

Customer Satisfaction with Islamic Banks: A Case Study of Al Rajhi Bank

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Abstract. *This study aims to identify the factors that lead to the level of customer satisfaction about online services provided by Al Rajhi Bank, which is the largest Islamic Bank in the world. This study is conducted on a sample of customers who deal with Al Rajhi Bank in Qassim region, Saudi Arabia by measuring different constructs such as; reliability, efficiency, response, and empathy which have been taken as determinants of customer satisfaction. The sample size of the respondents is 184 clients. The study reveals that reliability, efficiency, response and empathy all have a positive and significant impact on customer satisfaction. In addition, the results also show that the dimension "efficiency" plays a leading role in the customer satisfaction. This means that indicators of efficiency like ease of service, diversity of online services, organized information and transactions in reasonable times frame are the most important factors in achieving customer satisfaction.*

Keywords: *Customer Satisfaction, Banking Sector, Response, Saudi Arabia*

Abstrak. *Penelitian ini bertujuan untuk mengidentifikasi faktor-faktor yang mempengaruhi tingkat kepuasan nasabah tentang layanan online yang disediakan oleh Bank Al Rajhi, yang merupakan Bank Islam terbesar di dunia. Penelitian ini dilakukan pada sampel nasabah yang berurusan dengan Bank Al Rajhi di wilayah Qassim, Arab Saudi dengan mengukur berbagai konstruksi seperti; reliabilitas, efisiensi, respons, dan empati yang telah diambil sebagai penentu kepuasan nasabah. Ukuran sampel responden adalah 184 klien. Studi ini mengungkapkan bahwa reliabilitas, efisiensi, respons, dan empati semuanya memiliki dampak positif dan signifikan terhadap kepuasan nasabah. Selain itu, hasilnya juga menunjukkan bahwa dimensi "efisiensi" memainkan peran utama dalam kepuasan nasabah. Ini berarti bahwa indikator efisiensi seperti kemudahan layanan, keragaman layanan online, informasi terorganisir dan transaksi dalam jangka waktu yang wajar adalah faktor yang paling penting dalam mencapai kepuasan nasabah.*

Kata kunci: *Kepuasan Pelanggan, Sektor Perbankan, Respon, Arab Saudi*

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Introduction

The world has witnessed major changes in recent years, rapid developments and growth in various sectors in general and in banking sector in particular. As a result of the nature of these changes in banking practice and operation, people are shifting from the traditional banking to online banking system (Qureshi and Zalar, 2008). This motivates banks to invest more in information technologies to provide internet services with high degree of sophistication (Federalreserve.gov, 2000). The banks compete with each other to provide high quality services in order to achieve the highest level of customer satisfaction (Al Karim and Chowdhury, 2014).

Internet service facilitates both stakeholders and clients in various ways. Internet banking service helps banks to construct and maintain strong relationships with their customers reduces operating and fixed costs and achieves more efficient and enhanced financial performance (Rod, *et al.* 2008). In addition, the customers can also benefit from this technology to manage their financial affairs in an easy way and it helps them to save their time and effort.

In the presence of the increasing customer awareness of their rights, there has been an increased pressure over businesses to provide more services to their customers than they used to provide in the past. Due to increasing competition in providing services to customers, banks tended to develop online services, increase the efficiency of their operations, reduce transaction costs, and increase the speed of service delivery. The importance of this study emanates from knowing the efficiency of facilities existing on the bank's website, the level of security, and the ease of access to information. Also this study seeks to identify the level of support and assistance provided by the bank to its customers by responding to their inquiries.

The study aims to measure Al Rajhi Bank³ clients' satisfaction with the services provided via internet (Mubasher Retail) in Qassim region, by measuring different dimensions such as; reliability, efficiency, response, and empathy that they have been taken as determinants of customer satisfaction.

