

STUDENT SATISFACTION TOWARDS QUALITY SERVICE AT ISLAMIC BANKING IN MALAYSIA

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UNIVERSITI
MALAYSIA

**BACHELOR OF BUSINESS ADMINISTRATION (ISLAMIC BANKING
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FACULTY OF ENTREPRENEURSHIP AND BUSINESS (FKP)

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A thesis submitted in fulfilment of the requirements for the Bachelor of Business Administration (Islamic Banking and Finance) With Honours

**Faculty of Entrepreneurship and Business
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CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

This chapter presented general information of the student satisfaction towards quality service at Islamic banking in Malaysia. This chapter also discusses the background of the study, problem statement, research questions, research objectives, significance and scope of the study as well as definition of terms of variables and organization of the proposal.

1.2 BACKGROUND OF THE STUDY

For the past 30 years, the topic of satisfaction has been debated in the fields of consumer research and marketing. According to Wilkie and Perkins, more than 1200 publications have been published in the field of customer satisfaction research, and the number of publications published should have doubled or tripled by now, as this issue has attracted more and more interest from researchers worldwide. This is because students are seen as customers by institutions of higher learning, student happiness is referred to as customer satisfaction in this study.

Customer satisfaction is described as "a cognitive or subjective response that arises in response to a single or repeated sequence of service experiences." McDougall and Levesque (McDougall & Levesque, 2000). It might be a multi-dimensional construct (Hu, 2009; Bitner and Hubbert, 1994; Tierney, 1995; Sureshchandar et al., 2002) or a one-dimensional construct (Hu, 2009; Bitner and Hubbert, 1994; Tierney, 1995; Sureshchandar et al., 2002). (Cronin and Taylor, 1992).

In the banking business, service quality has long been seen as a major concern (Stafford, 1994). Because client pleasure is both directly and indirectly connected to bank loyalty, service quality is important (Ting, 2006). As a result, today's bank managers are increasingly focused on improving their service in order for banks to keep their competitive advantages (Naceur, 2002). According to Oliver (1993), contentment loosely translates to "enough" or "not enough." As a result, customer satisfaction may be described as a customer's answer to a fulfilment request (Othman, 2003). In Lovelock's (1996) research, service is frequently described as intangibility, heterogeneity, and simultaneity.

In the banking sector, service quality has long been seen as a critical concern for bankers. Because financial services are often homogeneous goods, banks must seek to enhance service quality if they wish to separate themselves from the competition (Stafford, 1994). As a result, Roth and Velde (1991) and Bennet (1992) discovered that there was a positive association between high levels of service quality and enhanced financial success.

Good service quality is one of the important things according to Islamic perspective. Serious effort shall be done to achieve not only satisfactory quality standards the hearts of customers, but also individuals, organizations, and communities. In the banking industry, Karatepe et. al. (2005) stated that capability provide high quality services to customers enabling parties banks provide diversification in a competitive market. A successful bank is a bank which can provide good and quality service and so on able to compete with other banking institutions (Le Blanc and Nguyen, 1988). Quality service also leads to customer satisfaction, desire to suggest or recommend to others, complaint reduction as well as level better customer loyalty (Zeithaml and Bitner, 1996).

Quality is able to have a greater impact on customer value versus customer satisfaction (Abu Bakar Hamed et. al., 2005). Studies have been done by making the existing theory of service quality as a measure ('Ismah Osman et al. al., 2009; Awan et. al., 2011; Hossain and

Leo, 2009; Taap et. al., 2011). Among the theories that have been constructed are such as the SERVQUAL model (Parasuraman et. al., 1994) which has narrowed the dimensions of service quality from 10 dimension² to only five dimensions. The five dimensions are reliability, reassurance, tangible, empathy and sensitivity. Among other service quality theories that constructed are such as Johnston (1995), Gronroos (1983) and Sasser et. al. (1978).

In addition, a theory of service quality that has Islamic elements has been constructed by Othman and Owen (2001). They also use the SERVQUAL dimension (Parasuraman et. al., 1994) to assess service quality in Islamic banking. SERVQUAL Model is multi-dimensional research instrument designed to capture consumer expectation and perceptions of a service along five dimensions that are believed to represent service quality. SEVRQUAL is considered very complex, subjective and statistically unreliable. It is an efficient model in helping an organization shape up their efforts in bridging the gap between perceived and expected services. Although, SEVRQUAL's face and construct validity are in doubt, it is widely used in modified forms to measure customer expectations and perceptions of service quality. As an effort to improve the quality of service, they have developed an alternative model, namely CARTER. The study adds factors compliance with Islamic law as a dimension of service quality. This makes the CARTER model has six dimensions as variables consisting of compliance, assurance, reliability, tangibility, empathy and responsiveness. Therefore, in order to identify the strengths and weaknesses of the bank, perceptions customers on the quality of banking services made the basic instrument.

1.3 PROBLEM STATEMENT

A banking organization is one of the service organizations that operate in all over the country. With the concept of service as the main activity for banking organizations, such organizations need to emphasize the system its services to ensure internal and external customer satisfaction. Here can be seen the role of quality services in supporting key activities for banking organizations in order to achieve the goals of the establishment of the organization. This is because good service quality will be able to meet the wants and needs customers.

Othman and Owen (2001) found that service quality is a strategy essential to achieve success in every organization including banking institutions Islam. This is because every Islamic banking institution not only faces competition which is stronger than other Islamic financial institutions, even facing competition from conventional financial institutions (Naser et. al., 1999). Given this important for banking operations, is to be a necessity to understand specifically how the quality of service is perceived by banking customers Islam in Malaysia. In addition, it is important to define the elements the quality of service emphasized by the customers. Therefore, the purpose of this study is to identify customer perceptions of banking services Islam in Malaysia and know the latest status of the quality of services offered.

Service quality is often a hot topic when discussing relationships between the bank and the customer. Negligence and negligence of the bank against customer needs cause customer dissatisfaction with the service which was set up like a not so friendly counter, a bustle outrage, hard to reach phone lines and limited working hours (Abdullah, 1996).

President of the Malay Chamber of Commerce Malaysia reported that the bank staff those involved in the leaking of customer secrets deserve severe punishment. Even more frustrating, this customer secret leaking activity took place at the bank which is Islamic in nature and this must have tarnished the image of Islam from the spectacle society (Hamed et. al., 2005). Islamic banking is also faced with the technical problem of lack of training in among

staff especially for those coming from conventional banking. This poses problems in understanding and implementing the rules prescribed by sharia. In addition, Islamic banking operations are also necessary simplified in terms of process and understanding. Islamic principles are based on to a more comprehensive and simple work ethic (Hamed et. al., 2005).

In this study, researchers want to see student satisfaction with quality Islamic banking services in Malaysia. This is because nowadays young people such that students are so quick to get information in any matter including questions the quality of services offered by the banking sector. Before they want to make dealings with the bank, they will first obtain information related to the bank and the information will be available with easily due to the sophistication of technology available today. Therefore, if a bank is often considered to have poor quality of service satisfactorily, students will certainly turn to other banks to do financial affairs. Moreover, Bingham (1989) also once stated that young people today expect a higher level of service than with the former and this is not surprising as most institutions finance in western countries is starting to focus on university students by the way improve the level of service quality.

Bankers also need to constantly strive to get new customers to ensure their business will always be stable and competitive. Therefore, the bank needs to target young people like students who are about to start career and dealing with financial institutions. The students definitely get professional employment after graduation, generate high income and has the potential to become a customer that will benefit the bank.

1.4 RESEARCH QUESTION

In order to meet the above research objectives, the following research question are formulated:

1. Does the service quality of Islamic banking in Malaysia achieve the customer satisfaction?
2. What are the elements of service quality that affect customer perceptions of Islamic banking in Malaysia?
3. Is there a relationship between service quality and student satisfaction in an Islamic banking institution in Malaysia?

1.5 RESEARCH OBJECTIVE

The following are the research objectives to be developed for this study:

1. To identify level of customer satisfaction of service quality on Islamic banking.
2. To determine the most important elements of service quality that affect customer perceptions of Islamic banking in Malaysia.
3. To examine relationship between service quality and student satisfaction in an Islamic banking institution in Malaysia.

1.6 SCOPE OF THE STUDY

The aim of this study is to look for customer satisfaction with the quality of Islamic Banking service in Malaysia. This study is focused on University Malaysia Kelantan students as a subject of research. University Malaysia Kelantan (UMK) have three campus, and the researcher has been choose only one campus which is UMK Campus Kota that located at Pengkalan Chepa, Kelantan. That students who are pursuing a bachelor's degree. So this study will be discuss about student's satisfaction with the quality of Islamic Banking service in Malaysia. Every students in UMK has their own account for Islamic banking which is Bank

Islam Malaysia Berhad (BIMB). BIMB become a official bank for UMK. Students have to pay their tuition fees by BIMB account. So from this this students has a knowledge about Islamic banking and has experience it.

1.7 SIGNIFICANT OF STUDY

Islamic banking in Malaysia is now increasingly well-known and well-developed. There are many banks that have offered Islamic banking system such as Affin Islamic Bank Berhad, Bank Islam Malaysia Berhad (BIMB), Bank Muamalat Malaysia Berhad and others. Islamic banking is system based on shariah law. The basic principle in Islamic Banking is about profit sharing between parties, fairness in all transactions and others. So Islamic Banking has been knows by many people and give a benefit to many people. Therefore, it is desirable to know more about Islamic banking and also a good understanding of the quality service of Islamic banking in Malaysia.

This topic has been choose because to see the satisfaction of students of quality service of Islamic banking in Malaysia. So when we talked about student, there are a young generation that can be the future leaders for the country. They have a lot of experience, knowledge of in the field they studies. They also easily can get information with technologies nowadays. Even though this students has no work and not have money, but in future they will be someone who successful. In future they still need to use and choose a good bank. So this student will be become a regular customer from their University. So customers from the bank will not run because they know how that Islamic bank works. So student's satisfaction is very importance because they are the determinants of the future.

Not only will the students who get the benefit in this research, the Islamic bank also get the benefit. They have a potential to make a profit in the future. According to Lewis(1982) stated that the bankers believe that they need to attract young people by opening accounts

while studying in the hope that when they graduate, they will remain bank customers and make a profit in the future.

In other research, there are more to a big population and not focus for small population or young generation. Nowadays we can see that many Islamic bank move to young generation because they knows that young generation has their own potential in future. So due to that, this study is to look the quality services that has been offered by Islamic Banking to students.

1.8 DEFINITION OF TERMS

1.8.1 Customer Satisfaction

Customer satisfaction is the summary of psychological state that results when the emotion surrounding disconfirmed expectations is coupled with prior feelings about the customer experiencel (Oliver 1999: 28). Later, Oliver (2014: 262) elaborated on the concept of customer satisfaction and provided a more comprehensive definition, stating that satisfaction is the consumer's fulfilment response. It is a judgment that a product or service feature, or the product or service itself, provides (or is providing) a pleasurable level of consumption-related fulfilment, including levels of under- or over fulfilment. Noted marketing scholar Kotler (2000: 36) offers his definition, stating that, customer satisfaction is a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance or outcome in relation to his/her expectations.

1.8.2 Service Quality

Service quality is a combination of two words, Service and Quality. Where we find emphasis on the availability of quality services to the ultimate users. The term quality focuses on standard or specification that a service generating organisation promises. Service quality is generally viewed as the output of the service delivery system, especially in the case of pure

service systems. Moreover, service quality is linked to consumer satisfaction. Service quality is a perception of the customer. However, form opinions about service quality not just from a single reference but from a host of contributing factors.

1.8.3 Gender

Gender refers to the characteristics of women, men, girls and boys that are socially constructed. This includes norms, behaviours and roles associated with being a woman, man, girl or boy, as well as relationships with each other. As a social construct, gender varies from society to society and can change over time (World Health Organization, 2020).

1.8.4 Banking

Banking is one of the core institutions in any financial system modern times, including the Islamic financial system. Apart from zakat, kharaj, waqaf and others. Islamic banking plays a big role in generating the economy of the ummah. Recently, the response to Islamic banking has been overwhelming encouraging in line with the development and expansion of Islamic banking operations either nationally or globally.

In the context of Malaysia, the establishment of Bank Islam Malaysia Berhad (BIMB) which commenced operations on July 1, 1983, has further intensified efforts Islamization of financial institutions. Then followed by Bank Kerjasama Rakyat Malaysia Berhad (Bank Rakyat) which has launched the products syariah banking in some of its branches from 1993 to successfully become fully sharia cooperative bank in 2002. On October 1, 1999, the Bank Muamalat has been established with 40 branches and 1000 staff nationwide at that time.

The government through Bank Negara Malaysia has launched the Banking Scheme Interest Free (SPTF) on 4 March 1994. In a positive response to this scheme, conventional banks also opened Islamic counters to provide facilities and the option to its customers to

choose a product or financing they want. So far, Bank Negara still adheres to dualism in as an example banking system of Islamic and conventional banking. But a little name change has been made from SPTF to Islamic Banking Scheme (SPI) on 1 December 1998 and the Islamic Banking Unit was upgraded to a Division Islamic banking.

1.9 ORGANISATION OF THE RESEARCH

The research are divided in five chapters. This chapter has discussed the research topic that will be conducted. The main research objective is identifying the level of customer satisfaction of service quality on Islamic banking among the student. This chapter one has focused on the background on the study, problems statement, research question, research objective, definition of terms and significance of study. The background of the study discussed the main thing that is going to be studied by researchers. Problem statement describes the issue about the research topic. Meanwhile, the research questions are actually the research objectives written in question form. The research objectives explain what is going to be examined.

