

إقرار

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Customers Determinants of Bank Selection : The Case of Employees in Gaza Strip

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Student's name: Hesham E.S. El-Tawil

Signature:

Date:

اسم الطالب: هشام عصام سليم الطويل

التوقيع:

التاريخ:

The Islamic University of Gaza
Dean of Higher Studies
Faculty of Commerce
Business Administration Department



Customers Determinants of Bank Selection :
The Case of Employees in Gaza Strip

Submitted By

Hesham Essam El-Tawil

Supervised By

Dr. Akram Sammour

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١٤٣٦ م – ٢٠١٥



نتيجة الحكم على أطروحة ماجستير

بناءً على موافقة شئون البحث العلمي والدراسات العليا بالجامعة الإسلامية بغزة على تشكيل لجنة الحكم على أطروحة الباحث/ هشام عصام سليم الطويل لنيل درجة الماجستير في كلية التجارة/ قسم إدارة الأعمال وموضوعها:

العوامل المحددة لدى الزبائن في اختيار البنوك - دراسة حالة: الموظفين في قطاع غزة
Customers Determinants of Bank Selection: The Case Study of employees in Gaza Strip

وبعد المناقشة التي تمت اليوم الأربعاء 26 جمادى الآخر 1436 هـ، الموافق 2015/04/15م الساعة العاشرة والنصف صباحاً، اجتمعت لجنة الحكم على الأطروحة والمكونة من:

.....	مشرفاً و رئيساً	د. أكرم إسماعيل سمور
.....	مناقشاً داخلياً	أ.د. فارس محمود أبو معمر
.....	مناقشاً خارجياً	د. بهاء الدين أحمد العريني

وبعد المداولة أوصت اللجنة بمنح الباحث درجة الماجستير في كلية التجارة/ قسم إدارة الأعمال واللجنة إذ تمنحه هذه الدرجة فإنها توصيه بتقوى الله ولزوم طاعته وأن يسخر علمه في خدمة دينه ووطنه.

والله ولي التوفيق ،،،

مساعد نائب الرئيس لشئون البحث العلمي والدراسات العليا

أ.د. فؤاد علي العاجز

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سُوْرَةُ الْبَقَرَةِ (32)

Dedication

I dedicate my study To my parents whose limitless love and encouragement helped me throughout my life, they motivated me to continue my education.

I dedicate my study To My lovely wife whose prayers helped and supported me to carry out this work,

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Abstract

This study aims to identify the determinants of selecting banks from the point view of customer' employees working in both public and private sectors in the Gaza strip.

The study population consisted of the employees working in public and private sectors. The study sample consisted of 480 customers randomly selected. Data were collected from 382 respondents of the study sample. The study relied on the primary data collected through a questionnaire which focused on six main determinants which are: Bank type, Convenience, Services, Pricing, Reputation, Personnel. This is in addition to demographic attributes of the sample. The researcher used both qualitative and quantitative methods to analyze data using the Statistical Package for the Social Sciences (SPSS).

The study concluded that there are four main determinants which have significant relation to the bank selection that employees consider to select banks. These determinants are:

- **Banks Service:** including (confidentiality, safety of funds, ATM cards availability, credit and debit cards and E-banking services).
- **Personnel:** including(Pleasant appearance, polite and efficient banks' staff).
- **Convenience:** including(Geographical distribution of the bank branches, number of branches, ATM availability 24/7, convenient places).
- **Reputation:** including(Social Responsibility and transparency)

The study concluded that there is no significant relationship between banks' type (Islamic or regular) and pricing on one hand and customer choice of the banks on the other.

The study recommended the following:

1. The banks operating in the Gaza strip should consider the findings of this study while preparing their marketing strategies. They should also capitalize on the factors that customers consider important and reinforce their efforts to improve other areas of weaknesses.
2. Increasing the public awareness about the Islamic banking financial services offered by the Islamic banks.
3. Reconsidering the regular banks' pricing strategies relevant to interest rate, and commissions so as to appeal to customers.
4. Improving the banks' reputation in the community and increase their social responsibility activities.

ملخص الدراسة

هدفت الدراسة إلى معرفة العوامل المحددة في اختيار البنوك من وجهة نظر الموظفين العاملين في القطاع العام و موظفي القطاع الخاص.

تكونت مجتمع الدراسة من الموظفين العاملين في القطاع العام و الخاص ، بحيث تم استخدام عينة عشوائية مكونة من 480 شخص تم جمع البيانات من 382 شخص . و اعتمدت على الدراسة على البيانات الأولية التي تم جمعها باستخدام الاستبانة تم التركيز فيها على ستة محاور رئيسية تمثل متغيرات الدراسة (نوع البنك ، الملائمة البنك ، أسعار البنك ، خدمات البنك ، الموظفين و سمعة البنك) و ذلك بالإضافة إلى الصفات السكانية للعينة . استخدم الباحث كل من التحليل الكمي و الوصفي في تحليل البيانات و ذلك باستخدام برنامج التحليل الإحصائي (SPSS) . خلصت الدراسة إلى وجود أربع عوامل و التي لها علاقة مؤثرة تؤثر على عملية اختيار البنوك و التي يأخذها الزبائن في عملية اختيار البنوك هي كالتالي :

- الخدمات البنكية . و تشمل (سرية البيانات ، سلامة النقد ، توافر خدمة بطاقات صراف الآلي ، البطاقات الدائنة و المدينة و الخدمات الالكترونية).
- الموظفين . و تشمل (المظهر اللائق للموظفين ، توافر طاقم كفاء و ملم بعمله).
- الملائمة . و تشمل (الانتشار الجغرافي للبنك ، عدد الأفرع ، خدمة الصراف لآلي على مدار الساعة ، وجود مقرات البنك في أماكن مناسبة يسهل الوصول إليها).
- سمعة البنك. و تشمل (المسؤولية الاجتماعية و الشفافية).

و أيضا و خلصت الدراسة إلى أن لا توجد علاقة مؤثرة بين نوع البنك (إسلامي او تقليدي) و التسعير من جهة و عملية اختيار البنك من جهة أخرى.

و قد أوصت الدراسة بما يلي :

- على البنوك العاملة في قطاع غزة تبني النتائج التي خلصت إليها الدراسة أثناء تجهيز الخطط التسويقية و التركيز على العوامل التي يهتم بها المتعاملون و العمل على زيادة الجهود لتحسين نقاط الضعف الأخرى.
- زيادة الوعي الديني للمتعاملين فيما يتعلق بالبنوك الإسلامية و الخدمات التي تقدمها.
- إعادة النظر في البنوك التقليدية في سياسة التسعير فيما يتعلق بالفوائد و العمولات التي تفرضها على المتعاملين لتصبح مقبولة للمتعاملين .
- العمل على تحسين صورتها في المجتمع و زيادة أنشطة المسؤولية الاجتماعية تجاه المجتمع .

Chapter 1 :

General Framework

Introduction

The rapid growth of the economy , globalization and the intense competition over the last years have a huge impact on the banking industry on both the individual level and the companies level specially with the emergence of the Islamic banking alongside with the conventional banking that already exists and compete among each other. As economic environment is rapidly changing , customers are becoming more demanding and sophisticated, it has become important for banks to determine the factors which are considered at the customers' selection process. Therefore the problem lies in determining the basis on which customers make their selection process for a bank.

Previous studies investigated bank selection criteria for different segments of customers including students and young population in different countries such as (Ta&Har,2000) in Singapore, (Almossawi, 2001) in Bahrain. Literature supports the view that customers make investments decisions based on their religious and cultural beliefs (Lu and Chan, 2012). Given this argument, the Islamic banks may have an upper hand as they are clearly differentiated from their conventional counterparts based on the value system they follow.

Islamic banking is one of the fastest-growing segments in the financial sector globally reported that in 2007. Islamic banks posted an annual asset growth rate of 27% in comparison to 19% by conventional banks. The popularity of Islamic banks is not limited to Muslim world only; it has also flourished in countries like United Kingdom and Singapore. (Sayani&Miniaoui, 2013) .

The Palestinian banking sector is relatively new. Before 1993 there were only two banks operating (Bank of Palestine and Cairo-Amman Bank). Some banks, which had ceased operations in West Bank and Gaza after 1967, reopened in 1994 and new ones were established rapidly. In December 1995, there were 16 banks, as of December 31, 2014 there were 19 banks , four of these banks are Islamic Banks operating in both Gaza and the West bank .The banking sector of Palestine has undergone considerable changes since the arrival of Palestinian authority in 1994 , which allowed already existed local banks to expand rapidly in both Gaza strip and the west bank such as Palestine Bank and Cairo Amman Bank and also the introduction of new banks to operate as Palestine Islamic bank , Al Quds banks , Arab Islamic banks ... etc.(West Bank and Gaza, Financial Sector Review, 2008).

This study aims to explore the determinants of the selection process in more detail in Gaza Strip and also identifies the orientation of customers relative to these determinants. This research will further help in determining the specific determinants which customers perceive as important in their choice of a bank, develop or improve the existing products or services that is favored by the customers to retain and attract new customers and give the banks managers insights of the determinants that are important to consider in their marketing strategies.

Problem of the study

The Palestinians live in a diversified banking environment that is rapidly evolving and expanding due to new technologies which leads to the introduction of new services and new alternatives and there are around 1.5 million Palestinian have banking accounts (West Bank and Gaza, Financial Sector Review ,2008) among which there are Palestinian Authority employees who open accounts to receive monthly salaries, students and companies who use bank accounts for running their business financial transactions. The banking sector in Palestine have evolved significantly in the last 20 years for many reasons starting with the arrival of the Palestinian national authority, expansion of the bank already existed, opening of new banks, the withdrawal of the Israel banks and with these changes an intense competition occurs between rival banks in providing a quality services to their customers. With this atmosphere of competition banks struggle to offer new products and services that meet the complicated customers' demands. However, essential to mention that Palestinian banking sector consist of both Islamic and conventional banks but conventional banks have been operating for decades longer than Islamic banks and even some recently established conventional banks, so accordingly it will not be an easy task to attract new customers unless the competing banks possess competitive advantages

In light of this and as up to the knowledge of the researcher there are no a specialized research conducted to study the Palestinians banks customers' preferences regarding bank selection and there is no way to understand the customers' behavior without further researching.

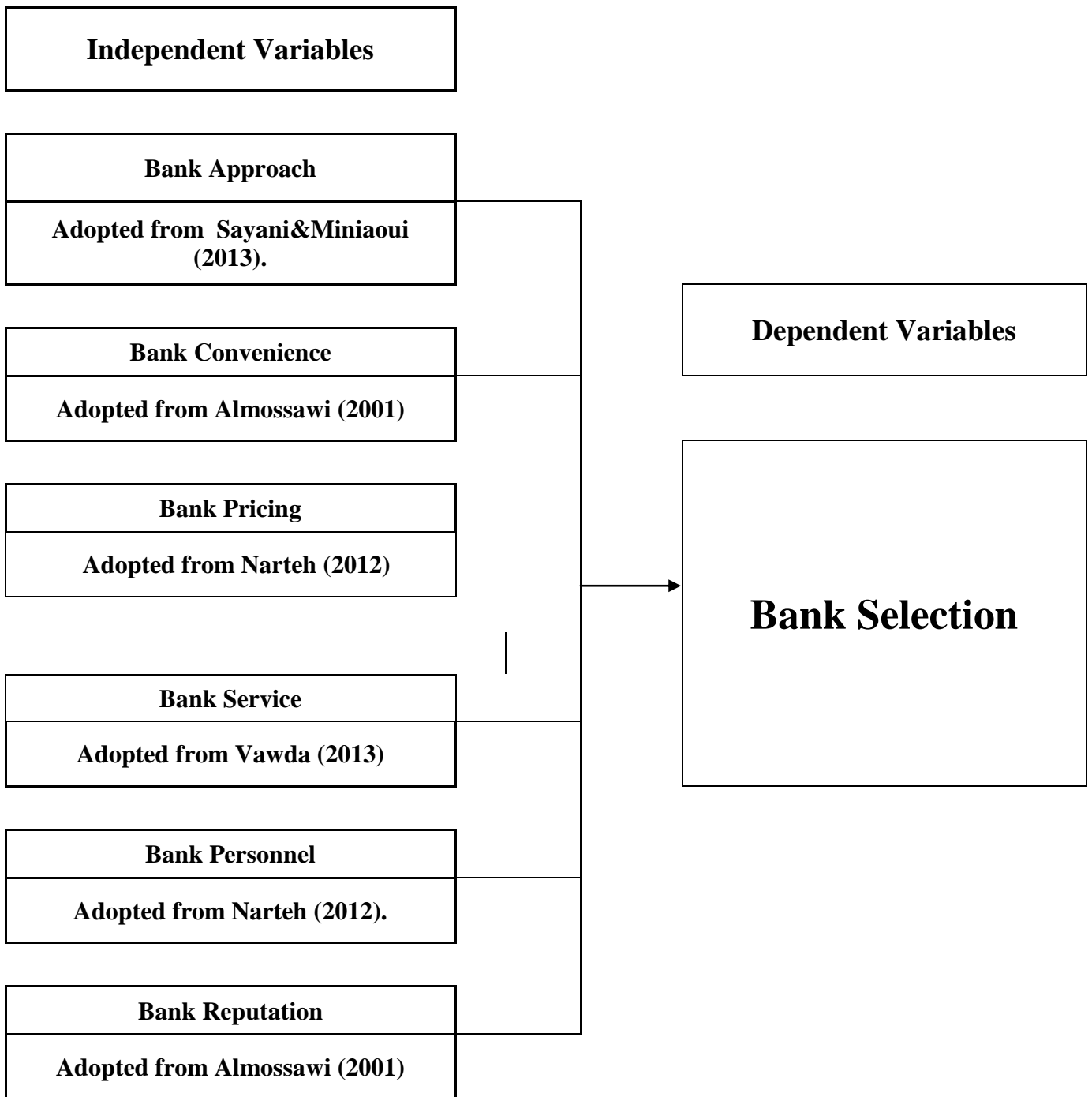
In light of this the question is :

" What are the most important determinants that customer consider in their bank selection process ?

Variables of the study :

1. **Dependent variable** : Bank Selection
2. **Independent Variable** : The variables used in this study are adopted from sample of previous studies such as Sayani & Miniaoui (2013), Almossawi (2001), Narteh (2012), Vawda (2013), including :
 1. Bank Approach (Type of the bank).
 2. Bank Convenience.
 3. Bank Pricing.
 4. Bank Services.
 5. Bank Personnel.
 6. Bank Reputation.

Figure 1 : The research Model



Source : Prepared by the reasarcher from Sayani&Miniaoui (2013) , Almassawi (2001) , Narteh (2012) , Vawda (2013).

Hypothesis .

1. There is a statistical significant relationship of “**Bank Approach**” on bank selection at 0.05 level.
2. There is a statistical significant relationship of “**Bank Convenience**” on bank selection at 0.05 level.
3. There is a statistical significant relationship of “**Bank Price**” on bank selection at 0.05 level.
4. There is a statistical significant relationship of “**Bank Service**” on bank selection at 0.05 level.
5. There is a statistical significant relationship of “**Bank Reputation**” on bank selection at 0.05 level.
6. There is a statistical significant relationship of “**Bank Personnel**” on bank selection at 0.05 level.
7. There are statistical differences at 0.05 level in the mean f respondents on (**Age , Gender, Years of dealing with banks , workplace, city**)

Objective of the study.

This research aims to achieve the following objectives :

1. To state a pool of determinants that are important for bank selection through reviewing the relevant previous studies.
2. To determine the determinants that are most important to the Palestinian customers while considering selecting a bank.
3. Provide banks’ management with results and recommendations of customers selection process that may be useful in their marketing plans.
4. To examine the effect of personal characteristics of the employees on the bank selection process.

Importance of the study.

- **Study importance to the researcher.**

This study will help the researcher as being a bank employee to better understand who customers think of their bank and the services they offer to provide the top level management with the necessary information need to attract new potential customers .

The study can be good for the researcher’s career and help him in being a researcher.

- **To banking sector.**

This study will provide banks with the necessary information that they could use to analyze how customers think, behave towards their banks and to provide the management with insights of what are the most important determinants that different types of customers use to select the bank they wish to conduct business with, hence they can enhance the services they provide or even introduce new ones that could lure customers to alter their perception .

- **To Palestinian society**

This study will help in developing the banking sector which is one of the main economic pillars in the Palestinian economy.

This study will also facilitate the selection process for customers by providing a guideline of most important factors to consider when deciding to start dealing with banks.

Chapter 2 :

literature Review

Section 1: Customer Satisfaction

Section 2 : Determinants of Banks Selection

Section 3 : Palestine Banking Sector

Section 1: Customer Satisfaction

Introduction :

In this section the researcher is going to review the previous literature about the concept of customer satisfaction and its importance to any business operating to achieve profitability , and review the literature about customer satisfaction in banking sector .

Consumer satisfaction is a central concept in modern marketing thought and practice. The marketing concept emphasizes delivering satisfaction to consumers and obtaining profits on return. As a result, overall quality of life is expected to be enhanced. Thus, consumer satisfaction is crucial to meeting various needs of consumers, business, and society. The realization of this importance has led to a proliferation of research on consumer satisfaction over the past two decades. Attempts to make significant contributions toward understanding this important area have been made, including numerous studies and annual conferences on consumer satisfaction/dissatisfaction and complaining behavior. (Kuckosmanoglu and Sensoy , 2010).

Customer satisfaction

The topic of customer satisfaction has received considerable interest in recent years, and one of the most popular research topics in marketing (Al- Manasra, 2013; Chavan and Ahmad, 2013; Shanka, 2012; Bae, 2012; Munari et al., 2012; Gupta and Dev, 2012; Mohammad and Alhamadani,2011; Angelova and Zekiri, 2011; Singh and Kaur, 2011; Hanif et al., 2011; Arbore and Busacca , 2009)

The satisfaction literature has not yet , explicitly or implicitly, established a generally accepted definition of satisfaction. Satisfaction is derived from the Latin satis (enough) and facere (to do or make).Thus, satisfying products and services have the capacity to provide what is being sought to the point of being "enough." Two related words are satiation, which loosely means enough up to the point of excess, and satiety, which can mean a surfeit or too much of enough, as if to say that too much is necessarily undesirable. These terms illustrate the point that satisfaction implies a filling or fulfillment. (Masrujeh 2009).Kolter and Armstrong (2013) defined the customer satisfaction as “ The extent to which a product’s perceived performance matches a buyer’s expectations.” Hence If the product’s performance did not meet the customers' expectations, the customer is dissatisfied. If performance matches expectations, the customer is satisfied. If performance exceeds expectations, the customer is highly satisfied. So customer satisfaction is the result of a customer’s perception of the value received from the service or the product delivered. Hansemark and Albinson (2004) defines satisfaction as “ an overall customer attitude towards a service provider, or an emotional reaction to the difference between what customers anticipate and what they receive, regarding the fulfillment of some needs, goals or desire .Customer satisfaction is determined by the customers’ perceptions and expectations of the quality of the products and services (Angelova and Zekiri 2011). Ostrom and Grayson (1995) states that customer satisfaction is a function of the discrepancy between a consumer’s prior expectations

and his or her perception regarding the purchase. When an experience is better than the customer expected, there is thought to be positive disconfirmation of the expectation, and a favorable customer evaluation is predicted.