An interesting aspect of research is to study the customer satisfaction of Islamic banks in Saudi Arabia. Al Rajhi Bank is the biggest Islamic bank in the world in terms of volume of assets. It won the Best Islamic Bank in Middle East Award in 2011 administered by *Euro Money Magazine*. So Al Rajhi bank seems the best candidate to be selected to study the customer satisfaction of Islamic Banks. In order to identify the level of customer satisfaction about Al Rajhi Bank services, the focus is on Qassim region because there have been no such studies here.

The structure of the study will be as follows: the first section consists of introduction, the second section reviews the literature, the third section presents the methodology, and the fourth section covers data analysis and the interpretation of results. The last section concludes with policy recommendations.

According to Middle East Islamic Finance survey, service levels of a bank are the most significant factors for determining which bank a customer uses. A majority of customers, especially the female customers prefer to use online banking (PWC, 2014)

Despite the fact that Al Rajhi Bank is the largest Islamic bank in Saudi Arabia, growing competition in the banking sector requires it to adopt latest technology to be competitive. The objective of this study is to propose policies for Al Rajhi Bank not only to retain its customers but also increase their number by enhancing their level of satisfaction.

³ Al Rajhi Bank is one of the largest Islamic banks in the world. It was founded in 1957, and holds about 60 years of experience in banking and trading activities. Being one of the leading and most progressive banks in Saudi Arabia, Al Rajhi Bank also continues to develop banking programs and projects with a focus on the latest electronic services and investment products in order to offer innovative banking and investment services, especially e-banking, which offers new electronic channels that answer customers' needs and aspirations, by simplifying their efforts whilst saving time (AlRajhibank.com).

More specifically, the study seeks to identify the extent of Al Rajhi Bank customers' satisfaction with the services provided via the internet and also identify the role of reliability, efficiency, response, and empathy levels of internet services at Al Rajhi Bank in view of its customer.

Literature Review

A large number of studies have discussed the customer satisfaction in the context of developed and developing countries that shows importance of the subject topic.

Aljasser and Sasidhar (2015) discuss the demographic factors and characteristics affecting the satisfaction perceptions of customers of banks in Saudi Arabia. The results revealed that on-line, ATM and phone banking have higher satisfaction with younger segment of male customers and same is observed for the male employees of the private and public sectors. It is interesting to note that graduates and undergraduates are more satisfied with phone banking. Whereas the level of income and satisfaction are highly correlated with each other with all procedures of banking especially in the context of male customers. However the young segments of the female customers (below 25) are less satisfied with the phone banking.

The study conducted by Sanjuq (2014) aims to evaluate what the impact of service quality on customer satisfaction in Saudi Arabian banking sector. Sanjuq (2014) found that the SERVQUAL model is an effective model to measure customer satisfaction in retail banking. Moreover, there is positive association among assurance, empathy, and responsiveness, but this association has no significant effect on customer satisfaction. Moreover there is a negative relationship between reliability and customer satisfaction whereas tangibles have a positive relationship and have a significant impact on customer satisfaction.

Almotairi, *et al.* (2013) investigate the relationship between online banking services provided by different banks in Riyadh and simultaneously

estimate the relationship of different dimensions such as tangibles, reliability, responsiveness, and empathy with customer satisfaction. The results reveal that all the above mentioned dimensions have significant impact on the customer's satisfaction. It further reveals that tangibles and reliability are relatively more significant.

After analyzing the data for Bangladesh, Hasan (2015) has found that there is a positive relationship between the reliability, security and privacy, service quality and assurance and customer satisfaction. It observed that reliability, security and privacy, service quality and assurance have positive impact on the customer satisfaction.

Rajpara and Mistry (2012) identify various service quality dimensions which affect customer satisfaction at Anand city, India. This study reveals that the customers of ICICI bank receive better response, reliability, efficiency and access to the bank website than customers of SBI bank. The customers of ICICI Bank feel more ease of use of their bank website compared to customers of SBI.

