[POM 8] CUSTOMER SATISFACTION ON BANK ISLAM SERVICES AMONG UUM STUDENTS

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ABSTRACT

Bank Islam is one of the major banks that provide banking transaction and ATM services for users' convenience in UUM. In view of the changing in policy lately, some of the services had caused confusions among many users, especially students. Thus, it is highly critical that a study that investigates customer satisfaction issues on Bank Islam among UUM students is conducted. This article reflects outcomes in view of the objective which is to analyze the level of customer satisfactions based on gender and races towards services provided by Bank Islam in UUM. A sample of 100 UUM Route C students was chosen to be the respondents. The questionnaire developed for this study was based on the SERVQUAL model that identify the influence of five dimensions (i.e. tangibility, responsibility, reliability, assurance and empathy) in banking service environment on customer satisfaction. The outcomes of this study were analysed and it is expected that this study could provide a critical information to Bank Islam.

Keywords: *Bank Islam, customer satisfaction, SERVQUAL*

INTRODUCTION

Background of research
Banks are playing an important role in each nation where all the money transactions are being held with the help of banks. Bank is a business entity that works with the money from the people. The money is being protected and the bank gives interest on the savings. There are a number of services provided by the bank as paying bills, withdraw, savings, cash deposit and some banks with insurance.

Service quality is an assessment to test how far the service provided fulfills the customer's expectation. Service based businesses using it as a tool to identify the problems and improve their services. Service quality has become an important component in this advanced business world.

All the products and services need to meet customer's demand by offering them very good services (Stafford, 1996). Customer satisfaction means how customers feel and rate about the service or product that provided (Muller, 2010). Furthermore, it is an important tool since it provides the business entity with a metric which can use to

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improve their services (Beard, 2014).

Customer satisfaction is very important because it can maintain the customer's loyalty toward the business (Infinit Contact, 2015). Bank Islam is one of the Islamic banks establishes in the country in 1983 and become a great boost to the Islamic financial system. Islamic banks play a significant role in the economy to promote productive activities that support economic growth and prosperity.

At the same time, Islamic banking is a concept to perform the interest-free activities by using the principle of Shariah. This is because, the Islamic Banking is mainly on the prohibition of interest payments which we called as "riba" as only goods and services are allowed to carry a price (Rahman, 2007). Bank Islam has been growing from strength to ensure that all transactions and ATM services for users is convenient to use. In order to make sure all transactions are going well, it is suggested that banks should concentrate on service quality and customer satisfaction to gain a competitive position in the market (Caruana, 2002).

Problem statement
Islamic banking is one of the fastest speeding banking industries and it is able to compete with the conventional banking. It can be considered as the most imperative players in the service industry today, particularly in Malaysia. The growing of Islamic banking intent to increase the needs and requirement from their users. In Malaysia, there are a lot of choices in the banking services to fulfil the specifications of the users. Service-offering channels in the banking system have emerged on the scene with various forms such as internet banking, telephone banking, automated teller machine (ATM) and bank counter. It can help these industries to achieve more competitive advantages and success in the business. However, in view of changing in policy lately, some of the services had caused confusions among many users especially students in UUM. For example, automated teller machine (ATM) cannot transfer money or make money transaction for the users. This is including the service performance that will affect the student satisfaction. Other than that, long queue also another problem. There are many customers still dealing the transactions in bank manually where they need to get the service in the bank itself. The number of counters in the bank is not fully functioning, thus it ends up with a long queue.

Long queue takes more time and it brings an uncomfortable environment to the bank users. From here we can get to know the level of customers' expectation and satisfaction toward the bank service. Almost half of the Malaysia Islamic Banks 'customers are Muslim and others are Non-Muslim. The population of customers in Bank Islam is increasing day by day. However, it is found that some of the services had caused a problem among many users, especially students. Firstly, the service of ATM machine often out of service and students need a long queue to get another bank service. Secondly, bank Islam didn't provide the service machine to print account statement for the students. This makes the students need to wait for their turn in counter and get the service of the print account statement. Furthermore, sometimes there is a lack of receipts in ATM machine where in some cases the needs of receipts are very important especially dealing and purchasing through online businesses. These are the main reasons that this study is conducted to investigate customer satisfaction issues on Bank Islam among UUM students.

Research question
On the basic of the problem statement and the study objectives, the research attempts to answer the following question:
1. How quality dimension effect on customer satisfaction towards the banking service?
2. What is the different level of customer satisfactions based on genders and races towards services provided by Bank Islam in UUM?

Research objective
The present research aims to achieve the following objectives:
1. To analyze the level of customer satisfactions based on gender and races towards services provided by Bank Islam in UUM?

