ABSTRACT

The purpose of this study was to identify influencing factors towards Islamic bank of Thailand. In this research, the dependent variable is customer loyalty while, independent variables are service fairness, perceived service quality, trust and customer satisfaction. Service fairness has further four sub-variables which includes, interpersonal, informational, procedural and distributive fairness whereas, perceived service quality has six-sub variables which includes, tangible, reliability, responsiveness, assurance, empathy and compliance. These variables are been observed and thirteen hypotheses are developed to identify the influencing factors. The data was collected through a questionnaire survey of 400 respondents in selected areas of Bangkok, Thailand from March, 2014 to June, 2014. A total of 388 respondents were chosen as accurate target population, who has accounts in Islamic bank of Thailand. All of the data were analyzed by SPSS and Multiple Linear Regression was utilized to identify the factor which has influence on customer loyalty and Pearson Correlation was used to test the relationship between trust customer loyalty and satisfaction.

In terms of hypotheses testing, some hypothesis were failed to reject. On the other hand, some hypotheses were rejected. Firstly, sub variable of service fairness which is interpersonal fairness have strongest influence on perceived service quality in terms of tangible, informational fairness have strongest influence on perceived service quality in terms of reliability, interpersonal fairness have strongest influence on perceived service quality in terms of responsiveness, interpersonal fairness have strongest influence on perceived service quality in terms of assurance, interpersonal fairness have negative influence on perceived service quality in terms of empathy, interpersonal fairness have strongest influence on perceived service quality in terms of tangible, perceived service quality in term of compliance is not influenced by any sub-
variables of service fairness, interpersonal fairness have strongest influence on customer satisfaction, informational fairness have strongest influence on trust, sub-variable of perceived service quality which is tangible have strongest influence on customer satisfaction, reliability have strongest influence on trust, tangible have strongest influence on customer loyalty respectively. Trust and customer satisfaction has no relationship in this study, whereas customer loyalty and trust have significant positive relationship.

The findings of this research can be useful for Islamic bank Of Thailand to face new challenges in the Islamic banking industry and to understand the customer behavior toward Islamic banking to improve its business performance once and for all. The effective use of a management strategy may increase positive perceived service quality, which can lead to customer satisfaction and generate loyalty. The findings suggested that the management should enhance factors of service fairness, to improve the productivity of the bank in terms of maintaining more loyal customers.