The study of Sakhaei, *et al.* (2013) shows that service quality dimensions, such as reliability, efficiency, responsiveness, fulfillment, security/privacy and website design, have significant effect on customer satisfaction for internet banking in Iran. The customer satisfaction is highly correlated with reliability, while website design depicts the weak correlation.

The study of Ibok and Ikoh (2013) reveals that the factors affecting customers' satisfaction with internet banking in Nigeria include account access, account control, account use or transaction, ease of use, privacy and security. Moreover, cost and time effectiveness have a negative association with customers' satisfaction.

It is observed from the study of Musiime and Ramadhan (2011) that there is a significantly positive relationship between internet banking and customer satisfaction in Uganda. Internet banking and consumer adoption have positive significant impact on the satisfaction. There are also a number

of factors which influence the consumers to adopt internet services such as accessing account and usage.

Rashidi and Mansoori (2015) investigate the effect of internet banking services on customer satisfaction level in Azerbaijan. The results indicate that there is a significant impact of internet banking services and demographic variables on customer satisfaction. It is worthwhile to note that there is a significant difference between measured level of physical presence and familiarization with internet banking before and after services.

Ankit (2011) argues that major factors affecting the overall satisfaction of internet banking customers in India are banking needs, core services, resolution of problems by the bank, cost saved, convenience, risk & privacy, feature availability and consumer continuation. On the other hand, feature availability and consumer continuation have reasonable impact on the overall satisfaction of customers.

Nimako, *et al.* (2013) found that there is a significant difference in the overall customer satisfaction between the two banks, GCB and MBG regarding their internet banking service quality. The differences in satisfaction of IBSQ significantly differ among only income groups. Customers with the internet banking service quality in Ghana are satisfied with the web design factors and service dimension but they are less satisfied with prompt reception of responses to customer request and internet banking system's ability to guide customer to resolve problems.

Important factors affecting customer satisfaction in Bangkok, Thailand, were 24 hours-7days service, completing a task accurately, contacting staff to check immediately, providing accurate and up to date information, fast transaction process, and providing online registration times (Nochai and Nochai, 2013). It is observed in the state of Gujrat (India) that there is a considerable variation in the level of satisfaction among internet banking. The overall satisfaction of internet banking users depends on reliability, responsiveness, security, ease of use, access and tangible (Alam, 2012).

Raza, *et al.* (2013) examined the relationship between customer satisfaction and internet banking service quality in Pakistani banks which are applying the SERVQUAL model. The study finds that tangibles, reliability, responsiveness and assurance have a significant positive impact on customer satisfaction. Moreover, empathy has a positive but insignificant impact on customer satisfaction.

The purpose of Ling, *et al.* (2016) study is to examine the factors which influence customer satisfaction towards internet banking in Malaysian state of Malacca. There are five factors which influence customer satisfaction toward internet banking including service quality, web design and content, security and privacy, convenience and speed. The results show that web design and content, convenience and speed are the top three factors that influence customer satisfaction toward internet banking.

The above survey of literature clearly shows that reliability, efficiency, response and empathy are the four most important factors that affect customer satisfaction with online banking services significantly in different countries.

Method

According to Dahlinger and Yassaee (2014) classification, the current study follows the cross-sectional research design. Because it is a one-shot survey, which serves for testing correlational hypotheses. According to Creswell (2009) classification, the current study follows quantitative research method. Because of that hypotheses will be tested by gathering numerical data using a questionnaire.

The independent variables are reliability, efficiency, response, and empathy whereas customer satisfaction is the dependent variable (see table 1). The current study is a quantitative research that is based on primary data that has been collected through survey.

