

Customer Satisfaction Comparison between Islamic and Conventional Banks: Case Study of Qatari Banks

Omnia Ahmed

*Graduate of Islamic Finance, College of Islamic Studies
Hamad bin Khalifa University, Qatar*

Monzer Kahf

Professor, College of Islamic Studies, Hamad bin Khalifa University, Qatar

Abstract. This paper examines customer satisfaction in Islamic banks in Qatar in comparison with their conventional counterpart. It is an attempt to investigate whether Islamic banks have overcome the obstacle of being relatively new; whether they have started providing satisfying services to their customers or whether they act as taking advantage of their customers' needs for Islamic finance products and treat them as captive clients who resort to Islamic banks for religious reasons. The research queries needed to be answered by the bank's customers themselves to test their view of the services they get. A comprehensive comparative questionnaire was formulated. Responses from the questionnaire and other data collected from banks' websites, personal interviews, etc., were analyzed. The paper conducted cross-sector comparisons of Islamic and conventional banking as well as individual comparisons between banks. Analysis of these results, computing averages and comparing them at the level of each bank as well as at the sectoral level between Islamic banks and conventional banks, was conducted. Through this, the paper attempts to uncover banks' performance and find out all areas of improvements that the Islamic and conventional banks need to work on.

Keywords: Islamic banks, Conventional banks, Customer satisfaction, Quality of services, Highest/Lowest performance.

JEL Classification: G21, G29

KAUJIE Classification: F52, J2, J32, L25, L26, V11

1. Introduction

Islamic banks have grown substantially in the new millennium providing individuals and corporations with a reasonable substitute to conventional banking. Muslims seek to avoid *ribā* and get profitable and attractive financial solutions based on sale, lease or sharing. Since Islamic banks operate side by side with conventional banks under rules that were made for conventional banking and under the same umbrella of interest-based capitalist economy, Islamic banks are faced with a great challenge to keep their services desirable and attractive to customers and keep up with the fierce competition from conventional banks. Rules which are made for the convenience of conventional banking are in fact restrictive to Islamic banks. However, it should be realized that their existence, though small in number and size relative to commercial banks, is very much needed as their model is ground breaking and innovative.

In Qatar there is great competition between banks because it is a small country with limited population and strict regulations that force almost everyone to have a bank account. This makes attracting as much customers as they can a main concern for all banks.

This paper examines the satisfaction level of the customers of both Islamic and conventional banks in the main aspects of the services provided and compares them to each other to examine the differences and areas of improvements.

The paper consists of four sections. After the introduction, section two deals with the research methodology, hypothesis, questions and limitations in addition to the sample population and data collection methods. Section three gives the detailed responses count, data analysis method and data coding. This is followed by listing the responses and explaining the results. Section four comprises of the conclusions and recommendations.

2. Methodology and Data Sources

This section mentions the objectives of the paper, research methodology and tools. It also discusses the sources of data, research questions, hypothesis, and limitations.

2.1 Objectives of the paper

This paper focuses on the satisfaction of customers with regard to the quality of services that they receive from Islamic Banks compared to conventional banks in areas like speed, timeliness, cost, response, and a host of other service qualities.

The objective of this paper is to identify the detailed customer perception of the quality of service provision by the Islamic and conventional banks in Qatar. Furthermore, the paper also investigates the often-voiced accusation that Islamic banks have captive clientele and whether they provide them with high or low quality services. It will try to answer a very important question that whether Islamic banks cherish their customers or rely on the customers' religious commitment to Islamic banking. This we intend to do through studying the reflection of these services on real-life customers in order to see whether Islamic banks' customers are more or less satisfied with their bankers in comparison with customers of conventional banks.

The paper will get feedback from customers of selected Islamic and conventional banks of similar caliber in Qatar on a set of questions in order to understand their detailed perception of the quality of banking services. The results will be analyzed and presented in a comparative way. The paper enriches the academic research, as there has not been a similar study done in Qatar with coverage of customer satisfaction on the basis of acquiring real data from banks' customers and account holders. The paper will enrich and deepen the existing body of knowledge on the topic and will identify the strengths and weaknesses of both types of banks. It will help improve the sector's performance in the area of customer satisfaction by identifying problematic areas in dealing with customers and suggesting necessary or desired changes.

2.2 Literature review

The questionnaire is designed on the basis of several studies on customer satisfaction that included a questionnaire in its research methodology such as (al-Sulaiti, al-Khulaifi, & al-Khatib, 2005) which

evaluated bank customer's expectations of service quality to assess whether bank services provided by commercial banking institutions are satisfactory to the Qatari customers. Also (Abdullah & Kassim, 2009) measured, through a questionnaire with 165 respondents, four aspects of the quality of services perceived by customers of Islamic banks: human skills, online banking, tangible, and empathy. Also, we benefited from the study by Ahmad, Rehman and Saif, (2010) who studied 720 responses of Islamic and conventional banks' customers in Pakistan. The paper also benefited from the study by (Nagabhushanam, 2013) which measured customers' perception of service quality of the banks in four cities in India. The research method depended on a detailed questionnaire that measured the reliability, responsiveness, assurance, and tangibility of the services provided by banks. Another study we benefited from is (Munusamy, Chelliah, & Mun, 2010) which measures customer satisfaction and service quality of banks through collecting data by a questionnaire from a random sample of 117 respondents.