In chapter two, the relevant information is about key concepts from literature will be reviewed and a conceptual framework of this research will be developed. In this chapter, there will be discussed about independent variable, dependent variables, conceptual framework and hypothesis development. For hypothesis development, the independent must be related with the dependent variable.

In chapter three describes the methodology employed in this research. This section the need to do some research to the student in University Malaysia Kelantan, City Campus. The research population and sample, research design, data collection method, research instrument (survey) and data analysis will be explained in this chapter.

In chapter four it wills the analysis of data by difference tests. This chapter will show how the descriptive data are analyzed and interpreting the respondent demographic profile. For the demographic profile, descriptive analysis is used and the central tendencies measurement is carried out. Next, the result for each scale of measurement will be collected and reliability test is a must to run as it will shows the result of hypothesis testing. Lastly, inferential analysis will be conduct and interpret, so that data collected is conclude.

Finally, chapter five will summarize and discuss all the statistical analysis done on chapter four. Other than that, this chapter will also study about the major finding, implication, limitations and recommendation of the study. Lastly, the overall conclusion of this study will be extract in the last part of this chapter.

CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

This chapter will be discussing the literature review about level of satisfaction of student regarding Islamic banking service. The literature review will cover the relevant theory model, and the development of hypothesis. Besides that, hypotheses about the relationship between the level of satisfaction of student (dependent variable) and the elements of service quality which includes assurance, empathy, reliability, responsiveness and tangibles (independent variable) are constructed for this study. The previous literatures studies related to our topic will also will further discussed. Furthermore, a proposed conceptual framework will be added in our study in this chapter and it will be tested in chapter three.

2.2 UNDERPINNING THEORY

2.2.1 Humanistic theory

This theory was explaining the concept of leadership and organizational learning to take place in organization because this theory included the human relation and human resources. The theory also emphasizes people capabilities and potentialities. This theory related to study about customer satisfaction these theories involve human choices, creativity and self-actualization that we need to understand. Each of the two types emphasizes a different explanatory mechanism and they are not mutually exclusive. A number of theorists have proposed that the human relations and human resources models all play important roles in the participative process. Consequently, these models explain the participative process clearly and may have a strong link with leadership and organizational learning practices.

2.2.2 Organizational performance

Nicholson-Crotty, Theobald and Nicholosl-Crotty (2006) noted that the concept of organizational performance is not clear in a number of ways. Firstly, the definition is often used to describe everything from efficiency and effectiveness to improvement (Nicholson-Crotty et al., 2006). Terms like performance, efficiency, and effectiveness are used interchangeably. Secondly, as a result of an inadequate definition, the measurement of the organizational performance appears to be problematic (NicholsonCrotty et al., 2006). Organization performance is something that often used describe everything about efficiency and effectiveness to improvement (Nicholson-Crotty et a, 2006). Organization performance is important to measure the customer satisfaction at Islamic banking in Malaysia. This is because, Al Turki and Duffuaa said to measure the organizational performance, most organizations have their performance measures (Poister, 2003). Measuring this organizational performance has its own purpose, which is to ensure that goals and objectives are achieved, and to monitor their progress (Al-Turki and Duffuaa, 2003). Poister (2003) likens organizations without appropriate organizational performance measure as “flying blind”—not knowing where it is heading. Large company like Bank Islam (BIMB) for sure have state standard organization performance to their company to make sure customer always satisfied with their service.

2.2.3 Inspiration motivation

Motivation theory is an important thing to individual or company towards goal or outcome. Due to Bass and Avolio, 1994, inspirational motivation is to inspire follower by being moral and ethical and bringing values that are instilled in the vision that the leader wishes his follower to adopt as their own. Refer to Machiavellianism, inspirational motivation is a personal trait to influence, characterised and the desire for power and strength. Inspiration

motivation is important to approach and to know people satisfaction in this study because it's related to communicating a vision and confident in positive manner.

2.2.4 Individual consideration

Individual consideration is a component of transformational leadership. Besides it's also can be in the form negative as well as positive feedback, aimed directly at developing the follower who is expected to complete task. Transformational leaders deal with others as individuals and understand that each individual has different needs, abilities, and requires personal attention and to feel valued (Bass, 1997). Transformational leaders achieve this through listening attentively, recognizing and valuing each individual's contributions, developing, teaching, advising, and coaching (Bass and Avolio, 1993). Bass and Avolio (1990) reported that individualized consideration was a required and fundamental quality of effective transformational leadership. Due to this study which is to investigate the customer satisfaction on service quality at Islamic banking in Malaysia, individual consideration may concentrate on changing customer motives and also the moral and ethical implication of their action and goals.

2.3 PREVIOUS STUDIES

2.3.1 Dependent Variable

A dependent variable in a study is a variable that will depend on others factors, which is the independent variable. It is being tested in an experiment. The dependent variable for this research is customer satisfaction.

2.3.1.1 Customer Satisfaction

When a service is provided, customer satisfaction refers to the consumer's aim and requirement. Customer happiness, according to Churchill and Surprenant, is a critical aspect in determining what customers want and need. As a result, if the service offered does not satisfy the customer's needs, the outcome is likely to be unsatisfactory. However, according to Fayaz, Ebraheem and Ulfat (2017) in their study compared the analysis of customer satisfaction towards Islamic banking and conventional banking offered by selected banks in Saudi Arabia. The study involved the physical, service and security aspects offered by the banks. The analysis found that there was no difference in terms of customer satisfaction towards Islamic banking and conventional banking. This is because the customers for each bank prioritised on the physical and security aspects and the way the bank staff served the customers to ascertain the satisfaction level.

According to Morgan and McQuitty, consumers' satisfaction has been treated as a very essential constructs and one of the ultimate goals in developing a market. Based on Oliver and McQuitty, satisfaction can be determine as the fundamental in marketing because it is good predicting the consumer purchase behavior such as purchase intention, repurchase, switching behavior and brand choosing (Alasalam, 2014). Other than that, Jamal and Naser indicated that measuring customer satisfaction was the main impact in the development of customers' future expectation. Yet, hearing their customers' voice would protect the bank's

customer base and safeguard their future profitability and sustainability (Abdullah, Som, Ibrahim and Sheriff, 2015).

The findings of a study by Hossain (2015) found that service quality offered by a bank influenced customer satisfaction. This was because based on the descriptive analysis findings, frequency test, confirmatory factor analysis (CFA) and structural equation model (SEM) conducted by the researchers revealed that core products, delivery services, systematic human resources and social responsibility had a significant relationship with the customer satisfaction of Islamic banking in Bangladesh; systematic human resources and delivery services were the factors which most influenced customer satisfaction.

According to Hokanson, pleasure is a transient attitude or sensation that can shift depending on the circumstances. It usually lives in the user's head and manifests itself in observable actions such as complaining, preferring a certain product, or repurchasing. In addition, when a customer compares a set of performance results that are expected, John and Linda found that the services or items are likely to be regarded as acceptable or dissatisfactory (Murugiah and Akgam 2015).

The study conducted by Kotler, consumer satisfaction is the outcome of various both physical and psychological factors which connect with satisfaction behaviours. It may also be defined as a genuine statement of the level of happiness that varies from person to person and service or product to service or product, as well as an assessment of how an organization's services and goods meet or exceed consumer expectations (Thuy, 2017). Furthermore, according to Chavan and Ahmad (2013), Munari, Ielasi, and Bajetta (2013), consumer satisfaction is becoming a consistent goal of most banking market policies, a critical component that can solidify a corporate status, and the most fundamental viewpoint to bring corporate banking to success (Belas and Gabcova, 2014).

Estiri, Hosseini, Yazdani, and Nejad (2011) examined customer satisfaction of Islamic banks in Iran. The findings indicate that service quality is positively related to customer satisfaction and empathy; service quality has the highest impact, followed by other components like responsiveness, assurance and intangibles. Janahi and Almubarak (2017) used the CARTER model to investigate the relationship between the quality of service, comprising six dimensions, and the level of customer satisfaction in Bahrain. The results of the study indicate positive relationships amongst the chosen factors and customer satisfaction.

2.3.2 Independent Variable

Independent variable that controlled in a study to test the effect of the dependent test. Independent variable does not depend on others.

2.3.2.1 Service Quality

For competitive strength and decisiveness, every firm should have high-quality services and customer happiness. This will allow the firm to compare itself to competitors. 2014 (Nuradli) As a result, businesses may place a greater emphasis on service quality in order to maintain high levels of customer satisfaction. According to Nagabhushanamnd (n.d.), consumer behavior is linked to quality. Aside from Mwang (2014), service quality may be distinguished between service expectations and service performance, much as clients compare the quality of services they want what they get.

Ali and Syed (2015) studied the relationship between service qualities with customer satisfaction of Islamic banking in Pakistan. The researchers adapted the SERVQUAL model and improved on it by adding a Syariah compliant model in the service context. The study involved 450 respondents who were customers of Islamic banking in Pakistan. The analysis showed that there was a positive and significant relationship between service

qualities with customer satisfaction. The findings showed that service quality was an aspect utilized to measure customer satisfaction of Islamic banking in Pakistan and the compliance element was the most important element in the model.

The quality of service exists in three dimensions. Functional quality is the first thing. It depicts how the service is offered and the bidirectional flow between the customers and the suppliers. The next technical quality is and results from the service act or other service received by the client in the service meeting will be provided. According to Bilika, Safari & Mansori (2016) mentioned that the psychological and behavioural components are important to technical and functional excellence.

Tran (2020) investigated the interaction between the service quality, experience value and intention of behaviour and quality relationships. He found that service quality influences the purchase intention, together with the experience values and relationship quality. Ali and Raza (2015) studied how the customer is satisfied with the quality of service provided using the modified SERVQUAL model. Based on their findings, they concluded that the service quality multidimensional scale is positively and significantly related to the customer satisfaction unidimensional scale. The study further throws insight into understanding the behavioral traits of the Islamic bank customer. The study also finds that customers of Islamic banks are happy because these banks are complying with the shariah principles. Baber (2019) uses the modified e-SERVQUAL model to examine the perception of Islamic bank customer toward Islamic banking. It confirmed that ease of the usage of services, shariah compliance, trust and security have a positive and significant association with the performance of the Islamic bank.

According to Parasoorman, the difference in five dimensions between received services and the client's requested service may be used to assess service quality. His proposed approach demonstrates that he has the desire to close gaps that may lead consumers to be

dissatisfied with the services they have gotten (Sadeghdaghighi and Chegini, 2016). Furthermore, according to Saghier and Nathan (2013), five dimensions can be interpreted as follows:

- Assurance - service providers are knowledgeable, courteous, and provide believe and confidence.
- Empathy- personal attention and caring to client.
- Reliability - service that performed dependably and precisely.
- Responsiveness-service that able to support their client and be ready to serve the customers.
- Tangibles- equipment, physical facilities and appearance of staff are adequate.

2.3.2.1.1 Tangibles

In every bank, the tangible part of financial services plays a vital part in pleasing all types of consumers. As a result, banking is basically intangible. Bankers had effectively converted it into tangible with physical facilities, stereographic facilities, staff attire and physical appearance, equipment and management group, communication materials, and so on. By effectively changing these concrete aspects and successfully reaching each and every consumer, great customer satisfaction is achieved (Sureshbabu1, Devasenathipathi and Anand, 2014). The tactile dimension, according to Gunarathne (2014), is forming initial impressions. For instance, bank required their customers to receive a unique positive and not to pretermite the first hand impression, all this action might make the customer come bank and support the bank.

Furthermore, it might be defined as a reduction in the visibility of resources required to provide service to clients. Modern and trendy appearances, as well as smart equipment, may have an impact on customer satisfaction in the banking business. The bank's colour

and design, for example, are distinctive. A physically pleasing or beautiful environment is also a factor. According to Felix (2017), positive word of mouth communication is contact between customers and others in order to obtain information about the bank's services. For example, a consumer may speak with a friend, acquaintance, or family member.

On the other hand, Lee, Wang, and Cai (2015), as well as the scholar Bitner (1992), coined the term "servicescape." Banks can leverage servicescapes as a provider, modifying physical needs in the surrounding environment, and it can influence consumer and employee actions. However, Bitner defines servicescape as a collection of concrete components that impact customer pleasure. There were environmental prerequisites such as noise, temperature, lighting, and scent. The next step will be the spatial layout, which refers to the arrangement of the environment. Such as how the furniture had been arranged. Functionality also one of the elements that can affect customer satisfaction, the arrangement of furnishing had to arrange according to the customer needs and the need of staff. For example, Sureshcharder et al. (2003); Wakefield and Blodgett (1996); Reimer and Kuehn (2005). Furthermore, Wakefield and Blodgett (1996) has classified the services cape into five categories which included:

- Furnishing and equipment arranging.
- Design and decoration.
- Environment comfortable such as seat or space of seat.
- Electronic equipment or visible displays, signs and symbols
- Cleanliness of carpet, floor, window, door and etc.

According to Tan and Marimuthu (2014), in the service of organisation, clients always base their judgement of the services on the evidence that surrounds the service. The study paper's hypothesis test confirms that tangibility and customer satisfaction are positively associated. This is because bank customers are always seeking for tangible measures of

service excellence. Furthermore, consumers agree to assess the bank's premises or the appearance of the bank's employees. As a result, tangibility is a critical aspect in ensuring consumer happiness (Tan and Marimuthu 2014).