Conceptually, satisfaction is an outcome of purchase and use resulting from the buyer's comparison of the rewards and costs of the purchase in relation to the anticipated consequences. Operationally, satisfaction is similar to attitude in that it can be assessed as the sum of the satisfactions with the various attributes of the product or service (Kuckosmanoglu and Sensoy , 2010) .

Customer satisfaction is a state of mind that a customer has about a company when their expectations have been met or exceeded over the lifetime of the product or service. The achievement of customer satisfaction leads to company loyalty and product repurchase. However, customers who are merely satisfied are only at the first stage and they can easily switch to other companies. At Most Customers range from being moderately satisfied to moderately dissatisfied, which means that most customer are essentially ambivalent in their loyalty to a particular business. These customers would likely defect in the presence of even a modest motivator; such as getting a better price or finding a more convenient store location.(Masrujeh 2009).

Kotler (2013) pointed out that it is important to measure customer's satisfaction regularly through survey to determine customer's level of satisfaction. He said this is because firms may think that they are getting a sense of customer satisfaction through customer's complaints. However, in reality, 95 percent of dissatisfied customer's do not make any complaints, they just leave. As a result it is important for firms to make it easy for the customers to complain. Dissatisfied customers who usually complaints, about 54 to 70 percent will continue to do business again with the organization if their complaints are taken care of and resolved and may even be 95 percent if the complaints receive quick response and action.

Outstanding marketing companies go out of their way to keep important customers satisfied. Most studies show that higher levels of customer satisfaction lead to greater customer loyalty, which in turn results in better company performance (kotler,2013).

Transaction-specific and cumulative satisfaction

Customers satisfaction consist of two perspectives : transaction specific and cumulative. The transaction-specific perspective views consumer's satisfaction as a post-choice evaluative judgment of a specific purchase occasion. From a transactional viewpoint satisfaction would indeed depend on each exchange. (Al- Manasra 2013).

In comparison, cumulative consumer's satisfaction is an overall evaluation based on the overall experience with the goods and services of a particular firm over time. From cumulative viewpoint with each new interchange, the individual's perception is fed by new information. Although transaction-specific satisfaction may provide insights into particular product or service encounters, cumulative satisfaction is arguably a better predictor of future behavior (customer retention) and firm performance (profitability).(

Johnson et al., 1996). Customer satisfaction also contributes to customer retention. According to Kotler, one key to customer retention is customer satisfaction, a satisfied customer stays loyal longer and loyalty drives profitability and growth. A basic definitional inconsistency is evident by the debate of whether satisfaction is a process or an outcome. More precisely, consumer satisfaction definitions have either emphasized an evaluation process. Most definitions have favored the notion of consumer satisfaction as a response to an evaluation process. (Giese & Cote, 2002).

Confirmation and disconfirmation theory of customer satisfaction:

In spite of many definitions of customer satisfaction in the literature, a common way to define customer satisfaction is to follow the approach of the expectancy confirmation/disconfirmation paradigm. The expectation disconfirmation paradigm is most popular in customer satisfaction literature.

Disconfirmation arises from discrepancies between customer satisfaction different for different types of industries prior expectations and actual performance. If perceived performance exceeds a consumer's expectations (a positive disconfirmation), then the consumer is satisfied but if perceived performance falls short of his or her expectations (a negative disconfirmation), then the consumer is dissatisfied. Expectations are considered to be the needs or desires of the consumer, identified by what the consumer feels should be delivered by the provider of the service before receiving it. Prior literature confirms the impact of disconfirmation of expectation on satisfaction. (Gandhi and Kang , 2011)

Customer Expectations

Expectations play an important role in the satisfaction formation. The extent to which a product or service fulfills a customer's need and desire may play an important role in forming feelings of satisfaction because of the impact of confirmation or disconfirmation that have on satisfaction. Consumers expect to be delivered quality products and services; therefore companies try to offer quality products and services. The term expectations really matters to companies because they want to know what customers' expectations are. . (Angelova and Zekiri 2011).

Customers' expectations are beliefs about service delivery that function as standard or reference point against which performance is judged. Customers compare their perceptions of performance with their expectations and reference point when evaluating service quality (Zeithaml and Bitner 2003). Parasuraman et al. (1988) defined expectation as desires of wants of customers' the expectations component was designed to measure customers normative expectations and it is similar to the ideal slandered in customer satisfaction and dissatisfaction. Expectations serve as standards with which subsequent experiences are compared; it is result of previous experience about service also.

Companies must be careful to set the right level of expectations. If they set expectations too low, they may satisfy those who buy but fail to attract enough buyers. If they set expectations too high, buyers will be disappointed. (Kotler, 2013).

Customer Perception

Perception is an opinion about something viewed and assessed and it varies from customer to customer, as every customer has different beliefs towards certain services and products that play an important role in determining customer satisfaction. Customer satisfaction is determined by the customer's perceptions and expectations of the quality of the products and services. In many cases, customer perception is subjective, but it provides some useful insights for organizations to develop their marketing strategies. Providing high level of quality service has become the selling point to attract customer's attention and is the most important driver that leads to satisfaction. Therefore, customer perception and customer satisfaction are very closely linked together, because if the perceived service is close to customer's expectations it leads to satisfaction. (Angelova and Zekiri 2011).

Another definition of customer perception is "one another element which playing significant role in the determination of customer satisfaction". Satisfaction will be influenced by perception of service quality, price, and other personal expectations regarding service. It is a judgment that, a product or service feature, or the product or service itself, provides a pleasurable level of consumption related fulfillment (Oliver, 1994). In light of Kotler's 2013 definition, any company that wants to create customer satisfaction needs to fully understand their customer's needs and gather accurate data about their customer's expectations of the product or service they provide. To do so, they need to understand what are the factors that lead to customer satisfaction in the first place.

Customer Loyalty

Customer loyalty, the main consequence of customer satisfaction, has been defined and measured in many various ways over the past decades. Oliver (1997) defines customer loyalty as "a deeply held commitment to re-buy or re-patronize a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behaviors".

Factors affecting customer satisfaction.

One of the issues concerning satisfaction is the absence of consensus of what creates satisfaction. From literature review, there are many factors that affect customer satisfaction. Such factors include friendly employees, service quality, knowledgeable employees, competitive pricing, good value, quick service, image. (Chavan and Ahmad, 2013, Amin et al., 2013, Al-Manasra, 2013, Hnaif et al., 2010, Mihelis et al. 1999)

Satisfied customers form the foundation of any successful business as customer satisfaction leads to repeat purchase, brand loyalty, and positive word of mouth. Studies also point out that customer satisfaction results ultimately in trust, price tolerance, and

customer loyalty (Angelova and Zekiri, 2011).Hallowell (1996) conducted a study about the relationship between customer satisfaction and profitability the results was that customer satisfaction is related to customer loyalty, which in turn is related to profitability. Ladhari et al. (2010) mentioned that providing a superior banking services quality will enhance the customer satisfaction and contributes to profitability. Since the goals and objective of any profitable financial institution is profitability, it's imperative to formulate strategies that ensure the fulfillment of these goals and objectives through creating customer satisfaction .Mihelis et al. (1999) conducted a study to measure customer satisfaction in the private sector banks using a survey consisting of customers satisfaction dimensions that is presented and indicates the set of criteria and sub criteria used in the survey. The main satisfaction criteria consist of:

1. **Personnel of the bank:** This criterion includes all the characteristics concerning personnel (skills and knowledge, responsiveness, communication and collaboration with customers, friendliness, etc.).
2. **Products:** This criterion refers mainly to the offered products and service (variety, refund, cost, special services, etc.).
3. **Image of the bank:** Credibility of the bank (name, reputation), technological excellence, as well as ability to satisfy future customers needs are included in this criterion.
4. **Service:** This criterion refers to the service offered to the customers; it includes the appearance of the stores, the waiting time (queue, telephone, etc.), the complexity of service processes and the information provided (informing customers in an understandable way, explaining the service and other relevant factors, informing for new products, etc.).
5. **Access:** Network expansion of the bank, branches location, as well as observed troubles in the service system (strikes, damaged ATMs, etc.) are included in this criterion.

The following table summarize the criteria or determinants that create satisfaction in banks:

Table 1 Factors that create satisfaction in banks

Authors	Year	Factors
Chavan and Ahmad	2013	<ol style="list-style-type: none"> 1. Tangibility 2. E-Fulfillment 3. Convenience 4. Availability 5. Accuracy 6. Responsiveness 7. Empathy 8. Promptness 9. Personal Assistance

Amin et al.	2013	<ul style="list-style-type: none"> • Image
Al- Manasra	2013	<ul style="list-style-type: none"> • Usability • Services Interaction
Hnaif et al.	2010	<ul style="list-style-type: none"> • Customer Services • Price Fairness
Mihelis et al.	2001	<ol style="list-style-type: none"> 1. Personnel of the bank 2. Products 3. Image of the bank 4. Service 5. Access
Mihelis et al.	1999	<ol style="list-style-type: none"> 1. Personnel of the bank 2. Products 3. Image of the bank. 4. Service. 5. Access

Source : Prepared by the researcher 2015.

Marketing in Banking

Marketing has traditionally been a neglected area of research in the service industries and this lack has become fairly evident in the market for commercial services. Banking has, historically, not engaged in marketing and it is only in recent decades that the commercial banking industry has begun to learn and implement the marketing techniques that other industries applied decades ago. In addition, as a result of both the competition between retail banks and the more sophisticated customer demand, it has become essential for banks to determine the factors that are relevant to a customer's choice. (Vawda, 2013)Marketing approach in banking sector had taken significance after 1950 in western countries and then after 1980 in Turkey. New banking advancements and services had influenced banks to create new market. Banks had started to perform marketing and planning techniques in banking in order to be able to offer their new services efficiently. (Once, 2000) .Uppal(2010) defined banks marketing as " the aggregate function directed at providing services to satisfy customers' financial needs and wants , more effectively than the competition keeping in the view the organizational objectives".

Banks seeks for increasing profit: Banks have to increase their profits to create new markets, to protect and develop their market shares and to survive on the basis of intense competition and demographic chance levels.The reasons for marketing scope to

have importance in banking and for banks to interest in marketing subject can be arranged as:

1. **Change in demographic structure:** Differentiation of population in the number and composition affect quality and attribute of customer whom benefits from banking services.
2. **Intense competition** in financial service sector, due to the growing international banking sector .

Customer Satisfaction in banking sector.

The topic of banks customer satisfaction has received considerable interest in recent years, and one of the most popular research topics in marketing, (amin et al. , 2013; Shanka, 2012 ;Munari, 2012;Gupta and Dev, 2012; Singh and Kaur, 2011; Chavan, and Ahmad, 2011; Silver et al., 2009 ; Arbore and Busacca,2009)

Customer satisfaction is the key to the long term success of any company. Keeping the importance of customer satisfaction in mind, banks need to maintain stable and close relationships with their customers (Singh and Kaur, 2011)

A growing number of retail banks are directing their strategies towards customer satisfaction. In fact, researchers have demonstrated that customer satisfaction serves as a link to critical consumer behaviors, such as cross-buying of financial services, positive word-of-mouth, willingness to pay a premium-price, and tendency to see one's bank as a "relationship" bank. Ultimately, these behaviors proved to have a positive impact on key corporate outcomes, such as retention rates, average deposit amounts, cost to the bank of providing services, and future earnings These results are consistent with a broader literature assessing the positive relationship between customer satisfaction and firm profitability . Following the evidence from these studies, the value of identifying the most influential factors to trigger satisfaction and dissatisfaction in retail banking becomes especially clear. This information allows the firm to steer and optimize its marketing efforts given its limited resources, keeping in mind that market- based assets, in turn, will increase shareholder value.

Over time, researchers have identified many antecedents of customer satisfaction in different service industries Several studies, for example, have emphasized the link between satisfaction and the "service quality" construct . Another recurrent key factor is the perception of costs, specifically "price fairness" and "price-quality ratio . Further satisfaction drivers are peripherals like the "location", both in terms of convenience and accessibility . more controversial is the significant impact of other "tangibles", such as the "physical layout" of the bank. Finally, researchers emphasize the positive role played by problem-handling skills, like "capability to avoid potential conflicts", "efficient and effective handling of complaint", "efficiency of solving problems", and "speed of finding and restoring errors". (Arbore and Busacca , 2009)

Banks now know that delivery of quality service to customers is essential for success and survival in today's global and competitive banking environment . It is essential for a present-day bank to switch from managing means to managing customers in order to

satisfy them with the whole services they offer. Therefore, it is important for banks to have a system by which consumer satisfaction is continuously measured (Singh and Kaur, 2011).

Banking institutions across the globe have recognized the importance of customer satisfaction and of developing and maintaining enduring relationship with their customers as two crucial parameters leading to increased business profits. At the same time, several banking institutions are experiencing increasing level of retail customer dissatisfaction. (Gupta and Dev., 2012) .

Dissatisfaction and bank switching behavior

The definition of dissatisfaction comes from Oliver's disconfirmation between prior expectations and post-purchase outcomes. Expectations are the pre-exposure beliefs about the product. The discrepancy between expectations and actual outcomes is defined as disconfirmation. Better-than-expected outcomes result in satisfaction, while worse-than-expected outcomes result in dissatisfaction. Though dissatisfaction was believed to be the result of a cognitive process (comparison between expectations and outcomes), more recent research maintains that affective processes also contribute to explaining customer dissatisfaction. Fornell and Wernerfelt [1987] defined dissatisfaction as "a state of cognitive/affective discomfort caused by an insufficient return relative to the resources spent by the consumer at any stage of the purchase/consumption process". Therefore, dissatisfaction includes the cognitive process and the affective process. (Lu et al. 2012)

Kuckosmanoglu and Sensoy (2010) stated that dissatisfied customers may react in various ways. Consumers first decide whether to convey an expression of dissatisfaction (action) or to take no action. The second-level decision concerns whether the response taken is public or private. Public actions include seeking redress directly from the organization, taking legal action, or complaining to public or private agencies. Private actions include boycotting the seller or manufacturer (brand switching) and/or engaging in negative word-of-mouth. Most organizations, particularly those involved in services, recognize that consumer dissatisfaction can and will occur from time to time. Consumer response involves at least three distinct activities:

1. Switching brands/store (that is exit),
2. Making a complaint to the seller (that is voice), and
3. Telling others about the unsatisfactory experience (that is negative word-of-mouth).

Many researchers point out the fact that satisfied customers share their experiences with other people to the order of perhaps five or six people. On the contrary, dissatisfied customers are more likely to tell another ten people of their experience with product or service (Angelova and Zekiri 2011).

Research suggests that customer dissatisfaction is still the major reason of bank customers' switch to other banks. Researchers have studied the switching behavior of

customers in banking in developed countries e.g. (Clemes et al., 2007; Colgate and Hedge, 2001, Clemes et al., 2010).

The competitive banking industry is concerned with customers' switching behavior as switching service providers normally reduces a bank's market share and profit. Colgate (1999) showed that in the New Zealand banking industry the annual switching rate was 4 percent. An additional 15 percent of personal retail banking customers also intended to switch banks, which creates a loss of profits and raises new customer acquisition costs.(Clemes et al., 2010).

Customer may think of changing banks due to any of these considerations, i.e., financial considerations, service considerations, convenience considerations, etc.; if s/he is not satisfied with the offerings of the bank. (Manrai and Manrai, 2007).Customer switching means customers forsake one service provider for another.(Garland, 2002).

Factors influencing customer switching behavior:

Colgate and hedge (2001) cited that Keaveney's (1995) exploratory research provided a valuable initial classification of the causal factors that induce service switching. Where Keaveney's identified eight major categories of service problems and non-service factors that influence a customer's decision to exit a service.

1. Pricing.
2. Inconvenience.
3. Core service failures.
4. Service encounter failures.
5. Response to service failure.
6. Ethics.
7. Competition.
8. Involuntary switching.

Colgate and Hedge (2001) identified three general problems, pricing issues (fee, charges, interest rate), service failures (mistake, inflexible, inaccessible, unprofessional), and denied services (denied loan, no advice) that contributed to customers' switching banks in New Zealand.Clemes et al. (2007) conducted a study about the Customer switching behavior in the New Zealand banking industry in which the study identifies and examines the factors that contribute to bank switching in New Zealand from the customer's perspective. All of the factors in this study, except demographic factors, that contribute to customer switching behavior show negative relationships. The results of the empirical analysis identified the following six factors have the highest probabilities associated with switching the banks.

1. Customer commitment
2. Service quality
3. Reputation
4. Customer satisfaction
5. Young-aged group
6. Low-education.

The following table (1) summarize some of the factors that influence on customer to switch banks.

Table 2 Factors influencing customer switching behavior

Researcher	Study	Factors
Keaveney's (1995)	"Customer switching behavior in service industries"	<ol style="list-style-type: none"> 1. Pricing. 2. Inconvenience. 3. Core service failures. 4. Service encounter failures. 5. Response to service failure. 6. Ethics. 7. Competition. 8. Involuntary switching.
Colgate and hedge (2001)	An investigation into the switching process in retail banking Service.	<ol style="list-style-type: none"> 1. Pricing issues. 2. Service failures 3. Denied services.
Clemes et al. (2007)	Customer switching behavior in the New Zealand banking industry	<ol style="list-style-type: none"> 1. Price . 2. Reputation . 3. Responses to service failure. 4. Customer satisfaction. 5. Service quality. 6. Service products. 7. Service products. 8. Demographic characteristics. 9. Effective advertising competition. 10. Involuntary switching.
Clemes et al. (2010)	Customer switching behavior in the Chinese retail banking industry	<ol style="list-style-type: none"> 1. Price 2. Reputation 3. Service quality 4. Effective advertising competition 5. Involuntary switching 6. Distance 7. Switching costs 8. Demographic characteristic

Source : adopted by the researcher from (Keaveney's (1995) ,Colgate and hedge (2001) , Clemes et al. (2007) , Clemes et al. (2010))

Section 2 : Determinants of Bank Selection

Introduction

For banks to survive in contemporary highly competitive business environment, they should be able to attract and retain customers. And banks might not be able to effectively attract and retain customers without satisfying their needs. So in order to meet customers' needs, there is need to understand what is valuable to them and how they make decisions. Sometimes banks fail in attracting or retaining their customer because they fail in identifying the factors or determinants that consumer consider in bank selection.