Many empirical researches have tried to measure customer satisfaction in the banking sector; they mainly focused on field studies that measure the aspects of services quality provided by banks.

Researchers reported that respondents considered fast and efficient service, bank's reputation, image, friendliness of bank personnel, and confidentiality of the bank as important criteria for selecting their bank. This result is consistent with Ahmad and Haron (2002), and Othman and Owen (2001) who reported that these factors were important to customers in

selecting Islamic banks in Malaysia, Singapore, Bahrain, and Kuwait.

Another study by (Zainuddin, Jahyd, & Ramayah, 2004) showed that some important criteria considered by customers were availability of parking space, confidence in the bank manager, mass media advertising, external appearance, and recommendation by friends and relatives.

2.3 Research methodology

It is a comparative analysis research that will investigate the satisfaction level of customers regarding the services offered by Islamic and conventional banks in Qatar on the basis of questionnaire's responses.

In designing our questionnaire, we considered all the above-mentioned aspects and put them in the form of a 1 to 5 scale and yes or no questions to measure the details of the services that the customers receive from banks.

2.4 Scope of the paper

According to the central bank of Qatar there are eighteen banks operating in Qatar's banking sector as of the beginning of 2016. Seven of them are foreign banks and eleven are national banks, four of which operate in the Shari'ah-compliant segment. We selected for our paper four conventional banks that are closest to the four Islamic banks in terms of assets as shown in table 1⁽¹⁾.

Accordingly, eight banks are selected for this paper; four Islamic banks and four matching conventional banks within the same level of total assets (expressed in Qatari Riyals)

Table (1) Selected Islamic and conventional banks

Islamic Banks	Bank's Total Assets	Bank's Total Assets	Conventional
QIB	127,030,504,000	123,421,054,000	Commercial Bank
Masrf Al Rayyan	83,026,229,000	83,309,113,000	Doha Bank
QIIB	40,540,04,000	56,634,031,000	Al Khaliji Bank
Barwa bank	45,201,618,000	32,298,955,000	Al Ahli Bank

Source: Qatar central bank's 2015 annual report.

(1) Qatar National Bank (QNB) is excluded because it is incomparable to all the other banks; it is the government bank and holds almost 50% of the market share. Qatar Development Bank is also excluded because it is specialized in specific areas and customers.

2.5 Sample of the study

The sampling frame is 2000 questionnaires distributed to the eight banks. But the actual sample with the number of customers who received the questionnaire was around 600. The method of selection is self-selection sampling because random sampling is almost impossible in this large population that exceeds hundreds of thousands. The questionnaires were distributed either by hand or by mail. The responses were then analyzed on the detailed questions to assess the level of customer's satisfaction in each bank separately. We then added together the responses in all the Islamic banks combined and for all the conventional banks to calculate averages in order to compare results of combined averages.

2.6 Sources of Data Collection

Primary data: the primary data is obtained from: A structured questionnaire consisting of open-answer questions and 1 to 5 scale questions designed to measure the satisfaction of customers. The survey was answered either in paper form by bank visits in the bank's branches (with the bank's management approval) or in internet form by sending the questionnaire electronically to banks' customers.

A number of interviews with bankers to obtain necessary information regarding their internal processes and service related behaviors.

Secondary data: Data about the banks from their official websites or official personnel.

Research tools employed: The questions of the questionnaire are formulated based on literature review of service quality and customer care.

After conducting the questionnaire, descriptive analysis was done. A comparison was conducted between the results of Islamic banks and conventional banks from the data of the questionnaire.

Areas of strength/weaknesses are identified and recommendations are drawn.

2.7 Research questions

This paper intends to answer the following two main questions:

- Do Islamic banks rely on their customers' religious feeling of being obliged by their moral and religious standards, to deal with them and therefore relax the services they provide?

- Do conventional banks take advantage of their customers who choose to deal with them?

However, to do that we will focus on the following detailed questions:

- a. How much customer-satisfying are the services offered by Islamic banks/conventional banks relative to each other?
- b. Do customers of Islamic banks feel satisfied or they are only religiously-captive in dealing with them?
- c. Do customers of conventional banks feel satisfied or they are only captive in dealing with them?

2.8 Research hypotheses

The hypotheses that the research attempts to negate are:

- i. There are no differences between satisfaction levels of Islamic and conventional customers.
- ii. There are no differences between caring levels in dealing with customers between Islamic banks and conventional banks.
- iii. The customers of Islamic banks/conventional banks are dealing with the bank because of the satisfying services.

2.9 Limitations of the paper

- The paper is limited to customer's satisfaction measurement for customers who have accounts in one of the selected banks for the paper.
- The customer satisfaction level is limited to the time period of the paper.
- The paper is limited to selected banks in Qatar only.

3. Data Analysis

This section describes the questionnaire and lists and interprets the results.