LITERATURE REVIEW

Customer satisfaction
A significant level of customer satisfaction is among the most difficult indicators of the business's future. Customer who is satisfied they are loyal and this will consistent cash flow for the business in the future. In addition, satisfied customers are often characterized as less-price sensitive and they are more partial to spend more the products they have tried and tested before. Moreover, stability in business relations is also beneficial where the positive quality image minimizes the cost for a current customer (Matzner, Hinterhuber, Bailom & Sauerwien, 1996).

Similarly, Ansderson and Sullivan (1993) examined the antecedents and outcome of firms' customer satisfaction and found that quality falling short of expectations have a higher impact on satisfaction and continued possession compared to those exceeding expectations. Hoyer and MacInnis (2001) said that satisfaction can be associated with a feeling of acceptance, happiness, relief, excitement, and delight. There are many factors that affect customer satisfaction. According to Hokanson (1995), these factors include friendly employees, courteous employees, knowledgeable employees, helpful employees, the accuracy of billing, billing timeliness, competitive pricing, service quality, good value, billing clarity and quick service.

Service quality
A definition of quality revolves around the idea that quality has to be judged on the assessment of the user or consumer of the service. Perceived quality is also seen as a form of attitude, related to, but not the same as satisfaction, and resulting from a comparison of expectations with perceptions of performance (Rowley, 1996). According to Lassar, Manolis and Winsor (2000), two most prevalent and widely accepted perspectives on service quality include the SERVQUAL model and the Technical/Functional Quality framework.

A quantitative research was arranged by Parasuraman et al. in 1988 in which an instrument was developed for measuring the perception of consumers regarding service quality and after that research, it became known as SERVQUAL. The dimensions of SERVQUAL model were tangibles, reliability, responsiveness, assurance and empathy (Parasuraman et al., 1988).

Customer satisfaction and banking service

Among the many studies in literature dedicated to customer satisfaction in banks, Albro's (1999) study in the context of Washington, U.S., utilized a benchmark involving bank customers from all geographic areas and bank assets. The study involved asking customers various questions concerning their satisfaction with the banks. Data collected was utilized to benchmark customer satisfaction scores of banks participating in the financial client satisfaction index.

Also, Mothey (1994) revealed that in order to achieve customer satisfaction, it is imperative for banks to make use of different tools that varies from re-engineering of service to focusing on specific tasks. In addition, Albro's (1999) study involved a national survey of the customers patronizing 814 banks in an attempt to determine customer satisfaction. He revealed that cross-selling hinges on the high level of customer satisfaction.

In another study, Bennett (1992) claimed that the key to obtaining a competitive advantage in the banking business is to be customer-driven. In other words, the entire aspects of the institution should concentrate on the factors that the customers hold dear and it should be willing to exceed customer expectations. Several studies evidenced that by concentrating on and delivering excellent customer satisfaction outcome, firms achieve superior profitability. Bankers can develop quantitative data through researching customer satisfaction, in the hopes of stressing that the emphasis and delivery of exceptional customer satisfaction can lead to improved revenues that are higher than increased costs.

METHODOLOGY

Research model and hypothesis

This study uses the theoretical framework and quantitative approach. This study examines the impact service quality dimensions which Customer Satisfaction, Assurance, Responsiveness, Reliability Tangible and Empathy stated as the independent variable. Customer satisfaction as the dependent variable. The interaction of variables in the model determines the impact of service quality on customer satisfaction.
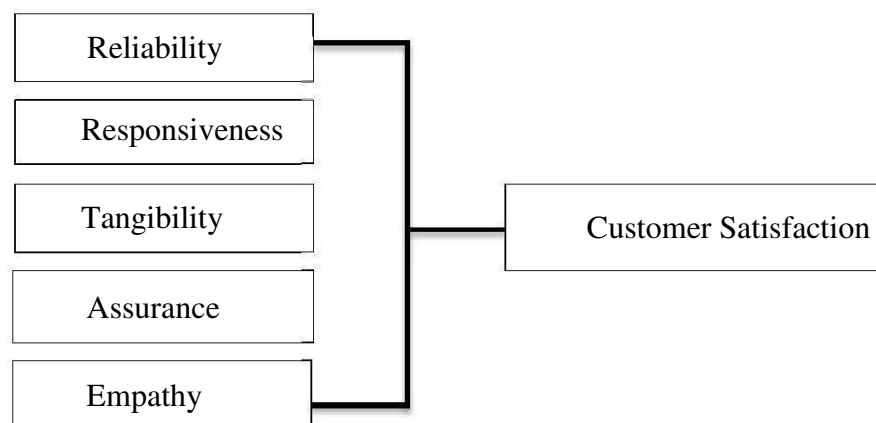
Figure 1
Research framework for customer satisfaction

Based on framework and the object of the study, the hypothesis will be as the following:
H1: Reliability has an impact on customer satisfaction.
H2: Responsiveness has impact on customer satisfaction
H3: Tangibility has an impact on customer satisfaction.
H4: Assurance has an impact on customer satisfaction.
H5: Empathy has an impact on customer satisfaction.

