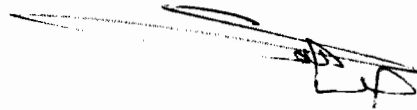


**SERVICE QUALITY OF ISLAMIC BANKING:  
AN INVESTIGATION IN TRIPOLI, LIBYA**

A handwritten signature in black ink, appearing to read 'Suhaib', with a long horizontal line extending to the left.

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**UNIVERSITI UTARA MALAYSIA**

**MAY 2010**

**SERVICE QUALITY OF ISLAMIC BANKING:  
AN INVESTIGATION IN TRIPOLI, LIBYA**

**A Thesis Submitted to College of Business in  
Partial Fulfillment of the Requirement for the  
Degree of Master of Business Administration (Accounting)  
Universiti Utara Malaysia**

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**MAY 2010**

## **Declaration**

I declare that this thesis entitled “**Service Quality Of Islamic Banking: An Investigation In Tripoli, Libya**” is a result of my own research except as cited in the references. The thesis has not been accepted for any degree and is not concurrently submitted as a candidate for any other degree.

I certify that any help had received in preparing this thesis and all the sources used have been acknowledged.

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## ABSTRACT

The objective of this study is to examine the influence of service quality dimensions namely, tangibility, reliability, responsiveness, assurance, and empathy, of Islamic banking on customer satisfaction. Questionnaires are designed and distributed to customers of an Islamic bank in Tripoli, Libya. Multivariate statistical analysis is performed to analyze the data of this study. The results of the regression analyses indicate that all of the five hypotheses tested are supported. There is a positive effect and significant relationships between the five dimensions of service quality and customer satisfaction. The direct positive and significant relationships confirm the influence of service quality on customer satisfaction of the Islamic bank in Tripoli, Libya.

**Keywords:** *Service Quality, Customer Satisfaction, Islamic Banking, Relational Marketing, Concept Relationship Marketing*

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## TABLE OF CONTENTS

<b>Declaration</b>	<b>i</b>
<b>Permission to Use</b>	<b>ii</b>
<b>Abstract</b>	<b>iii</b>
<b>Acknowledgement</b>	<b>iv</b>
<b>Table of Contents</b>	<b>v</b>
<b>List of Tables</b>	<b>vii</b>
<b>List of Figures</b>	<b>viii</b>
<b>List of Acronyms</b>	<b>ix</b>

	<b>Page</b>
<b>CHAPTER 1 INTRODUCTION</b>	
1.1 Background of the Study	1
1.2 Problem Statement	7
1.3 Research Questions	8
1.4 Research Objectives	8
1.5 Significant of the Study	9
1.6 Scope and Limitations of the Study	9
1.7 Concept Definition	10
1.8 Summary	11
<b>CHAPTER 2 LITERATURE REVIEW</b>	
2.1 Introduction	12
2.2 Definition of Islamic Banking	13
2.3 Service Quality and Customer Satisfaction	18
<b>CHAPTER 3 RESEARCH METHODOLOGY</b>	
3.1 Introduction	22
3.2 Research Design	22
3.3 Research Framework	23
3.4 Hypotheses Development	24
3.5 Population and Sample	25
3.6 Data Collection and Analysis Technique	26

<b>CHAPTER 4</b>	<b>RESEARCH FINDINGS</b>	
4.1	Introduction	27
4.2	Descriptive Analysis of Variables	27
4.3	Profiles of Respondents	29
4.4	Results of Factor Analysis	33
4.5	Results of Hypotheses Testing	36
4.5.1	Result of First Hypothesis	36
4.5.2	Result of Second Hypothesis	37
4.5.3	Result of Third Hypothesis	38
4.5.4	Result of Fourth Hypothesis	39
4.5.5	Result of Fifth Hypothesis	40
4.6	Summary	41
<b>CHAPTER 5</b>	<b>DISCUSSIONS, RECOMENDATIONS AND CONCLUSSIONS</b>	
5.1	Complexity of Respondents in the Study	42
5.2	Discussions	43
5.3	Conclusions	44
5.4	Limitations and Suggestions for Further Research	44
<b>REFERENCES</b>		46
<b>QUESTIONNAIRE</b>		53
<b>APPENDIX STATISTICAL DATA ANALYSIS</b>		62



## LIST OF TABLES

Table		Page
4.1	Means and Standard Deviation for Service Quality Means	28
4.2	and Standard Deviation for Customer Satisfaction	29
4.3.1	Frequency of Age	30
4.3.2	Frequency of Gender	31
4.3.3	Respondent Qualification	31
4.3.4	Ethnicity	32
4.3.5	Years of Experience with the Bank	32
4.4.1	Results of Factor Analysis	33
4.4.2	Total Variance Explained	35
4.5.1	Simple Regression Analysis for H1 Tangibility-Customer Satisfaction	37
4.5.2	Simple Regression Analysis for H2 Reliability -Customer Satisfaction	38
4.5.3	Simple Regression Analysis for H3 Responsiveness - Customer Satisfaction	39
4.5.4	Simple Regression Analysis for H4 Assurance -Customer Satisfaction	40
4.5.5	Simple Regression Analysis for H5 Empathy - Customer Satisfaction	41

## LIST OF FIGURES

Figure		Page
3.1	Research Framework	23

## LIST OF ACRONYMS

<b>Acronym</b>	<b>Explanation</b>
CRM	Concept Of Relationship Marketing
HCI	Human Computer Interaction
IDB	Islamic Development Bank
SDS	Service Delivery/Distribution Systems
SERVQUAL	Service Quality
SPSS	Statistical Package for the Social Sciences

## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1 Background of the Study**

Marketing concept nowadays aims more to the concept of maintaining customers by developing and sustaining their loyalty towards products and services offered by the company. Marketing orientation change from focusing in what we sell to what customers buy. Presumably this is a deliberation that a company is obligated to watch over its relationship with its customers (Moutinho and Smith, 2000).

Managing connection with customers is one of the activities that is done by customers-centric enterprises. Customers-centric company inclination can increase customer's loyalty, which finally, affects positively company's performance (Moutinho and Smith, 2000). Initially customers connection is assumed only as one of the differentiation source (competitive differentiation), but these days customer relationship management is assumed as a necessity for a company. Many companies eventually realize that the most basic task for the company management is to get and defend customers. Concept Relationship Marketing (CRM) thus become an "enabler" from this main task. (Vukmir, 2006).

Marketing orientation evolutes from sale orientation only to profit, aim through customers creation, and "retention" orientation by applying relational marketing (RM) principle that aims to

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