3.1 The questionnaire and responses

The sample frame was a little more than 2000 questionnaires from the entire population. The actual sample with the number of customers who received the questionnaire through different channels such as social media, emails, and distribution by hand in banks, universities, neighborhoods, and various businesses and companies was around 600.

The total number of respondents was 398 which gives 66.3% response rate, out of which 273 were 100% complete and 125 partially complete.

The partially complete questionnaires had to be eliminated from the study because some respondents left vital questions blank without answers which will affect the accuracy of the study if considered.

3.1.1 Description of the questionnaire

The questionnaire consisted of 45 questions in different categories. Three questions were for the basics to know the respondent's contact details, bank type and bank name. Five questions were on the demographic classification of the respondents, such as: gender, age, occupation, education level, and salary bracket. Twenty-nine questions were related to the different services they get from their banks and the level of satisfaction for each service. Fifteen questions had a Likert scale from 1 to 5 to measure satisfaction level and only five questions had a yes or no option. Five questions had detailed sub-questions that may go up to 10 for the purpose of measuring different aspects of the services. These included questions related to customer service in the branches, branches facilities, customer service by phone, pricing and fees of the bank, and income statement. The yes or no simple questions deal with matters of "would recommend

their bank to friends", "whether the bank obliges them to conduct their service from a branch", "do they hold a visa or master card", etc. Also, the questionnaire included nine supporting questions that facilitate the flow of the questionnaire or introduce another question such as: how often the customer receives a service, or which services specifically he/she uses from the bank, or how long the statement takes to reach him/her. Five questions were related to Islamic banks only to measure the satisfaction of customers with regard to Islamic profit rates, the bank's reputation, and how Islamic is it? Finally, one question with 16 sub-questions was included with the intention to compare services of Islamic banks with conventional banks. It was addressed to customers who have accounts in both banks or had recent experience in both sectors. It aims at identifying which bank is more satisfactory to customers in several service aspects.

The distribution of the 273 complete responses with respect to the 8 banks is given in table 2. This sample is considered a good representation of the Qatari banking sector. Moreover, apart from Barwa Bank, the responses count is representative of the size of the bank and its market cap, hence providing a more balanced and reliable sample for analysis.

Table (2) Distribution of responses with respect to the 8 banks

Name of Bank	Response Percent	Response Count
Qatar Islamic bank (QIB)	21.6%	59
Masraf Al Rayyan	13.2%	36
Barwa Bank	5.1%	14
Qatar International Islamic Bank (QIIB)	18.3%	50
Commercial Bank	19.0%	52
Doha Bank	16.1%	44
Al Khaliji Bank	2.6%	7
Al Ahli Bank	4.0%	11
Total	100%	273

3.2 Data analysis method

The comparison is done for selected questions from the questionnaire. Questions which are directly related to measuring customer satisfaction are identified and for each question responses are divided into two groups, conventional banks and Islamic banks. For each bank, the Mean and Mode are determined. Then, for the sector or bank group, the average is calculated and under each question the explanation of the results follows. We will also highlight the best and worst bank in each service and which sector is performing better (according to the average responses provided by the customers' opinions and rates).

3.2.1 Data Coding

Most questions have a Likert scale from 1 to 5; 1 represents the worst or lowest and 5 represents the best or highest rate. Other questions have a yes or no answer which will be represented in a number and percentage of respondents.

The following table shows the codes used in the analysis since different expressions of satisfaction were used but all are equivalent to the same 1 to 5 scale. The table shows different options for the survey, each question would have an option of these as an answer, but all are equivalent to the 1-5 scale and are analyzed accordingly.

Table 3: Scale coding of analyzing satisfaction expressions

Scale	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7	Option 8	Option 9	Option 10
0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	No
1	Less than one year	Extremely difficult	Very unfair	None of my banking needs	Very unlikely	Very Dissatisfied	Very poor	Extremely long	Very weak policy	yes
2	2-3 years	Slightly difficult	Slightly unfair	Little of my banking needs	unlikely	Dissatisfied	Poor	Slightly long	Weak policy	
3	3-5 years	About right	About right	Some of my banking needs	Not sure	Neutral	Average	About right	About right	
4	More than 5 Years	Mildly easy	Mildly fair	Most of my banking needs	Likely	Satisfied	Good	Slightly short	strong	
5		Extremely easy	Extremely fair	All my banking needs	Most likely	Very satisfied	Excellent	Very short	Very strong	

3.3 Analyzed questions and results

A total of 24 questions will be analyzed, 18 questions are common for Islamic and conventional banks, 5 for Islamic banks alone and 1 question to compare both banks for customers who have experience in both Islamic and conventional banks.

3.3.1 Comparison of Islamic banks and conventional banks

The following is the explanation of the 18 questions, the results and their comparison.

Q1: The average in both sectors of the period of using the bank's services is 3-5 years. The highest

among conventional banks is Doha bank and Al Ahli bank and of the Islamic bank is QIB, while the lowest is Al Khaliji bank for conventional and Al Rayyan for Islamic.