2.3.2.1.2 Empathy

Empathy may be defined as a company's concern for its customers and willingness to assist them in a personalised manner, referring to the capacity to display interest and personal attention. Empathy entails sensitivity, accessibility, and an effort to comprehend the requirements of consumers. It is also linked to consumer access, communication, and comprehension. Access may be defined as the approachability and ease of touch with a consumer, whereas communication is a method through which employees connect and communicate with their customers in a language or form that they understand, while also paying individual attention to them. Employees do their utmost to get to know their consumers and their specific demands.

According to Chun and Zheng (2006), five elements in empathy pay attention to customers personally and carefully when staff deal with customers, always think about how to heat the best benefit to their customers and how to make their customers feel at home and how to make their employees more comfortable during the hour of business.

According to Brendan (2014), empathy is defined as the caring and personalised attention that businesses deliver to their consumers. Brendan (2014) discovered that empathy is vital for organisations that provide services in impoverished nations, based on his study. For instance, Bagherdezadeh stated that empathy in service quality has highest significant to customer satisfaction where assurance has lowest.

2.3.2.1.3 Reliability

Reliability is also defined as the capacity to provide a service that is error-free or consistent in performance. According to Selvakumar (2015), dealing with whatever problems the customers have, performing the necessary services in the proper manner, and ensuring that their service is error-free and on time are some of the few examples of reliability in terms of service quality, and it will have a significant impact on customer satisfaction. Reliability may also be defined as the degree to which a service meets the expected and stated standards, or what people believe they have paid for (Tan and Maran, 2014). According to Vuong (2014), the staff should always be available to support the customers, especially when they have serious problems such as credit card fraud. Banks should improve their system to reduce the waiting time and add more staff to support the customers if necessary.

According to VanishreePabalkar et al. (2016), the consumer regarded dependability as one of the greatest priorities for service quality. According to Vuong (2014), one of the factors that are covered in service quality is dependability. Tan and Maran (2014) discovered that clients have high expectations for the reliability dimension and are very sensitive to the dependability of a bank that provides goods and services. According to Dhanda and Bala (2016), dependability has a significant impact on total customer satisfaction. According to Nuradli (2014), the accuracy of model measurement should be viewed in terms of dependability and validity. Dr. Kumar (2013) also stated that the data that they have collected was to test for the validity and reliability. This shows that the reliability dimension is one of an important variable that will affect the customer satisfaction.

2.3.2.1.4 Responsiveness

There are five characteristics of service excellence, with responsiveness being one of them. According to Saghier and Nathan (2013) and Felix (2017), responsiveness may be characterised as staff who are eager to assist consumers when they require assistance. In the twenty-first century, there are several rivals; if clients are dissatisfied with the service provided by staff, they will switch to another rival; customers will always select the best. Understanding the customer's wishes and needs, as well as staff attention and vigilance to the customer's concerns, all contribute to the responsiveness of service quality (Saghier and Nathan, 2013).

According to Bilika, Safari, and Mansori (2016), when it comes to employees or individuals in the sector, responsiveness is the most important factor. Customer satisfaction is also heavily influenced by the speed, agility, and reactivity of a company's employees. Employees in the banking business are thoughtful in being ready and preparing to deal with any concerns or issues that consumers may have (Bilika, Safari, and Mansori, 2016). Customer satisfaction is affected by how quickly someone is willing to help or fix a problem. The attitude of responsiveness by an employee are when customer having problems or question, delivery the accurate and useful information to customers and solving the problem quickly (Felix, 2017).

Furthermore, according to Selvakumar (2015), the desired level of customer satisfaction is measured by the service's responsiveness. Responsiveness is crucial and vital to customer happiness; to ensure that the consumer is constantly satisfied, the service must improve (Okeke, Ezeh., and Ugochukwu, 2015). Customers will be dissatisfied with the quality of services if banks fail to assist or are unwilling to assist them in resolving their problems. Customer satisfaction may be highly influenced by responsiveness because when

staff pay attention or offer attention to the difficulties that customers encounter, the consumers are less likely to complain or receive satisfaction (Selvakumar, 2015).

2.3.2.1.5 Assurance

One of the aspects in the SERVQUAL model is assurance or safety. According to Frago and Espinoza (2017), assurance or safety is typically utilised to assess employees' comprehension and civility, as well as their ability to achieve accreditation. According to the findings of Frago and Espinoza (2017), customers want safety or certainty.

According to Bilika, Safari, and Mansori (2016), assurance encompasses the service provider's competency, credibility, and transaction security. Clients, for example, should be able to trust staff, feel comfortable in transactions with workers, and workers should be respectful. Employees in the banking business should have relevant expertise to provide services, engage with clients in a courteous and respectful manner, and transmit trust and confidence. Furthermore, employees should explain the service, pricing, and advantages, as well as ensure that client transactions and, most importantly, personal information are protected. According to the findings of Bilika, Safari, and Mansori (2016)'s study, when confidence is higher, customer happiness rises as well. It means that the personnel will be more confident, which will boost client happiness. According to the research, assurance is the third best indicator of customer happiness.

Furthermore, Felix (2017) defined assurance as employees' comprehension and etiquette, as well as their capacity to obtain credibility and faith. To provide assurance, it must meet the following criteria: ability, good manners, credibility, and security. While ability implies that the staff must have knowledge and skills, good manners implies that the staff must be friendly, showing respect and tolerance to customers, credibility implies that the staff must be honest and gain the trust of customers, and security implies that the staff

must be free of danger and uncertainty. According to Felix (2017)'s research, customer happiness has a big impact on service quality, and assurance has a large impact on customer loyalty. It suggests that when service quality improves, customers will be more satisfied with the bank's services.

Moreover, Felix (2017) also stated that assurance is define as the understanding and manners of the employees and the capability to gain accredit and faith. In order to have assurance, it must fulfill the following components which included ability, good manners, credibility and security. While ability means that the staff must have knowledge and skills, good manners means the staff must be friendly, showing respect and tolerance to the customers, credibility means that the staff must shows honesty and gain trust from customers and lastly security means the staff must be free from danger and uncertainty. In the studies of Felix (2017), it shows that there customer satisfaction will significantly affect service quality and assurance has significant relationship with customer loyalty. It means that when the service quality becomes better, the customer will be more satisfy with the service of the bank.

2.4 HYPOTHESES STATEMENT

Independent variables which include tangibles, empathy, reliability, responsiveness and assurance are the variable that will affect student satisfaction level regarding to Islamic banking service quality.

These are the hypothesis of study:

H1: Services tangibles has a significant effect on student's satisfaction of Islamic Banking.

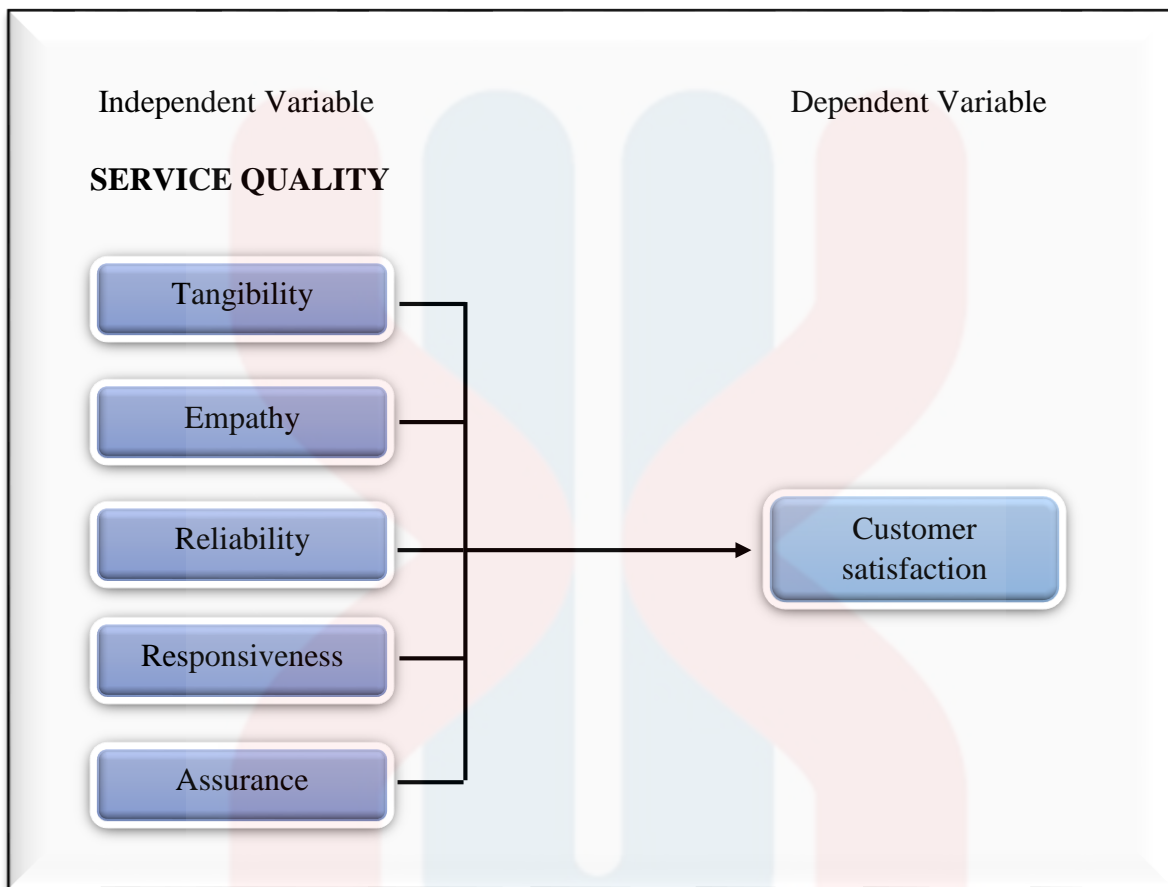
H2: Services empathy has a significant effect on student's satisfaction of Islamic Banking.

H3: Services reliability has a significant effect on student's satisfaction of Islamic Banking.

H4: Services responsiveness has a significant effect on student's satisfaction of Islamic Banking.

H5: Services assurance has a significant effect on student's satisfaction of Islamic Banking.

2.5 CONCEPTUAL FRAMEWORK



Source: Parasuraman et al, (1985)

Figure 2.1: The conceptual framework

Based on (Robson, 2011), conceptual framework is the assumptions, beliefs, theories and expectations that will help for a research and at the same time an important point in research. Things that need to be studied are such as the relationship between variables, factors and others. Conceptual framework is ways to illustrate the relationship between effect and cause. There will be two or more variable in this. Conceptual framework is be made for the analysis tool. A strong conceptual framework can make the objectives sought to be achieved successfully. So, the conceptual framework is an important point in this research. In our study, the relationship between independent variable and dependent variable are clearly define. Based on the hypothesis before, we can get a few information from that. We made a conceptual

framework to test the cause and effect between the relationship with independent and dependent variable. Based on literature before, conceptual framework has been developed.

The figure above exhibited the relationship between customer satisfaction and five of service quality variables. There are consist of five classic service quality dimensions which are reliability, empathy, tangibility, assurance and responsiveness and always taken by researchers to use as the proper model to quantify and survey the service quality. The scale measurement is developed by Parasuraman from SERVQUAL model. This measurement is able to help in look into the gap between perceived service and expected service (Felix, 2017).

Based on the figure 1 above, it shows the relationship between independent variable and dependent variables. The dependent variable is customer satisfaction and the independent variable is service quality that effect customer satisfaction of Islamic banking in Malaysia. In independent variable there are five elements of service quality which is tangibility, empathy, reliability, responsiveness and assurance.

2.5.1 Proposed Theoretical Framework

Table 2.1: Service quality dimension

Service quality dimensions	22-Item Scale
Reliability	Providing service as promised
	Dependability in handling customers' service problems
	Performing services right first time
	Providing services at the promised time
	Maintaining error-free record
Responsiveness	Keeping customer informed as to when service will be performed
	Prompt service to customers
	Willingness to help customers
	Readiness to respond to customers' requests
	Employees will instill confidence in customers
Assurance	Making customers feel safe in their transactions
	Employees who are consistently courteous
	Employees who have the knowledge to answer customers' questions
	Customers' questions
Empathy	Giving customers individual attention
	Employees who deal with customers in a caring fashion
	Having the customer's best interest at heart
	Employees who understand the needs of their customers
	Convenience business hour
Tangibles	Modern equipment
	Visually appealing facilities
	Employees who have a neat, professional appearance
	Visually appealing materials associated with the service

Sources: 22-item Service Quality scale, (Felix, 2017)

Based on the five dimensions of our independent variable which includes: the reliability, the responsiveness, the assurance, the empathy and the tangibles, the researcher Chun Wang and Zheng Wang had developed 22-item service quality scale (shown in Table 2.1). The figure and table above illustrated the proposed conceptual framework which is developed to play the role as the basis of the research. The theoretical framework is to assist researchers to determine the relation between the independent variables and the dependent variable towards the influence of student satisfaction level regarding to Islamic banking services. This paper is to study on the factor of 22-item scale of five service quality dimensions such as tangibles, empathy, reliability, responsiveness and assurance on the consumer purchase decision. It was expected to hypothesize that factors include tangibles, empathy, reliability, responsiveness and assurance are positively significant relationship with student satisfaction level. The proposed framework consists of five hypotheses to be tested in examining the relationship among the variables. The details of each hypothesis will be discussed on next section.

2.6 SUMMARY / CONCLUSION

In brief, Chapter 2 provides an overview of the study of factor in affecting student satisfaction level. There have five variables are positively significant relationship in affecting student satisfaction level on Islamic banking which is tangibles, empathy, reliability, responsiveness and assurance. Besides that, the SERVQUAL model had been used as theoretical models. Use Customer Perceived Value to determine customer decision. Chapter 2 focuses on gathering secondary data in order to provide a clear guideline and direction for the upcoming chapters. After reviewing for the theoretical model and past literature reviews, the conceptual framework is developed. In chapter 4, the proposed hypothesis will be tested, before that, further methodologies will be discussed in chapter 3 in this research.

