



**UNIVERSITI TEKNOLOGI MARA**

**CUSTOMERS SATISFACTION TOWARDS ISLAMIC  
BANKING SERVICES: A STUDY OF MALAYSIAN BANKS IN  
KUALA LUMPUR**

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**SUBMITTED FOR THE FULLFILMENT OF THE  
REQUIREMENT FOR THE DEGREE BACHELOR OF  
BUSINESS ADMINISTRATION WITH HONOURS  
(MARKETING)**

**FACULTY OF BUSINESS MANAGEMENT**

**UNIVERSITI TEKNOLOGI MARA**

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**DECEMBER 2015**

## LETTER OF SUBMISSION

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The Head of Program  
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January 2016

Dear Sir/Madam,

**SUBJECT: SUBMISSION OF PROJECT PAPER (MKT669)**

Enclosed here with, the Project Paper titled **Customers Satisfaction towards Islamic Banking Service: A Study of Malaysian Banks in Kuala Lumpur** to fulfill the requirement as needed by Faculty of Business Management, University Technology MARA.

Thank you.

Yours sincerely,



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## ABSTRACT

The purpose of this study is measuring Customers' satisfaction towards Islamic banking services: A study of Malaysian Banks in Kuala Lumpur. The work of Islamic bank drives from Islamic principal and Sharia that is differentiate with conventional banks. Therefore, it is important for Islamic banks to determine what customers expect and then develop service product that meet or exceed satisfaction. Nowadays, Islamic banks has strong competition with conventional banks because they are faced with different customers expectation to receive high quality services that they are serve. In this study i am using CARTER model instrument and disconfirmation model for measuring level of customers' satisfaction. In addition, this study indicates the service quality base on CARTER model instrument. The primary data of this study was gathered by distributing 384 survey questionnaires at Kuala Lumpur area. The Cronbach's Alpha Reliability test, which using the mean to find the most factor that influence customer satisfaction, Pearson Correlation Analysis was used to the hypothesis. The study shows the results for the relationship between customer satisfactions only Compliance and Responsiveness are influence variables but for Assurance, Reliability, Tangibles and Empathy are not really affected by the dependent variables. Meanwhile the results shows that Assurance has the highest mean which describe the customers prefer a good knowledge and courtesy of employees and their ability to inspire trust and confidence towards their customers. By using the CARTER model we can find the level of customers' satisfaction in services that Islamic banking serve towards their customer's.

**Key words:** *Customer, Customer Satisfaction, CARTER, Islamic bank, Kuala Lumpur, Malaysia*

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# CHAPTER 1

## INTRODUCTION

### 1.1 Introduction

Islamic banking has emerged as one of the fastest growing industries. It has spread to all corners of the globe and received wide acceptance by both Muslims and non-Muslims alike (Iqbal & Molyneux, 2005). Islamic banks perform the same essential functions as banks do in the conventional systems, except that the need for them to carry their transactions in accordance with the rules and principles of Islam (Henry & Wilson, 2004; Iqbal & Mirakhor, 2007). In Malaysia, customers' positive perception towards Islamic banking is far more crucial mainly due to the fact that Islamic banks have to compete with the long established conventional banks in a dual-banking system.

### 1.2 Background of Story

The objective of this paper is to seek and measure the service quality dimensions, customer satisfactions towards Islamic banking services in Kuala Lumpur. In fact, Islamic banking systems is the one of the most advanced, fastest growing in banking industry, and has largest economy among Muslim nations in the world.

In Malaysia, the banking industry is substantially backed by the commercial banks, investment banks, and Islamic banks. With all this kind of