Q2: The procedures of issuing credit cards from their banks; customers of conventional banks thought, on average, that it's about right. The bank with the lowest rating in this regard is Al Ahli bank whose customers thought that its procedures are either extremely difficult or slightly difficult, while the bank with the highest rating is Doha bank whose customers thought that it is between about right and mildly easy. On the other hand, for Islamic banks the

average is between slightly difficult to about right which puts them worse than conventional banks. QIIB had the lowest rating between slightly difficult and about right, QIB had the highest rating between about right and mildly easy which is in fact higher than the sector average.

Q3: Customers perception of fairness of their bank charges; both sectors had the same average which is between “about right” and “mildly fair”. The lowest performing banks in this aspect is QIIB in the Islamic sector and CBQ (Commercial Bank) and Al Ahli in the conventional one. The highest performing is Barwa bank in the Islamic sector and Al Khaliji and Doha bank in the conventional sector.

Q4: Catering for customers’ banking needs; the respondents showed similar averages in both conventional and Islamic banks between “some of banking needs” and “most of them” with Islamic banks having a slightly higher rate. QIB and Barwa bank had the least rating in this aspect for Islamic banks and Al Ahli for conventional banks. On the other hand, CBQ and Al Khaliji had the highest rating in conventional banks and QIIB for the Islamic banks.

Q5: Customer satisfaction of in-branch services; the respondents showed a higher level of satisfaction in conventional banks than in Islamic banks. Al Rayyan had the highest level of satisfaction among Islamic banks and Al Khaliji in the conventional sector, while QIIB had the lowest satisfaction level within Islamic banks and Al Ahli on the conventional side.

Q6: Satisfaction from branch facilities; the respondents showed a higher level of satisfaction from conventional banks. Al Rayyan had the highest level of satisfaction among the Islamic banks and CBQ among the conventional, while QIIB had the lowest satisfaction level within Islamic banks and Al Ahli within the conventional banks.

Q7: Satisfaction from prices and fees of the bank; the respondents also showed a higher satisfaction level in conventional banks. Among Islamic banks Al Rayyan is the highest performing bank and QIIB is the lowest. Conventional banks had Doha bank as the highest and Al Ahli as the lowest.

Q8: Usefulness and access ease of online banking; the respondents expressed an average between “average” and “good” for both sectors, noting that the

average is also slightly higher for conventional banks. QIB had the highest rating in Islamic banks and CBQ the highest in conventional with a rating that is higher than the sector average; QIIB had the lowest rating among Islamic banks which is actually lower than the sector average, and the same is the case with Al Ahli among conventional banks.

Q9: Satisfaction of the number of services offered on the internet; the customers expressed a higher level of satisfaction from conventional banks, within which Al Khaliji was the highest and Al Ahli was the lowest, compared with Islamic banks where Barwa had the highest level and QIIB had the lowest level of satisfaction.

Q10: Satisfaction from phone banking; the respondents also expressed a higher level of satisfaction from conventional banks than the Islamic banks. Al Khaliji was the highest and Al Ahli was the lowest among conventional banks. As for the Islamic banks Al Rayyan had the highest level of satisfaction and QIIB had the lowest.

Q11: Customer satisfaction from the bank statement services; the conventional banks also showed a higher level of satisfaction with CBQ being the bank with the highest average and Doha bank with the lowest. Both Al Rayyan and Barwa bank have the highest level of satisfaction among Islamic banks and QIIB has the lowest.

Q12: Satisfaction from the bank’s SMS service; the answers showed a higher level of satisfaction in the conventional sector but with all the banks being equal in their averages except for Al Khaliji which had a significant difference from the other banks in the sector. Among Islamic banks Barwa bank has the highest score and QIIB has the lowest.

Q13: Requiring customers to visit a branch for their major services; the customers were asked whether their bank obliges them to go to the branch to conduct major services. A lower percentage of customers reported that conventional banks require them to visit branches compared with Islamic banks. Al Khaliji had the lowest percentage (which means best performing) in conventional sector and Barwa in the Islamic sector, while QIIB among the Islamic banks and Al Ahli among the conventional banks have the highest (which means lowest satisfaction).

Q 14: Length of process period for getting finance from their bank; the answers showed that Islamic banks have better results, i.e., lower period to acquire finance. QIB is the highest performing bank in this aspect and Barwa is the lowest in the Islamic sector, while CBQ is the highest in conventional sector and Al Khaliji is the lowest.

Q15: Customers' perception of their bank's confidentiality policy; the respondents of the conventional banks showed a higher rate of trust in their bank's confidentiality policy than customers of Islamic banks. CBQ and Doha bank both are the highest and Al Ahli is the lowest among conventional banks while Barwa bank is the best performing and QIIB is the lowest among Islamic banks.

Q16: Overall satisfaction from their bank; the conventional banks showed a higher level of satisfaction among their customers than Islamic banks. Al Khaliji had the highest and Al Ahli had the lowest level of satisfaction in the conventional sector, while both QIB and Barwa had the highest level and QIIB had the lowest level among the Islamic banks.

Q17: Likelihood to continue with their banks; both sectors show averages between "not sure" and "likely". Same averages exist for individual banks

except for Barwa bank from the Islamic banks and Al Khaliji from the conventional banks which have averages between "likely" and "most likely", while Al Ahli has the lowest likelihood in conventional banks and QIIB in Islamic banks for their customers to continue with them.