Operational definition
Customer satisfaction
Customer satisfaction in this study is the dependent variable. Customer satisfaction is the term most generally used in business and industry. But is an expression of work explaining this type of measurement of product and services offered by the company to meet the expectations of its customer.

In today's highly competitive banking industry, customer satisfaction is considered as the term of success (Siddiqi, 2011).Customer satisfaction is the important outcomes to marketing activity (Spreng et al., 1996). A lot of studies show that the customer satisfaction with products and services.

Service quality
Service quality can be defined as the difference between customers' expectations for service performance to service encounter and their perceptions of service received (Asubonteng et al., 1996).Service quality also can determine by differences between customer expectation of service that provided and the evaluation of the services they get.(Parasuraman et al., 1998). Service quality as the subjective comparison that customers make between the quality of the service that they want to receive and what actually they get (Geran, 2000).

Research instrument
In this study, we use the questionnaire as a medium to collect data. There are have six sections and 26 questions. The first section is demographic and background, then the second section is reliability. The third section is responsiveness and continues section is tangibility. The fifth section is assurance. The last section is empathy. We use a question that in scale form for every section except the first section. This form to assess the degree of satisfaction from service quality dimension. The 1 scale is for strongly disagree and 2 for disagree. The 3 scale for neutral. The 4 scale for agreeing and 5 scales for strongly agree. The first section has 6 question to get the background of the respondent. There are 4 questions for each section to determine the impact of satisfaction on different dimensions.

Data collection
The research obtained the data of the study from a simple random of a student in Route C UUM. Sampling is taking a group of people of the population to represent the whole population. We managed to find 100 students from Route C to become respondents. In questionnaire distribution process, we explained the definition of the questions and the purpose of the research to respondents. We give time for respondents to answer the questionnaire. After that, we get back the questionnaire that answered by respondents.

FINDINGS AND DISCUSSIONS

The data was collected from 100 respondent which is 23 male and 77 female and it also collected from 3 main races which is Malay, Chinese, and Indian. But one of the respondents is categorized under other race which is not from the 3 main races. The overall mean is 3.62 (65.50%). The level of customer satisfaction towards the services provided by Bank Islam in UUM are moderate. From the data collected, we found that reliability obtains the least mean which is 3.37 (59.31%), whereas responsiveness in the second least which is 3.56 (63.94%). The third least mean is the empathy which is 3.69 (67.38%). Assurance obtains the highest mean which is 3.76 (68.94%) and the second highest is 3.72 (67.94%) which is tangibility.

Table 1
Mean score for variable

Variable	Mean
Reliability	3.3725 (59.31%)
Responsiveness	3.5575 (63.94%)
Tangibility	3.7175 (67.94%)
Assurance	3.7575 (68.94%)
Empathy	3.6950 (67.38%)
Overall	3.6200 (65.50%)

From the table below, the overall analysis show that the independent variable (reliability, responsiveness, tangibility, assurance, empathy) and dependent variable (customer satisfaction) have a strong relationship. The highest r-value is assurance which is 0.888 because the customer's perceptions towards Bank Islam is very strong.

Table 2
Correlation analysis

	Customer Satisfaction
Reliability	0.848**
Responsiveness	0.848**
Tangibility	0.838**
Assurance	0.888**
Empathy	0.845**

** Correlation is significant at the 0.01 level (2-tailed)

There are five SERVQUAL dimensions that we use to analyze data on customer satisfaction which is reliability, responsiveness, tangibility, assurance, and empathy. Based on our observations, we found that both genders of male and female students were satisfied with the services offered by Bank Islam. Based on the table above, we found that the customer satisfaction rate of female students was higher than male students. In terms of male students, the variable tangibility is the highest compared to other variables. This is because the male students felt that the service and the environment offered by the Bank Islam meet their needs and expectations. For an example, atmosphere and surroundings in the Bank Islam that provide space and facilities are comfortable for their clients, but can also be seen in terms of employee's smart personality which can give confidence to customers. Male students strongly agree with the environment, the layout and the methods used by the Bank Islam in offering their services. Meanwhile, in terms of female students, we found that the

variable assurance is the highest. This is because the female students felt that the services offered by the Bank Islam convincing and credible. Therefore, many girls prefer the variable assurance because they found that the services offered can meet their needs. With this, it can be concluded that the services offered by Bank Islam can satisfy customers and fulfill their needs and demands.