Table 1. Variables

Variables	Description
Customer satisfaction	The degree of satisfaction provided by the goods or services of a company as measured by the number of repeat customers.
Reliability	Involves the precise technical functioning of the website and the extent to which the service can be reliable.
Efficiency	Refers to the ease of using the website.
Response	Quick response and the ability to get help if there is a problem or a question.
Empathy	Provision of caring and individualized attention to customers provided by call centers or web administrators

Based on the study by Almotairi, *et al.* (2013), who found that efficiency, reliability, responsiveness and empathy are significant determinants of overall satisfaction of customers, the following hypotheses are proposed.

H₁: The quality of Al Rajhi Bank's online services have positive impact on its customers' satisfaction.

H₂: The client's assessment of Al Rajhi Bank's reliability, efficiency, response, and empathy levels of banking service positively affect customer satisfaction.

Success or failure in banking sector depends on corresponding customers' satisfaction (Almotairi, *et al.*, 2013). In internet banking service, studies showed that reliability, efficiency, response, and empathy are four variables directly affecting the customers' satisfaction (Almotairi, *et al.*, 2013; Rajpara and Mistry, 2012; Sakhaei, *et al.*, 2013; Sanjuq, 2014; George and Kumar, 2014). Based on the above, the following secondary hypotheses are proposed:

H_{1.1} There is a positive relationship between reliability and customer satisfaction.

H_{1.2} There is a positive relationship between efficiency and customer satisfactions.

$H_{1.3}$ There is a positive relationship between empathy and customer satisfaction.

$H_{1.4}$ There is a positive relationship between response and customer satisfaction.

The primary and the secondary hypotheses are illustrated in the figure 1. The following model has been used following Almotairi, *et. al.* (2013) study.



Figure 1. Proposed Model of the Research

Data

The primary data for the current study have been collected by the survey that has been administrated for this paper. A questionnaire has been used to gather the data to obtain information about the variables of interest. In order to distribute the questionnaires, Social Media programs like Twitter have been utilized through the use of Google Doc program.

The questionnaire (available from authors on request) was translated from English into Arabic and checked to make sure that the language was equivalent in both versions. The questionnaire has six parts. The first part deals with the respondents' personal information and was designed with multiple choices. The second part of the questionnaire asks respondents questions regarding customer satisfaction. Third part asks respondents questions regarding reliability. The fourth part asks respondents questions

regarding tangibles. The fifth part asks respondents questions regarding response. The last part asks respondents questions regarding empathy. From second part until the last part is designed using a five-point Likert scale, the options for which are “strongly disagree”, “disagree”, “neutral”, “agree” and “strongly agree”.

All the customers of Al Rajhi Bank in Qassim area form the population of the current research. The method used for the sample selection is the simple random method, in which “every element in the population has a known and equal chance of being selected as a subject” (Sekaran and Bougie, 2013). The random method for the sample selection is the best way to represent the population. The method has been used in the previous studies (e.g. Aljasser and Sasidhar, 2015; Sakhaei, *et al.*, 2013; Hassan, *et al.* 2013). Accordingly, the random method of sample selection has been chosen. Since the researchers have limited resources, time and budget, a sample size of 184 subjects have been randomly selected from Qassim region.

Research Method

In line with what has been mentioned, customer satisfaction can be measured through the variables those affect it. Another element of the post positivist philosophy is that attitudes and behavior can be observed and measured using a numerical approach (Creswell, 2009).

In the current study of customer satisfaction with the level of internet services through website provided by Al Rajhi Bank, a quantitative research has been conducted using primary data that is collected through survey. The SERVQUAL methodology has been used for the analysis.

In order to analyze the data, descriptive statistics techniques is used. The descriptive statistical analysis is conducted by calculating the averages and deviations between variables. Also reliability and internal consistency is analyzed through Cronbach's alpha. Additionally, Factor Analysis and multiple regression analysis is conducted using SPSS program to ensure the

accuracy of the results. Operationalizing concepts are shown in the Table A1 given in Appendix.

Result and Discussion

Table 2 describes the respondents' profiles. An overwhelming majority of 70.1% respondents are females whereas 40.7% of the respondents belong to the age group of 31-40. A majority of 64.7% respondents hold a bachelor's degree.