Q18: Recommending one's bank to a friend; 81% of the Islamic banks' customers said they would recommend it to their friends compared with 77% in conventional banks. Barwa bank has the highest percentage among Islamic banks and QIIB the lowest. Al Ahli bank has the lowest percentage in the conventional sector and Doha bank has the highest.

3.4 Islamic banks' questions

The following shows the results of four questions addressed only to Islamic banks' customers.

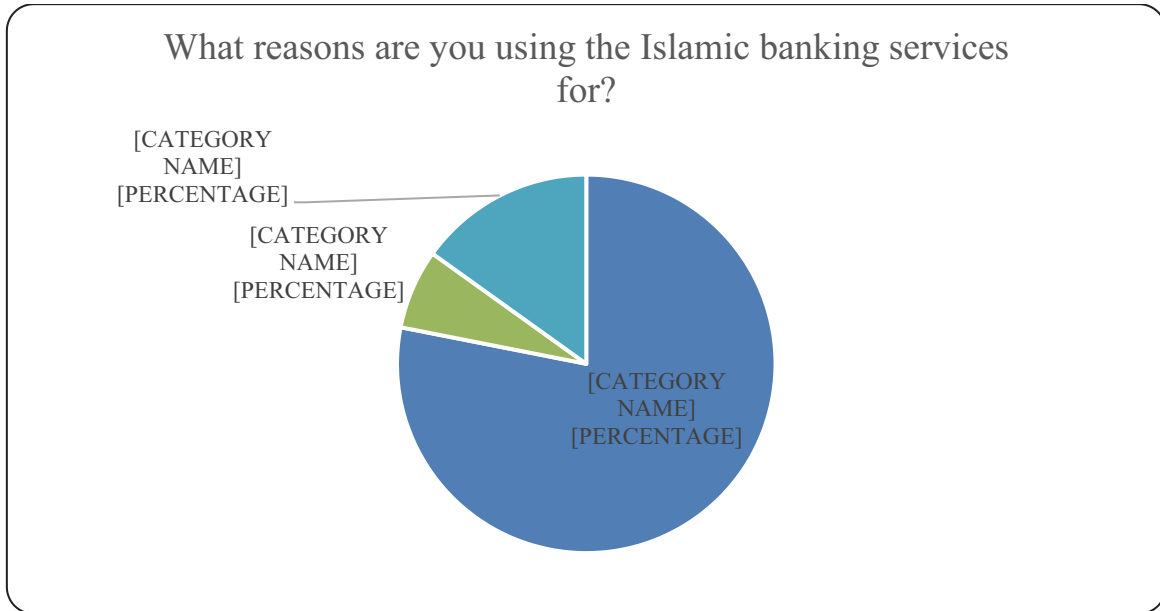
Question no. 41 of the questionnaire measures reasons for using Islamic banks. It has to be separated to check different reasons given in the answers. This indicates whether customers use Islamic banking because they believe they provide better services or only for religious reasons.

We received only 21 responses to this question which are summarized in the following table.

Table 4: Reasons for choosing Islamic banking

Q41	Barwa	Al Rayyan	QIIB	QIB	ALL
Religious reasons	33.3%	45.5%	23.9%	54.5%	78.1%
Better services	66.7%	45.5%	69.6%	38.2%	6.8%
Both	0.0%	9.1%	6.5%	7.3%	15.1%

Figure 1: Reasons why customers choose Islamic banks



Q19: Customer perception of the Islamic character of the Islamic bank; on a 1-5 scale, the average for the sector is 3 with QIB thought to be the most Islamic bank and Barwa bank seen as the least.

Q20: Customer perception of the difference between Islamic and conventional banking; the average of all answers is “small difference”.

Q21: Reasons for banking with Islamic banks; 78% of the answers mentioned only religious reasons, 7% better services and 15% both.

Q22: Customer perception of fairness and competitiveness of profit rates; the average response is “about right”, while QIB customers gave a higher

level of satisfaction and Al Rayyan bank showed a much lower satisfaction.

Q23: Customers’ perception of the bank reputation as Islamic bank; the answers showed an average of “good enough reputation”, while QIB had the highest rate and QIIB had the lowest.

3.5 Two-sector comparison

The following table compares between the results of the two sectors, highlighted to show the highest and lowest performing sector in each aspect.