CHAPTER 3

RESEARCH METHODS

3.1 INTRODUCTION

This chapter explains the research methodology used in this study. This chapter has been organised into six sections which are research design, sampling frame, population, sampling technique, sample size, instrument and plan of data analysis. The design of the study used in this study is to solve the problems identified. This chapter also discusses the process of the initial study from the beginning of the study process to the end of the study which is data analysis. The methodology of the study is the most appropriate method of conducting research and determining the effective procedure for solving the research problem (Sarah, 2015).

3.2 RESEARCH DESIGN

In this research, the study had used the quantitative research method as our research design to look over the customer satisfaction towards quality service at Islamic banking in Malaysia. According to Goertzen (2017), quantitative research method can be generate by numerical data and it is a structured that collecting data and analyzing data. Besides, the purpose of quantitative methods is to quantify the data and generalize the results from a sample of population (Park and Park, 2016). By using quantitative method, the collecting data are large and it can be examine easily from many different perspectives (Goertzen, 2017). Moreover, this research numerical data is collecting through a survey questionnaire that distributed from student in University Malaysia Kelantan.

Descriptive analysis is a type of data that summarizes the obtained data that is used to show the information that is gathered from questionnaires quantitatively. It can be used to represent an entire population or a sample of it. The demographic profile of the respondents

and central tendencies measurement of conduct are collected separately in the descriptive analysis from the respondents. The demographic profile includes frequency and percentage of the total respondents, while the central tendencies measurements of conducts will show the means value and standard deviation. According to Nuradli (2014) descriptive analysis is normally used to give the overall picture of the respondents' demographic profile.

3.3 DATA COLLECTION METHODS

The data collection method of our research is only includes primary data. Primary data are the data collected form the target populations for the particular current research issue and using the step that fit the research problem best. The customer satisfaction towards quality service at Islamic banking in Malaysia can be carried out by collecting data through survey questionnaire in Google form. The questionnaires will be uses for this study and its will be distribute to the respondents of student in University Malaysia Kelantan.

3.3.1 Primary Data

Primary data is an original or first data that obtained for a certain research purpose. There are various ways to collect the date, including qualitative research, experiment, and social survey and solicited and spontaneous data. In social survey, a huge and representative sample of target population will be interviewed. Typically, an extensive number of questions are asked and the responses will be coded in standardized answer classifications. In this study, the social survey will be conducted by distribute the survey questionnaire to gather the primary data from the customer of using Islamic banking.

3.3.2 Secondary Data

According to Sekaran and Bougie (2010), secondary data is typically gathered from the existing sources which basically gathered from references books, internet, articles, magazines and journals. The entire list at above are the secondary data sources that used to conducting the research. Actually, secondary data is much more convenient and efficient in gather the information than primary data.

In this study, one of the beneficial ways to obtain secondary data is through the online journals subscribed to by the University Malaysia Kelantan (UMK) library service. In addition, several additional online libraries, such as textbooks for business study, and online search engines play an essential role in assisting researchers in obtaining information. According to the authors' opinions, internet papers and journals can also be used as secondary data for this study.

3.4 STUDY POPULATION

Population is all group that researcher wants to make a conclusion about the research (Pritha Bhandari, 2020). Population is not only for people, it also for a group that want to study likes a events, organizations, objects, species, countries and others. Population also known as a group of individual or object that have similar characteristic (Mohamed Adam, Hasan). It is easy to collect data for a small population but for a larger population it difficult to collect for everyone. The researcher has chosen University Malaysia Kelantan (UMK) students as a study population. UMK students has been choose based on the objective and question of researcher study. UMK has three campus that located at Pengkalan Chepa, Jeli and Bachok. The researcher has chosen students from UMK Pengkalan Chepa for study population. UMK Pengkalan Chepa have 3465 students from Faculty of Entrepreneurship and Business (FKP)

from all year's students. In FKP, there are several courses and the table below show the number of students based on courses.

Table 3.1: Number of Students Based on Course

COURSES UNDER FACULTY OF ENTREPRENEURSHIP AND BUSINES (FKP)	NUMBER OF STUDENTS
BACHELOR OF ACCOUNTING WITH HONOURS (SAA)	17
BACHELOR OF BUSINESS ADMINISTRATION (ISLAMIC BANKING AND FINANCE) WITH HONOURS (SAB)	807
BACHELOR OF ENTREPRENEURSHIP WITH HONOURS (SAE)	225
BACHELOR OF ENTREPRENEURSHIP (COMMERCE) WITH HONOURS (SAK)	886
BACHELOR OF ENTREPRENEURSHIP (LOGISTICS AND DISTRIBUTIVE TRADE) WITH HONOURS (SAL)	773
BACHELOR OF ENTREPRENEURSHIP (RETAILING) WITH HONOURS (SAR)	757
TOTAL	3465

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3.5 SAMPLE SIZE

The sample size is referring to a group of people chosen from the general population and considered representative of the real population for that particular research. Sample size is the overall number of samples selected for study. The size of sample plays an important role to get accurate results, run a study with a successful. Based on Pritha Bhandari (2020), the size of sample will be less than the population. If the sample size is too small, the researcher will get an abnormal or unbalanced number of individuals and if the sample size is too large, the researcher will incur expensive costs, take a long time to do the research.

The researcher has been using a formula from Krejcie and Morgan (1970), to determine of the size sample. According to Krejcie and Morgan (1970), he has been listed the size sample that related with population size based on sample size determination table. The calculation is based on the formula above which is from Krejcie and Morgan (1970):

Equation (3.1)

$$S = \frac{x^2 NP (1 - P)}{d^2(N - 1) + x^2 P(1 - P)}$$

S = Sample size required

x^2 = Table value of Chi-Square @ d.f (degree of freedom) = 1 for desired confidence level (.05 = 3.84).

N = Population size

P = Population proportion (assumed to be .50)

d = Degree of accuracy (expressed as a proportion. (0.05)

Based on formula above, the researcher uses to calculate the size sample of study is as follows:

$$S = \frac{x^2 NP (1 - P)}{d^2(N - 1) + x^2 P(1 - P)}$$

$$S = \frac{(3.84)(3465)(0.50)(1 - 0.50)}{(0.05)^2(3465 - 1) + (3.84)(0.50)(1 - 0.50)}$$

$$= 345.78$$

$$= 346 \text{ respondents.}$$

Based on the calculating from Krejcie and Morgan (1970), the amount of sample that recommend are 346 respondents. So, the researcher uses 346 people as the sample of research which is from students UMK Pengkalan Chepa.

3.6 SAMPLING TECHNIQUES

There are two types of sampling techniques which is non-probability sampling and probability sampling. Non- probability sampling is done by non-randomly and probability sampling are done randomly. Based on this study, the researcher uses non-probability sampling which means the researcher choose the sample based on the subjective judgement and not as a random selection. So, not all of student of UMK Pengkalan Chepa has an equal chance of participating in our study. The researcher uses a quantitative research, so it is suitable for probability sampling.

Under the non-probability sampling, there are five type which convenience sampling, consecutive sampling, judgemental or purposive sampling, quota sampling and snowball sampling. So, the researcher has been using a convenience sampling to collect a sample. Convenience sampling is a research approach in which researchers collect a research data from a pool of respondents who are easily accessible. This sampling is often use by the researcher because it is extremely quick, simple and cost-effective. Members are often accessible and willing to participate in the study. From our study, we make an online survey from google form then the link will be sent to all the contact of our phone and from this we get the data quickly and easily. So, we choose this sampling because it easy to get the sample and we did not consider to use the sample that is representative of the whole population. The population of this studies are students from UMK Pengkalan Chepa, so the researcher is easily can recruit the sample. The population of our study is big to analyse and consider the complete population. So, convenience sampling become the most frequent non-probability sampling approach to use.

3.7 RESEARCH INSTRUMENT DEVELOPMENT

A research instrument is a tool used to obtain, measure, and analyse data from subjects around the research topic. For our research project, we used a quantitative research tools. Quantitative research is the process of gathering observable data to answer a research question using statistical, computational, or mathematical techniques. It is often seen as more accurate or valuable than qualitative research, which focuses on gathering non-numerical data. Quantitative research tools are the most used quantitative research technique is the survey. In a quantitative survey we use a short answer responses or dichotomous questions, multiple choice answers, paragraph, check boxes, drop down, linear scale, multiple choice grid and more. We use questionnaire and survey through Google Form. We survey around 215 students of UMK at Pengkalan Chepa in Kelantan.

There are many reason why we use a quantitative research for our research to collect the data. The reason is the data can be tested and checked. Quantitative research requires careful experimental design and the ability for anyone to replicate both the test and the results. This makes the data of our research become more reliable and less open to argument. Other than that, the data is more straightforward analysis. When we collect quantitative data, the type of results will tell us which statistical tests are appropriate to use. As a result, interpreting our data and presenting those findings is straightforward and less open to error and subjectivity. And the last one is prestige. Research that involves complex statistics and data analysis is considered valuable and impressive because many people don't understand the mathematics involved. Quantitative research is associated with technical advancements. The association of prestige and value with quantitative research.

Questionnaire is one of the most widely used tools to collect data. The main objective of questionnaire in research is to obtain relevant information in most reliable and valid manner. Thus the accuracy and consistency of survey or questionnaire forms a significant aspect of

research methodology which are known as validity and reliability. Often new researchers are confused with selection and conducting of proper validity type to test their research instrument questionnaire or survey. Based on our respondents of the factors that affect customer satisfaction, we offer our respondents some questions in the form of Google.

To get the appropriate data, we separated the instrument into 3 part. Part 1 is we seek information from the student for example their name, age, religion, and also their current address. Part 2 is we measure the quality of service at Islamic banking Malaysia. The last part is we measured the customer satisfaction about Islamic banking Malaysia. All statements in the questionnaire will be written in English and Malay. The instrument will be based on five-point or Likert scale with numerical values of 1 (strongly disagree), 2 (disagree), 3 (natural), 4 (agree) and 5 (strongly agree) respectively.

1 = Strongly Disagree

2 = Disagree

3 = Natural

4 = Agree

5 = Strongly Agree

Instrument:

Section	Dimension
Section A	Demographic profile
Section B	Independent variable: Service quality at Islamic banking Malaysia. <ol style="list-style-type: none"> 1. Tangibility 2. Empathy 3. Reliability 4. Responsiveness 5. Assurance
Section C	Dependent variable: Customer satisfaction at Islamic banking Malaysia

3.8 MEASUREMENT OF THE VARIABLES

There are many ways to measure a single variable. Every attribute we seek to examine in research can be quantified at least nominally, and many attributes could be quantified at the ordinal, interval, and ratio measure as well. Variable are not being measure at one specific level only. Whether a variable will be measured one way or another depends very much on how it is conceptualized and on what type of indicator have been used during measurement. The same variable can be measured in various way (Sarantoks, 2005). This is to say that measurement can be done in several of level. There a four level of measurement that have been identified.

This research uses a nominal, ordinal and ratio to measure variable. Nominal is the simples and lowest type of measurement. Its type of variable that is used to name, label or categorize particular attributes that are being measured. When measuring using a nominal scale, one simply names or categorized responses. For example, gender, religion, age was variable measured on a nominal scale. The essential point about nominal scales is that they do not imply any ordering among the responses. For example, we use this to get feedback about the service quality and customer satisfaction towards Islamic banking Malaysia. The variables also include personal biodata such as name, date of birth, gender, religion age and others.

Similar to the nominal variable, there is no standard classification of ordinal variables into types. The values of ordinal variables have a rank. The items in this scale are ordered ranging from least to most satisfied. Likert scale being use in nominal variable. A Likert scale is a psychometric scale used by researchers to prepare questionnaires and get people's opinions. Unlike nominal, ordinal allows comprise of the degree to which two subject possess the dependent variable. For example, customer satisfaction on service quality Islamic banking Malaysia.

The ratio scale measurement is the most informative scale. It is an interval scale with the additional property that its zero position indicates the absence of the quantity being measured. Multiple choice questions are mostly used for academic testing and ratio variables are sometimes used in this case. Ratio variable is the peak type of measurement variable in statistical analysis. It allows for the addition, interaction, multiplication, and division of variables. Also, all statistical analysis including mean, mode, and median can be calculated on the ratio scale. Most of researcher use this tool whenever they want to get feedback about what their research and analyse. We use ratio variables to collect relevant data from respondents.

3.9 PROCEDURE FOR DATA ANALYSIS

Data analysis is a procedure for analyzing data, techniques for interpreting the results of such procedures, ways of planning the gathering of data to make its analysis easier, more precise or more accurate and all the machinery and result of statistics which apply to analyzing data.

In this study, the researcher analyzed the data based on two variables which is independent variable (IV) and dependent variable (DV). In this study, the dependent variable is service quality, and the independent variable is the customer satisfaction.

3.9.1 Reliability Analysis

The term reliability is usually oversimplified and incorrectly applied (Holick, 2009). The term "reliability analysis" relates to the requirement for a scale to consistently reflect the construct being measured. Cronbach's alpha is the most often used measurement of reliability. Alpha is a significant idea in the assessment of evaluations and surveys.

When a researcher decides to apply a likert - type scale in a survey, it is critical to determine Cronbach's alpha (Khalid, Hilman, and Kumar, 2012). The alpha coefficient is a number that runs from 0 to 1 and can be used to indicate the consistency of a set of variables. (Fan & Lê, 2011) All Cronbach's alpha coefficient values above 0.6 are regarded acceptable.