Table 2. Respondents' Profiles

Profile	Description	Number of Respondents	(% of total)
Age	20 or under	2	1.1
	21 - 30	66	35.9
	31 - 40	74	40.7
	41 - 50	29	15.8
	50 or over	13	7.1
Profile	Description	Number of Respondents	(% of total)
Gender	Male	55	30.2
	Female	129	70.1
Education Level	High school or less	25	13.6
	Diploma	24	13
	Bachelor	117	64.7
	Master	13	7.1
	Ph.D. or more	3	1.6

In order to study the level of customer satisfaction with the internet services provided by Al Rajhi Bank, Likert Scale with five items has been adopted to assess the responses, provide a quantitative measure, and facilitate the application of the statistical tests (Boone and Boone, 2012). The general direction of the hypothesis can be determined by calculating the means of the questions, and comparing these means with the calculated values of five-item Likert scale. These values are explained in table A2 in the appendix.

Table 3. Some Descriptive Statistics of Variables

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total	S. Dev	Mean
1. Customer Satisfaction								
Freq.	93	357	143	112	31	736	0.81	3.5
Percent.	12.63%	48.5%	19.4%	15.2%	4.2%	100%		
2. Reliability								
Freq.	212	798	379	195	78	1662	0.68	3.52
Percent.	12.8%	48 %	22.8%	11.7%	4.7%	100%		
3. Efficiency								
Freq.	67	414	165	70	20	736	0.69	3.6
Percent.	9%	56.2 %	22.4%	9.5%	2.7%	100%		
4. Response								
Freq.	22	141	202	147	40	552	0.85	2.92
Percent.	4%	25.5 %	36.6%	26.6%	7.25%	100%		
5. Empathy								
Freq.	54	297	232	116	37	736	0.81	3.29
Percent.	7.3%	40.3%	31.5%	15.8%	5%	100%		

The first part of table 3 shows the response of the customers about their satisfaction level. More than 48.5% respondents fall in the category of agree, only 12.63% fall in the category of strongly agree, however 15.2% fall in the category of disagree respectively. Accordingly, it can be concluded that internet services provided by Al Rajhi Bank are satisfactory for a majority of its customers. However, it also indicates that Al Rajhi Bank still needs to do a lot to increase the satisfaction level of its customers. The arithmetic mean is (3.5014), which corresponds to the categories given in the calculated values of five-item Likert scale table.

The second part of table 3 shows the averages of the responses about reliability of service. Forty eight percent of the respondents agree on the reliability of Al Rajhi Bank website, which means it has the proper technical functioning and its service have been reliable, and only 12.8% of them strongly agree on that. While only 11.7% of the respondents disagree. Accordingly, it can be concluded that Al Rajhi Bank has the precise technical functioning and its service are reliable. The arithmetic mean is 3.52, which corresponds to the categories given in the calculated values of five-item Likert scale table.

The third part of table 3 shows the averages of the responses about the efficiency. A majority of the respondents (56.2%) agrees on the efficiency of Al Rajhi bank website, which means the ease of using the website, and only 9% of them strongly agree on that. While only 9.5% of the respondents disagree. Accordingly, it can be concluded that Al Rajhi Bank provides a simple, clear and easy website for their customer. The arithmetic mean is 3.59, which corresponds to the categories given in the calculated values of five-item Likert scale table.

The fourth part of table 3 shows the averages of the responses about the responsiveness. About 25.5% of the respondents agree on the responsiveness of Al Rajhi Bank website which indicates the that they get a quick response for they help requests if there is a problem or a quarry, and only 4% of them strongly agree on that. While a substantial, 26.6% of the respondents disagree. Accordingly, it can be concluded that not all Al Rajhi Bank customers are satisfied with the customer services responses provided by the bank in their web site. The arithmetic mean is 2.92, which corresponds to the categories given in the calculated values of five-item Likert scale table.