A bank's performance is a function of a number of determinants. One of these determinants is the client base (Vawda, 2013). Banks need to increase their client base and also retain all the clients they have won. Banks operating in a competitive environment should be aware of the criteria used by consumers to choose their bank (Al-Ajmi et al., 2009) so bank customers choice criteria is very important for the banks in order for them to recognize suitable marketing strategies required to attract new clients and maintain existing ones (Kamenidou et al.,2013) . Boyd et al. (1994) reported that with rapid change and more sophisticated customers, it has become very important that financial institutions determine the factors which are pertinent to the customers' selection process.

Globalization , increasing competition in the bank industry and similarity of products and services available by banks made it important that banks recognize the factors upon which potential and exiting clients choose a bank (Kamenidou et al.,2013) .

Numerous studies have been conducted on the bank selection process around the world. Most of these studies are :

- **Geographically focused** : Due to the importance of this topic and it's effect on the marketing plans that banks use , different studies had been conducted in many countries each of which came with different results and recommendation due to cultural changes , economic changes , demographic changes and many other factors . For instance in Africa (Vawda, 2013; Narteh, 2012; Aregbeyen, 2011), Europe (Akdag&Zineldin, 2011 ; Akbar et al., 2012; Mansour et al., 2010; Yavas et al., 2003) , North America mainly in U.S. and Canada (Kaynak&Harcar, 2004; Blankson et al., 2007) and Asian continent (Sayani&Miniaoui ,2013; Abdul Rehman&Masood, 2012; Echchabi&Olaniyi, 2012).
- **Market Segment focused** : banks target segments may differ from bank to bank according to their strategic plans , hence some studies were conducted to target some special market segments like undergraduate or postgraduate students, corporate customers. Some of these studies are : (Almassawi, 2001: Mokhliset al. 2008; Narteh&Owusu-Frimpong, 2011; Aamir&Sadaf, 2012; Edris&Almahmeed, 1997;Narteh, 2012).

- **Religious focused** : the introduction of Islamic banking made the competition in the banking sector more intense because of the religious nature adopted by these banks , some of these studies are : (Butt, 2011;Lee &ShakirUllah, 2011;Echchabi&Olaniyi, 2012)

These studies have identified many factors in bank choice, such as: convenience (e.g. bank location, number of branches), quality of services, technology (E-banking, Website), Rate and charges, the bank's reputation, availability of ATM, recommendations from friends, friendliness of bank personnel, adequate hours of operation, special services, reliability, religion and many others. However, a review of literature also indicates their findings may not be applicable to other countries, due to differences in cultural, economic and legal environments. A set of determinant factors that have a significant role in bank selection in one nation may prove to be insignificant in another (Aregbeyan, 2011).

The following table (3) is a review of the previous studied used in this study, and summarizing the finding determinant of each study:

Table 3 Review of previous studies

Selection criterion	Study
Reputation , Image and Social Responsibility	Boyd et al. (1994); Almosawi (2001); Kaynak&Harcar (2004); Dusuki& Abdullah (2006); Lateh (2009); Al-Ajmi et al.,(2009); Narteh&Owusu-Frimpong (2011); Kamenidou (2013);
Fast and Efficient Service	Haron et al.(1994)
Quality and range of service	Edris&Almahmeed (1997); Yevas et al. (2003); Kaynak&Harcar (2004);Lymperopoulos et al.(2006); Dusuki& Abdullah (2006); Rehman& Ahmed (2008); Awan&Bukhari (2011);Hedayatnia&Eshghi (2011); Paltayian et al. (2012); Echchabi&Olaniyi (2012); Narteh (2012);
Pricing	Ta &Har (2000); Nielsen et al.(2008); Mansour et al. (2010); Hedayatnia&Eshghi (2011); Paltayian et al. (2012); Narteh (2012); Kamenidou (2013).
Security of funds	Gerrard& Cunningham (2001); Mokhlis(2008); Mokhlis (2009);

	Aregbeyen(2011); Lee &ShakirUllah (2011).
Friendliness	Almossawi (2001); Haron et al.(1994); Narteh&Owusu-Frimpong (2011);Hedayatnia&Eshghi (2011); Narteh (2012).
Convenience	Kaynak&Harcar (2004); Rehman& Ahmed (2008); Mokhlis(2008);Mokhlis (2009); Maiyaki (2011); Hedayatnia&Eshghi (2011); Paltayian et al. (2012); Aamir&Sadaf (2012); Echchabi&Olaniyi (2012); Abdul Rehman&Masood(2012).
Technology related factors	Rehman& Ahmed (2008); Narteh&Owusu-Frimpong (2011); Aregbeyen(2011); Lee &ShakirUllah(2011);
Long-term Relationship	Nielsen et al.(2008).
Islamic banking	Lateh (2009); Al-Ajmi et al.,(2009); Mansour et al. (2010) ; Awan&Bukhari (2011); Lee &ShakirUllah (2011); Echchabi&Olaniyi (2012); Abdul Rehman&Masood(2012); Sayani&Miniaoui (2013).
Marketing	Aamir&Sadaf (2012).
People influence	Aamir&Sadaf (2012).
Credit availability	Narteh (2012).
Reliability	Kamenidou (2013).

Source: prepared by the researcher 2015.

Determinants of bank selection :

Literature on banking selection criteria contains numerous features and factors by different researchers across the globe. Among the common factors used to measure customers' selection criteria are cost and benefits of products offered, service quality (fast and efficient), confidentiality, reliability, size and reputation of the bank, social responsibility, convenience (location and ATM availability), friends and families influences and friendliness of personnel additionally, the religious issue is also perceived as one of the important criteria to be considered for the selection of Islamic banking services.

Most of the factors used in this study were adapted from previous studies on bank selection criteria like (Boyd et al., 1994; Almosawi, 2001; Gerrard & Cunningham, 2001; Lymperopoulos et al., 2006; Al-Ajmi et al., 2009; Hedayatnia & Eshghi, 2011; Paltayan et al., 2012; Kamenidou, 2013; Sayani & Miniaoui, 2013) ... etc.

1. Bank approach

- Islamic vs. conventional

2. Bank Convenience.

- Measures accessibility and easiness of obtaining the services .

3. Bank Pricing.

- Measure the customers' perception of the cost and commission fees charges , interest rate on loans , rates on savings (Profit/loss in Islamic Banking).

4. Bank Services.

- Measures the customers' perception of the quality and usefulness of the services and products offered by banks .

5. Bank Personnel.

- Measures the customers perception toward the actions and attitudes of staff and managers .

6. Bank Reputation

- Measures the customers perception toward the image and reputation and the goodwill of the bank in the community .

1. Bank Approach:

Bank approach refers to the type of the bank whether Islamic banks or conventional banks. Since the establishment of the Islamic bank in the early 1960s, it has continued to play an important role as a financial intermediary until today. It has received wide acceptance not only in the Muslim countries but also in the non-Muslim countries as well. (Lateh , 2009) Islamic banking is considered to be one of the fastest growing sectors in the financial world . with Islamic banking no longer considered as business entity established only to satisfy the religious obligation of Muslim community , it's a business that essentially pursues maximizing customer value and satisfying their financial security needs (Henry and Wilson, 2004). Islamic banking differs from the conventional banks in terms of interest. Interest or "Riba" is prohibited in Islam and the Islamic banks neither offer interest on deposits nor charge interest on

loans.(Sayani&Miniaoui, 2013) or it can be labeled as interest free banking systems based on the principle of profit and loss system.

Other definition of Islamic banking is prohibition-based industry emerging from Islamic law restriction on Riba (interest), Gharar (transaction involving uncertainty or speculation such as derivatives trading and insurance) and businesses associated with particular sin sectors such as alcohol, pornography or gambling (Awan and Bukhari,2011).

Some of The Islamic banking services include :

- **Mudharabah:** This is basically an agreement between a lender and an entrepreneur, in which the lender agrees to finance the entrepreneur's project on a profit-sharing basis according to a predetermined ratio agreed on in the negotiation between the two parties. The lender will bear any loss incurred.
- **Musharakah:** This is a partnership for a specific business activity with the aim of making profit, whereby the lender not only provides the capital but also may also participate in the management. As in the case of Mudharabah, all parties agree, through negotiation, on the ratio of distribution of profits generated from the business activity, which need not coincide with the ratio of participation in the financing of the activity. However, in the event of a loss, all parties bear the loss in proportion to their shares in the financing.
- **Murabahah:** This is basically the sale of goods at a price covering the purchase price plus the profit margin agreed on by both parties concerned, which transforms a traditional lending activity into a sale and purchase agreement, under which the lender buys the goods wanted by the borrower for resale to the borrower at a higher price agreed on by both parties.
- **Al-BaiBithamanAjil:** This is a variant of the concept of Murabahah, whereby the borrower is allowed to defer settlement of the payment for the goods purchased within the period, and in the manner, determined and agreed on by both parties.
- **Al-Ijarah:** This is the Shariah's concept of leasing finance whereby the bank purchases the asset required by the customer and then leases the asset to the customer for a given period, the lease rental and other terms and conditions having been agreed on by both parties.
- **Al-Takjiri:** This is a variant of the concept of Al-Ijarah which, however, provides for the acquisition of the leased asset by the lessee.
- **QardHasan:** This is a "benevolent loan" which obliges a borrower to repay the lender the principal sum borrowed on maturity of the loan. However, the borrower has the discretion to reward the lender for his/her loan by paying any sum over and above the amount of the principal.
- **Al-Wakalah:** This is an agreement between a customer and his/her bank in which the former appoints the latter as his/her agent in undertaking a certain transaction on his/her behalf.
- **Al-Kafalah:** This is an agreement between a customer and the bank whereby the latter guarantees the fulfillment of the obligation of the former to a third party.

For Muslims, using modern Islamic banks is an obvious choice as they simultaneously invest their income and fulfill their religious obligations. One study found that they are customers of Islamic banks they believe that being a good Muslim is important for them, suggesting that the customers consider their Islamic banks are religious business entities and hence will expect to be compliant with the Shari'a. Some studies reached to the conclusion that compliance with the Islamic principles is the most important consideration for Islamic bank customers. (ShkirUllah, Lee, 2011). Also that study found that depositors in Islamic banks are willing to sacrifice competitiveness in exchange for Shari'a compliance, this confirms the findings of Gerrard and Cunningham (1997) who found the Singaporean Muslims were willing to sacrifice return for Shari'a compliance. On the other hand the study showed willingness to withdraw their deposits in case they found Shari'a noncompliance such as interest payments or investment in Haram businesses or interest-beating securities in their banks.

2. Bank Convenience:

Bank consumers tend to select bank that they feel comfortable with in term of location of the bank, working hours, number of branches, ATM availability ... etc. Due to customer value of time, the importance of having more counters, shorter processing time, ATM, operational hours and volume of staff available is important.

Almossawi (2001) study in Bahrain found that the five most influential factors for bank selection were convenient ATM locations, availability of ATM in several locations, bank reputation, 24-hours availability of ATM services, and available parking space nearby. Other factors like afternoon opening of bank and working in Friday is something appreciated by the customers, making that in Islamic country Friday is the holiday.

Gerrard and Cunningham (2001) referring to research conducted in Britain by Gary (1977), Lewis (1982), Thwaites and Vere (1995), that convenient location and the proximity of ATM to be the most important criteria for bank selection. Huu and Kar (2000) stated also facilities offered by banks is important to students because student want faster services and they evaluate banks service based on service provided by the staff. This is true especially some banks are providing only few staff causing counter jam and long processing time to the customers.

3. Bank Pricing:

The price or cost of services provided by banks can be crucial determinants of the bank selection. Customers can be very cost sensitive and any differences in interest charges from bank to bank can alter their perception and make them switch between banks. Price is the amount of money charged for a product or service. Price has been the major factor affecting the buyer choice.

Pricing, in the context of banking, has additional components. Banks charge not only fees for the services, but also impose interest charges on loans and pay interest on

certain types of accounts, thus pricing has a broader meaning in the banking industry (Gerrard and Cunningham, 2004).

Huu&Kar (2000) in Singapore refers to research conducted by Javalgi et al (1989) and Khazeh& Decker (1992) shows that high rates giving second most heavy importance factors of choosing bank services , also study the behavior of Singaporean university students proven that interest rates is the factor they choose the bank and DBS Bank was choose by most of the students because it provides higher interest rates to savers.Narteh (2012) mentioned that a recent study conducted by Dalziel et al. (2011) found that it was discovered that interest rates and bank charges were the most commonly cited reason for customers' commitment to their financial service providers and that they would not stay with their current service provider if they could get a better deal elsewhere.Keaveney (1995) reported that more than half the customers had switched services due to poor service/ price perceptions.Another thing to keep in mind that technological developments had reduced service cost considerably. In 2013 a survey conducted in 14 African referred to recent study of banking channels in the US by Tower Group, Fiserve/M-Com Data (2009) reveals that the cost to serve customers via mobile channel is cheaper than the dominant channels in Africa (branch and ATM) in which the cost of conducting of serving customers is as follow :Branch 4\$, Call center 3.8 \$, IVR 1.3 \$, ATM 0.9 \$, Online 0.2 \$ and Mobile 0.1 \$.Manari (2007) mentioned in their study about customers switching behavior that a survey by opinion research corporation in 1984 found that one out of four consumers switch their bank due to convenience, lower services chargeand higher interest rates on money. another research study by (moutinho and median , 1989) suggests that bank customers are more likely to change banks due to high interest rates on credit cards, low interest rates on saving accounts and denial of loan applications. At Poland a study conducted by Kenningtonet al.(1994) found that polish people rank rates and prices is the second criterion of bank selection along with reputation, service and convenience. Study by Nielson et al.(1998) conducted in Australia , from business firms standpoint the important factors in the bank for selection process are : the ability to provide long-term business relationship , competitive prices for products and services , efficiency .Another study conducted in IranbyHedyatnia (2011) found out that customers place more emphasis on factors such as price. one study about on-line banking reported that 45 percent of online customers cited rates and fees as the initial reason that they decided to bank on line (Latimoreet al, 2000).Colgate and Hedge (2001) empirically confirmed that pricing had the most impact on customer switching in the New Zealand and Australian banking industries.In Africa survey conducted in 14 countries found that almost one in five of Africa's banking customers expressed dissatisfaction with the cost of maintaining their accounts while 15 percent said they were indifferent. Respondents also said they would like their banks to be more proactive in notifying them of changes in interest rates, tariffs and terms and conditions. However, interest rates seemed to be the biggest pricing frustration for respondents in 12 of the 14 countries surveyed who said they were least satisfied with the rates they were offered for deposits and investments(KPMG , 2013).

4. Bank Service

The provision of high quality service positively affects the customer's choice of a bank. Hence a bank with inferior service quality is unlikely to attract customers (Narteh, 2012). Service quality has become an increasingly important factor for success and survival in the banking sector. The provision of high-quality service aids in meeting requirements of customer satisfaction and loyalty. A poor-quality service will cause dissatisfaction, while a good-quality service causes delight. An acceptable quality confirmation rather than disconfirmation results in satisfaction.

Lam and Burton (2005) identified perceived service quality as a major selection criterion by SMEs in Hong Kong. Others have also found service quality to be an important determinant of building bank loyalty (Hinson et al., 2011).

There is a very strong relationship between quality of service and customer satisfaction. The higher level of perceived service quality results in increased customer satisfaction (Parasuraman et al., 1985). Service quality and customer satisfaction are important concepts in marketing literature. Available marketing literature indicates that success of the business depends upon product/ service quality and customer satisfaction. However, it is found that both concepts are used equivalently to understand customer's future intention to purchase product or service.

Kotler (2013) defines service as "form of products that consists of activities, benefits, or satisfaction offered for sale that are essential, intangible, and don't result in any ownership of anything" so in light of Kotler's (2013) definition, service quality is harder to define and judge than products.

In today's world, delivering high quality services is the key to maintain a competitive advantage over competitors. Hence in the banking industry, providing superior service quality enhances customer satisfaction and contributes to profitability. Quality in a service business has become a measure of the extent to which the service provided meets the customer's expectations. Companies have found that in order to increase profits and market share, they should pay much attention to service quality. Therefore, it becomes increasingly important for banks to investigate methods and techniques to improve quality, to better satisfy customer requirements and through that to improve competitive position, market share, and profitability.

In 1985 a group of American authors including Parasuraman, Valarie Zeithaml and Len Berry developed a model that measures service quality, called SERVQUAL. This model assumes that perceived service quality is a matter of gaps between customer expectations and perceptions. The most critical dimensions to quality evaluation include:

1. **Tangible elements** (appearance of equipment, physical facilities, and personnel);
2. **Reliability** (ability to perform the promised service accurately and dependably);
3. **Responsiveness** (willingness to help customers and provide prompt service);

4. **Assurance** (courteous and knowledgeable employees who can inspire confidence and trust); and
5. **Empathy** (personalized attention and care).

According to Gronroos (1994) there are three dimensions of service quality, the technical quality, the function quality and the corporate image:

1. **The technical quality**, which involves what the customer, is receiving from the service delivery. This can be measured by the consumer in a rather objective manner.
2. **Functional quality**, which involves the manner in which the service is delivered. This concerns the psychological interaction between the buyer and the seller as is perceived in a very subjective
3. **Corporate image** dimension of quality is the result how consumers perceive the firm, and it is expected to be built up mainly by the technical and functional quality of its services, and will eventually affect service perceptions. (Angelova and Zekiri 2011)

Increase in service quality of the banks can satisfy and develop attitudinal loyalty which ultimately retains valued customers (Kumar et al. 2010). There is very strong relationship between quality of service and customer satisfaction (Parasuraman et al, 1985).

