

**COMPARING SIGNIFICANT FACTORS
AFFECTING CUSTOMER SATISFACTION
IN BANK ISLAM AND RHB BANK**

**AHMAD LUTFI ANIS
AWANG IKWAN AWANG MOHD SULAIMAN
ZAMRI MOHAMAD**

Report submitted in partial fulfillment of the requirements
for the degree of

Executive Masters in Business Administration

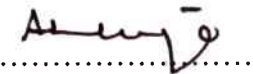

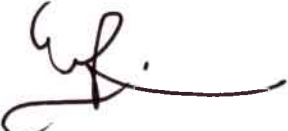

Faculty of Business Management

May 2009

Candidates' Declaration

We declare that the work in this report was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the result of our own work, unless otherwise indicated or acknowledged as referenced work. This report has not been submitted to any other academic institution or non-academic institution for any other degree or qualification.

In the event that our report is found to violate the conditions mentioned above, we voluntarily waive the right of conferment of our degree and agree to be subjected to the disciplinary rules and regulations of Universiti Teknologi MARA

<u>Name of Candidates</u>	<u>Student ID</u>	<u>Signature</u>	<u>Date</u>
AHMAD LUTFI BIN ANIS	2006144339		May 18, 2009
AWANG IKWAN BIN	2006144345		May 18, 2009
AWANG MOHD SULAIMAN			
ZAMRI BIN MOHAMAD	2006156133		May 18, 2009

Programme : Executive Masters in Business Administration
Faculty : Faculty of Business Management
Applied Business Project Title: Comparing Significant Factors Affecting
Customer Satisfaction in Bank Islam and RHB
Bank

ABSTRACT

An increasingly competitive banking industry necessitates banks to know the changing needs and expectations of customers so as to devise and implement more effective marketing strategies. This study aims at identifying significant factors that influence customer satisfaction within the dimensions of service satisfaction, commitment, trust, communication and conflict handling. Bank Islam and RHB Bank were selected and samples were gathered through random sampling method. Consolidation with management of the respective banks showed that the findings correspond with current situation faced by the banks. Contributing factors to customer satisfaction both from the customers' perspectives and bank managements' perspectives within the scope of customer satisfaction are compared. Implications and future research are also discussed.

KEYWORDS: customer satisfaction, significant factors, bank, Bank Islam, RHB

TABLE OF CONTENTS

	Page
Abstract	iii
Acknowledgements	iv
Table of Contents	v
List of Tables	vii
CHAPTER 1	INTRODUCTION
1.1	Problem Statement 1
1.2	Objectives 1
1.3	Significance of Project 2
1.4	Scope of Project 2
1.5	Background of the Study 3
1.5.1	Bank Islam (Malaysia) Berhad 3
1.5.2	RHB Bank Berhad 4
CHAPTER 2	LITERATURE REVIEW
2.1	Customer Satisfaction in the Banking Sector 5
2.1.1	Service Satisfaction 7
2.1.2	Commitment 7
2.1.3	Trust 8
2.1.4	Communication 8
2.1.5	Conflict Handling 8
2.2	Customer Satisfaction in Islamic Banks 9
CHAPTER 3	RESEARCH METHODOLOGY
3.1	Survey Design 11
3.2	Data Analysis 14
3.3	Reliability Test 14
3.3.1	An Alternative Estimation for Cronbach's Alpha 14
CHAPTER 4	RESULTS AND ANALYSIS
4.1	Sample 17
4.2	Reliability Analysis 17
4.3	Regression Analysis 18
4.3.1	Bank Islam (Malaysia) Berhad 18
4.3.2	RHB Bank Berhad 20
4.4	Consolidation of Findings with Bank Management 22
4.4.1	System Improvements in Bank Islam 22
4.4.2	Employee Development in RHB 23

CHAPTER 1 INTRODUCTION

1.1 PROBLEM STATEMENT

In an increasingly competitive business environment it is imperative for banks to know the changing needs and expectations of customers in order to devise better and more effective marketing strategies.

Examining the factors influencing customer satisfaction in the local banks would provide the banks with ways to improve their quality of service. Customers are more knowledgeable, resourceful and the growing competition has compelled banks to provide products and services that are more customer-centered than before. It becomes crucial for banks to investigate significant factors affecting their customers' satisfaction towards their products and services.

Our preliminary discussion with the banks revealed keen interest from the managements to know significant factors that affect customer satisfaction. This is due to the fact that measurement of customer satisfaction in the banking industry today is no more indicated by satisfaction of customers with traditional products and over-the-counter banking transactions. The scope of overall customer satisfaction in banks has expanded to include tools in the electronics environment, particularly the internet.

1.2 OBJECTIVES

The objectives of this study are:

- i. To identify significant factors affecting customer satisfaction in the selected branches of Bank Islam and RHB Bank;
- ii. To compare the influence of these factors with respect to Bank Islam and RHB Bank from the customers' and management's perspective;
- iii. To recommend improvements and analyze their effects in terms of policy implications.