The fifth part of table 3 shows the averages of the responses about empathy. About 40.35% of the respondents agree on the care and the individualized attention provided by the call centers or the web administrators of Al Rajhi Bank, and only 7.34% of them strongly agree on that. While only 15.8% of the respondents disagree. A substantial percentage (31.5%) falls in the category of neutral, which implies that not all Al Rajhi Bank customers are satisfied with the individualized customer services provided by the bank in their web site. The arithmetic mean is 3.29, which corresponds to the categories given in the calculated values of five-item Likert scale table.

The correlations test result (appendix table A4) shows that there is a high and significantly positive statistical relationship between customer satisfaction and reliability, customer satisfaction and efficiency, customer

satisfaction and response, customer satisfaction and empathy. Almotairi *et al.* also find positive correlations between these variables.

KMO and Bartlett test are performed to test the internal validity of the analysis. Table A5 in appendix reproduces the SPSS analysis result of KMO and Bartlett's statistics. The KMO statistic varies between 0 and 1. A value of 0 indicates that the sum of partial correlations is large relative to the sum of correlations, indicating diffusion in the pattern of correlations (hence, factor analysis is likely to be inappropriate). A value close to 1 indicates that patterns of correlations are relatively compact and so factor analysis should yield distinct and reliable factors. Kaiser (1974) recommends interpreting values greater than 0.5 as acceptable (values below this should lead you to either collect more data or rethink which variables to include). Furthermore, values between 0.5 and 0.7 are mediocre, values between 0.7 and 0.8 are good, values between 0.8 and 0.9 are great and values above 0.9 are superb. For these data, the value is 0.915, which falls into the range of being superb, so we should be confident that factor analysis is appropriate for these data.

Table 4 presents the numbers related to total variance explained. Rotation has the effect of optimizing the factor structure and one consequence for these data is that the relative importance of the four factors is equalized. Before rotation, factor 1 accounted for considerably more variance than the remaining three (45.562% compared to 9.120, 5.288, and 4.460%), however after extraction it accounts for only 22.037% of variance (compared to 15.953, 14.018 and 12.421% respectively).

The results of total variance table (table 4) shows that the cumulative variance explained by all four factors is about 64.43 percent. Results show that a very high percentage of variance has been explained by the considered factors.

Table 4. Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative (%)	Total	% of Variance	Cumulative (%)	Total	% of Variance	Cumulative (%)
1	9.11	45.562	45.562	9.11	45.562	45.562	4.41	22.037	22.037
2	1.82	9.12	54.681	1.82	9.12	54.681	3.19	15.953	37.99
3	1.06	5.288	59.969	1.06	5.288	59.969	2.8	14.018	52.008
4	0.89	4.46	64.429	0.89	4.46	64.429	2.48	12.421	64.429
5	0.88	4.401	68.83						
6	0.71	3.571	72.4						
7	0.66	3.291	75.691						
8	0.63	3.167	78.858						
9	0.58	2.881	81.738						
10	0.49	2.451	84.189						
11	0.48	2.383	86.572						
12	0.43	2.156	88.727						
13	0.39	1.96	90.687						
14	0.36	1.815	92.502						
15	0.34	1.685	94.187						
16	0.32	1.596	95.783						
17	0.25	1.254	97.037						
18	0.24	1.217	98.254						
19	0.21	1.027	99.281						
20	0.14	0.719	100						

The table of factor analysis is useful as well as essential to understand the outcomes of the analysis. The 20 questions related to the internet banking have been categorized into four overlapping groupings of items. The items are generally distributed from the one with the highest factor weight or loading for that factor to the one having the lowest loading on that first factor, within each factor. The range of the loadings lies between -1.0 through 0 to +1.0, because the loadings are resulting from an orthogonal rotation are basically the correlation coefficients of every item with the factor. In case of a negative loading, the question is required to be interpreted in an opposed direction from the actual way it is written for that factor. The items that have high loadings from each factor should be examined to check if they conceptually fit together and can be named.