Previous studies have found that banking services or product quality plays an important role in determining customer's perception of the overall banking service quality (Jun&Cai,2001). Narteh (2012) mentioned in his study that the provision of high quality service positively affects the customer's choice of a bank hence a bank with inferior service quality is unlikely to attract . Yevas et al. (2003) Study in Germany results show that service quality is at the root of customer satisfaction. In 2007 a study conducted by (Manrai&Manrai) mentioned in their study about customers switching behavior that study conducted by Colgate and hedge (2001) provided empirical evidence from banking customer in Australia and new Zealand classified reasons for switching banks into three major problems areas namely , service failure , pricing and denied services . (KPMG,2013) Analysis of survey results revealed that 21.4 percent of respondents ranked Financial Stability as the most important reason for maintaining banking relationships, followed closely by Excellent Customer Service and Image and reputation.

Another important service that is provided by banks is Electronic banking which has been defined by Pearce and Robinson (2009) as banking by which individuals transfer funds, make account balance enquiries, pay bills and manage assets such as stocks online. Automated teller machines, internet banking, telephone banking, credit and debit cards are major electronic banking services that have changed the consumer distribution channels for banking products and services (Narteh, 2013). Almosawi (2001) found the provision of e-banking services was a major attraction for student's bank selection.

5. Bank Personnel:

Another important factor to consider is “ Staff attitudes ”. Staff of banks should display high professionalism and behavior to create satisfaction of their customers in order to be considered in the choice set.

Hedayatnia & Eshghi (2011) found in his study conducted in Iran customer place more emphasis on factors such as staff behaviors and attitudes alongside with service quality and price . Other study by Almosawi (2001) in Bahrain about college student bank selection criteria found that Bahraini young people select bank’s reputation as one of the five most important factors to consider in their selection process.KPMG (2013)In Africa survey conducted in 14 countries found that African banking customers overwhelmingly (94 percent) voted ‘Staff Friendliness’ as the most important factor influencing their satisfaction with their bank.The same study revealed that Financial Stability as the most important reason for maintaining banking relationships, followed closely by Excellent Customer Service and Image and reputation.Narteh (2012) stated that SME managers prefer stable and close personal relationships with their bank managers whom they can contact when they require services. The personal rapport that develops with the bank manager could become the conduit through which business decisions are made.

6. Bank Reputation :

Reputation in banking sector refers to the banks reputation and expiating place of bank in the banking industry.

Reputation is one of the factor that was given attention by the customer when choosing the bank especially those who are status conscious and youngsters. Boyd et al (1994) found that those who are age below 21 years old and below giving attention to reputation of the bank follow by the location, interest rates in saving account and fast and correct services

The bank might have spent millions of dollars to creating reputation and popularity of the bank and customer are trying to attach with good brand name. However, in the measurement of customer satisfaction it is necessary to measure their performance according to the brand promise and actual service delivery. The satisfied customer with brand will recommends that service to others (Che-Ha and Hashim, 2007; Wafa M. Sallem et al 2009) like friends, relatives, collegiate etc.

The banks classified as reputable are among the largest and most sophisticated banks in the world, and are therefore likely to have a better feel for pricing conditions, better information on potential borrowers, and superior competence at screening and monitoring borrowers. (Bushman &Wittenberg-Moerman., 2012) .vThe most critical and strategic asset that a bank possesses is its reputation. (Jagersma, 2010). Reputations reflect a bank’s relative success in fulfilling the expectations of multiple stakeholders. Another aspect of the importance of banks reputation is that customers need a bank that they feel secure and confident especially after the financial crisis and the widespread bank bankruptcy especially in the united states and Europe .

Jagersma, 2010 mentioned that building a reputation has become a major concern of banks – especially since the start of the financial crisis. Interest in reputation has never been higher. At a time when battered investors, customers, and employees are questioning whom they can trust, the ability of a good reputation to deliver proven value flows straight to the bottom line

1. A strong reputation can convince a customer to buy one product/service in preference to another.
2. A reputation can be a platform for launching new products and/or services, and, therefore, raises entry barriers to competitors.
3. A good reputation will be given more support by a diverse array of stakeholders (e.g. high-reputation businesses attract high-caliber people).
4. A good reputation can be resilient in the face of one off threats – if it is managed well.
5. A reputation is used by customers and other stakeholders as shorthand for a set of desirable attributes/values and, thus, by banks as a way of rapidly building trust.

In this respect, when customers have a positive image of the banks in their minds, they may forgive small errors made by the banks. However, when the errors are committed repetitively, bank image will be tarnished Amin et al. (2013)

Table 4 summary of the bank determinants of bank selection.

Factor	Criteria
Bank Approach	<ol style="list-style-type: none"> 1. Islamic banking . 2. Conventional banking
Bank Convenience	<ol style="list-style-type: none"> 1. Opening hours. 2. Queuing time. 3. Locations of the bank. 4. Number of branches . 5. Number of tellers. 6. Availability of ATMs.
Bank Pricing	<ol style="list-style-type: none"> 1. Low service chargers. 2. Low rates on loans . 3. High rates on savings .
	<ol style="list-style-type: none"> 1. Money transfer services and money exchange 2. Fast and efficient service. 3. Credit cards. 4. Safety and availability of funds and foreign money.

Bank Service quality	<ol style="list-style-type: none"> 5. Ease of opening a current account. 6. Ease of obtaining loans. 7. Overdraft. 8. E-banking and bank website. 9. Mobile banking (Transaction Alerts) and Telephone Banking 10. Accurate service.
Bank personnel	<ol style="list-style-type: none"> 1. Personnel attention. 2. Employees dress and appearance . 3. Friendly and pleasing manners of staff. 4. Ability to solve problems .
Bank Reputation	<ol style="list-style-type: none"> 1. Confidentiality. 2. Recommendation of others. 3. Reputation , image and social responsibility

Source: prepared by the researcher 2015 and adopted from previous studies.

Section 3 : Palestine Banking Sector

Introduction :

The Palestinian banking sector was highly affected by Israeli occupation policies and practice. Since the Israel occupation for Palestinian in 1967 to the advent of Palestinian National Authority (PNA) Palestinian banks suffered a lot from the obnoxious practices of the occupation, that aimed at withdraw funds of Palestinian depositors and pumped it into the Israeli economy .

After the year 1967 Israeli banks monopolized working in Gaza Strip and West Bank, where the Israeli military decision No.7 for the year 1967 on 07/06/1967 was made to close all Arab banks in Gaza Strip and West Bank, Israeli banks like (Bank Hapoalim and Bank Leumi and Bank Mizrahi) and others, started to open branches in the West Bank and Gaza Strip, These banks have an occupational role and began to withdraw depositors' money to be invested in Israel, and it did not grant Palestinian citizen any facilitations, therefore it lost citizen's trust because they felt that it's goal was to enforce the Israeli occupation until the Palestinian bank restated it activities in 1981 after they allowed it to function in Gaza Strip, and it has been supervised by the Israeli Central Bank, Cairo Amman Bank which is a Jordanian bank also started it's activates in 1986 in the West Bank in Nablus, and it has been supervised by t Jordanian and Israeli central banks after so many attempts to open their branches where they failed because of the disputes between the management of these banks and the Israeli Central Bank regarding supervision issues and monetary reserves.

The bottom line is that the regulated Palestinian banking system had been absent from the Palestinian scene before 1994 Thus opening the way for the presence of unregulated alternative represented in the currency exchange sector Which has formed an effective alternative to banks, Where the exchange institutions offer a lot of banking services Such as: exchange currency and receiving money orders and cash checking (Shamallakh, 2014).

In 1994 after the arrival of the Palestinian National Authority, the Palestinian Monetary Authority was created under the presidential decree and to oversee monetary policy within the territory of the Palestinian National Authority and supervise the licensing of banks and control.

The Palestinian Monetary Authority started to build the money and banking system and ensure stability and promote economic growth in the Palestinian territories, until the Palestinian banking system became one of the of the best systems in the region.

Banking sector in Palestine :

Palestinian banking sector started to grow at a rapid pace and followed the developments of banking management and technology in the surrounding countries, and

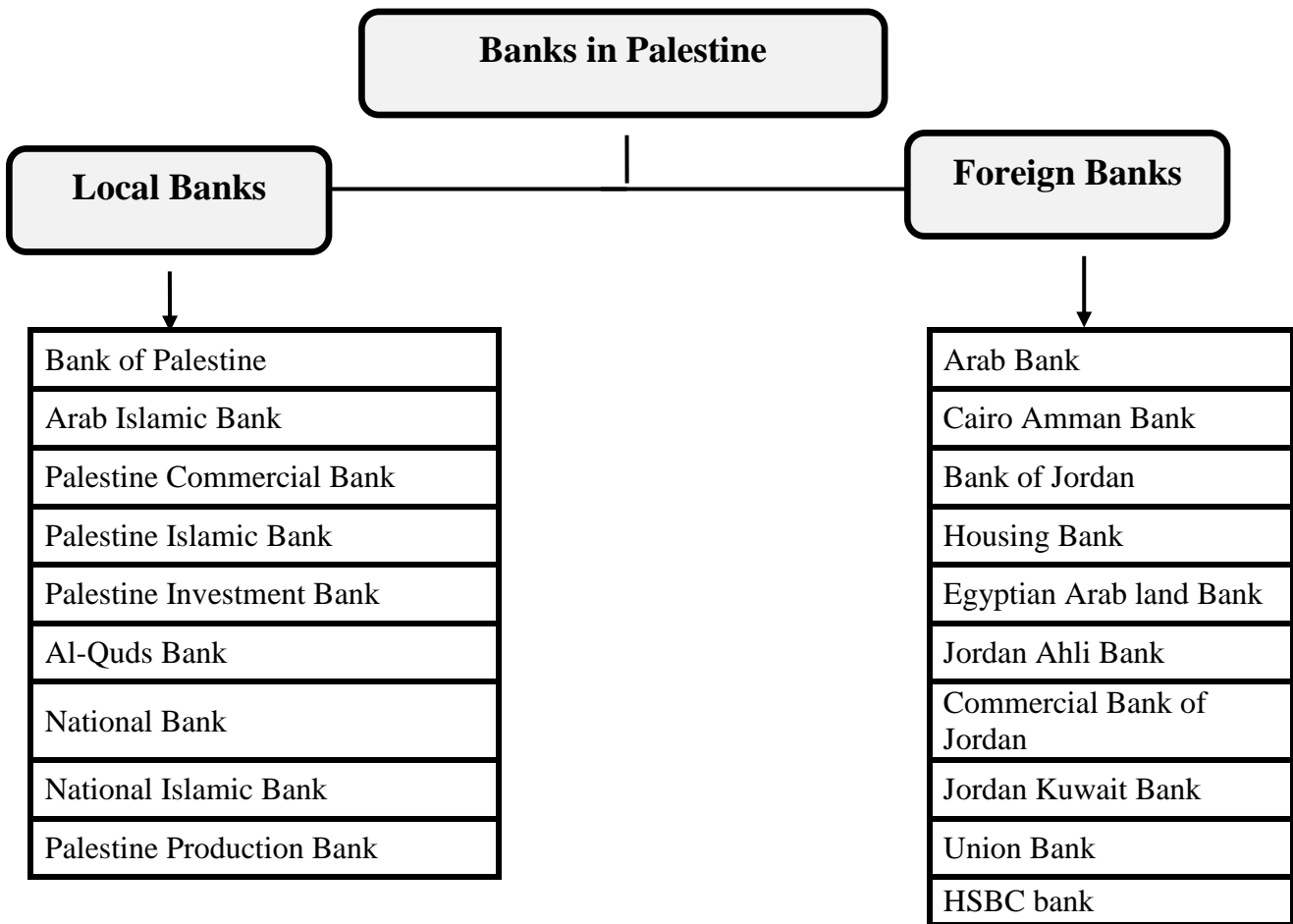
became efficient and highly qualified. The banking sector consists of the Palestinian Monetary Authority, 19 – including both Islamic National Bank And Palestine Production Bank - with 239 branches at the end of 2014 , divided into 9 national banks (4 of them Islamic) and 10 foreign banks, including HSBC **as shown** table 5

Table 5 Banks In Palestine

#	Bank	HQ	Establishment Date	# of Braches
	Bank of Palestine	Gaza	1960	47
2	Arab Islamic Bank	Al Bireh	1995	10
3	Palestine Commercial Bank	Ramallah	1994	7
4	Palestine Islamic Bank	Ramallah	1995	16
5	Palestine Investment Bank	Ramallah	1995	13
6	Al-Quds Bank	Ramallah	1995	24
7	National Bank	Ramallah	2005	9
8	Arab Bank	Amman – Jordan	1930	26
9	Cairo Amman Bank	Amman – Jordan	1986	21
10	Bank of Jordan	Amman – Jordan	1994	29
11	Housing Bank	Amman – Jordan	1995	12
12	Egyptian Arab land Bank	Cairo – Egypt	1994	6
13	Jordan Ahli Bank	Amman – Jordan	1995	5
14	Commercial Bank of Jordan	Amman – Jordan	1994	4
15	Jordan Kuwait Bank	Amman – Jordan	1995	2
16	Union Bank	Amman – Jordan	1995	1
17	HSBC bank	Ramallah	1998	1
18	National Islamic Bank	Gaza	2008	5
19	Palestine Production Bank	Gaza	2012	1
	Total			239

Source: (www.pma.ps)

Figure 2 Types of banks in Palestine



Source: prepared by the researcher 2015

Islamic banks in Palestine :

Islamic banks were first established in Palestine in the mid of nineteenth of the last century after the PNA advent in 1994 and decades after the first Islamic Bank was established.

The first bank that was authorized by PMA to provide Islamic banking services was Cairo-Amman bank in 1995 in Gaza Strip . after that another four other banks was established two of them was authorized and the last two were not due to political issues.

Table 6 Islamic Banks in Palestine

#	Bank	Establishment Year	Notes
1	Arab Islamic Bank	1995	Authorized by PMA
2	Palestine Islamic Bank	1995	
3	National Islamic Bank	2008	Unauthorized by PMA
4	Palestine Production Bank	2012	

Source: prepared by the researcher 2015

Chapter 3 :
Previous Studies

Arabic studies :

Sayani and Miniaoui (2013)" Determinants of bank selection in the United Arab Emirates "

This study aims to identify the determinants of bank selection for Islamic and conventional banks in the United Arab Emirates (UAE). Data were collected from 246 respondents in the Emirates of Dubai and Sharjah and focused on aspects such as bank products, service quality, profit, reputation, cultural and religious factors, in addition to demographic attributes of the sample. Multiple discriminate analysis is used to identify the most important determinants of bank selection. The study showed determinants for bank selection in customers dealing with Islamic banks are more distinguishable. Islamic bank customers are more concerned about religious aspects of business and therefore all the attributes related to Shari compliance have come out very strongly and have superseded all the other determinants of bank selection. Bank reputation and expectation of profit on deposits are not determinants of bank selection; however, religious preferences are the most important considerations in selection between Islamic and conventional banks. The sample used in the study may not be sufficiently representative of population. population with respect to their bank selection process.

Basheer (2013)"The Determinants of Selecting Islamic Banks From the Point of View of Their Individual Customers at the State of Kuwait: An Empirical Study"

The study aimed to identify the determinants of selecting Islamic banks from the point of view of their individuals customers in the State of Kuwait.

The study population consisted of all Kuwaiti Islamic banks in 2013, The researcher selected a random sample of customers of Islamic banks consisting of 120 individuals. The researcher relied on primary data collected through a questionnaire.

The study found the following results:

- There are statistically significant relation between the religious motivation and the choice of selecting Islamic banks.
- There is statistically significant relation between the role of family and friends and the role of having breaches, and the choice of selecting Islamic banks, this relation was found not to be significant in relation to the role of service quality and service privacy in selecting Islamic banks.
- There is no statistically significant relation between some demographic (including the religion of residence, profession, age, education, and monthly income) and the choice of selecting Islamic banks.
- Although some statistically significant relations were observed as mentioned above, in most cases the significances was only moderate. This merits consideration by banks as to its possible reasons.

The study recommended the following:

- To operate Islamic banks in spreading religious awareness among the customer group has to show what distinguishes the banking services of the advantages of religious, since about 70% of the individuals targeted in the study find that banking services in Islamic banks represent feature religious and that about 30% of them do not re that adequate attention was not chosen for these banks as a result of the religious motive.
- Work on improving the quality of service as banking results did not show a relationship between the customer's choice of the Islamic Bank as a result of the level of quality of service.
- Reconsider the level of banking service prices as Target does not see individuals in this study any reason to choose an Islamic bank as a result of a price advantage, there is no price advantage any relationship in their choice.
- Increased interest of banks to renew prescriptions financial statements and reports related to customer accounts to raise the proportion of approval to the best levels.

Al-Ajmi et al. (2009) “Clients of conventional and Islamic banks in Bahrain . How they choose which bank to patronize? ”

The purpose of this paper is to report a study into: the motives that dispose customers in Bahrain to choose a specific bank; the level of familiarity of customers with the most widely used services/products offered by Islamic banks; and the extent of use of those products. This is the first study conducted in Bahrain to include three types of bank clients: those who bank with conventional banks, those who bank with Islamic banks, and who use both kinds of banks. The results are based on a response rate of 65.5 percent from 1,000 questionnaires distributed. Descriptive statistics and non-parametric statistics (Mann-Whitney and Kruskal-Wallis tests) are reported, and factor analysis used to analyze the responses.

It is found that: Islamic religious belief and social responsibility are the two most important factors that determine bank selection. Cost benefit is the third most important factor considered in bank selection; clients of conventional and Islamic banks share a number of motives, but they differ significantly on a few motives in relation to bank selection; and clients of Islamic banks are more familiar with the products/services that conform to the sharia'a. Overall, for clients who bank exclusively with Islamic banks, and for those who bank in different kinds of banks, the most widely used product/service of Islamic banks is murabaha.

Almossawi(2001) "Bank selection criteria employed by college students in Bahrain: an empirical analysis"

The study focuses on examining the bank selection criteria being employed by college students in Bahrain. To plan an appropriate marketing strategy for attracting new customers, commercial banks need to identify the criteria on which potential customers determine their bank selection decision. A total of 1,000 students aged 19-24

(45 per cent male and 55 per cent female) of the University of Bahrain served as a sample for the study. Examination relied on 30 selection factors extracted from relevant literature, personal experience and interviews with some bank officials and college students. Findings reveal that the chief factors determining college students' bank selection are: bank's reputation, availability of parking space near the bank, friendliness of bank personnel, and availability and location of automated teller machines (ATM). Findings suggest that it may be necessary to deal with male and female students as distinctive segments with different priorities in their bank selection process.