Table 3.2 Rule of Thumb on Cronbach's

Alpha Coefficient Range	Strength of Association
< 0.6	Poor
0.6 to < 0.7	Moderate
0.7 to < 0.8	Good
0.8 to < 0.9	Very Good
0.9	Excellent

3.9.2 Descriptive Analysis

Descriptive data is data simplification that can stand alone as a researcher product, such as when it identifies previously unknown occurrences or trends in data (Loeb et al., 2017). Furthermore, descriptive statistics gave straightforward descriptions of the sample and the measure. As a result, the data for this study will be gathered using a questionnaire, which will be summarized into means, standard deviation, and variance for the entire sample, which will include both independent and dependent variables. The mean and standard deviation for each portion of the independent variable and dependent variable are also summarized.

3.9.3 Pearson Correlation Analysis

Pearson Correlation Calculation is to determine the strength of a linear relationship between independent and dependent variables, the coefficient was applied. Pearson Correlation can also be used to determine the strength of a link between two variables. Aside from that, the propensity relationship is based on whether the association is negative, positive, or none at all. The matrix will be displayed using a scatter plot with an x-axis and y-axis. This Pearson correlation coefficient is very important for many scientific area even it did not measure the relationship of causal between two variables. The value for Pearson correlation coefficient is varies from -1 to +1 which when -1 the linear relationship is perfectly negative while when +1 the linear relationship is perfectly positive. When the value is close to zero, it means the degree of linear relationship is small (Sari, Lucio, Santana, Krysczun, Tischler, and Drebes, 2017). Besides, there have some rules from thumb to interpret the relationship of the correlation coefficient which in table 3.3.

Table 3.3: Rules of Thumb on Correlation Coefficient Sizes

Coefficient Range (r)	Strength of Association
0.90 to 1.0 / -0.90 to -1.0	Very high positive / negative correlation
0.70 to 0.90 / -0.70 to -0.90	High positive / negative correlation
0.50 to 0.70 / -0.50 to -0.70	Moderate positive / negative correlation
0.30 to 0.50 / -0.30 to -0.50	Low positive / negative correlation
0.00 to 0.30 / -0.00 to -0.30	Little if any correlation

MALAYSIA
 KELANTAN

3.10 SUMMARY / CONCLUSION

Descriptive data is data simplification that can stand alone as a researcher product, such as when it identifies previously unknown occurrences or trends in data (Loeb et al., 2017). Furthermore, descriptive statistics gave straightforward descriptions of the sample and the measure. As a result, the data for this study will be gathered using a questionnaire, which will be summarized into means, standard deviation, and variance for the entire sample, which will include both independent and dependent variables. The mean and standard deviation for each portion of the independent variable and dependent variable are also summarized.

CHAPTER 4

DATA ANALYSIS AND FINDINGS

4.1 INTRODUCTION

This chapter is to analyse and interpret the data that obtained 346 sets if the questionnaire is distribute to the respondents and it is collected from the student in Islamic Banking and Finance student in University Malaysia Kelantan, City Campus. The data collected use SPSS to analyse, the test includes of preliminary analysis, descriptive analysis, reliability test, Pearson correlation coefficient analysis, multiple regression analysis and hypothesis testing.

4.2 PRELIMINARY ANALYSIS

4.2.1 Pilot Test

Basically, pilot test is a preliminary gathering of information to distinguish weakness in structure, instrument, and give intermediary data for selection of a probability sample. Pretesting refinement before the final test. Small case study from shown in the table below:

Table 4.1: Reliability Statistic

Cronbach's Alpha	N of items
0.877	30

Based on the Table 4.1, it shows the result of reliability statistic. Cronbach's Alpha show a values of 0.877 which is a high scale. The result of the pilot test is indicated the questionnaire is very appropriate and can be used to collect data from respondent that is from Islamic Banking and Finance student in UMK for this research paper.

4.3 DEMOGRAPHIC PROFILE OF RESPONDENT

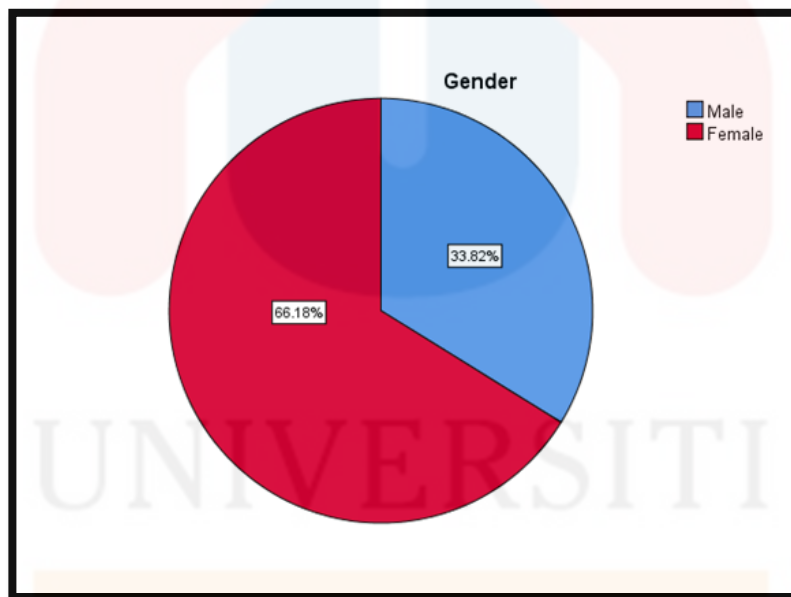
Gender, age, marital status, race, and marital status are all factors in determining the demographic profile of responders.

4.3.1 Gender

Table 4.2: Statistics of Respondent's Gender

Gender	Frequency	Percent
Male	117	33.82
Female	229	66.18
Total	346	100.00

Source: Develop for the research



Source: Developed for the research

Figure 4.1: Statistic for Respondent's Gender

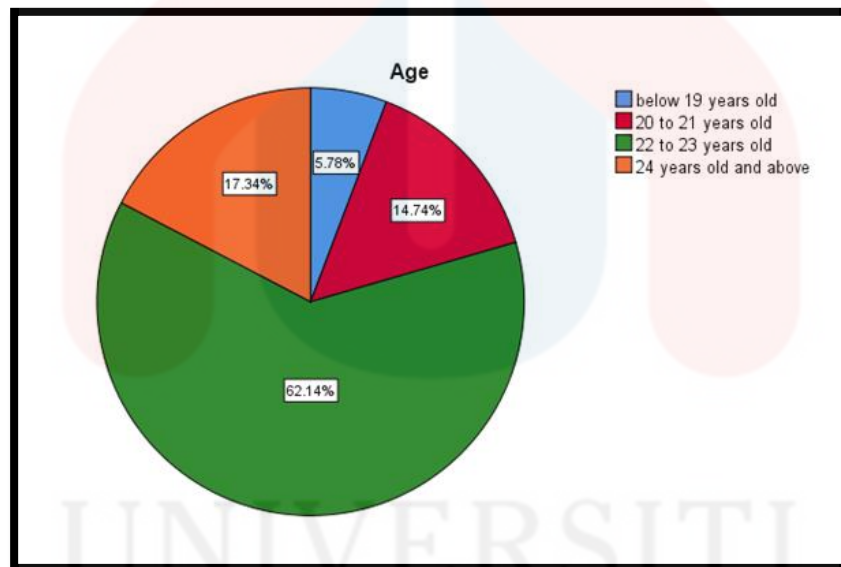
Table 4.2 and figure 4.1 reveal that 117 of the respondents are male, accounting for 33.82 percent of the total, while 229 of the respondents are female, accounting for 66.18 percent of the total. A total of 346 people participated in the survey.

4.3.2 Age

Table 4.3: Statistics of Respondent's Age

Age	Frequency	Percent
Below 19 years old	20	5.78
20 to 21 years old	51	14.74
22 to 23 years old	215	62.14
24 years old and above	60	17.34
Total	346	100.0

Source: Develop for the research



Source: Developed for the research

Figure 4.2: Statistic for Respondent's Age

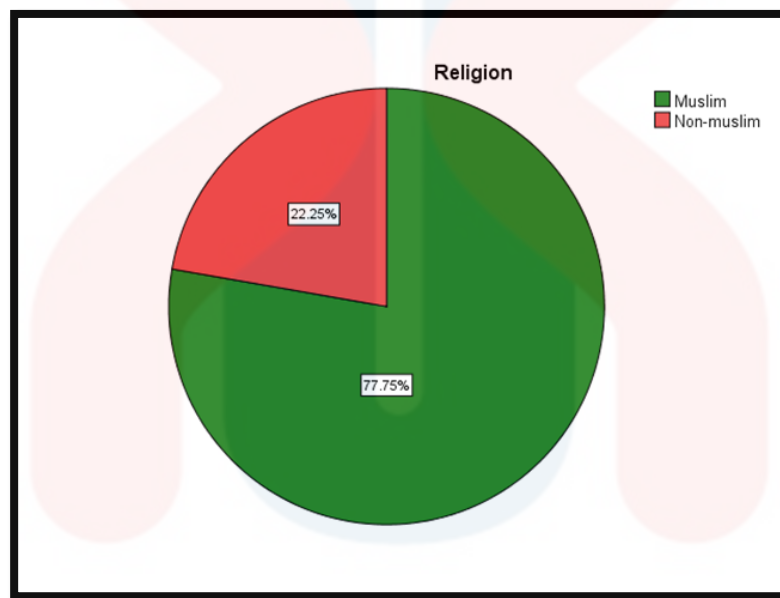
Table 4.3 and figure 4.2 reveal that 20 of the respondents are under the age of 19, accounting for 5.78% of the total. 51 of the respondents are between the ages of 20 and 21, accounting for 14.74 percent of the total. The age group of 22 to 23 years old has the largest percentage of replies (62.14%) across all age groups, with 215 respondents (62.14%). 60 of the respondents, or 17.34 percent, are in the 24-year-old and older age category.

4.3.3 Religion

Table 4.4: Statistics of Respondent's Religion

Religion	Frequency	Percent
Muslim	269	77.75
Non-Muslim	77	22.25
Total	346	100.00

Source: Develop for the research



Source: Developed for the research

Figure 4.3: Statistic for Respondent's Religion

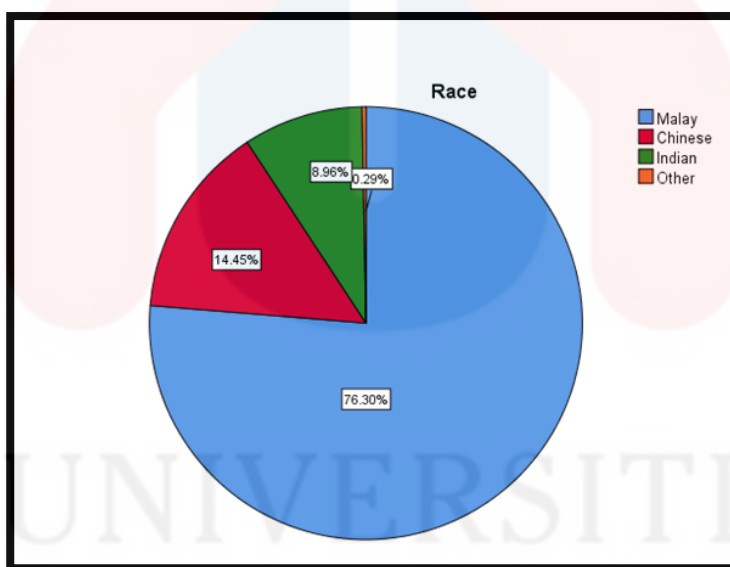
Table 4.4 and figure 4.3 demonstrate that 269 of the respondents are Muslim, accounting for 77.75 percent of the total, while just 77 of the respondents are non-Muslim, accounting for 22.25 percent of the total.

4.3.4 Race

Table 4.5: Statistics of Respondent's Race

Race	Frequency	Percent
Malay	264	76.30
Chinese	50	14.45
Indian	31	8.96
Other	1	0.29
Total	346	100.00

Source: Develop for the research



Source: Developed for the research

Figure 4.4: Statistic for Respondent's Race

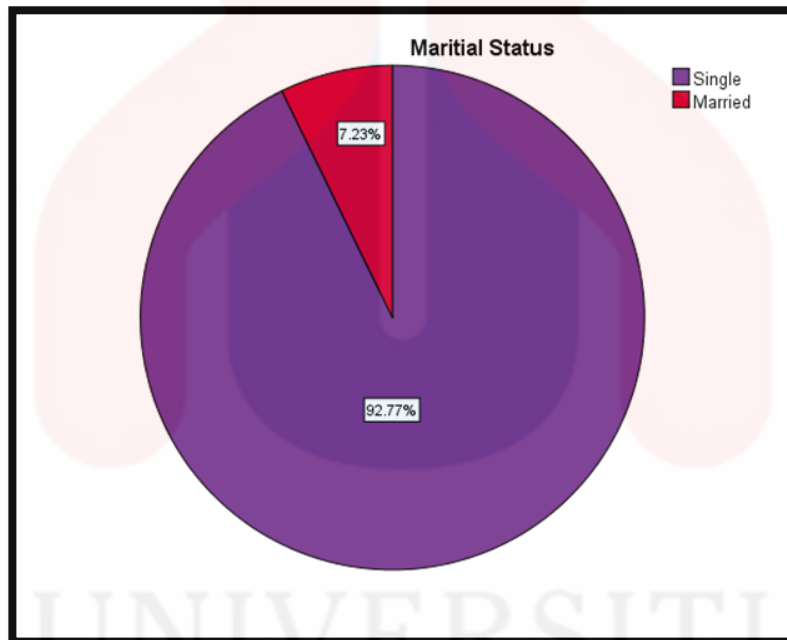
Table 4.5 and figure 4.4 reveal that 264 Malay respondents completed the questionnaire, representing a proportion of 76.30 percent, which is significant in the study. There are 50 Chinese respondents, accounting for 14.45 percent of the total, and 31 Indian respondents, accounting for 8.96 percent. Barely one person from each of the other races responded, accounting for only 0.29 percent of the total respondents.