LA: lowest average
 HA: Highest average

Table (5) The overall customer satisfaction in both sectors in Qatar

No.	Q No.	Question	Conventional sector		Islamic Sector	
			Mean	Mode	Mean	Mode
1	9	For how long have you been using the bank's services?	3.0	4.0	3.0	4.0
2	13	What do you think of the procedures and conditions of issuing your Visa or Master card?	3.0 (HA)	3.0	2.9 LA	3.0
3	14	How fair do you think your bank charges are (value for money)?	3.2	3.0	3.2	3.0
4	15	How much of your banking needs do you think your bank caters?	3.8	4.0	3.9 (HA)	4.0
5	18	While dealing with customer service personnel in the branch, how satisfied were you with the following?	3.9 (HA)	4.0	3.5 LA	4.0
6	19	How satisfied were you with the following aspects of the branch facility?	3.7 (HA)	4.0	3.4 LA	4.0
7	20	How satisfied are you with the following pricing and fees?	3.3 (HA)	3.0	3.2 LA	3.0
8	21	How would you rate ease of access and the usefulness of the online banking channels?	3.6 (HA)	4.0	3.4 LA	4.0
9	22	How satisfied are you with the number of services offered on the online banking platforms?	3.6 (HA)	4.0	3.3 LA	4.0
10	24	How would you describe your views about phone banking service?	3.7 (HA)	4.0	3.5 LA	4.0
11	28	Your opinion regarding bank statements please indicate your satisfaction with the following:	3.9 (HA)	4.0	3.7 LA	4.0
12	30	How satisfied are you from the SMS service?	4 (HA)	4.0	3.7 LA	5.0
13	31	Does the bank oblige you to conduct all your major services from your branch only?	0.30 (HA)	0.0	0.38 LA	0.0
14	32	If you applied for finance how long does it take for the entire process to conclude?	2.3 LA	3.0	2.4 (HA)	3.0
15	33	What do you think of your bank's confidentiality policy?	3.7 (HA)	3.0	3.4 LA	3.0
16	34	How would you rate your overall satisfaction with your bank by using the following scale?	3.8 (HA)	4.0	3.5 LA	4.0
17	35	How likely are you to continue using your bank for your future banking needs?	3.8 (HA)	4.0	3.7 LA	4.0
18	36	Would you recommend your bank to a friend/relative for their banking needs?	0.77 LA	1.0	0.81 HA	1.0
		Average⁽²⁾	3.2 (HA)	3.3	3.1	3.4

(2) The averages are calculated by the mean of all the answers for each question, using the data analysis tool in excel to apply descriptive analysis for each question, while the last average is the total of averages divided by the number of questions.

3.5.1 Results of two sector comparison

The results show that in most of the aspects of customer satisfaction Qatari conventional banks have higher averages than Islamic banks (highlighted blue) and also higher overall average. However, Islamic banks had a slightly higher performance in a few aspects such as; the length of the period to acquire finance, and how much of the customer's needs does the bank cater for. Also, customers of Islamic banks have a higher likelihood of recommending their banks to friends than customers of conventional banks.

3.6 Customers who deal with both conventional and Islamic banks

Question 45 addresses people who have accounts in both Islamic and conventional banks, whether at the same time or have experienced both separately. These customers are more able to compare and identify which bank gives better satisfaction in each provided service. The question consists of a table with different aspects or services offered by banks and the customer would identify, according to his experience, which bank is better in this aspect/service.

