

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



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

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Partial Fulfillment of the Requirement for the
Degree of Master of Business Administration (Accounting)
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Declaration

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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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LIST OF ACRONYMS

Acronym	Explanation
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 evolves 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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