4.3.5 Marital Status

Table 4.6: Statistics of Respondent’s Marital status

Marital Status	Frequency	Percent
Single	321	92.77
Married	25	7.23
Total	346	100.00

Source: Develop for the research



Source: Developed for the research

Figure 4.5: Statistic for Respondent’s Marital Status

The percentage and number of respondents who are married are shown in Table 4.6 and Figure 4.5. There are 321 respondents who are single, accounting for 92.77 percent of the total, and 25 respondents who are married, accounting for 7.23 percent of the total.

4.4 DESCRIPTIVE ANALYSIS

According to Thomas Bush (2020), descriptive analysis is the process of describing or summarizing a collection of data using statistical tools. It derives insights solely from historical data, which it then manipulates in order to make it more meaningful. It's also one of the most used methods of data analysis, and it's well-known for its capacity to extract useful information from otherwise unintelligible data. Descriptive analysis, according to Ayush Singh Rawat (2021), is a sort of data analysis that helps explain, present, or summaries data points in a constructive way so that patterns develop that satisfy all of the data's conditions.

4.4.1 Student Satisfaction

Table 4.7: Descriptive Statistic of Student Satisfaction

N	Statements	Mean	Standard Deviation
SS1	Banking system provide by banks is exactly what I need.	4.35	0.687
SS2	Banks presented accurate information to customer.	4.18	0.746
SS3	Bank provides privacy policies.	4.21	0.743
SS4	Banks provide breadth and depth customer service.	4.19	0.759
SS5	The services provided by banks is satisfied.	4.18	0.733
SS: Student Satisfaction			

Source: Develop for the research

Table 4.7 reveals that SS 1 has the greatest mean value of 4.35 with standard deviation 0.687 under the statement banking system provide by banks is exactly what I need. This shows that customer satisfaction towards Islamic banking is when a bank provides the banking system they need and this makes the bank their top choice. For the second highest mean is SS 3 which is under statement bank provides privacy policies of 4.21 with standard deviation 0.743. For the second lowest of mean is SS 4 which is 4.19 with standard deviation

of 0.759 under the statement of banks provide breadth and depth customer service. Next, there are two statement have a same value of mean which are 4.18 and become the lowest mean. For the first statement comes from SS 2 which is banks presented accurate information to customer with standard deviation 0.746 and second statement is from SS 5 which is the services provided by banks is satisfied with standard deviation is 0.733.

4.4.2 Tangibles

Table 4.8: Descriptive Statistic of Tangibles

N	Statements	Mean	Standard Deviation
TGB 1	The bank has modern-looking equipment (computers, fast ICT facilities, etc.).	4.19	0.746
TGB 2	Employees of main branch of bank are professionally dressed.	4.22	0.709
TGB 3	The interior and exterior of bank is visually appealing and spacious (comfort ability conditions, waiting queue chairs, audio-visual screen, public notice board, etc.).	4.22	0.728
TGB 4	Materials and equipment associated with the service (Computers, ATM Machine, Teller station, bank statement, pamphlets, etc.) are visually appealing.	4.21	0.763
TGB: Tangibles			

Source: Develop for the research

Based on table 4.8, the main factors of students choosing Islamic banking is about employees of main branch of bank are professionally dressed (TGB 2) and also the interior and exterior of bank is visually appealing and spacious likes comfort ability conditions, waiting queue chairs, audio-visual screen, and public notice (TGB3). This both statements get the mean of 4.22 which is the highest mean and the standard deviation for both statements are 0.709 for TGB 2 and 0.728 for TGB 3. Next for the second highest mean is TGB 4 of 4.21

with standard deviation 0.763 under the statement of materials and equipment associated with the service likes computers, ATM machine, teller station, bank statement, pamphlets and others are visually appealing. The lowest means is TGB 1 under statement the bank has modern-looking equipment likes computers, fast ICT facilities and others of 4.19 and standard deviation is 0.746.

4.4.3 Empathy

Table 4.9: Descriptive Statistic of Empathy

N	Statements	Mean	Standard Deviation
EPT 1	Appropriate operating hours and facilitate customer.	4.16	0.761
EPT 2	Bank staff provide support to customer.	4.22	0.732
EPT 3	Bank staff is polite and caring.	4.19	0.709
EPT 4	Friendly bank staff.	4.21	0.703
EPT 5	The bank maintains strong customer relationship.	4.20	0.711
EPT: Empathy			

Source: Develop for the research

Based on table 4.9, the element from EPT 2 which is bank staff provide support to customer is the key elements that influence students to choose Islamic banking is that it provides the highest mean which is 4.22 with standard deviation 0.732. Next, the second element that is important and also influences students in choosing Islamic banking is EPT 4, which is friendly bank staff. This statement has a mean value of 4.21 and a standard deviation of 0.703. The next statement is EPT 5 that the bank maintains a strong customer relationship also influences students in choosing Islamic banking with a mean value of 4.20 and a standard deviation of 0.711. The second lowest element is come from EPT 3 under the statement bank

staff is polite and caring with mean 4.19 and standard deviation 0.709. The last statement that is considered important in this empathy is the appropriate operating hours and facilitate customer. Although it is the last statement that is seen as important by students, it is still important with a mean value given of 4.16 and a standard deviation of 0.761.

4.4.4 Reliability

Table 4.10: Descriptive Statistic of Reliability

N	Statements	Mean	Standard Deviation
RLB 1	The bank always keeps its promise to do something.	4.17	0.757
RLB 2	The bank is very dedicated to solve customer problems.	4.18	0.752
RLB 3	The bank is always on time to provide the service when needed.	4.22	0.699
RLB 4	The bank did not make any mistake when performing their services.	4.14	0.762
RLB 5	The bank billing system is accurate and does not have any mistake.	4.14	0.695
RLB: Reliability			

Source: Develop for the research

Based on table 4.10, the majority of students stated that the bank is always on time to provide the service when needed (RLB 4) is important to them. This is evidenced by the mean obtained is the highest of 4.22 and the standard deviation of 0.699. The results of this analysis show that this statement is an important factor in influencing customers to choose Islamic banking. Another statement from RLB 2 that the bank is very dedicated to solving customer problems also contributes to the selection factor of Islamic banking. This statement shows the second highest mean which is 4.18 with standard deviation 0.752. Next, the third

mean is RLB 1 which is 4.17 and standard deviation 0.757 under the bank statement always keeps its promise to do something. Finally, based on the findings of the study which gave a lowest mean value of 4.14, respondents thought that banks did not make any mistake when performing their services (RLB 4) and bank billing system is accurate and does not have any mistake (RLB 5) is important for them when choosing Islamic banking. The standard deviation for each statement is 0.762 for RLB 4 and 0.695 for RLB 5.

4.4.5 Responsiveness

Table 4.11: Descriptive Statistic of Responsiveness

N	Statements	Mean	Standard Deviation
RPS 1	Delivery of information to customers when the service will be performed.	4.23	0.686
RPS 2	The bank provides prompt service to customers.	4.28	0.718
RPS 3	Bank staff are willing to provide assistance to customers.	4.23	0.676
RPS 4	Bank staff are ready to answer questions from customers.	4.20	0.710
RPS 5	Bank staff give confidence to customers.	4.21	0.744
RPS: Responsiveness			

Source: Develop for the research

Based on table 4.11, the statement from RPS 2 is bank provides prompt service to customers is the most important statement that influences students to choose Islamic banking with the highest mean value given is 4.28 and standard deviation 0.718. Next, the second most important statement is from RPS 1 and RPS 3 which is the delivery of information to customers when the service will be performed and bank staff are willing to provide assistance to customers respectively. Both statements show the second highest mean value which is 4.23

and the standard deviation for RPS 1 is 0.686 and RPS 3 is 0.676. The second lowest mean is RPS 5 of 4.21 and standard deviation 0.744 under the statement bank staff give confidence to customers. Lastly, the statement that is seen as important in this dimension is that Bank staff are ready to answer questions from customers. This statement gets a total mean of 4.20 and a standard deviation of 0.710.

4.4.6 Assurance

Table 4.12: Descriptive Statistic of Assurance

N	Statements	Mean	Standard Deviation
ASR 1	Does not contain the element of riba in investments, savings and loans of money.	4.26	0.702
ASR 2	Security guarantee and return of deposit customers.	4.22	0.703
ASR 3	Confidentiality of customer information is guaranteed by the bank.	4.22	0.712
ASR 4	Investment profits are shared.	4.18	0.725
ASR: Assurance			

Source: Develop for the research

Based on table 4.12, the highest mean value is at ASR 1 which is 4.26 and the standard deviation is 0.702 under the statement that the bank does not contain the element of usury in investments, savings and loans of money. This shows that services that do not contain an element of usury are the main basis for students to choose Islamic banking as their bank of choice. Next there are two statements that get a mean of 4.22. The first statement is the Security guarantee and return of customers' deposit with a standard deviation of 0.703. The second statement that also gets the same mean is the confidentiality of customer information is guaranteed by the bank with a standard deviation of 0.712. Finally, the respondents agreed that the bank should Investment profits are shared. This statement gave a mean value of 4.18 and a standard deviation of 0.725.

4.5 RELIABILITY TEST

Reliability test was conducted using a Cronbach's Alpha analysis. It's was be used to test the question whether the independent variables and dependent variables are accepted or not for this study. Furthermore, the analysis enables the research to determine whether these sets of items have a strong level of stability in measuring variables. The table below showed that the Rules of Thumb of Cronbach's Alpha coefficient size according to Hair et al. (2007).

Table 4.13 Rules of Thumb about Cronbach Alpa's

Alpha Coefficient Range	Strength of Association
< 0.6	Poor
0.6 to < 0.7	Moderate
0.7 to < 0.8	Good
0.8 to < 0.9	Very Good
0.9	Excellent

Source: Hair et al. (2007)

Table 4.14 The Result of Reliability Coefficient Alpha for the Independent Variable and Dependent Variable

Variable	Cronbach's Alpha	N of Items	Comment
Student Satisfaction	0.872	5	Very good
Tangible	0.847	4	Very good
Empathy	0.869	5	Very good
Reliability	0.869	5	Very good
Responsiveness	0.877	5	Very good
Assurance	0.851	4	Very good

Source: Developed for research

Table 4.14 in the SPSS result showed the value for both dependent and independent variables in this study. Based on the Table 4.14, we can examine relationship between service quality and student satisfaction in an Islamic banking institution in Malaysia. By using the SPSS to conduct the reliability test, the Cronbach's alpha for all variable which is student satisfaction, tangibles, empathy, reliability, responsiveness and assurance are 0.872, 0.847, 0.869, 0.869, 0.877 and 0.851 respectively very good in the reliability test because the amount was $0.8 < 0.9$. As the result of all variables in the reliability test is acceptable, and we can examine that service quality and student satisfaction in an Islamic banking institution in Malaysia have a relationship.

4.6 PERSON CORRELATION ANALYSIS

According to Gilchris and Samuels (2015), Pearson Correlation Coefficient is a statistical metric that measures the existence (given by a p-value) and strength (given by the coefficient r between -1 and $+1$) of a linear relationship between independent variables and dependent variables. This analysis also is used to identify if the hypothesis can be accepted or rejected.

Table 4.15 Rules of Thumb on Correlation Coefficient Sizes

Coefficient Range (r)	Strength of Association
0.90 to 1.0 / -0.90 to -1.0	Very high positive / negative correlation
0.70 to 0.90 / -0.70 to -0.90	High positive / negative correlation
0.50 to 0.70 / -0.50 to -0.70	Moderate positive / negative correlation
0.30 to 0.50 / -0.30 to -0.50	Low positive / negative correlation
0.00 to 0.30 / -0.00 to -0.30	Little if any correlation

Table 4.16 The Result of Correlations

		Correlations					
		SS	TGB	EPT	RLB	RPS	ASR
SS	Pearson Correlation	1	0.860	0.852	0.857	0.860	0.822
TGB	Pearson Correlation	0.860	1	0.858	0.827	0.840	0.791
EPT	Pearson Correlation	0.852	0.858	1	0.844	0.865	0.807
RLB	Pearson Correlation	0.857	0.827	0.844	1	0.858	0.824
RPS	Pearson Correlation	0.860	0.840	0.865	0.858	1	0.850
ASR	Pearson Correlation	0.822	0.791	0.807	0.824	0.850	1
Correlation is significant at the 0.01 level (2-tailed). N=346							
Where DV = SS - Student satisfaction IV=TGB – Tangible EPT – Empathy RLB – Reliability RPS – Responsiveness ASR – Assurance							

Source: Developed for the research

From the table above, it's shown that assurance has a correlation of $p=0.822$, which is the lowest from the 5 independent variables. It means that assurance has the lowest correlation. Moreover, empathy have the second lowest correlation with the value $p=0.852$ at significant level of 0.01. The correlation of reliability was the third lowest with the value of $p=0.857$ in the significant level of 0.01 while tangible and responsiveness have the same result of correlation with the value of $p=0.860$ in the significant level of 0.01. Its mean that, tangible and responsiveness have the highest correlation compared to other independent variable.