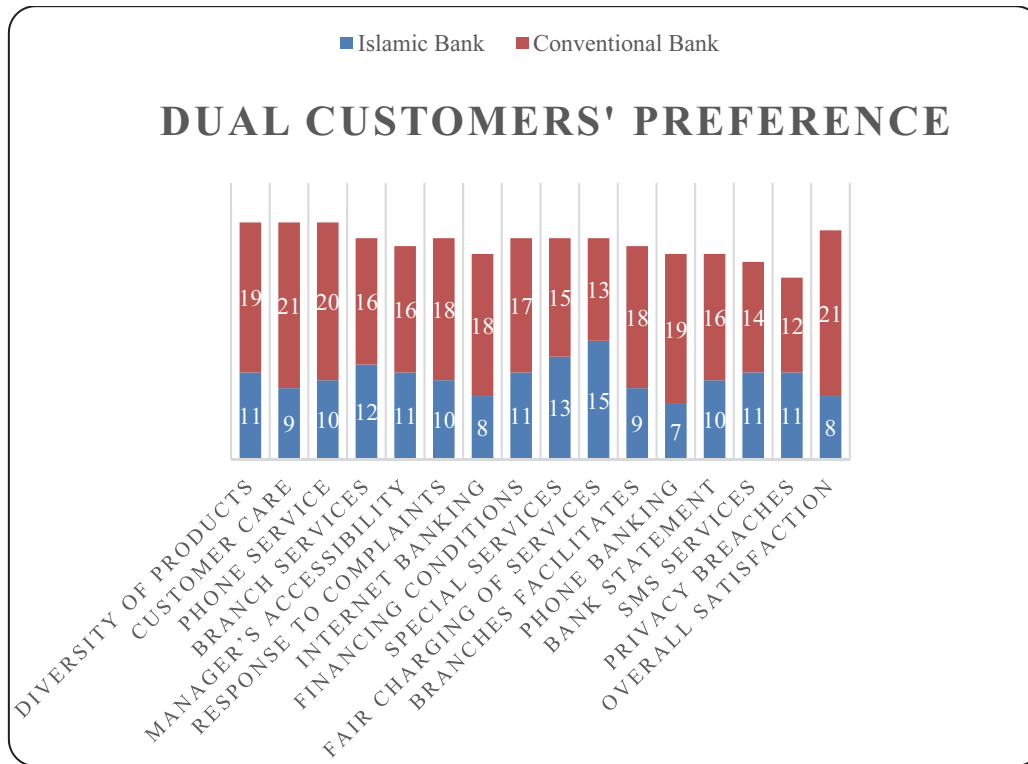
Table (6) Dual customers' preference

No.	Services	Conventional Bank	Islamic Bank	Response Count
1	Diversity of products	19	11	30
2	Customer care	21	9	30
3	Phone service	20	10	30
4	Branch services	16	12	28
5	Manager's accessibility	16	11	27
6	Response to complaints	18	10	28
7	Internet banking	18	8	26
8	Financing conditions	17	11	28
9	Special services	15	13	28
10	Fair charging of services	13	15	28
11	Branches facilitates	18	9	27
12	Phone banking	19	7	26
13	Bank statement	16	10	26
14	SMS services	14	11	25
15	Privacy breaches	12	11	23
16	Overall satisfaction	21	8	29
	Number of answers			30

The response count for this question was 30. The answers show that in all aspects and services mentioned in the previous table (except one), the conventional banks were more preferred than Islamic banks. The majority of these 'dual' customers believe that

Qatari conventional banks provide better services than Islamic banks according to their experience in all services except the fees charged for services where customers favor Islamic banks over conventional banks as shown in figure 2 below.

Figure (2) Dual customers' preference



An index of customer satisfaction for banking services was developed to give an approximation of the total results. All questions/aspects are given equal weight in order to reach a comparable index of all banks from the 18 questions. The Islamic sector

showed a lower index of 54.9 compared to the conventional sector index of 57.4. The following table (11) shows the banks indexes ordered from higher to lower (best to worst)

Table (4) Additive satisfaction index

Bank	Additive Satisfaction of all 18 Questions
CBQ	59
Doha Bank	58.2
Al Khaliji Bank	58.2
QIB	57.7
MAR (Al Rayyan)	57.3
Barwa	57.3
QIIB	49.5
Al Ahli	48.7

3.6.1 Additive index results

The index shows that the highest performing bank in both sectors is the Commercial Bank (CBQ), while the lowest is Al Ahli bank followed by QIIB which is the worst performing bank among Islamic banks. QIB is shown as the highest performing Islamic bank but it ranks lower than all three conventional banks except Al Ahli bank. The general observation that is derived from this index indicates that customers of conventional banks are more satisfied with their services than customers of Islamic banks at each bank compared with the bank closer to it in the level of total assets and deposits.

This index has some drawbacks as it does not give different weights to different aspects of banking services and does not consider the frequency of the services as utilized by customers, etc. However, it gives a reasonable approximation of the total results of the questionnaire and can be improved in future researches to give more representative results.

4. Conclusion and Recommendations

4.1 Conclusion

In this research we compared customer satisfaction of eight banks in Qatar, four Islamic and four conventional, to understand the perception of customers about how good the provided services are. The comparison included services offered by each bank, for which some of the information is obtained from the bank itself through interviews with staff. Most important is the conducted comprehensive survey which consists of a sixteen-page questionnaire especially designed to address the different aspects of customer satisfaction. The questionnaire is intended to discover customers' perception about the quality of services they receive from banks and the level of satisfaction with this quality. Out of 600 questionnaires distributed, 273 responses were obtained. Analysis of these results by computing averages and comparing them at the level of each bank as well as at the sectoral level between Islamic banks and conventional banks was conducted. This was done in order to uncover the banks' performance and find out all areas of improvements that the Islamic and conventional banks need to work on.

The question addressed to dual customers who have experiences with both Islamic and conventional

banks also shows that customers are more satisfied with conventional banks' services than with the services of Islamic banks in almost all areas discussed.

Furthermore, the results also show that 78% of the Islamic banks' customers in the sample use Islamic banking for religious reasons only, not because they provide better services than their conventional counterparts. This proves that the third hypothesis stated earlier in the paper is null.

The results show that in most of the aspects of customer satisfaction, Qatari conventional banks have higher averages than Islamic banks and also higher overall average.

This would answer our research question of whether the Islamic banks provide satisfying services to their customers. The results show that customers are less satisfied with services in Islamic banks and also the majority use their services for religious reasons. Also, most of the customers who tried both services from Islamic and conventional banks prefer the services from conventional banks.

This would reflect on our hypothesis as following; there has been proof that there is a difference between the satisfaction level between Islamic and conventional banks' customers.

These results, in all their aspects, conclusions and observations should be a starting point for future researches.

4.2 Recommendations for Islamic banks

Discussed below are the main areas where Islamic banks performed lower than conventional banks and how they can improve:

- Islamic banks should establish a method to collect feedback from their customers after they receive services either by phone, email, or at the branches. With no concrete effort to know what the customers think there will surely be no improvements.
- For the procedures and conditions of issuing credit cards, Islamic banks could try to expedite their procedures and communicate clearer information to their customers.
- The customer services within the branches of Islamic banks can be improved by intensive training

of their customer service employees with focus on friendliness and professionalism in their appearance as well as behavior with customers.

