some small percentage which accounted for other races.

4.2. Data analysis

Data were analyzed by using SPSS 21 package. Descriptive statistics was also used to distinguish the demographic information of respondents and to identify customers' behavior pertaining to their encounter with the financial institution. In addition, factor analysis was also used to evaluate all the variables. Principal components analysis with varimax rotation was used to reduce the data. Minimum eigenvalues of 1.0 and with items loading above 0.70 were applied to determine the number of factors for each scale. For scale reliability, Cronbach alpha value was tested. Alpha coefficient was used as a measurement for reliability and the Cronbach alpha value which is greater than 0.7 is acceptable and deemed to be adequate. Cronbach's alpha coefficients for each factor ranged from 0.7 to 0.95, indicating that all multi-items variables were internally consistent. The four variables in the proposed framework were tested using the multiple regression analysis. The hypothesized model in this study was designed to measure causal relationships among the unobserved constructs and at the same time to determine the interrelationship of self-congruity, functional image, and emotional attachment that predict customer's loyalty.

5. Results

5.1. Hypotheses tests

The relationship between the independent variables – self-congruity, functional image, and emotional attachment – and the dependent variable – customer's loyalty toward the bank was examined using a series of linear regression analyses. In addition, the relationship between self-congruity with functional image and relationship with emotional attachment were also examined. Firstly, self-congruity variable is significantly predictive of customer’s perception of functional image. It shows its significance in influencing functional image ($\beta = 0.67$, $t = 14.42$, $p < 0.001$).
Hence, H1 was accepted. Self-congruity and emotional relationship was also found to be significant (β = 0.65, t = 13.67, p < 0.001). H2 was also accepted. Finally, the other three variables – self-congruity, functional image, and emotional attachment – were also found to have the relationship with loyalty. Specifically, functional image variable showed its significance in influencing customer's loyalty (β = 0.21, t = 3.50, p < 0.001). Hence, H3 was accepted. In addition, H4, which links between emotional attachment and customer's loyalty, was also significant (β = 0.51, t = 8.73, p < 0.001). This result thus provides support for H4. Similarly, the relationships between self-congruity and customer's loyalty (H5) was also found to be significant (β = 0.16, t = 2.84, p < 0.005) and thus supporting H5. The relationship between functional image and emotional attachment was also found to be significant (β = 0.5, t = 8.68, p < 0.001). Thus, H6 was also accepted. A summary of the results is depicted in Table 2.

<table>
<thead>
<tr>
<th>Hypotheses No. and hypothesized paths</th>
<th>Standardized Coefficient</th>
<th>t-value</th>
<th>Significance level</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 Self-Congruity → Functional Image</td>
<td>0.67</td>
<td>14.42</td>
<td>0.001</td>
</tr>
<tr>
<td>H2 Self-Congruity → Emotional Attachment</td>
<td>0.65</td>
<td>13.67</td>
<td>0.001</td>
</tr>
<tr>
<td>H3 Functional Image → Loyalty</td>
<td>0.21</td>
<td>3.50</td>
<td>0.001</td>
</tr>
<tr>
<td>H4 Self-Congruity → Loyalty</td>
<td>0.16</td>
<td>2.84</td>
<td>0.005</td>
</tr>
<tr>
<td>H5 Emotional Attachment → Loyalty</td>
<td>0.51</td>
<td>8.73</td>
<td>0.001</td>
</tr>
<tr>
<td>H6 Functional image → Emotional Attachment</td>
<td>0.50</td>
<td>8.68</td>
<td>0.001</td>
</tr>
</tbody>
</table>

*Significant at p<0.01 (t > 2.57)

6. Discussion

While self-congruity has been acknowledged to affect many different types of consumer behavior (e.g. purchase intention, patronize intention, attitude), several researchers have called for research to determine self-congruity, functional image and emotional attachment interrelationship with customer's loyalty in the Islamic banking context. This study addresses this aspect by investigation customer's perception towards Islamic banking customer’s self-congruity, functional image and their emotional attachment in influencing customer's loyalty.

The findings suggest that all of the six hypotheses in the study were supported by the data. The hypothesis test results indicated that self-congruity has a significant relationship with functional image, emotional attachment, and loyalty. In addition, functional image and emotional attachment were found to influence loyalty. Self-congruity and functional image are also found to influence emotional attachment. The result also indicates that self-congruity has a stronger effect on emotional attachment. Therefore, in the current study, self-congruity not only has a direct effect on loyalty, but also has an indirect relationship with loyalty. Self-congruity relationship with loyalty is mediated by both functional image as well as emotional attachment. Hence, this result supports previous studies, which found that there is both direct and indirect relationship between self-congruity and consumer behavior. For example, several studies have found that such relationship was mediated by satisfaction (Jamal & Goode, 2001) and functional congruity (Sirgy & Samli, 1985). In destination image, Yusof, Musa and Putit (2013) found that experiential value mediates the relationship with self-congruity and behavioral intention. The result also indicates that emotional attachment has a substantial effect on loyalty. Thus, the key contribution of this study is that it provides the framework that proposes paths from two posited constructs, i.e. functional image and emotional attachment to the loyalty. Further, by integrating emotional attachment into the self-congruity model explains its importance in the self-congruity theory.

The findings of this study provide several managerial implications for self-congruity, functional image and emotional attachment strategies in the banking sector. Firstly, apart from the emphasis by many marketers on the self-congruity and functional image, emotional attachment initiative cannot be undervalued. This suggests that self-congruity, functional image and emotional attachment are important in the banking sector that leads customers to loyalty. For this reason, banking management may find it useful in making allocation and in rationalizing their
decisions and efforts toward the formation of emotional attachment with their customers. In addition, banking management has to also realize that more ‘deep-lying’ aspects of customer behavior, such as image congruency, in their strategies. The management should realize that self-congruity and functional image of the banks are helpful in the effort to build strong emotionally laden customer-service firm relationships. In this regard, the banks should develop an image as perceived by the customers that is consistent with the image of their key target segments.

7. Limitations and Future Research Directions

A limitation of this study is related to its scope. This study is only confined to the Klang Valley financial institution sector. This may not be a representative of all markets. Thus, a replication study in other context or different location would be valuable in order to increase understanding of the customers of the Islamic banking. This is simply because this study was conducted on the basis of Malaysian' perception and behavior with different cultural background, lifestyles and socio-economics. Therefore, there is a possibility of cultural bias playing a role in the outcome of the study. Similarly, factors other than those investigated in this study would also need to be considered. In self-congruity for example, while two self-congruity included in this study were chosen specifically for their possible relevance to the retail environment, other types of self-congruity which have been advanced in prior literature, may also be equally pertinent. Future studies can examine the relevance of the other self-congruity type in the context of Islamic banking. Further, component of self-congruity can be analyzed individually for its influence on many different types of behavioral outcome. Therefore, continuous and more thorough investigations with incorporations of other measures of the constructs may be needed in order to enhance our understanding of the concept of Islamic banking image either in the same setting or different environment.

Acknowledgement

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References