4.7 MULTIPLE REGRESSION

Table 4.15 The Result of Multiple Regression

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.087	0.102		0.861	0.390
	TGB	0.274	0.047	0.280	5.828	0.000
	EPT	0.157	0.053	0.154	2.941	0.003
	RLB	0.233	0.050	0.232	4.672	0.000
	RPS	0.189	0.057	0.183	3.322	0.001
	ASR	0.131	0.046	0.130	2.859	0.005
Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	0.914	0.835	0.832	0.24468		
ANOVA						
Model	Sum of Squares	df	Mean Square	F	Sig.	
Regression	102.708	5	20.542	343.104	0.000 ^b	
Residual	20.356	340	0.060			
Total	123.064	345				
a. Dependent Variable: SS						
b. Predictors: (Constant), ASR, TGB, RLB, EPT, RPS						

TGB – Tangible

EPT – Empathy

RLB – Reliability

RPS – Responsiveness

ASR – Assurance

Source: Developed for the research

Table 4.15 show the model summary. The Adjusted R-square value is 0.832. This means that 83.2% of the variations of the student satisfaction of quality service at Islamic banking in Malaysia can be explain by the tangibles, empathy, responsiveness, reliability and assurance. However, there is 16.8% of the variation cannot be explained in this research. For the result, it also concludes that there is other variable explained student satisfaction of quality service at Islamic banking in Malaysia significantly. Therefore, the higher the adjusted square value, the more the model fits the data.

From table 4.15, show the ANOVA. The f-value is 0.000, which is lower than the significant level 0.05. Therefore, the conclusion is that the model is significant. All of the five independent variables can use to explain the variation of the dependent variable.

From table above, it shows the multiple regression tests. The above values is use to prove the relationship between student satisfaction and the five independent variables. When the B value obtained under the under standardized coefficient is positive, it means that the relationship between the dependent variable and the independent variable is positive. From table 4.15, all of the independent variables have positive relationship with the dependent variable.

Based on the table, it shows that the independent variables are at the significant level of 0.05. The H0 shows there is no significant relationship between the independent variable and the dependent variable. While for H1, it shows there is significant relationship between

the independent variable and the dependent variable. The decision rule for the test is to reject H_0 when the p-value is less than 0.05, otherwise, do not reject H_0 .

Therefore, according to table 4.15, all the independent variables are significant as the p-value of them are 0.000, 0.003, 0.000, 0.001 and 0.005, which is all less than 0.05. Thus, H_0 should be rejected.

From this result, it was found that there is a positive impact of service quality dimensions (tangibility, reliability, responsiveness, assurance and empathy) on customer perception. The most importance elements of service quality that effect customer perceptions of Islamic banking in Malaysia is tangibility and reliability. Specifically, reliability has the highest impact on customer perception then tangibility, and finally responsiveness, while empathy and assurance have no impact on clients' perception.

4.8 HYPOTHESIS RESULT

Hypothesis	P	Result
1) H1 ₀ : There is no significant relationship between Tangibles and the Student Satisfaction of quality service at Islamic banking in Malaysia	0.000	Significant
2) H2 ₀ : There is no significant relationship between Empathy and the Student Satisfaction of quality service at Islamic banking in Malaysia	0.003	Significant
3) H3 ₀ : There is no significant relationship between Reliability and the Student Satisfaction of quality service at Islamic banking in Malaysia	0.000	Significant
4) H4 ₀ : There is no significant relationship between Responsiveness and the Student Satisfaction of quality service at Islamic banking in Malaysia	0.001	Significant
5) H5 ₀ : There is no significant relationship between Assurance and the Student Satisfaction of quality service at Islamic banking in Malaysia	0.005	Significant

Source: Developed for the research

4.9 CONCLUSION

Based on the results of the literature review and the survey among 364 respondents among Islamic Banking and Finance student in University Malaysia Kelantan, City Campus, the researcher reached a number of conclusions the student satisfaction towards quality service at Islamic banking in Malaysia. Besides, the data analysis has been collected from the survey which is questionnaire. The data compiled using SPSS to get the actual data. The result of SPSS was come out with preliminary analysis, descriptive analysis, demographic test, reliability test and Pearson correlation analysis. All the hypothesis this study was answered through hypothesis testing. In a nutshell, all the research question and objectives of this study have been achieved through these statistical analyses.

CHAPTER 5

DISCUSSION AND CONCLUSION

5.1 INTRODUCTION

In this section, the result of the examination which were established in Chapter 4 were discussed and the outline of the outcome was built by issues introduced in Chapter 2. Besides, researchers had also prescribed some conclusion to support the finding and the result in order to measure the relationship of student satisfaction between all of the independent variable. This chapter also highlighted the results of the study based on the respondent feedback. All research questions will be answered and the achievements of each research objective will be determined. Then, the implication of this study will be discussed, the limitations of the study will be explain and suggested several recommendations for future study.

5.2 DISCUSSION OF MAJOR FINDINGS

Satisfaction of customer is important for any company to be a most great in this world. In this study, the research analyzed that the data based on two variables which is independent variables and dependent variables. The independent variable (IV) is the customer satisfaction and dependent variable (DV) is service quality. In data analysis, we employ three empirical estimations to analyses the data. First, Reliability Analysis. Second, Descriptive Analysis. Third, Pearson Correlation Analysis.

The previous studies who have also found a significant relationship between the five variables and customer satisfaction. The relationship between reliability and customer satisfaction has been proven positive and significant in various context before (Janahi and Al Mubarak, 2017; Haron et al. 2020; Kashif et al., 2016; Khamis and AbRashid, 2018). The same

goes to responsiveness where Khamis and AbRashid (2018) have also found the same significant result in the context of Islamic bank in Tanzania, while Janahi and Al Mubarak (2017) found it to be significant in influencing customer satisfaction in Bahrain's Islamic bank.

In addition, in line with Anouze et al. (2019) who found a significant relationship between convenience and satisfaction in the context of Islamic banks in Jordan, this study also found the same, indicating the importance of the distance and time taken by banks in serving customers. Finally, compliance also has been found positive in influencing customer satisfaction which is similar to the findings of Anouze et al. (2019) and Janahi and Al Mubarak (2017).

	Hypothesis	
H1	Relationship between tangible and student satisfaction	Positive relationship
H2	Relationship between empathy and student satisfaction	Positive relationship
H3	Relationship between reliability and student satisfaction	Positive relationship
H4	Relationship between responsiveness and student satisfaction	Positive relationship
H5	Relationship between assurance and student satisfaction	Positive relationship

1.2.1 Relationship between tangible and student satisfaction

The result showed there are positive relationship between tangible and student satisfaction. What the research has revealed is that the findings are consistent with those of earlier researchers. According to the researchers Yulisetiari (2014), Bharwana Bashir, and Mohsin (2013), the dimension of tangible has a significant impact on consumer satisfaction. Goh, et al. (2013) discovered that tangible goods and consumer happiness had a favourable association. The insignificant relationship between tangibility and customer satisfaction is

inconsistent to some studies such as Haron et al. (2020), Kashif et al. (2015) and Kashif et al. (2016) but in line with Rehman (2012), Badara et al. (2013) and Khamis and AbRashid (2018). As a result, tangible might be considered one of the most important independent variables influencing student satisfaction.

1.2.2 Relationship between empathy and student satisfaction

The p-value for the relationship between empathy and student satisfaction is 0.003. Because the p-value is less than 0.05, there is a direct relationship between empathy and student satisfaction. Furthermore, there is a positive correlation between empathy and student satisfaction, with empathy's beta being 0.157. This suggests that, if all other variables remain unchanged, an increase in empathy will reduce consumer satisfaction by 0.323 percent. The findings of this study contradict those of the researcher, who discovered that there may be a weak or non-existent association between consumer pleasure and empathy (Brendan, 2014). According to Wieseke, Geigenmuller, and Kraus (2014), the lower the consumer empathy, the larger the effect size of student satisfaction, and the greater the customer loyalty; there are also negative effects of student satisfaction.

1.2.3 Relationship between reliability and student satisfaction

The relationship between reliability and student satisfaction has a p-value of 0.000 in this study. The p-value is less than 0.05, suggesting that there is a significant association between student satisfaction and reliability. The findings suggest that customer service reliability has a positive impact on consumer satisfaction. It was also shown that student satisfaction has a strong link to reliability (Vuong, 2014). Besides from that, the research shows that the reliability result has a 0.855 relationship. In their study, it also had a coefficient of

0.124, indicates positive relationship between reliability and student satisfaction (Goh, et al. 2013).

1.2.4 Relationship between responsiveness and student satisfaction

The p-value of the relationship between responsiveness and student satisfaction is 0.001, which is lower than the alpha of value of 0.05. Student satisfaction and responsiveness have a strong correlation. However, there is a positive relationship between customer satisfaction and responsiveness. This findings is supported by Bilika, Safari, and Mansori, (2016), Saghier & Nathan, (2013), and Selvakumar, (2015), which also shown a positive relationship between responsiveness and student satisfaction. This finding indicate that, the more responsive you are, the more satisfied your customers would be.

1.2.5 Relationship between assurance and student satisfaction

The relationship between assurance and student satisfaction has a p-value of 0.005 in this study. When the p-value is less than 0.05, the relationship between assurance and student satisfaction is considered significant. Furthermore, assurance and student satisfaction have a positive relationship, and assurance has a beta of 0.130. Considering that all other variables remain constant, an increase in assurance will result in a 0.130 increase in student satisfaction. The findings are also consistent with previous research by Fauzi and Suryani, (2019), Haron et al., (2020), Janahi and Al Mubarak, (2017). However, Rahman et al., (2017) found a negative relationship between assurance and student satisfaction, as shown by a coefficient value of -0.081 and a significance level of 0.355 in their study.

5.3 IMPLICATIONS OF THE STUDY

In this study, there are five independent variables which is tangible, empathy, reliability, responsiveness, and assurance. All these variable have a relationship between student satisfactions. This research helps us to know what customer needed when they used banking. With all the variable that we had, we used to do some research and to ensure what the customer needs and wants and help bank to be more integrate in meeting customer's needs and wants. Therefore, the five dimensions of services quality were very important to help bank bring their customer satisfaction to the higher level and help bank operation become more effective and efficiency. There are several parties will be benefit by implementing the knowledge gain in this study.

There is most significant relationship between Assurance and the Student Satisfaction of quality service at Islamic banking in Malaysia. So bank should focus on it to gain their customer satisfaction. Most of the customer had worry about the status of riba in investments, security guarantee and return of deposit customers or the Investment profits are shared. So in this research we can conclude that customer still don't put 100% of trust to invest or keep their money in the bank. That's why its bank responsibility to gain more customer trust to make customer feel safe and they will feel relieved and trust bank in applying and invested with the bank. The bank should provide more assurance in services quality to build customer confidence in manage their serviced and customer property.

Other than that, the bank also need to take a look about the responsiveness in their quality of service to make customer more satisfied with them. A bank with a quick or good responsiveness can make their customer have a feeling of they are vital to the bank and feel the existence of themselves. There is some responsiveness that bank need to improved which is the delivery of information to customers when the service will be performed, bank provides prompt service to customers, bank staff are willing to provide assistance to customers, bank

staff are ready to answer questions from customers and also bank staff should give confidence to customers. With all this responsiveness that bank provide, its can help them to gain more trust of customer. For example, For the example, to maintain a loyal customer, bank staff should give a good respond to the customer such as if the customer calls the bank, they should not take a lot of time to answer because it's can make bank lose their customer. Hence, bank should care line service and give a special attention to their customer toward maintain their customer priority be loyal to bank.

Furthermore, in this research we also found that bank need to improve their empathy of the student service. Appropriate operating hours and facilitate customer, bank staff is polite and caring, friendly bank staff is the one that can make bank maintains a strong customer relationship. The reason why empathy is important in banking because of if it's not being improved, it will make people nowadays less focus on the empathy on employee. Even though the employee treated the customer as a special guest and take care of their needs and wants but customer will feel like that is still not enough to them. Customer request for more even the employee had work hard on it. As example, individual attention to their customer they hope that they can help them in decision making but customer is still not satisfied about it. For the empathy the higher the empathy the lower the customer satisfaction.

Moreover, tangible is quite important for a bank. Tangible is a physical facility, stereo-graphic facility, equipment and the dressing physical looking of employee and management group, communication materials and others. In this research, we trying to find if bank provide a modern-looking equipment, employees of main branch of bank are professionally dressed or the interior and exterior of bank is visually appealing and spacious and materials and equipment that the bank used was associated with the service to fulfil customer satisfaction. For example, bank customer can save their time while making payment and transaction instead of wasting time for queuing up in the bank they can do the payment

online. This kind of facilities can help the bank in order to save cost and time. It is because of the facilities such as ATM machine and banking online system can let customer make credit card payment by themselves so that bank can reduce the staff to save cost. Therefore, an accomplished tangible in services quality might gain customer satisfaction. Hence, to keep customer satisfaction, bank has to try to be better on the tangible in the services quality.

Last but not least, bank have to focus on improve the student satisfaction which is the part of reliability. Reliability is part of quality service which is customer want the bank always keeps its promise to do something, very dedicated to solve customer problems, always on time to provide the service when needed, did not make any mistake when performing their services and also the billing system is accurate and does not have any mistake. To increase the customer satisfaction, bank must have strong reliability where customer can trustworthy on the pledge of the bank and uses the services that provided by bank with confident. Hence, the bank has to improve the reliability in their services quality for bank customer to improve the customer satisfaction.