The results of this study further show that a significant proportion of potential young customers lack awareness of the various products/services offered by commercial banks. Therefore, banks have to work harder in increasing their awareness through appropriate communication channels. Also, this study examined one type of young customers, that is, the university students. Although this segment of the market is important to study, other segments of young customers, who may have different selection processes, should not be ignored

Edris & Almahmeed (1997)" Services considered important to business customers and determinants of bank selection in Kuwait: a segmentation analysis"

Examines various segmentation analysis tools for bank marketing strategies. Aims to identify the relative importance of banking services to business customers' needs, and to find out the true determinants of bank selection decisions. Profile analysis results revealed that Kuwaiti, non-Kuwaiti, and joint business firms are significantly different in their perceptions of the relative importance of many services offered by Kuwaiti banks. Posits that, the true determinants of bank selection decisions made by business customers are more likely to be a function of both the perceived importance of bank attributes and the differences among banks in a given region with regard to each of these attributes. Lists the most important factors which influence bank selection. Demonstrates by multiple discriminate analysis that "group membership" of business customer segments with different nationalities can be predicted on the basis of the determinants of bank selection decisions. Finally, bank management should be aware that some of the bank selection determinants vary from one segment to another in the business firm market. These results would enable bank managers to identify the important bank attributes that affect bank selection decisions made by each segment in the business market in Kuwait.

Foreign studies :

Vawda (2013) "Islamic banking in south Africa : an exploratory study of the perceptions and bank selection criteria among chartered accountants in south Africa".

The purpose of this research is to study the perceptions of Islamic banking in South Africa. More specifically, the study seeks to explore the current level of awareness of the culture of Islamic banking and the criteria that shape a consumer's

banking choice. A comparative, quantitative study between Muslim and non-Muslim chartered accountants was conducted using a structured questionnaire which contained specific questions relating to perceptions, awareness and bank selection criteria.

The results of the study indicate that the majority of Muslim and non-Muslim chartered accountants have a low level of knowledge about Islamic banking terms. As expected there are differences in the perceptions of Islamic banking between Muslim and non-Muslim chartered accountants with religion emerging as the primary reason for Muslims engaging with an Islamic bank. However, non-Muslims may also be attracted to this form of banking if they were more aware of its principles and methods. As regards the issue of bank selection criteria, most of the respondents were engaged in conventional banking and the provision of fast and efficient services was clearly primary importance to both Muslim and non-Muslim chartered accountants.

Abdul Rehman and Masood (2012) "Why do customers patronize Islamic banks? A case study of Pakistan"

The purpose of this paper is to determine the selection criteria for Islamic banks employed by customers in a dual banking system, as in the case of Pakistan, and to know the overall satisfaction of the customers with Islamic banks. This is a survey-based study conducted on the primary data collected through structured questionnaire. In total, 23 variables are identified from the literature which are reduced to eight main variables by using factor analysis in SPSS. Data are gathered from 200 customers of full-fledged Islamic banks in Pakistan, i.e. Meezan bank, Bank Islami and Dubai Islamic bank, Al-Baraka Islamic bank, Burj Bank Ltd The data have been analyzed in two models: the first includes the selection criteria according to gender; the second includes the overall customer's preferences for selection criteria.

The results reveal that the most important factors are "Religious factors" and "Convenient location" that customers consider while selecting an Islamic bank. Other important factors include "Secure feeling" by customer, "Quality related issues" and "Efficiency of bank"..

Narteh (2012)"SME bank selection and patronage behavior in the Ghanaian banking industry"

The paper aims to investigate small and medium-scale enterprises (SMEs) bank selection and patronage behavior in the Ghanaian banking sector. A detailed literature review was used to identify five determinants of bank selection and other patronage factors which were used to survey 503 SMEs randomly selected from the data base of the National Board for Small Scale Industries in Ghana. Exploratory factor analysis, multiple regression and correlation analysis were used for the data analysis.

The study found price competitiveness, credit availability, perceived service quality, staff attributes and bank attributes as determinants of SME bank selection. In addition, loans and overdrafts, cash collection, transfers, bank guarantees, advisory services and training were among the core services patronized by the SMEs. Moreover,

electronic banking has multiple benefits to the SMEs and their provision ensures cost reduction and quick services to the sector. Proper education and training must be conducted to ensure that SME managers can use them. There is also the need for the banks to constantly survey and determine the needs of the SMEs so as to satisfy them better.

Echchabi and Olaniyi (2012) "Malaysian consumers' preferences for Islamic banking attributes"

The purpose of this paper is to shed light on the preferences of Malaysian banks' customers for Islamic banking attributes. The paper uses mixed methodology. The quantitative approach consists of the collection of primary data through a self-administered questionnaire distributed to 500 Islamic banks' customers in Malaysia. The data gathered were analyzed using factor analysis as well as Friedman test. In parallel, qualitative approach was used, in forms of semi structured interviews with ten Islamic banks' customers.

It was found that the main criterion of customers' selection was the service quality and convenience. This is a combination of the quality of services offered, convenience, personnel friendliness, personnel competence and knowledge, professional advice given by the personnel, location, and finally reception. The quantitative findings suggest that Islamic banks should not depend on the religiosity of the Malaysian customers to market their Islamic banking services, as the religious motivation is not the main factor of selection and patronization of Islamic banks in Malaysian. Rather, Islamic banks should enhance the quality of their services. This passes through training and updating the personnel on the latest innovations in terms of Islamic banking service.

Furthermore, Islamic banks in Malaysia should position their branches where there is concentration of habitat as well as working areas, such as commercial complex and so on. The Islamic banks should also provide appealing and updated facilities and amenities in their branches, since this is complementary of the good reception criteria of the customers. These items will subsequently strengthen the image and reputation of the Islamic banks in Malaysia, especially in the current period. In contrast, the qualitative findings revealed that majority of the customers have chosen Islamic banks because of their religious motivation, and their duty vis-a`-vis the achievement of full shari'ah compliance of Islamic banks in the future. This was subsequently proven by the customers' perceived importance of shari'ah compliance of Islamic banks, unanimously expressed by the interviewees.

Sarwar, and Mubeen,(2012)" Factors influencing the selection decision of students : An investigation of business graduates "

This study was conducted to identify the factors that influence the bank selection decision of the undergraduate students. In theoretical side this study contributes to the existing limited body of the knowledge about the bank selection decision of the students in Pakistan. This study is about a specific segment of youth that is business graduate students of Pakistan about them little knowledge is available in the

literature. In practical side this study is of important concern for the bank management. This study identifies the student's bank selection decision and results give a point where bank marketing staff should place his attention to attract and retain that market segment. A sample size of (500 respondent) were selected and data was collected from them through questionnaire. After data collection data was analyzed through SPSS 17 software. Binary logistic regression, t-test, Man-Whitney test was used to analyze data.

The study found that most important factor that influences the decision making of bank selection of undergraduate students are is "Marketing", "People Influence", "Personnel" and "Attractiveness" of the bank building.

Hedayatnia and Eshghi (2011) "Bank Selection Criteria in the Iranian Retail Banking Industry "

This study designed to examine the bank selection criteria being employed by bank customers in Iran. A total of 798 customers (55.7 percent male and 44.3 percent female) served as a sample for the study. 38 selection factors extracted from relevant literature and interviews with five bank officials. Factors analysis is used to extract important selection criteria and Friedman analysis ranks the factors according to their importance, The responses to the bank selection criteria were analyzed using SPSS

Findings show that the important factors determining customers' selection are: quality of services and new banking methods, innovation and responsiveness of bank, friendliness of staff and confidence in manager, price and cost, staff attitudes and convenience of bank location and services. This study recommend managers of commercial retail banks to consider above mentioned factors seriously in designing their marketing strategies. Also banks should set up many kinds of hi tech-services such as Internet banking, SMS banking, email banking and phone banking to attract new customers and retain their existing customers.

Maiyaki (2011) " Factors Determining Bank's Selection and Preference in Nigerian Retail Banking "

The study investigates the relative importance of the factors determining the selection and preference of banks by retail customers. Using multi-stage sampling procedure, a total of 417 retail bank customers were selected and subsequently participated in the survey. The mean, standard deviation, Z-scores and weighted scores were computed using both SPSS software and Microsoft office excel.

It was found that factors such as size of bank total asset and availability of large branch network have great influence in customers' choice of banks. Similarly, it was also revealed that customers show high preference for some banks as against others. The study recommend banks management to pay attention to factors that have significant effect on the choice of banks. Specifically, size of bank total assets should beef-up by banks; they should also increase the branch network by establishing more branches across the country, adopt appropriate strategic plan aimed at enhancing reputation of the

bank, improve personal security of customers, and make bank location more convenient and easily accessible to customers.

Narteh (2011) "Determinants of students' loyalty in the Ghanaian banking industry "

The purpose of this paper is to investigate the determinants of students' loyalty in retail banks in Ghana. A review of the literature identified four determinants of customer loyalty which were used to survey 624 students from five universities in Ghana. Data were analyzed using exploratory factor analysis and multiple regression.

The study found satisfaction with bank services, image of the bank, availability of electronic bank services and perceived service quality as the determinants of students' bank loyalty. Perceived service quality was, however, not significant in predicting students' loyalty to their banks. Banks must ensure that they continue to deliver services that will exceed customer expectation in order to delight them. Banks must also create and sustain good image in the eyes of the students and the general public. The banks must also improve service quality for the students. They must offer fast, accurate and reliable services to the students. This will improve their banking experience leading to a positive image which will impact positively on loyalty.

ShakirUllah and Lee (2011) " Customers' attitude toward Islamic banking in Pakistan"

The purpose of this paper is to examine the different motivational factors that lead to customers' Islamic bank selection decision in Pakistan. In particular, it aims to look into the importance of Shari'a compliance for Islamic banks' customers and thereby the potential risk of deposits withdrawal in case of violations of Shari' principles. The paper presents descriptive statistics and cross-tabulation analysis based on data collected from 357 customers.

The findings reveal that Islamic banks' customers highly value Shari' a compliance in their banks and that non-compliance with Shari'a principles leads to disgruntled customers. An interesting pronouncement is that if an Islamic bank is involved in repeated violations of Shari'a, the customers are inclined to switch their banks. Nonetheless, the findings reveal that Shari'a compliance is not the only satisfaction yardstick for Islamic banks' customers; they also expect their banks to be convenient, technologically advanced and provide security of their capital.

Awan and Bukhari(2011)"Customer's criteria for selecting an Islamic bank: evidence from Pakistan"

The purpose of this paper is to determine the conditions under which Islamic banks can successfully compete with conventional banks by understanding customer attitudes towards Islamic banking products. A sample of 250 respondents was taken from four cities of Pakistan to examine customer awareness of key products/services

being offered by Islamic banks, usage of those services and customer satisfaction with the service delivery mechanism being used by pure Islamic banks and conventional banks with Islamic bank branches (IBBs). Data for this study were collected by using a structured questionnaire containing two sections, where section I contains ten statements using Likert scale, for assessing customer's preferred selection criteria for Islamic banks. These statements are developed based on past literature. Section II deals with the questions related to the social and demographic profiles of respondents. Analysis of data indicated that most of the customers value product features and quality of service as major factors for making selection of Islamic banks, and give lesser importance to religious belief as influential factor in selecting an Islamic bank.

Findings suggest that there is a lack of awareness about basic conventions of Islamic financing options among respondents and customers of both the pure Islamic banks and conventional banks with IBBs do believe that the bank's staff lacks ability to provide credible information about religious compliance of Islamic banking financial services.

Buttet al. (2011) " Barriers to adoption of Islamic banking in Pakistan "

The purpose of this paper is to report the findings of a pilot study conducted in Pakistan, about the barriers perceived by users and non-users of Islamic banking when selecting Islamic banks. This study was conducted to include two types of banking customers, users (customers of Islamic banks only and, Islamic and conventional banks both) and non-users (customers of conventional banks only). The qualitative research included in-depth interviews with managers of Islamic banks and two focus groups with users and non-users, respectively. The survey questionnaire that was subsequently designed received 109 responses. The analysis includes hypothesis testing, factor analysis, and cluster analysis. A narrow branch network, inconvenient branch locations and perception that "Islamic banks do not completely follow Islamic principles" acted as barriers for non-users when selecting Islamic banks. Further, "a religious ruling against Islamic banks" was not considered an important barrier when selecting Islamic banks.

The findings of the study have important research implications. First the management of Islamic banks should concentrate more on improving the awareness of people regarding underlying basis of Islamic banking and how they are following that basis. Second, they should also try making their branch network more accessible to the banking customer.

Aregbeyen (2011) " The Determinants of Bank Selection Choices by Customers: Recent and Extensive Evidence from Nigeria "

This paper investigates the determinants of banks selection criteria by banking and business customers in Nigeria. It is motivated by the need to address the several limitations in a previous study by Omar (2007) by providing recent and extensive evidence on the determinants of bank selection choices in Nigeria, and to better inform bank executives and authorities with insights into the kinds of service customers find

most appropriate for their banking needs. A total of 1750 respondents from six most metropolitan cities across the six geo-political zones and the FCT were sampled. Their responses on the importance of 25 different factors while choosing a deposit bank were sought and analyzed.

The findings of the study reveal that the safety of funds and the availability of technology based service(s) are the major reasons for customers' choice of banks. While other factors received less rating, however, this does not in any way imply that they are not important at all. Significant gender and age differences in the factors selection/preferences were observed. It is therefore recommended that banks should take proper cognizance of these factors as a guide in designing their future strategies for competitive advantage.

Narteh and Owusu-Frimpong (2011) " An analysis of students' knowledge and choice criteria in retail bank selection in sub-Saharan Africa : The case of Ghana "

This study aims to offers a deeper insight into bank selection of Ghanaian students so as to offer bank managers the opportunity to tailor-measure programmers aimed at attracting and retaining customers. The study employed both qualitative and quantitative methods to investigate the problem. The "drop and pick" convenience sampling method adopted resulted in 223 completed questionnaires. The mean ranking and factor analysis methods were employed to identify the major factors that influence the respondent bank selection.

Over all, student customers consider image, attitude and behavior of staff, core service delivery and technology-related factors as the major issues that influence consumers' decision to open and maintain an account.

The result shows that consumers and businesses are increasingly turning to the use of electronic and mobile worlds for information, updates and transactions. Similarly, electronic banking has come to stay in the banking industry due to its immense benefits of convenience to both banks and customers. The banks should see the adoption of these modern banking technologies from positive perspective, and improve the frequent breakdown of ATMs, and the constant disruptions in other online banking services that could be frustrating to most online banking customers, especially to students who could be major users

Mansour et al. (2010) "Islamic banking and customers' preferences: the case of the UK"

Islamic banking is an increasingly important factor in the UK financial environment. With Islamic banks entering the industry in significant numbers – and competing directly with the incumbent "conventional" ones – the question of selection criteria of the banks' customers is of obvious interest. The purpose of this paper is to study the decision-making process of a sample of UK customers and the factors that may influence them. The paper uses a sample of 156 UK questionnaire respondents,

comprising Muslim and non-Muslim bank customers alike. The methodological approach is partly borrowed from Masood et al. with the chosen questions aimed at finding out what drives the selection process of bank customers.

The paper's major findings show that, irrespective of the demographic features and the religion of the respondents, the criterion "low services charges" is the top customers' criteria. The Islamic nature of the bank is, however, placed second, pointing to the importance of religious orientation.

Lateh (2009) "A study of the customers' selection criteria and the financial performance of the Islamic bank of Thailand (ISBT)"

This study attempts to capture the perceptions of the Thai (Muslim and non-Muslim) customers towards the objectives and characteristics of the Islamic bank and also to determine the bank selection criteria used by them. In addition, this study also evaluates the financial performance of the ISBT during the period of 2003-2007. The study surveys a sample of 462 respondents. The results show that the Thai customers know that the characteristics of the Islamic bank is interest prohibition and they desire the Islamic bank to achieve the social objectives more than the commercial objectives.

In addition, the empirical findings of the bank selection criteria indicate that there are differences between the Thai Muslim and non-Muslim customers in the ranking of the various bank selection criteria. The Muslims highly consider the interest-free saving, while the non-Muslims are concerned more on its reputation and image, knowledgeable and competent personnel. Besides, the study evaluates the financial performance during the period of 2003-2007. In general, the performance evaluation of the ISBT during these periods indicated that the bank had no profits, less liquidity, high risky and less efficiency during 2003-2007.

Mokhlis (2009) "Commercial Bank Selection: Comparison between Single band Multiple Bank Users in Malaysia"

This paper presents an empirical study of selection criteria employed by single and multiple bank users and to see if certain personal characteristics can be used to differentiate these two segments. The study chose to sample a specific consumer segment in Malaysia, namely the young-adults, which have not been given enough attention in the literature. Selection factors of which both single and multiple bank users had variation were attractiveness, branch location, ATM service, financial benefits and secure feeling. Multiple-bankers appear to place significantly more importance to all these factors. Female customers engage in multiple banking significantly more than their male counterparts. The implications of the findings were discussed and opportunities for future research were provided.

The results of the current study can carry significant managerial implications for retail bank marketing. Retail banks generate new accounts by routinely promoting products and services to college students. Prospecting for new student customers is an ongoing and challenging task. Therefore, it is essential for bank marketers to know the

degree to which various bank attributes are important and how these factors influence students' choice of their banker. Armed with this knowledge, bank marketers can focus on relevant features and benefits when interacting with potential student customers.

Mokhlis, et al. (2008) "Commercial Bank Selection: The Case of Undergraduate Students in Malaysia"

The purpose of this study was to determine the pertinent factors which undergraduates perceive as germane to their selection of banks and also seek to see if the group is homogeneous in regard to bank selection criteria employed. Although retail bank patronage have been a topic of interest to marketing research essence late 1960s, the attraction between banks and undergraduate segment has received little interest from marketing academics. This paper analyzed the factors considered important by undergraduates in Malaysia in selecting a bank and to examine whether undergraduates constitute a homogeneous group in relation to the way they select a bank.

Finding of the study indicate that the bank selection decision is based primarily on nine selection criteria. 'Secure feelings' was the most important factor in influencing the students in selecting a bank. 'ATM service' was the second prioritized factor followed by 'financial benefits'. The next three criteria, ranked fourth, fifth and sixth, respectively, were 'service provision', 'proximity' and 'branch location' that can be grouped as moderate factors. By contrast, the students considered 'non-people influential', 'attractiveness' and 'people influences' which were ranked seventh, eighth and ninth, respectively, did not play significant roles in influencing their decision in selecting the bank. It is interesting to note that the responses did not constitute a homogenous group since gender, stream of study, ethnicity and number of saving accounts held produced different prioritized factors in bank selection.