From the data collected, we found that the highest mean value of the male gender is tangibility (3.72), followed by assurance (3.71) and empathy (3.69) is the third highest mean, the fourth is responsiveness (3.53) and the least mean is reliability (3.34). Whereas, for the female gender, the highest value obtains by the assurance (3.77), followed by tangibility (3.72), and the third highest mean is empathy (3.7), the fourth is responsiveness (3.56) and the least was reliability (3.4). From here we can see that the least mean obtain by both genders are reliability.

Table 3
Mean score for gender

Gender	Reliability	Responsiveness	Tangibility	Assurance	Empathy
Male	3.3368	3.5326	3.7174	3.7065	3.6848
	(58.42%)	(63.32%)	(67.93%)	(67.66%)	(67.12%)
Female	3.3811	3.5649	3.7175	3.7727	3.6981
	(59.53%)	(64.12%)	(67.93%)	(67.66%)	(67.45%)

There are three major races in our study, namely Malay, Chinese and Indian. Overall, all three races showed a response to the agreed and satisfied with the services offered by Bank Islam at UUM. The table above shows that Malay students have agreed on the issue of empathy are found in Bank Islam UUM. This is because a Malay student found that staff at the National Islamic Bank is very concerned and helpful to the problems faced by students. In addition, students found the staff of Bank Islam customers always giving individual attention and be understand the specific needs of their customers and convenience business hours.

Next, based on the Table 3, we find that the Chinese students prefer the variable assurance than others. This is because the services offered by Bank Islam can convince them to use the service. Chinese students have found that the methods and services offered are customer-friendly and convincing. In addition, factors that are an efficient and effective worker is one of the factors that affect customer satisfaction. When the customer is satisfied with the service they received and will continue to use and are confident in the services offered by Bank Islam.

Based on findings Indian students have a higher perception of tangibility issues than others. Indian students agreed with variable tangibility offered in Bank Islam because they are satisfied with the physical facilities and communication materials that provide by the staff of Bank Islam UUM. According to the data, we analyze by races, we found that Malay and Indian students obtain the highest mean value in tangibility. Whereas, the Chinese students obtain the highest mean value in assurance. Reliability obtains the least mean value for the all three main races which is Malay, Indian and Chinese.

Table 4

Mean score for race

Race	Reliability	Responsiveness	Tangibility	Assurance	Empathy
Malay	3.4803	3.5987	3.8289	3.8026	3.875
	(62.01%)	(64.97%)	(70.72%)	(70.07%)	(71.88%)
Chinese	3.1667	3.4583	3.5139	3.7083	3.4861
	(54.17%)	(61.46%)	(62.85%)	(68%)	(62.15%)
Indian	3.4600	3.5800	3.8100	3.7200	3.6700
	(61.5%)	(61.46%)	(70.25%)	(68%)	(66.75%)
Others	4.5000	5.0000	4.5000	4.7500	5.0000
	(87.5%)	(100%)	(87.25%)	(93.75%)	(100%)

CONCLUSION

In conclusion, knowing how student's perspective toward the service quality and being able to measure their level of customer satisfaction on service provided by Bank Islam in UUM. Based on the findings, the overall mean is 3.62 (65.50%). The level of customer satisfaction towards the services provided by Bank Islam in UUM are moderate.

The measurement of service quality can provide accurate data that can be used in quality management of the bank in order enabling the organization to monitor and maintain their service quality. The findings of this research show that the customer satisfaction rate of female students is higher than the male students. This is because the female students felt that the service and the environment offered by the Bank Islam meet their needs and expectations.

For an example, atmosphere and surroundings in the Bank Islam that provide space and facilities are comfortable for the clients, and can also be seen in terms of employee's smart personality which can give confidence to the customers. Besides that, all three main races which are Malay, Chinese and Indian showed the response that they agree and satisfied with the services offered by the Bank Islam in UUM.

The Table 3 shows that the higher percentages of Malay students have agreed on the dimension of empathy that found in Bank Islam UUM. Our findings show that Malaysian Islamic banks must work hard towards improving all the dimensions and items of service quality to foster a higher level of service quality and customer satisfaction.

The findings of this research may also be useful to other Islamic banks operating in other countries in order to increase the efficient and effective operation.

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