Table 5. Rotated Component Matrix^{es}

	Component			
	1	2	3	4
When handling customer problems the bank look forward to find a solution	.817			
Website offers to the customers necessary action to resolve problems	.780			
When client queries about any inquiries through website the bank responds fast	.766			
The client receives personal attention from the service provider	.679			
Bank employees they have highly efficient to answer customer questions	.672			
Al Rajhi bank provides data for communication during the website	.608			
Website provide easy and affordable services for the client	.605			
	Component			
	1	2	3	4
Website load its pages fast		.785		
It is easy to browse by using bank website		.763		
It is easy to navigate within the website		.593	.582	
Bank site does not hang	.444	.556		
Website provides easy electronic services		.549		
The bank updates the services available on the website			.721	
Information on the website are well organized			.649	
Al Rajhi bank has different services offered through the website			.559	
Instruction of using the website clear		.449	.479	
Website of the bank not offend the use of personal information for clients				.838
High confidence proportion in the website with respect to sensitive information				.767
Al Rajhi bank implements adequate policies against who abuse customer data				.533
The site make financial transaction required in reasonable		.456		.477

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.^a

a: Rotation converged in 6 iterations.

Coefficients table (table 6) shows the results of regression analysis. Results indicate that all dimensions of internet services have significant positive effect on customer satisfaction. For efficiency, the p value of ($0.000 < 0.001$) indicates that the efficiency has a strong influence on the customer satisfactory, it rejects the null-hypothesis and accepts the alternative hypothesis. The coefficient of efficiency is 0.522, which is relatively the highest. This shows that customer satisfaction highly depends on ease of use, variety of services provided and organization of the website. This result is supported by the results of Rajpara and Mistry (2012).

Table 6. Coefficients^a

Model	Standardized Coefficients	
	Beta	Sig.
1 (Constant)		.000
Reliability factor score 1 for analysis 2	.352	.000
Efficiency factor score 2 for analysis 2	.522	.000
Response factor score 3 for analysis 2	.347	.000
Empathy factor score 4 for analysis 2	.305	.000

a: Dependent Variable: Customer Satisfaction

For reliability, the p value ($0.000 < 0.001$) indicates that the reliability has a strong positive influence on the customer satisfactory so we accept the alternative hypothesis. The coefficient of reliability is 0.352 which indicate that the website provides clear instructions, insures confidentiality and has adequate policies, which are considered the second effective factor of customer satisfaction, it is statistically different from zero so we accept the alternative hypothesis. This result is in consistency with Sanjuq (2014), and Almotairi *et al.* (2013).

The coefficient of response and empathy are 0.347 and 0.305 respectively and both are statistically different from zero. Results also show the significant effect of these two dimensions on customer satisfaction. This means that issue solving behavior; correct information and good promising

attitude enhance customer satisfaction. Similarly, empathy that represents personal care and individual attention towards customer enhances customer satisfaction.

These results are consistent with the results of research on banking sector by Sanjuq (2014), Almotairi *et al.* (2013) in Saudi Arabia, Hasan (2015) for Bangladesh, Raza *et al.* (2016) for Pakistan and Sakhaei *et al.* (2013) for Iran. Chronbach's Alpha value is 0.945 (table 9 appendix), which represents a good level of internal consistency of the scale for all eighteen numbers of questions. Ideally, the Cronbach alpha coefficient of a scale should be 0.70 and above (Pallent, 2007).

Conclusion

This research was carried out to measure the customer satisfaction of Al Rajhi Bank as a representative of Islamic Banks. Factor Analysis techniques has been applied to SERVQUAL model. The results of Cronbach Alpha and KMO reveal good levels of internal consistency of data and internal validity of the factor analysis technique. The total variance explained by the four factors is 64.43% which is reasonable.