Nielsen (2008) "Business banking in Australia: a comparison of expectations"

Addresses the question of how well the banking industry in Australia understands the needs of their business customers. It is based on a nationwide survey of chief executive officers of 2,500 business firms and 25 banks conducted during 1996.

In the survey, both groups were asked to rank those factors they consider most important in the bank selection process. Overall, significant differences were found in six out of 15 factors. When the responses were analyzed on the basis of market segment served, we found that Australian bankers have missed the mark when it comes to the issues of competitive prices and service delivery. These results will no doubt have an impact on the marketing efforts of Australian banks as they move into the twentieth century. They should also be useful to firms currently operating in Australia or firms interested in doing so in the future.

Rehamn and Ahmed (2008)“ An empirical analysis of the determinants of bank selection in Pakistan . A customer View”

This study analyzes the major determinants of a bank selection by a customer in the banking industry of Pakistan. This study can help bankers to identify the major factors that their customers perceive as important in a bank selection and can provide a guide to the banks in designing their future strategies in a competitive economy. It is based on a survey of 358 customers of private, privatized and nationalized banks located in the city of Lahore (Pakistan).

The findings of the study reveal that online banking facility, profit rate, banks internal environment and external appearance, convenience and accessibility are some of the important factors in a bank selection by the customers. Convenient location of bank branch and accessibility is also considered to be one of the important choice determinants. The study aims to bridge the existing gap in local banking literature through identifying the important bank selection determinants and concludes with some policy implications which are expected to have an impact on the marketing efforts of Pakistani banks

Blankson et al. (2007) “Determinants of banks selection in USA, Taiwan and Ghana”

The aim of this paper is to investigate bank choice/selection criteria in a range of cultural and country economic scenarios. More specifically, the purpose of this study is to understand international consumers’ selection criteria of banks using the USA, Taiwan, and Ghana as illustrations. Following a literature review, the paper adopts the classical multi-step scale development process which demanded that thorough attention be paid to every step of the process. The study employed exploratory and confirmatory factor analyses to assess the reliability of the results.

The study reveals three key dimensions/factors/strategies that are consistent across all three economies. The paper concludes that open and liberalized business climate appear to explain consumers’ decisions. This research is based on the college student cohort and thus the results do not represent the public. This poses generalizability questions without further replications and validations. This study did not examine whether there were consumers’ switching behaviors involving banks.

Insights derived from this study will provide bank managers and advertising executives with the building blocks for understanding consumers’ choice criteria of banks in industrialized, newly industrialized and liberalized developing economies. A comprehensive validated scale measuring international consumers’ selection of banks is proposed. In view of the scarce stream of empirical studies dealing with consumers’ selection of banks in liberalized developing nations, this research comes at an opportune time, as several governments in these economies are encouraging bank savings, channeling college students’ loans through bank accounts and proactively attracting global banks to establish branches in their countries. This study complements the extant literature dealing with consumers’ selection of banks.

Finally, a cross-national and cross-cultural dataset of consumers' choice criteria of banks have been put forward that would enhance further appreciation of the subject of banks selection in varying economies.

Omar, (2007) **“Gender-Based Retail Bank Choice Decisions in Nigeria”**

As the Nigerian retail banks customers become more sophisticated it is now very important that retail banks determine the factors that are important and relevant to the customers' retail bank choice decisions. By using a survey of retail bank customers, this study evaluates the relative importance attached to retail banks' choice criteria used by male and female customers in Nigeria.

The results show that there are some differences in choice factors used by male and female customers in selecting a retail bank for patronage. The recommendation is that bank managers should take both female and male market segments into consideration when making retail bank strategic planning in order to become competitive. The findings can assist retail bank managers in refining their marketing strategies as a means of overcoming the intense competition that exists in the Nigerian banking system.

Dusuki and Abdullah (2006) **“Why do Malaysian customers patronise Islamic banks?”**

The purpose of this paper is to examine the main factors that motivate customers to deal with Islamic banks particularly in a dual banking environment, like in the case of Malaysia. A discussion on factors relating to corporate social responsibility initiatives as part of potential customers' banking selection criteria is also included. The paper presents primary data collected by self-administered questionnaires involving a sample of 750 respondents from four different regions in Malaysia. The Islamic banking criteria ranking as perceived by the respondents are analyzed using Friedman Test. To further explore the customers' understanding of the banking criteria, an exploratory factor analysis is employed.

This study reveals that the selection of Islamic banks appears to be predominantly a combination of Islamic and financial reputation and quality service offered by the bank. Other factors perceived to be important include good social responsibility practices, convenience and product price. The empirical evidence of this paper affects two aspects; first, Islamic banks must offer quality services while maintaining its Islamic credential and reputation; second, Islamic banks should also embrace good customers services policies to reap its potential as a strategic tool to achieve competitive advantage, enhance reputation and secure customers allegiance. This research will be of interest to both incumbent and potential entrants into this niche market. The paper reports findings from the first nationwide study carried out in the area of Islamic banking selection criteria.

Kaynak and Harcar (2004)“American consumers’ attitudes towards commercial banks A comparison of local and national bank customers by use of geo-demographic segmentation”

This article demonstrates the application of geo-demographic segmentation to the service industry by using commercial banking as a case example. Data were collected through self-administered questionnaires. Two sets of variables were used to profile market segments.

Study results indicate that there are substantial differences between customers of local and national US banks in their evaluation of the relative importance of bank service charges and overall confidence in the bank. Compared to national banks, local banks were evaluated more positively by customers in areas such as extra services offered by the bank, image of the bank, and convenience of the bank. More focused and concentrated marketing strategies are suggested to achieve better local bank performance

Gerrard and Cunningham (2004)“Singapore's undergraduates: how they choose which bank to patronize”

Undergraduates constitute an attractive segment of customers for retail banks in many countries of the world, including Singapore. This study, using a sample of Singapore's undergraduates, sets out to establish a ranking of the various dimensions which influence their bank selection decision and seeks to determine how homogeneous undergraduates are in relation to their selection decision.

Seven bank selection dimensions were identified, the most important being undergraduates should “feel secure”, while the least important dimension was “third party influences”. Responses between those “attending engineering courses and non-engineering courses” were compared, as were those between “males and females” and “single and multiple bank users”. More significant differences were found when engineering undergraduates were compared with non-engineering undergraduates. Irrespective of these differences, the sequencing of the seven selection dimensions was invariably in the same order

The results of this study provide some guidance for bank marketers in relation to how they could angle a campaign aimed at attracting undergraduates. The main focus of any marketing campaign should be on making students “feel secure” ± more particularly emphasizing the bank's stability and the “good” return it pays on student balances held on savings accounts.

Ta and Har , (2000) “A study of bank selection decision on Singapore using the analytical hierarchy process ”.

Presents the findings of a survey undergraduates on bank selection preference .in the study , nine criteria for bank selection decision and five banks are identified , and

the decision problem is structured into three level hierarchy using the analytical hierarchy process .

The findings indicate that undergraduates place high emphasis on the pricing and product dimensions of bank service . the results are of interest to banks managers because they provide information on the importance of the selection criteria as well as areas of strengths and weaknesses of banks.

Classification of previous studies :

This study differs from previous studies in

1. **The sample of the study** : this study is targeted toward the employees both in public sector and private sector , while some of the previous studies targeted other customer segments such as : college students (Serwar&Mubeen, 2012 , Mokhlis et al., 2009) , corporate (Narteh, 2012 ; Edris, 1997 ,) households (Boyed et al., 1994, Kaynak&harcar, 2004).
2. **The scope of the study** : this study gather between both Islamic banking sector and conventional banking sector not like some other previous studies in which only one system was researched like (vawda, 2013 , Abdul Rahman, 2012 , Lateh, 2009 , Mokhlis et al., 2009).

This study is similar to all the previous studies in the general idea researched (the determinants of the bank selection) and the variables used , in which the variables used in this study was selected from a pool of all the variables used in the previous studies.

The significant advantage of this study:

1. This study is the first one as the knowledge of the researcher which is done on the determinants of bank selection process in the Palestinian banking sector, where as the sample includes the customers in Gaza Strip both public sector employees (Palestinian National Authority) and private sector employees .
2. The results of the study will add to the very limited knowledge presently available about the bank selection process in Palestine.
3. The results and recommendations of the study are vital indicator that banks should take into consideration when making their marketing plans , in order to build their competitive advantage to meet what the customer wants and needs.

How the previous studies contributed in this study .

1. The previous studies helped in developing the literature view chapter.
2. Gather a pool of variables to be used in this study.
3. Facilitate the access to the other references to be used to this study.
4. Make a comparison between the results of this study and the previous one.

Chapter 4 :

Methodology

Section 1 : Methodology and Procedures

Section 2: Testing Research Tool

Section 1 : Methodology and Procedures

Introduction :

This chapter describes the methodology used in the research to investigate the determinants that the public and private sectors used in selecting their banks. It illustrates the adopted methodology to accomplish this research, including information about research design, research population, questionnaire design, statistical data analysis, content validity and pilot study.

Research Methodology:

The research method is also described to illustrate the importance of selecting the most suitable approach for research. The study used the analytical descriptive method where it tries to identify the main determinants of the bank selection for employees. Each step in the questionnaire; beginning with questionnaire design, then, conductivity pilot study, distribution to the study sample, response rate, the validity and reliability of questionnaire, data gathering procedures, and the procedure of statistical analysis are mentioned in this chapter. The detailed approaches, methods, and techniques used in this research are also explained in this chapter.

Research design and procedure:

The following are the steps the researcher followed in the research design and implementation:

1. This research started by preparing the proposal that included identifying and defining the problem and establishing the objectives and develop the research plan.
2. The second step of the research included a summary of the comprehensive literature review.
3. The third step of the research included a survey which was conducted with a sample of employees. The survey was reviewed and evaluated .
4. The fourth step of the research focused on the modification of the questionnaire design, through distributing the questionnaire to the pilot study, the purpose of the pilot study was to test and prove that the questionnaire questions was clear to be answered in the way that help to achieve the target of the study.
5. The fifth step of the research focused on distributing the questionnaire. This questionnaire was used to collect the required data in order to achieve the research objective.
6. The sixth step of the research was data analysis and discussion. Statistical Package for the social science (SPSS) was used to perform the required analysis.
7. The final step in this research include the conclusions and recommendations that based on the data analysis.

Sources of Data:

1. **Primary data:** Consists of a collection of original primary data collected by the researcher. That is accomplished through using questionnaire designed and distributed on the sample of the study. Data collected were analyzed using SPSS22 .
2. **Secondary data:** the researcher uses different types of secondary data resources. These resources are to introduce the theoretical literature of the study topic. These resources are as the following:
 - Data bases such as Emerald and Science direct.
 - Books and references in English about Marketing.
 - Published papers and dissertations published in different countries which have been conducted on the same subject.
 - Published reports regarding the Palestinian banking sector.

Data collection

A 6-item survey was developed and distributed to (480) bank customers, which can be classified into two categories: Public sector Employees and Private sector Employees. (382) questionnaires were returned (79.5% response rate). Data were collected in Gaza city. The respondents were contacted with the help of acquaintances and were requested to participate in the survey. Surveys were self-administrated. The survey was divided into two parts. The first part of the survey asked the respondents for demographic information like gender, education, work place, years of dealing with banks and location(City). The second part of the survey asked the respondents to rate the importance of factors impacting their bank selection decision in the form of statements.

Respondents were asked to rate their performance of various factors associated with bank selection on a scale of 1-10, with 10 being “strong” and 1 being “weak”.

Questionnaire design

The survey questionnaire is a set of questions used to gather data from respondents. It’s one of the main tools used in data gathering process.

Questionnaire consists of a set of questions prepared and distributed by the researcher to obtain information from relevant respondents. In this study, questions were designed simply and easily to help the respondents to choose the best answer fit their situation and practices.

Components of the questionnaire

This questionnaire consists of (6) main sections, as illustrated in Table7

Table 7 Questionnaire's Sections

No.	Section	No. of Questions
1	Personal Characteristics'	6
2	Variable 1 : Bank Approach	8
3	Variable 2 : Bank Convenience	10
4	Variable 3 : Bank Pricing	5
5	Variable 4 : Bank Service	9
6	Variable 5 : Bank Personnel	8
7	Variable 6 : Bank Reputation	6

Test Data validity and reliability.

The questionnaire validity has been examined and measured through:

1. Arbitration from experts

The questionnaire was evaluated by a number of experts in the field from different universities (Islamic University, and Private Sector). The final copy of the questionnaire was modified according to the experts' recommendations (see appendix 2,3).

2. Pilot study

A pilot study was conducted to assess reliability and validity of the questionnaire by distributed the questionnaire on a random sample consists of (30) respondents from the study population. It provides a trial run for the questionnaire, which involves testing the wording of the questions, identifying ambiguous questions, and testing the techniques used to collect data. At the end, the questionnaire was appropriate to collect data, so that the (30) questionnaires used as a pilot study sample was added to the remained (352) questionnaires to have the final population of (382) bank customers.

Data Measurement

In order to be able to select the appropriate method of analysis, the level of measurement must be understood. For each type of measurement, there is an appropriate method that can be applied and not others. In this research, numerical scale 1-10 is used, where "1" indicates a weak answer while "10" indicates a strong answer.

Test of Normality:

Table (8) shows the results for **Kolmogorov-Smirnov** test of normality. From Table (8), the p-value for each field is greater than 0.05 level of significance, then the distribution for each field is **normally distributed**. Consequently, **Parametric** tests is to perform the statistical data analysis.

Table 8 Kolmogorov-Smirnov test

Field	Kolmogorov-Smirnov	
	Statistic	P-value
Bank Approach	0.448	0.988
Bank Convenience	0.653	0.787
Bank Pricing	0.694	0.722
Bank services	0.824	0.505
Bank Personnel	0.896	0.398
Bank Reputation	0.674	0.753
All paragraphs of the questionnaire	1.052	0.219

Statistical analysis Tools

The researcher would use data analysis both qualitative and quantitative data analysis methods. The Data analysis will be made utilizing (SPSS 22). The researcher would utilize the following statistical tools:

1. Kolmogorov-Smirnov test of normality.
2. Pearson correlation coefficient for Validity.
3. Cronbach's Alpha for Reliability Statistics.
4. Frequency and Descriptive analysis.
5. Parametric Tests (One-sample T test, Independent Samples T-test , Analysis of Variance).

1. **T-test** : It is used to determine if the mean of a statement is significantly different from a hypothesized value 6 (Approximately the middle value of numerical scale 1-10). If the P-value (Sig.) is smaller than or equal to the level of significance, $\alpha = 0.05$, then the mean of a statement is significantly different from a hypothesized value 6. The sign of the Test value indicates whether the mean is significantly greater or smaller than hypothesized value 6. On the other hand, if the P-value (Sig.) is greater than the level of significance, $\alpha = 0.05$, then the mean a statement is insignificantly different from a hypothesized value 6.
2. **The Independent Samples T-test** It is used to examine if there is a statistical significant difference between two means among the respondents toward the "Customers' (Employees) determinants of bank selection in Palestine - Applied study on banks operating in Gaza Strip " due to (Gender and Work place).
3. **The One- Way Analysis of Variance (ANOVA)** It is used to examine if there is a statistical significant difference between several means among the respondents toward the "Customers' (Employees) determinants of bank selection in Palestine - Applied study on banks operating in Gaza Strip " due to (Age, Qualifications, number of years of dealing with banks and City).

Section two : Testing Research Tool

Introduction :

This section focuses on the examination of validity and reliability of the tool in terms of sincerity of the questionnaire by referees' comments on the pre-plot from the result of internal consistency of the structural identification. Then the stability of the questionnaire includes the coefficient Cronbach's coefficient alpha and split half method to come out with the final form of the questionnaire.

Validity of Questionnaire

Validity refers to the degree to which an instrument measures what it is supposed to be measuring. Validity has a number of different aspects and assessment approaches. Statistical validity is used to evaluate instrument validity, which include internal validity and structure validity. (George and Mallery ,2003).

Internal Validity

Internal validity of the questionnaire is the first statistical test that used to test the validity of the questionnaire. It is measured by a scouting sample, which consisted of 50 questionnaires through measuring the correlation coefficients between each paragraph in one field and the whole field.

Table (9)clarifies the correlation coefficient for each paragraph of " **Islamic Banks**" and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the paragraphs of this field are consistent and valid to be measure what it was set for.

Table 9 Correlation coefficient of each paragraph of " Islamic Banks "

No.	Paragraph	Pearson Correlation Coefficient	P-Value (Sig.)
1.	The employees Select Islamic banks because of applying Islamic Principles.	0.77	0.000*
2.	The employees Select Islamic banks because of applying profit / loss sharing principle in their time deposits accounts and saving accounts.	0.853	0.000*
3.	Being Muslim The employees Select Islamic banks because of	0.745	0.000*
4.	The employees Select Islamic banks because of the Shariaa control bank board that monitor all of the operations conducted by the bank.	0.715	0.000*
5.	The employees Select Islamic banks because of Varity of the Islamic financing alternatives.	0.65	0.000*

* Correlation is significant at the 0.05 level

Table (10) clarifies the correlation coefficient for each paragraph of the " **Conventional Banks** "and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the paragraphs of this field are consistent and valid to be measure what it was set for.

Table 10Correlation coefficient of each paragraph of " **Conventional Banks** "

No.	Paragraph	Pearson Correlation Coefficient	P-Value (Sig.)
1.	The employees Select traditional banks because of offering loans (Cash)	0.884	0.000 *
2.	The employees Select traditional banks because of Over Draft option in exchange of commission .	0.946	0.000 *
3.	The employees Select traditional banks because of the fixed interest rate paid over time deposits accounts and saving accounts.	0.928	0.000 *

* Correlation is significant at the 0.05 level

Table (11) clarifies the correlation coefficient for each paragraph of the " **Bank Convenience** " and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the paragraphs of this field are consistent and valid to be measure what it was set for.