- Further improvement in Islamic banks can also be made in the area of listening and providing clear answers to customer's inquiries and complaints. Valuing their customers, responding to the points they raise as well as allowing them more and quicker access to a manager when they ask for one. These are keys to success in improving customer satisfaction.

- Islamic banks can improve the customer satisfaction in branch facilities by adjusting their working hours to make them more convenient to customers and by providing better parking facilities.

- Ability to quick staff shuffling in order to reduce the waiting time of customers is very important. Equally important is entertainment provision for waiting customers in branches' halls.

- The Islamic banks should also consider increasing the number and diversity of services offered through internet banking. Customers showed reasonable satisfaction with ease and access to internet banking but they were less satisfied with the number of services offered.

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- Phone banking of Islamic banks also requires improvement. Customer-service agents may require more training to equip them with appropriate communication skills to handle customer calls with precision and clarity. Increasing the number of phone banking agents can help reduce the time customers are kept on hold.

- Islamic banks should improve the customer's satisfaction from the bank statement by expediting its sending and making its format more reader friendly.

- The customers showed lower trust in the Islamic banks' confidentiality policy. Communicating positive slogans within the branches and in social media assures customers that their information is highly protected by the bank.

- Islamic banks should always ask their customers, through surveys, how to improve their satisfaction, show care and avoid individual mistakes that spread negative word of mouth.

- Finally, for the reasons that customers use Islamic banks, the Islamic banks should do all what they can to make customers attraction and loyalty founded not only on religious grounds but also on excellent services that they receive from the Islamic bank.

Omnia Ahmed is a graduate of Islamic Finance program, College of Islamic Studies, Hamad bin Khalifa University, Qatar Foundation, Doha, Qatar. With practical experience and prosperity to contribute to the research field of Islamic finance.

Email: omniatarek2011@gmail.com

Monzer Kahf is currently professor of Islamic Finance and Islamic Economics, Faculty of Islamic Studies, Hamad Bin Khalifa University, Doha, Qatar. He taught at the graduate program of Islamic economics and banking, School of Sharī'ah, Yarmouk University, Jordan, 2004-2005. He served as a senior research economist at the Islamic Research and Training Institute (IRTI) of the IDB Jeddah, Saudi Arabia, during 1995-1999 and was a visiting professor at the graduate program of Islamic finance, at the International Center for Education in Islamic Finance, INCEIF, Kuala Lumpur, Malaysia, during summer 2010. He has published 35 books, more than 80 articles and scores of conference and encyclopedia entries on Islamic finance and banking, *awqāf*, *zakāh* and other areas of Islamic economics. He provides consultations and advice to Islamic banks and *fatāwá* online in the area of Islamic finance and economics. He was awarded the IDB Prize for Islamic Economics, 2001 and the President of Syria Award for best University Graduating Student, July, 1962.

E-mail: monzer@kahf.com; mkahf@hbku.edu.qa

Website: www.kahf.net, www.kahf.com/blog

مستوى رضا العملاء في البنوك الإسلامية مقارنة مع نظيرتها التقليدية: دراسة حالة المصارف القطرية

أمنية أحمد

طالبة الدراسات العليا في التمويل الإسلامي، كلية الدراسات الإسلامية، جامعة حمد بن خليفة، قطر

منذرقحف

أستاذ الاقتصاد والتمويل الإسلامي، كلية الدراسات الإسلامية، جامعة حمد بن خليفة، قطر

المستخلص. تدرس هذه الورقة البحثية مستوى رضا العملاء في البنوك الإسلامية في قطر مقارنة مع نظيرتها التقليدية. تحاول الورقة اختبار فيما إذا كانت البنوك الإسلامية قد تخطت عقبة كونها حديثة النشأة نسبيًا في تقديم خدمات مرضية لعملائها أم إنها تقوم "باستغلال" احتياجات عملائها لمنتجات إسلامية وتعاملهم كمتعاملين أسارى يلجأون إلى البنوك الإسلامية لأسباب دينية بشكل رئيس. كانت أسئلة البحث بحاجة إلى إجابة من عملاء البنوك أنفسهم لاختبار رؤيتهم للخدمات المُقدّمة إليهم، وقد تم صياغة استبيان شامل للمقارنة. وقد قام الباحثان بتحليل الردود الواردة من الاستبيان والبيانات الأخرى التي تم جمعها من مواقع البنوك الإلكترونية، والمقابلات الشخصية، وقوائم رسوم الخدمات، إلخ. وقد أجرت الورقة مقارنات قطاعية بين البنوك الإسلامية والتقليدية من جهة ومقارنات بين البنوك بشكل فردي من جهة أخرى. كما قام الباحثان بتحليل لهذه النتائج باحتساب المعدلات الحسابية ومقارنتها على مستوى كل بنك وكذلك على المستوى القطاعي بين البنوك الإسلامية ونظيرتها التقليدية. تحاول الورقة الكشف عن أداء البنوك ومعرفة جميع مجالات التحسين التي تحتاج إلى العمل عليها البنوك الإسلامية والتقليدية على السواء.

الكلمات الدالة: البنوك الإسلامية، البنوك التقليدية، رضا العملاء، جودة الخدمات، أداء أعلى/أدنى.