Bank must improve their quality service which is the five independent variables like tangible, empathy, reliability, responsiveness, and assurance that were state in this research to get satisfaction on customer. Bank must keep their service at the top to keep their customer loyal and also they can keep their customer to be more interested to make a deal with a good quality service. If the customer satisfaction become low bank might lose the customer and the reputation of the bank will become bad. Once the reputation of bank becomes bad, bank need to use long period of time to improve it and bank need to do something to recover the reputation. That's why customer satisfaction is the one of important thing in banking.

5.4 LIMITATION OF THE STUDY

The first constraint is that this study is limited to students at Universiti Malaysia Kelantan (UMK). UMK has a student body of around 3465 persons. However, other universities in other states, such as Universiti Kebangsaan Malaysia, Universiti Malaya, Universiti Putra Malaysia, and many others, are not included. Due to the fact that the sample size of this study does not represent the total Malaysian population, there is a risk of bias.

Furthermore, this study only evaluates students from one faculty, namely the Faculty of Entrepreneurship and Business (FKP), while other faculties at UMK include the Faculty of Hospitality, Tourism, and Wellbeing (FHPK), the Faculty of Creative Technology and Heritage (FTKW), and others. All UMK students utilize Bank Islam Malaysia Berhad (BIMB) to pay their tuition and major banks, thus opinions may be gathered from all students who have experience with Islamic banking. The outcomes are poor when only FKP is involved.

Moreover, number of country that researcher focused in this research is one of its drawbacks. This study was only carried out in Malaysia. As a result, the findings of this survey exclusively indicate consumer satisfaction with quality service in Malaysian financial institutions. Then foreigners will benefit less from this study and more research into the other nations is also necessary.

Finally, this study used five independent variables, namely tangibles, empathy, dependability, responsiveness, and assurance, to assess the link with the dependent variable, which is consumer satisfaction with Islamic banking. However, these five parameters may not be sufficient to exactly assess consumer satisfaction with quality services in Islamic banking in Malaysia, because shortcomings will cause the model to be faulty and also alter the overall outcome of the research.

5.5 RECOMMENDATION FOR FUTURE RESEARCH

According to the limitations of study, here is some recommendation to overcome the problems for researchers that are interested for future study in the similar topic.

For the first limitation for this research is that the study only focuses on one faculty of University Malaysia Kelantan, which is Faculty of Entrepreneurship and Business (FKP). These area are chosen is because they have most largest population among the whole university Malaysia Kelantan, but there are limited because the study is only conduct within these one faculty, it cannot represent the customer's behaviour of the whole student in University Malaysia Kelantan. For the recommendation, future researchers may get sponsor from the university to future study the similar research using data from all student in University Malaysia Kelantan.

Besides, the research is only concern to the customer's satisfaction of university student. The customer satisfaction level maybe varies between university student and community, as Islamic banks which is Bank Islam are so common for university student but not community. For the recommendation, future researchers can try to conduct the related study on the community area to study the customer's behaviour regarding to customer satisfaction.

Lastly, in this research, only use five factors including Tangibles, Empathy, Reliability, Responsiveness and Assurance to define the relation between these 5 variables with the customer satisfaction. In the result of Chapter 4, by looking at the adjusted R-square, the result shows that there are other variables may affect the studies of this research. For the recommendation, future researches can figure out the other variables would also affect the customer satisfaction and conduct research in the related study.

5.6 CONCLUSION

After conducting the survey and obtain the data from the 346 respondents from University Malaysia Kelantan student's. There are a lot of tests that are used to examine the relationship of the dependent variable which is student satisfaction and the live independent variables which are tangibles, empathy, reliability, responsiveness and assurance.

In summary the results of this study have proven that there is a positive relationship between service quality and student satisfaction in five variables studied although only two have been proven to be significant namely tangible and reliability. The practitioners can make use of these three variables to strengthen their marketing strategy by ensuring that the needs and wants of the customers are met. Malaysia has a large population of Muslims yet Islamic banks have been able to attract non-Muslim customers as well. More specifically, both the Muslim and non-Muslim customers value the same traits when selecting their banks.

Additionally, the management of Islamic banking is also advised to describe or provide a clear description to the customers about the modus operandi used for every product offered so that customers could understand the products clearly. This is because there are some customers who utilize the Islamic banking solely due to the religion factor without clearly understanding the modus operandi behind the promotion of the product, thus causing the compliance factor to influence the satisfaction level in a negative way. Preferably, the compliance factor should positively influence the level of customer satisfaction.

Furthermore, other service quality elements should not be ignored as all these show an important and significant relationship with customer satisfaction level based on the correlation analysis conducted. To conclude, it is hoped that the findings of this study will help to create awareness for Islamic banking in improving and upgrading the service quality offered. This is because high quality services can enhance customer satisfaction which is an asset for banks to compete in this competitive industry.

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APPENDIX A – Draft of Questionnaire



STUDENT SATISFACTION TOWARDS QUALITY SERVICE AT ISLAMIC BANKING IN MALAYSIA

Dear Respondent,

We are undergraduate students from University Malaysia Kelantan (UMK). Faculty of Entrepreneurship and Business, pursuing degree in Bachelor of Business Administration (Islamic Banking and Finance) with Honours currently conducting the study on “Student satisfaction towards quality service at Islamic banking Malaysia in University Malaysia Kelantan, City Campus” for our final year project. We are welcoming you to complete the questionnaire, which is expected take about 5-10 minutes only. Thank you for your attention and participation to help this research. For any inquiries, please kindly contact us:

Responden yang dihormati:

Kami adalah pelajar sarjana muda dari Universiti Malaysia Kelantan (UMK). Fakulti Keusahawanan dan Perniagaan, mengikuti Ijazah Sarjana Muda Pentadbiran Perniagaan (Perbankan Islam Dan Kewangan) dengan Kepujian yang sedang menjalankan kajian mengenai "kepuasan pelajar terhadap kualiti perkhidmatan perbankan Islam di Malaysia di Universiti Malaysia Kelantan, Kampus Kota" untuk projek tahun akhir kami. Kami mengalu-alukan anda untuk melengkapkan soal selidik, yang dijangkakan mengambil kira-kira 5-10 minit sahaja. Terima kasih atas perhatian dan penyertaan anda untuk membantu penyelidikan ini. Untuk sebarang pertanyaan, sila hubungi kami:

1. Nik Muhammad Adam Baihaqi Bin Abdul Aziz (0179478160)
2. Noor Syahirah Binti Ghazali (01117989344)
3. Nor Atilah Binti Asim (0134989034)
4. Nor Aziemah Binti Che Ya (0199114907)

Part A

Please mark (/) on one appropriate answer in the box provided.

1. Gender

Male	
Female	

2. Age

Below 19 years old	
20 to 21 years old	
22 to 23 years old	
24 years old and above	

3. Religion

Muslim	
Non-Muslim	

4. Race

Malay	
Chinese	
Indian	
Others	

5. What is your living situation?

Single	
Married	
Others	

SECTION B

The statements below are related to the student satisfaction toward service quality of Islamic Banking in Malaysia. Please indicate how strongly you agree or disagree with the statements. The five point scale, anchored on “Strongly agree” to “Strongly disagree”.

Likert scale

Strongly disagree	Disagree	Natural	Agree	Strongly agree
1	2	3	4	5

		Strongly disagree → Strongly agree				
No.	Question	1	2	3	4	5
Customer satisfaction						
6	Banking system provide by banks is exactly what I need. <i>Bank menyediakan sistem perbankan yang diperlukan oleh saya.</i>					
7	Banks presented accurate information to customer. <i>Bank menyampaikan maklumat yang tepat kepada pelanggan.</i>					
8	Bank provides privacy policies. <i>Bank menyediakan dasar privasi.</i>					
9	Banks provide breadth and depth customer service. <i>Bank menyediakan perkhidmatan pelanggan yang luas mendalam.</i>					
10	The services provided by banks is satisfied. <i>Perkhidmatan yang diberikan oleh bank sangat berpuas hati.</i>					

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Section C		Strongly disagree → Strongly agree				
Question		1	2	3	4	5
Tangibles						
11	The bank has modern-looking equipment (computers, fast ICT facilities, etc.). <i>Bank mempunyai peralatan yang moden (computer, kemudahan ICT yang pantas, dll.)</i>					
12	Employees of main branch of bank are professionally dressed. <i>Pekerja cawangan bank utama berpakaian profesional.</i>					
13	The interior and exterior of bank is visually appealing and spacious (comfort ability conditions, waiting queue chairs, audio-visual screen, public notice board, etc.). <i>Dalam dan luaran bank secara visualnya menarik dan luas.</i>					
14	Materials and equipment associated with the service (Computers, ATM Machine, Teller station, bank statement, pamphlets, etc.) are visually appealing. <i>Bahan dan peralatan yang digunakan dalam perkhidmatan bank menarik secara visualnya.</i>					
Empathy						
15	Appropriate operating hours and facilitate customer. <i>Masa beroperasi yang bersesuaian dan memudahkan pelanggan.</i>					
16	Bank staff provide support to customer. <i>Kakitangan bank memberi sokongan kepada pelanggan.</i>					
17	Bank staff is polite and caring. <i>Kakitangan bank sopan dan mengambil berat.</i>					
18	Friendly bank staff. <i>Kakitangan bank yang mesra.</i>					
19	The bank maintains strong customer relationship. <i>Bank mengekalkan hubungan yang kuat pelanggan.</i>					
Reliability						
20	The bank always keeps its promise to do something.					

	<i>Bank sentiasa menepati janjinya untuk melakukan sesuatu.</i>					
21	The bank is very dedicated to solve customer problems. <i>Banks sangat berdedikasi untuk menyelesaikan masalah pelanggan.</i>					
22	The bank is always on time to provide the service when needed. <i>Bank sentiasa tepat pada waktu untuk menyediakan perkhidmatan mereka apabila diperlukan.</i>					
23	The bank did not make any mistake when performing their services. <i>Pihak bank tidak melakukan kesalahan semasa menjalankan perkhidmatan mereka.</i>					
24	The bank billing system is accurate and does not have any mistake. <i>Sistem pengebilan bank adalah tepat dan tidak mempunyai kesilapan</i>					
Responsiveness						
25	Delivery of information to customers when the service will be performed. <i>Penyampaian maklumat kepada pelanggan bila perkhidmatan akan dilakukan.</i>					
26	The bank provides prompt service to customers. <i>Bank memberikan perkhidmatan segera kepada pelanggan.</i>					
27	Bank staff are willing to provide assistance to customers. <i>Kakitangan bank bersedia memberi pertolongan kepada pelanggan.</i>					
28	Bank staff are ready to answer questions from customers. <i>Kakitangan bank bersedia menjawab persoalan dari pelanggan.</i>					
29	Bank staff give confidence to customers. <i>Kakitangan bank memberikan keyakinan kepada pelanggan.</i>					
Assurance						
30	Does not contain the element of riba in investment, savings and loans of money. <i>Tidak mengandungi unsur riba dalam pelaburan, simpanan dan pinjaman wang..</i>					
31	Security guarantee and return of deposit customer.					

	<i>Jaminan keselamatan dan pulangan deposit pelanggan.</i>					
32	Confidentiality of customer information is guaranteed by the bank. <i>Kerahsiaan maklumat pelanggan dijamin oleh bank.</i>					
33	The employees gain client's trust. <i>Pekerja memastikan mereka mendapat kepercayaan daripada pelanggan.</i>					
34	Investment profits are shared. <i>Keuntungan pelaburan dikongsi bersama.</i>					

APPENDIX B – Grantt Chart

GANTT CHART OF RESEARCH ACTIVITIES ON PROPOSAL FOR YEAR 2021

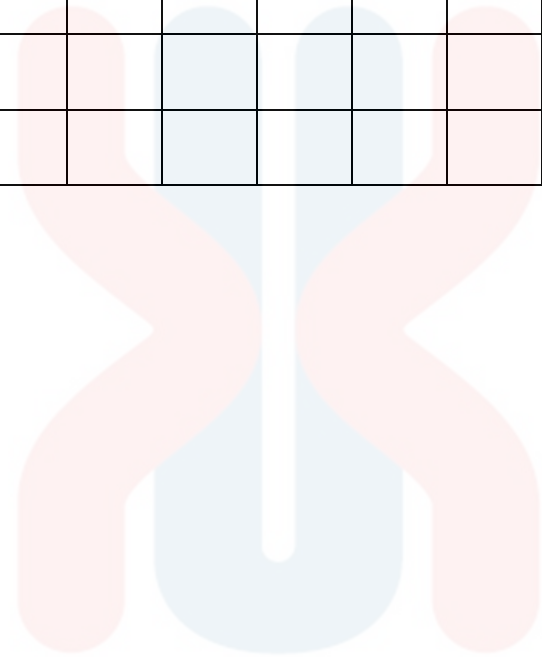
ACTITIES	SEMESTER 1															
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
-Briefing PPTA																
-Meeting with Supervisor (SV) -Research project title verification																
-Research problem -Research objective -Literature research																
-Google meet with SV -Study Framework -Research Method -Data Collection Method -Data Analysis Method																
-Google meet with SV -Checking with SV																
-Hand over draft to supervisor -Turnitin filters -Correction of research report																

- Submit final report and turnitin result to coordinator																
-Presentation																
-Correction																
-Correction checking																
-Submit final report to coordinator.																

GANTT CHART OF RESEARCH ACTIVITIES ON PROPOSAL FOR YEAR 2022

ACTITIES	SEMESTER 2															
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
-Discussion within research																
-Distribute questionnaire																
-SPSS analysis																
-SPSS result and discussion																
-Data and information analysis																
-Discussion for research result																
-Report writing																

-Draft report Submission																	
-Overall report proposal																	
-Submit final report to coordinator.																	



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