Table 11Correlation coefficient of each paragraph of "**Bank Convenience** "

No.	Paragraph	Pearson Correlation Coefficient	P-Value (Sig.)
1.	The employees select banks that operates in convenient places that are easy to reach (the bank branches are close to work place or home).	0.501	0.000*
2.	The employees select banks that operates in every city.	0.521	0.000*
3.	Availability of several branches .	0.621	0.000*
4.	The employees select banks that are spacious and have waiting halls .	0.757	0.000*
5.	The employees select banks that attractive internal and external layout and decoration.	0.664	0.000*
6.	banks that provide 24/7 ATM service.	0.703	0.000*
7.	banks that provide ATM service in convenient places.	0.705	0.000*
8.	Adequate number of personnel in each department.	0.854	0.000*
9.	Increasing the working hours	0.731	0.000*
10.	Availability of parking spaces outside the bank.	0.686	0.000*

* Correlation is significant at the 0.05 level

Table (12) clarifies the correlation coefficient for each paragraph of the " Bank Pricing " and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the paragraphs of this field are consistent and valid to be measure what it was set for.

Table 12Correlation coefficient of each paragraph of " Pricing "

No.	Paragraph	Pearson Correlation Coefficient	P-Value (Sig.)
1.	Bank that charges low interest rate / profit on loans / Islamic financing.	0.826	0.000*
2.	Bank that pay high interest rate / profit on deposits / investments accounts.	0.273	0.028*
3.	Bank that charges low commission on other services.	0.865	0.000*
4.	Bank that provide their distinguish clients services with low charges .	0.759	0.000*
5.	Bank that provide free services.	0.822	0.000*

* Correlation is significant at the 0.05 level

Table (13) clarifies the correlation coefficient for each paragraph of the " Bank services " and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the paragraphs of this field are consistent and valid to be measure what it was set for.

Table 13Correlation coefficient of each paragraph of " Bank services "

No.	Paragraph	Pearson Correlation Coefficient	P-Value (Sig.)
1.	The bank provides variety of services .	0.792	0.000*
2.	The bank provides new services on a regular basis.	0.889	0.000*
3.	The bank provides E-banking services (Website , SMS ...etc)	0.871	0.000*
4.	Ease of opening accounts and obtaining loans .	0.834	0.000*
5.	Providing ATM cards , Credit Cards and Debt cards.	0.682	0.000*
6.	Ease of making money transfer and foreign money exchange.	0.766	0.000*
7.	Clients confidentiality regarding personal information.	0.651	0.000*
8.	Safety of funds and anti-theft security measures.	0.592	0.000*
9.	Providing brochures stating all the services provided.	0.658	0.000*

* Correlation is significant at the 0.05 level

Table (14) clarifies the correlation coefficient for each paragraph of the " **Bank Personnel** "and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the paragraphs of this field are consistent and valid to be measure what it was set for.

Table 14Correlation coefficient of each paragraph of "Bank Personnel "

No.	Paragraph	Pearson Correlation Coefficient	P-Value (Sig.)
1.	Efficient banks staff.	0.748	0.000*
2.	Efficient banks staff provides services without delaying the clients.	0.822	0.000*
3.	The bank staff are knowledgeable and provide services in a full perspective.	0.776	0.000*
4.	One stop service .(one employee provide all the services required)	0.836	0.000*
5.	Pleasant appearance of staff .	0.715	0.000*
6.	Confidence of bank manager .	0.797	0.000*
7.	Recommendation by friends , relatives and peers.	0.724	0.000*
8.	Responsiveness of bank staff in providing the service and handling problems.	0.825	0.000*

* Correlation is significant at the 0.05 level

Table (15) clarifies the correlation coefficient for each paragraph of the " **Bank Reputation** "and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the paragraphs of this field are consistent and valid to be measure what it was set for.

Table 15Correlation coefficient of each paragraph of " Bank Personnel "

No.	Paragraph	Pearson Correlation Coefficient	P-Value (Sig.)
1.	The bank have a good reputation in the community.	0.669	0.000*
2.	The bank aware of social responsibility and support the community.	0.781	0.000*
3.	The bank donate to the charities.	0.796	0.000*
4.	The bank handle customers complaints with transparency.	0.818	0.000*
5.	The bank support the customers in hard times.	0.89	0.000*
6.	The bank provide free consultations to their customers.	0.787	0.000*

* Correlation is significant at the 0.05 level

Structure Validity of the Questionnaire

Structure validity is the second statistical test that used to test the validity of the questionnaire structure by testing the validity of each field and the validity of the whole questionnaire. It measures the correlation coefficient between one field and all the fields of the questionnaire that have the same level of liker scale.

Table (16) clarifies the correlation coefficient for each field and the whole questionnaire. The p-values (Sig.) are less than 0.05, so the correlation coefficients of all the fields are significant at $\alpha = 0.05$, so it can be said that the fields are valid to be measured what it was set for to achieve the main aim of the study.

Table 16 Correlation coefficient of each field and the whole of questionnaire

No.	Field	Pearson Correlation Coefficient	P-Value (Sig.)
	Islamic Banks	0.85	0.000*
	Conventional Banks	0.738	0.000*
1.	Approach	0.355	0.006*
2.	Convenience	0.814	0.000*
3.	Pricing	0.764	0.000*
4.	Bank services	0.905	0.000*
5.	Personnel	0.796	0.000*
6.	Reputation	0.86	0.000*

* Correlation is significant at the 0.05 level

Reliability of the Research

The reliability of an instrument is the degree of consistency which measures the attribute; it is supposed to be measuring. The less variation an instrument produces in repeated measurements of an attribute, the higher its reliability. Reliability can be equated with the stability, consistency, or dependability of a measuring tool. The test is repeated to the same sample of people on two occasions and then compares the scores obtained by computing a reliability coefficient (George and Mallery ,2003).

Cronbach's Coefficient Alpha

This method is used to measure the reliability of the questionnaire between each field and the mean of the whole fields of the questionnaire. **The normal range of Cronbach's coefficient alpha value between 0.0 and + 1.0**, and the higher values reflects a higher degree of internal consistency. The Cronbach's coefficient alpha was calculated for each field of the questionnaire.

Table (17) shows the values of Cronbach's Alpha for each field of the questionnaire and the entire questionnaire. For the fields, values of Cronbach's Alpha were in the range from 0.756 and 0.915. This range is considered high; the result ensures the reliability of each field of the questionnaire. Cronbach's Alpha equals 0.945 for the entire questionnaire which indicates an excellent reliability of the entire questionnaire.

Table 17 Cronbach's Alpha for each field of the questionnaire

No.	Field	Cronbach's Alpha
1.	Bank Approach	0.807
2.	Bank Convenience	0.869
3.	Bank Pricing	0.756
4.	Bank services	0.903
5.	Bank Personnel	0.915
6.	Bank Reputation	0.881
	All paragraphs of the questionnaire	0.945

Thereby, it can be said that the researcher proved that the questionnaire was valid, reliable, and ready for distribution for the population sample.

Chapter 5 :
Data Analysis and Discussion

Introduction

This chapter will display the data and results from the study. First, the descriptive data analysis of the sample (personal information) will be presented and discussed; then, the data analysis relevant to each hypothesis will be presented in addition to, the connection of the results with the previous studies. Moreover, the researcher will use his experience and knowledge of the study area to comments on the results.

Personal data

1. Gender

Table No. (18) shoes that 58.4% of the sample consists of male and 41.6 % of female which indicate that the work environment is diversified. However according to the Palestinian Central Bureau of Statistics, the male represent 70.1% of the working force in Palestine while the female represent only 20.9%. the discrepancy between the researcher sample and the published statistics is because the researcher use a small sample of the population that represent only one segment of the work force (**Employees**) and can't be generalized to all other workforce segments.

Table 18 Gender

Gender	Frequency	Percent
Male	223	58.4
Female	159	41.6
Total	382	100

2. Age

Table No.(18) shows that 80.6.% of the sample are " Less than 40", while 19.4% of the sample are of " More than 40".

This shows that the majority of the sample of the study is young which mean that they start dealing with banks after the introduction of the Palestinian national authority and had more banks alternatives to open account in .

Table 19 Age

Age	Frequency	Percent %
Less than 30	170	44.5
30 – less than 40	138	36.1
More than 40	74	19.4
Total	382	100

3. Education

Table No.(20) shows that 26.7 % of the population received community colleague education , while 73.3 % received higher education ,. Since most of the participants were well educated , it's safe to assume that they understand the reasons of choosing one bank over another.

Table 20 Education

Education	Frequency	Percent
Diploma	102	26.7
Bachelor	231	60.5
Higher education	49	12.8
Total	382	100

4. Years of dealing with banks

Table No.(21) shows that 55.5 % of the sample started dealing with banks less than 5 years which indicated that they stated after the opening of two new banks (National Islamic Bank and Palestine Production Bank),while 44.5 % of the sample started dealing for more than 5 years which indicate that they had more experience and might have tried several banks before deciding which bank to select.

Table 21 Years of dealing with banks

	Frequency	Percent
Less than 2 years	76	19.9
2-5 years	136	35.6
5-10 years	65	17
More than 10	105	27.5
Total	382	100

5. Work place

Table No.(22) shows that 49.7% of the sample work in Public sector and 50.3% of the sample work in Private sector. The sample of this study is somewhat close to the Palestinian Central Bureau of Statistics in which the public sector represent 41% of the working force in Gaza Strip while the private sector represent 52.9% and 6.1 % other working sector.

Table 22 Work place

Work place	Frequency	Percent
Public sector	190	49.7
Private sector	192	50.3
Total	382	100

6. City

Table No.(23) shows that 13.4% of the sample lives in Northern Governorate , 69.1% of the sample lives in Gaza City Governorate, 10.2 % of the sample lives in Central Governorate and 7.3% . of the sample lives in Southern Governorate of dealing with banks .According to Palestinian Central Bureau of Statistics the workforce distribution Northern Governorate contribute in about 19.8 % of the workforce , Gaza City Governorate contribute in about 34.8 % of the workforce, Central Governorate contribute in about 12.5 % of the workforce and Southern Governorate contribute in about 33.9 % of the workforce. The discrepancy between the researcher sample and the Palestinian Central Bureau of Statistics is due to the segment targeted in this study that is limited to the **Employees** not all the workforce segments .

Table 23 City

City	Frequency	Percent
Northern Governorate	51	13.4
Gaza City Governorate	264	69.1
Central Governorate	39	10.2
Southern Governorate	28	7.3
Total	382	100

Research Hypothesis :

First Hypothesis

There is a statistical significant effect of “Bank Approach criteria ” on customer choice bank selection process at 0.05 level.

1.1 Islamic Banks

Table (24) shows the following results:

- The mean of paragraph #3 “The employees Select Islamic banks because of Being Muslim. ” equals 6.61 (66.05%), Test-value = 3.71, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 6 . It can be concluded that the respondents agree to this paragraph.
- The mean of paragraph #2 “The employees Select Islamic banks because of applying profit / loss sharing principle in their time deposits accounts and saving accounts” equals 5.86 (58.63%), Test-value = **-0.94**, and P-value = **0.175** which is greater than the level of significance $\alpha = 0.05$. Then the mean of this paragraph is insignificantly different from the hypothesized value 6. It can be concluded that the respondents disagree to this paragraph.
- The mean of the field “Islamic Banks” equals 6.13 (61.27%), Test-value = 1.03, and P-value.0.151 which is greater than the level of significance $\alpha = 0.05$. The mean of this field is insignificantly different from the hypothesized value 6. It can be concluded that the respondents disagree to this paragraph.

Based on the answers of the participants, it can be stated that the respondents don not consider that Islamic banks as a main determinants of their bank selection process to field of “Islamic Banks ”.

The respondent stated that they select Islamic banks because of “Being Muslim” , because Islamic banks apply Islamic principles and because of the Shariaa control board that monitor all of the operations conducted by the bank.It can be obviously notice that the respondents don’t consider “Varity of the Islamic financing alternatives” criteria to be relatively important may be they think Islamic banks only provide one or two services or they do not even know what are the these alternatives . Another thing that the respondent consider “Select Islamic banks because of applying profit / loss sharing principle in their time deposits accounts and saving accounts.” To be the least important may be because they are not interested in saving.

The analysis shows that “ Being a Muslim” is ranked the highest determinant when selecting Islamic banks with is consistent with the finding of the study conducted by Echchabi and Olaniyi (2012) revealed that majority of the customers have chosen Islamic banks because of their religious motivation, while the respondent select PLS

criterion to be the least important determinant. This indicate that they are unaware of the Islamic financial instruments .Also this results is consistent with Mansour et al. (2010) in which the criterion “low services charges” is the top customers’ criteria. The Islamic nature of the bank is, however, placed second. Also the result of this study contradict the findings of **Sayani and Miniaoui**(2013)in which it concluded thatreligious preferences are the most important considerations in selection between Islamic and conventional banks. And in Bahrain **al-Ajami et al. (2009)** study It is found that: Islamic religious belief and social responsibility are the two most important factors that determine bank selection.

Table 24Means and Test values for “Islamic Banks”

	Item	Mean	Proportional mean (%)	Test value	P-value (Sig.)	Rank
1.	The employees Select Islamic banks because of applying Islamic Principles.	6.13	61.26	0.83	0.204	2
2.	The employees Select Islamic banks because of applying profit / loss sharing principle in their time deposits accounts and saving accounts.	5.86	58.63	-0.94	0.175	5
3.	The employees Select Islamic banks because of Being Muslim.	6.61	66.05	3.71	0.000*	1
4.	The employees Select Islamic banks because of the Shariaa control bank board that monitor all of the operations conducted by the bank.	6.03	60.32	0.21	0.418	3
5.	The employees Select Islamic banks because of Varity of the Islamic financing alternatives.	6.02	60.24	0.17	0.434	4
	All paragraphs of the field	6.13	61.27	1.03	0.151	

* The mean is significantly different from 6

1.2 Conventional Banks

Table (25) shows the following results:

- As shown in table (25) , the mean of paragraph #1 “The employees Select traditional banks because of offering loans (Cash)” equals 6.13 (61.35%), Test-value = 0.88, and P-value = 0.190 which is greater than the level of significance $\alpha = 0.05$. Then the mean of this paragraph is insignificantly different from the hypothesized value 6. It can be concluded that the respondents disagree to this paragraph .

- The mean of paragraph #3 “The employees Select traditional banks because of the fixed interest rate paid over time deposits accounts and saving accounts” equals 5.68 (56.77%), Test-value = -2.22, and P-value = 0.013 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is negative, so the mean of this paragraph is significantly smaller than the hypothesized value 6. It can be concluded that the respondents disagree to this paragraph .

- The mean of the filed “Conventional Banks” equals 5.87 (58.67%), Test-value = **-0.97, and P-value=0.165** which is greater than the level of significance $\alpha = 0.05$. The mean of this field is insignificantly different from the hypothesized value 6. It can be concluded that the respondents disagree to the field of “Conventional Banks”.

Based on the answers of the participants, it can be stated that the respondents don't consider that conventional banks as a main determinants of their bank selection process to field of “Islamic Banks ”.

The respondent stated that they select conventional banks because of the cash loans offered by banks while the criterion of offering fixed rate interest was the least important. Although it's ranked first among the other criteria it still considered not an main determinants in the selection process . It can be noticed that the respondent disagree to third criteria however significant which indicate that they against the concept of interest rate return on saving. This result is consistent with the same criteria for Islamic banking in which the respondent ranked the “applying profit / loss sharing principle in their time deposits accounts and saving accounts.” Criteria to be least important for them hence support that the respondent are not interested in saving .

Table 25 Means and Test values for “Conventional Banks”

	Item	Mean	Proportional mean (%)	Test value	P-value (Sig.)	Rank
1	The employees Select traditional banks because of offering loans (Cash)	6.13	61.35	0.88	0.19	1
2	The employees Select traditional banks because of Over Draft option in exchange of commission .	5.79	57.88	-1.45	0.074	2
3	The employees Select traditional banks because of the fixed interest rate paid over time deposits accounts and saving accounts.	5.68	56.77	-2.22	0.013*	3
	All paragraphs of the field	5.87	58.67	-0.97	0.165	

* The mean is significantly different from 6

In General for Approach:

Table (26) shows the mean for all paragraphs of Approach equals 6.03 (60.30%), Test-value =0.30, and P-value=0.381 which is greater than the level of significance $\alpha = 0.05$. The mean of all paragraphs is insignificantly different from the hypothesized value 6.

It can be concluded that the respondents do not consider that “ Bank Approach - Islamic banking and conventional banking -”to be a main determinant of the bank selection process.

The result of the study is consist with Haron et al.(1994)that The most important factor considered by Muslims when selecting their financial institutions is “fast and efficient service”.Awan and Bukhari, (2011) also found that most of the customers value product features and quality of service as major factors for making selection of Islamic banks, and give lesser importance to religiousbelief as influential factor in selecting an Islamic bank

The result is disagree with Sayani and Miniaoui (2013) that all the attributes related to Shari compliance have come out very strongly and have superseded all the other determinants of bank selection. Also with a study by Basheer (2013)There are statistically significant relation between the religious motivation and the choice of selecting Islamic banks.

Table 26 Means and Test values for all paragraphs of Approach

	Mean	Proportional mean	Test value	P-value (Sig.)
All paragraphs of Approach	6.03	60.30	0.30	0.381

Second Hypothesis

There is a statistical significant effect of “ Bank Convenience criteria ” on customer choice of bank selection process at 0.05 level.

Table (27) shows the following results:

- The mean of paragraph #2 “The employees select banks that operates in every city” equals 8.00 (79.97%), Test-value = 19.75 and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 6 . It can be concluded that the respondents agree to this paragraph.
- The mean of paragraph #10 “Availability of parking spaces outside the bank” equals 5.17 (51.72%), Test-value = -5.44, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is negative, so the mean of this paragraph is significantly smaller than the hypothesized value 6 . It can be concluded that the respondents disagree to this paragraph.
- The mean of the field “Convenience” equals 7.07 (70.74%), Test-value = 12.37, and P-value=0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this field is significantly greater than the hypothesized value 6. It can be concluded that the respondents agree to the field of (Bank Convenience).

Based on the answers of the participants, it can be stated that the respondents consider that “Bank Convenience ” banks as a main determinants of their bank selection process.

The respondent stated that they prefer banks that operates in every city , banks that operates in convenient places that are easy to reach (the bank branches are close to work place or home), banks with several branches and banks that provide 24/7 ATM service in convenient places. While the respondent consider the internal and external design of the bank , the bank capacity space m working hours and availability of parking space to be the least important criteria .

