The impact of service quality on customer satisfaction and customer loyalty: An empirical study on Islamic banks in Bahrain

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Abstract

The quality of service plays a vital role in any service-oriented sector, including in the banking services industry. While the service sector is a major contributor to economic activity, in-depth study on service quality and its impact on customer satisfaction and loyalty have been largely overlooked. Moreover, all organisations seek quality, particularly those in the service sector, and this holds true in the banking sector. The role of service quality in the survival and success of Bahraini banks have become increasingly significant, with the objective of achieving a competitive edge in the market. Bahraini Islamic banks are now considered as the most important step in gaining a competitive edge in the market. Bahraini Islamic banking services quality is the focus of this study. To measure Islamic banking services quality, as perceived by customers, followed by customer satisfaction and loyalty, a questionnaire was distributed to potential customers, and the potential customer increased profitability. In this paper, the importance of Islamic banking in Bahrain is highlighted. Hence, the objectives for this study would be to examine the impact of service quality on customer satisfaction and customer loyalty. The present research is expected to acknowledge the achievements of customer satisfaction and customer loyalty through the measurement of service quality and to provide recommendations for managing an effective Islamic banking service quality. Therefore, any research effort undertaken to enhance the service quality of the Islamic Banks in Bahrain should be considered as an important attempt to significantly contribute to and support the Islamic banking industry. This study will also provide practitioners innovative ideas for refining quality of services with the purpose of achieving a competitive advantage in the Islamic Banking sector in Bahrain.

Author keywords

Customer satisfaction, Islamic banking and finance in Bahrain, Service quality (SERVQUAL)

References (204)