The regression analysis results reveal that reliability, efficiency, response and empathy all have a positive impact on customer satisfaction. In addition, the results also show that the dimension efficiency plays a leading role in the customer satisfaction. This means that indicators of efficiency like easiness of service, diversity of online services, organized information and transactions in reasonable times frame are the most important factors in achieving customer satisfaction.

It is recommended that the management of Al Rajhi Bank should establish a sequential priority to improve customer service quality in online banking service. The management should develop more effective systems to solve the issues of customers quickly. In addition, it needs to establish a strict control over the customer service channels via the internet. The bank needs to

educate the employees about the importance of proper response to the customers and have good dealing with them.

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Appendix:

Table A1: Operationalizing Concepts

Concept	Component	Dimensions	Indicators	Measurement
Internet service provided by the bank (Al Rajhi website)	Mubasher retail	Reliability	Clear instruction	1- Clear 2- Not Clear
			Services updates	1- Up to date 2- Not Up to date
			Easy to browse	1- Easy 2- Difficult
			Easy to navigate	1- Easy 2- Not easy
			Fast page downloading	1- Fast 2- Slow
			Website dose not hang	1- Hangs 2- Does not hang
			High confidence	1- High 2- Low
		Efficiency	Website not offend use of personal information for clients	1- High 2- Low
			Implements policies against abuse of data	1- Implements 2- Does not implement
			Provide easy services	1- Easy 2- Not easy
			Offer different services	1- Offered 2- Not offered
			Organized information	1- Organized 2- Not Organized

		Financial transactions in a reasonable time frame	1- High 2- Low
		Fast responds to the client	1- Fast 2- Not fast
		Resolve problems	1- Resolve 2- Not resolve
		Find a solution for problems	1- High 2- Low
		Provides easy and affordable services	1- Provides 2- Does not provide
		Provides data for communication	1- Provides 2- Does not provide
		Personal attention to the clients	1- Receives 2- Does not receive
		Answer customer questions	1- Available 2- Unavailable
Customer satisfaction on the Internet service provided by the bank (Al Rajhi website)	Overall satisfaction	Overall satisfaction	Website provide easier to get banking service 1- Easy 2- Difficult <hr/> Al Rajhi online services match client's expectation 1- Match 2- Do not match <hr/> Smooth procedures for dealing with electronic banking 1- High 2- Low <hr/> The website provides a comprehensive banking service 1- Provides 2- Does not provide

Table A2: The Calculated Values of Five-Item Likert Scale:

Level	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
Likely Mean	From 1 to 1.79	From 1.80 to 2.59	From 2.60 to 3.39	From 3.40 to 4.19	From 4.20 to 5

Table A3: ANOVA^a

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	72.859	4	18.215	69.813	.000 ^b
	Residual	46.703	179	.261		
	Total	119.562	183			

a. Dependent Variable: customer satisfaction

b. Predictors: (Constant), Empathy factor score 4 for analysis 2, Response factor score 3 for analysis 2, Efficiency factor score 2 for analysis 2, Reliability factor score 1 for analysis 2.

Table A4. Correlation Test

		Customer satisfaction	Reliability	Tangibles	Response	Empathy
Customer satisfaction	Pearson Correlation	1	.758**	.678**	.468**	.641**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	184	184	184	184	184
Reliability	Pearson Correlation	.758**	1	.785**	.551**	.703**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	184	184	184	184	184
Efficiency	Pearson Correlation	.678**	.785**	1	.510**	.640**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	184	184	184	184	184
Response	Pearson Correlation	.468**	.551**	.510**	1	.747**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	184	184	184	184	184
Empathy	Pearson Correlation	.641**	.703**	.640**	.747**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	184	184	184	184	184

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

Table A5: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.915
Bartlett's Test of Sphercity	Approx. Chi-Square
	2094.089
Df	190
Sig.	.000

Table A6: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No of Items
.945	.946	24