CUSTOMER SATISFACTION AND PREFERENCES IN BANKING INDUSTRY: AN EMPIRICAL INVESTIGATION ON PUBLIC SECTOR EMPLOYEES

FARZILA MD ZUKI

College Of Business
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BY

FARZILA MD ZUKI

A thesis submitted to the fulfillment of the requirement for the degree Master of Business Administration, College Of Business Universiti Utara Malaysia, 2009
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The purpose of this study is to examine customer preferences in banking industry. Bank customers from the public sector were surveyed using a questionnaire. A total of 153 public sector employees provided the data for the study. Results show that the independent variables are associated with customer satisfactions. Public sector employees choose Bank Rakyat as their first choice bank in terms of customer satisfaction and preferences.

Keywords: customer satisfaction, banking, public sector employees
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CHAPTER 1
INTRODUCTION

1.0 Research Background

The main mission of these banks is the achievement of social and economic development through the delivery of financial services either in conventional or and in line with the principles and teachings of Islam. To achieve the mission, it is imperative for dual bank system to continue the study related to changing behavior, attitude and perceptions of their customers especially in the retail sector which constitutes the major portion of the banking business.

The Islamic banking system has gained momentum worldwide. The popularity of the Islamic banking system is not limited to the Islamic banks only. Increasingly large international conventional banks are showing interest in the Islamic banking as well. The consequence of this is that Islamic banks operating in Islamic countries faced with strong competition not only from Islamic banks but also from the non-Islamic banks (Naser and Moutinho, 1997)

An Islamic bank conducts its activities in accordance with the Islamic Sharia'h principles that strictly prohibit any payment or receipt of interest. However the Islamic bank can also offer products and services which are similar to those offered by a conventional bank.
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