This is consistent with many of the previous studies conduct such as **Mokhlis (2009)** in which the respondent select convenience as the main determinate in their selection process mainly Branch location and ATM services. Also with **Echchabi and Olaniyi (2012)** where convenience was the second most important determinant. Another study by **Almossawi (2001)** in which the respondent select “the availability of parking space ” to be the second most important criterion after reputation whereas the respondent of this study select the same criterion to be the least important factor.

Table 27 Means and Test values for “Convenience”

	Item	Mean	Proportional Mean %	Test value	P-value (Sig.)	Rank
1	The employees select banks that operates in convenient places that are easy to reach (the bank branches are close to work place or home).	7.9	79	16.78	0.000*	2
2	The employees select banks that operates in every city.	8	79.97	19.75	0.000*	1
3	Availability of several branches .	7.62	76.24	15.15	0.000*	3
4	The employees select banks that are spacious and have waiting halls .	6.97	69.74	8.24	0.000*	8
5	The employees select banks that attractive internal and external layout and decoration.	6.98	69.84	8.86	0.000*	7
6	banks that provide 24/7 ATM service.	7.27	72.69	9.47	0.000*	4
7	banks that provide ATM service in convenient places.	7.17	71.72	8.68	0.000*	5
8	Adequate number of personnel in each department.	7.01	70.08	8.55	0.000*	6
9	Increasing the working hours	6.64	66.45	4.9	0.000*	9
10	Availability of parking spaces outside the bank.	5.17	51.72	-5.44	0.000*	10
	All paragraphs of the field	7.07	70.74	12.37	0.000*	

* The mean is significantly different from 6

Third Hypothesis

There is a statistical significant effect of “ Bank Price criteria ” on customer choice bank selection process at 0.05 level.

Table (28) shows the following results:

- The mean of paragraph #2 “Bank that pay high interest rate / profit on deposits / investments accounts” equals 6.04 (60.40%), Test-value = 0.28, and P-value = 0.388 which is greater than the level of significance $\alpha=0.05$. Then the mean of this paragraph is insignificantly different from the hypothesized value 6. It can be concluded that the respondents disagree to this paragraph.
- The mean of paragraph #1 “Bank that charges low interest rate / profit on loans / Islamic financing” equals 5.28 (52.79%), Test-value = -4.82, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is negative, so the mean of this paragraph is significantly smaller than the hypothesized value 6 . It can be concluded that the respondents disagree to this paragraph.
- The mean of the field “Pricing” equals 5.72 (57.19%), Test-value = -2.53, and P-value=0.006 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is negative, so the mean of this field is significantly smaller than the hypothesized value 6. It can be concluded that the respondents disagree to field of “Bank Pricing ”.

Based on the answers of the participants, it can be stated that the respondents consider that “Bank Pricing ” not as a main determinants of their bank selection process.

Although the respondent ranked receiving high rate of return on investment accounts and free services m the highest it still considered to be insignificant in their selection process.

This is consistent with Maiyaki (2011) where the respondent select “loan Charges ” to have the least influence among their determinants of the bank selection criteria. While other studies such as Mansour et al. (2010)in which the respondent which consider the criterion “low services charges” is the top customers’ criteria. and Ta and Har (2000) where the findings indicate that undergraduates place high emphasis on the pricing. Finally Narteh (2012) The study found price competitiveness as determinants of SME bank selection.

Table 28 Means and Test values for all paragraphs of Approach

	Item	Mean	Proportional mean (%)	Test value	P-value (Sig.)	Rank
1.	Bank that charges low interest rate / profit on loans / Islamic financing.	5.28	52.79	-4.82	0.000*	5
2.	Bank that pay high interest rate / profit on deposits / investments accounts.	6.04	60.4	0.28	0.388	1
3.	Bank that charges low commission on other services.	5.96	59.63	-0.27	0.392	3
4.	Bank that provide their distinguish clients services with low charges .	5.98	59.79	-0.15	0.439	2
5.	Bank that provide free services.	5.33	53.28	-3.88	0.000*	4
	All paragraphs of the field	5.72	57.19	-2.53	0.006*	

* The mean is significantly different from 6

Fourth Hypothesis.

There is a statistical significant effect of “Bank Service Criteria ” on customer choice bank selection process at 0.05 level.

Table (29) shows the following results:

- The mean of paragraph #7 “Clients confidentiality regarding personal information” equals 8.05 (8.05%), Test-value = 19.18, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 6 . It can be concluded that the respondents agree to this paragraph.
- The mean of paragraph #6 “Ease of making money transfer and foreign money exchange” equals 6.84 (68.41%), Test-value = 6.58, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 6 . It can be concluded that the respondents agree to this paragraph.
- The mean of the field “Bank services” equals 7.33 (73.28%), Test-value = 14.25, and P-value=0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this field is significantly greater than the hypothesized value 6. It can be concluded that the respondents agree to field of “Bank services ”.

Based on the answers of the participants, it can be stated that the respondents consider that “Bank services ” as a main determinant of their bank selection process.

The respondent stated that they clients confidentiality and safety of funds were ranked the highest while select “Ease of making money transfer and foreign money exchange” to be the least important criterion .

These results were consist with other studies such as **Vawda (2013)** in which most of the respondents were engaged in conventional banking and the provision of fast and efficient services was clearly primary important. Also in the study of **Hedayatnia and Eshghi (2011)** some of the findings show that the important factors determining customers' selection are: quality of services and new banking methods. Finally the study of **Rehman and Ahmed (2008)** in which the findings of the study reveal that one of the most important variables influencing customer choice is customer services.

Table 29 Means and Test values for “Bank services”

	Item	Mean	Proportional mean (%)	Test value	P-value (Sig.)	Rank
1.	The bank provides variety of services .	7.16	71.61	9.41	0.000*	6
2.	The bank provides new services on a regular basis.	6.93	69.29	7.35	0.000*	8
3.	The bank provides E-banking services (Website , SMS ...etc)	7.34	73.45	10.76	0.000*	4
4.	Ease of opening accounts and obtaining loans .	7.06	70.56	8.56	0.000*	7
5.	Providing ATM cards , Credit Cards and Debt cards.	7.38	73.78	11.1	0.000*	3
6.	Ease of making money transfer and foreign money exchange.	6.84	68.41	6.58	0.000*	9
7.	Clients confidentiality regarding personal information.	8.05	80.53	19.18	0.000*	1
8.	Safety of funds and anti-theft security measures.	7.98	79.81	18.37	0.000*	2
9.	Providing brochures stating all the services provided.	7.21	72.15	10.01	0.000*	5
	All paragraphs of the field	7.33	73.28	14.25	0.000*	

* The mean is significantly different from 6

Fifth Hypothesis

There is a statistical significant effect of “Personnel criteria ” on customer choice bank selection process at 0.05 level.

Table (30) shows the following results:

- The mean of paragraph #5 “Pleasant appearance of staff” equals 7.55 (75.51%), Test-value = 13.98, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 6 . It can be concluded that the respondents agree to this paragraph.
- The mean of paragraph #6 “Confidence of bank manager” equals 6.76 (67.57%), Test-value = 67.57, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 6 . It can be concluded that the respondents agree to this paragraph.
- The mean of the field “Personnel” equals 7.18 (71.76%), Test-value = 12.98, and P-value=0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this field is significantly greater than the hypothesized value 6. It can be concluded that the respondents agree to field of “Bank Personnel ”.

Based on the answers of the participants, it can be stated that the respondents consider that “Bank Personnel ” as a main determinants of their bank selection process.

The respondent stated that pleasant appearance of the staff and efficiency of the staff were ranked the highest while select “confidence in bank manager and peers recommendations ” to be the least important criterion .

The result of the study is consistent with a previous study byHaron et al. (1994)in which “Friendliness of bank personnel”, considered as the most important factor by non-Muslims. Sarwar and Mubeen (2012) study shows that one of factors that have significant affect on the bank selection decision of undergraduate students are Bank personnel. Hedayatnia and Eshghi(2011)some of the findings show that the important factors determining customers' selection are :responsiveness of bank, friendliness of staff and confidence in manager.

Table 30 Means and Test values for “Personnel”

	Item	Mean	Proportio nal mean (%)	Test value	P-value (Sig.)	Rank
1.	Efficient banks staff.	7.55	75.48	15.02	0.000*	2
2.	Efficient banks staff provides services without delaying the clients.	7.09	70.87	9.14	0.000*	5
3.	The bank staff are knowledgeable and provide services in a full perspective.	7.46	74.56	13.87	0.000*	3
4.	One stop service .(one employee provide all the services required)	7.16	71.58	10.3	0.000*	4
5.	Pleasant appearance of staff .	7.55	75.51	13.98	0.000*	1
6.	Confidence of bank manager .	6.76	67.57	5.74	0.000*	8
7.	Recommendation by friends , relatives and peers.	6.92	69.23	8.07	0.000*	7
8.	Responsiveness of bank staff in providing the service and handling problems.	6.94	69.37	8.13	0.000*	6
	All paragraphs of the field	7.18	71.76	12.98	0.000*	

* The mean is significantly different from 6

Sixth Hypothesis .

There is a statistical significant effect of “Reputation criteria ” on customer choice bank selection process at 0.05 level.

Table (31) shows the following results:

- The mean of paragraph #1 “The bank have a good reputation in the community” equals 7.23 (72.33%), Test-value = 9.73, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 6 . It can be concluded that the respondents agree to this paragraph.
- The mean of paragraph #6 “The bank provide free consultations to their customers” equals 5.67 (56.72%), Test-value = -2.27, and P-value = 0.012 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is negative, so the mean of this paragraph is significantly smaller than the hypothesized value 6 . It can be concluded that the respondents disagree to this paragraph.
- The mean of the field “Reputation” equals 6.34 (63.42%), Test-value = 3.02, and P-value=0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this field is significantly greater than the hypothesized value 6. It can be concluded that the respondents agree to field of “Bank Reputation ”.

Based on the answers of the participants, it can be stated that the respondents consider that “Bank Reputation ” as a main determinants of their bank selection process.

The respondent stated that “The bank have a good reputation in the community” criterion to be ranked the highest while select “The bank provide free consultations to their customers.” Criterion to be ranked the least important .

These result are consistent with the results of **Al-mossawi(2001)** in which the respondent select bank's reputation to be the main determinant of their bank selection process. Al-Ajmi et al. (2009) in his study found that: Islamic religious belief and social responsibility are the two most important factors that determine bank selection.

The results is inconsistent with the result of **Sayani and Miniaoui (2013)** in which the reputation did not come up as a significant factor for bank selection.

Table 31 Means and Test values for “Reputation”

	Item	Mean	Proportio nal mean (%)	Test value	P-value (Sig.)	Rank
1.	The bank have a good reputation in the community.	7.23	72.33	9.73	0.000*	1
2.	The bank aware of social responsibility and support the community.	6.64	66.43	4.96	0.000*	2
3.	The bank donate to the charities.	5.91	59.13	-0.64	0.26	5
4.	The bank handle customers complaints with transparency.	6.46	64.58	3.58	0.000*	3
5.	The bank support the customers in hard times.	6.13	61.35	0.92	0.178	4
6.	The bank provide free consultations to their customers.	5.67	56.72	-2.27	0.012*	6
	All paragraphs of the field	6.34	63.42	3.02	0.001*	

* The mean is significantly different from 6

In General :

Table (32) shows the mean of all paragraphs equals 6.71 (67.14%), Test-value =9.56, and P-value=0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of all paragraphs is significantly greater than the hypothesized value 6. It can be concluded that the respondents agree to all paragraphs.

Table 32 Means and Test values for all paragraphs

	Mean	Proportional mean (%)	Test value	P-value (Sig.)
All paragraphs	6.71	67.14	9.56	0.000*

*The mean is significantly different from 6

Seventh Hypothesis

There are statistical differences at 0.05 level in the mean of respondents on (Gender, Age, Education, Years of dealing with banks , Work place and City).

- There are statistical differences at 0.05 level in the mean of respondents on (Gender).

Table (33) shows that the p-value (Sig.) is greater than the level of significance 0.05 for each field, then there is insignificant difference among the respondents toward each field due to Gender. It can be concluded that the personal characteristics' Gender has no effect on each field.

Table 33 shows that for all of the criteria, females gave higher ratings than the males. Both males and females, in regard to the sequencing of the criteria, ranked all of them in the same order.

If we analyze the findings in terms of gender, similar results are found for the ranking importance of bank selection criteria factors for both sexes. Factors related to Bank services and personnel were the highest ranked factors, while the least important factors were Pricing and Approach.

The above results is consistent with Al-mossawi (2001) , Gerrard and Cunningham (2001), and Omar (2007)that there is no significant difference in the choice criteria between male and female customers thus different from this study. But this result contradict the reported findings of Aregbeyen (2011) in which significant gender differences in the factor selection /preferences were observed .

Table 33Independent Samples T-test test of the fields and their p-values for Gender

No.	Field	Means		Test Value	Sig.
		Male	Female		
1.	Bank Approach	5.92	6.19	-1.351	0.178
2.	Bank Convenience	6.99	7.19	-1.108	0.269
3.	Bank Pricing	5.62	5.86	-1.083	0.28
4.	Bank services	7.3	7.37	-0.414	0.679
5.	Bank Personnel	7.15	7.21	-0.329	0.742
6.	Bank Reputation	6.25	6.48	-0.994	0.321
	All fields together	6.64	6.82	-1.146	0.252

- **There are statistical differences at 0.05 level in the mean of respondents on (Age).**

Table (34) shows that the p-value (Sig.) is greater than the level of significance $\alpha = 0.05$ for each field, then there is insignificant difference among the respondents toward each field due to Age. It can be concluded that the personal characteristics' **Age** has no effect on each field.

Table 34 shows that 40 years old and more category gave higher rating to most of the factors except for Approach Criterion and Pricing Criterion otherwise the three categories gave the same rankings for all of the factors in which “bank Services Criterion ” was the highest ranking factor while “pricing” was the least ranking. As a result “AGE” has no effect on the selection process. But this result contradict the reported findings of Aregbeyen (2011) in which significant age differences in the factor selection /preferences were observed .

Table 34 ANOVA test of the fields and their p-values for Age

No.	Field	Means			Test Value	Sig.
		Less than 30	30 – Less than 40	40 yrs. and more		
1.	Bank Approach	5.89	6.2	6.01	1.007	0.366
2.	Bank Convenience	6.92	7.14	7.31	1.58	0.207
3.	Bank Pricing	5.69	5.78	5.68	0.074	0.929
4.	Bank services	7.19	7.4	7.5	0.941	0.391
5.	Bank Personnel	6.97	7.3	7.4	2.045	0.131
6.	Bank Reputation	6.29	6.29	6.57	0.491	0.612
	All fields together	6.58	6.8	6.86	1.332	0.265

- **There are statistical differences at 0.05 level in the mean of respondents on (Education).**

Table (35) shows that the p-value (Sig.) is greater than the level of significance $\alpha = 0.05$ for each field, then there is insignificant difference among the respondents toward each field due to Education. It can be concluded that the personal characteristics' **Education** has no effect on each field.

Table 35 ANOVA test of the fields and their p-values for Education

No.	Field	Means			Test Value	Sig.
		Diploma	Bachelor	Higher education		
1.	Bank Approach	5.98	6.06	5.98	0.075	0.927
2.	Bank Convenience	6.86	7.08	7.5	2.417	0.091
3.	Bank Pricing	5.48	5.79	5.89	0.921	0.399
4.	Bank services	7.03	7.37	7.75	2.836	0.06
5.	Bank Personnel	7	7.18	7.51	1.368	0.256
6.	Bank Reputation	6.08	6.4	6.6	1.135	0.323
	All fields together	6.51	6.74	7.01	2.071	0.127

Since most participants were well educated, it is safe to assume that they very well understand the reasons of choosing one bank over the other. Table 32 shows that the “Higher education category” gave the highest ranking for all the factors except for Approach criterion which is consist with the overall result of the study .

Also the result show that the level of education has no effect on the selection process and only the relevant factors used in the study like (Services , Pricing , Approach ...etc) can be a main determinants in the bank selection process.

This result is consistent with basheer (2013) in which the level of education had no effect on the selection process . But this result contradict the reported findings of Aregbeyen (2011) in which the educational disparity among the respondents played no significant role in the selection choice of the factors.

- **There are statistical differences at 0.05 level in the mean of respondents on (Years of dealing with banks).**

Table (36) shows that the p-value (Sig.) is greater than the level of significance $\alpha = 0.05$ for each field, then there is insignificant difference among the respondents toward each field due to Years of dealing with banks . It can be concluded that the **Years of dealing with banks** has no effect on each field.

Table 36 ANOVA test of the fields and their p-values for Years of dealing with banks

No.	Field	Means				Test Value	Sig.
		<2	2-5 yrs.	5-10 yrs.	>10		
1.	Bank Approach	6.35	5.79	6.03	6.11	1.492	0.216
2.	Bank Convenience	6.86	7.14	6.96	7.21	0.778	0.507
3.	Bank Pricing	5.53	5.78	5.65	5.82	0.319	0.812
4.	Bank services	7.26	7.3	7.2	7.49	0.431	0.731
5.	Bank Personnel	7.03	7.28	6.96	7.28	0.775	0.508
6.	Bank Reputation	6.09	6.43	6.2	6.5	0.666	0.573
	All fields together	6.63	6.72	6.6	6.84	0.487	0.691

Table 36 shows that the employees with 10 years or more category gave the highest ranking than the other categories but again it's consistent the overall result of the study hence has no effect on the selection process.

- **There are statistical differences at 0.05 level in the mean of respondents on (Work place).**

Table (37) shows that the p-value (Sig.) is smaller than the level of significance $\alpha = 0.05$ for the fields "Pricing and Reputation", then there is significant difference among the respondents regarding to these fields due to Work place. It can be concluded that the respondents' Work place has significant effect on this fields.

Table (37) shows that the p-value (Sig.) is smaller than the level of significance $\alpha = 0.05$ for the other fields, then there is insignificant difference among the respondents regarding to these fields due to Work place. It can be concluded that the respondents' Work place has no effect on this fields.

These result indicated the private sector consider both Pricing and Reputation are more significant than the public sector.

Based on the answers of the participants, it can be stated that the respondents consider work place " has significant effect on the selection process.

Table 37Independent Samples T-test test of the fields and their p-values for Work place

No.	Field	Means		Test Value	Sig.
		Public sector	Private sector		
1.	Bank Approach	6.05	6.01	0.199	0.842
2.	Bank Convenience	6.97	7.17	-1.167	0.244
3.	Bank Pricing	5.43	6	-2.585	0.010*
4.	Bank services	7.17	7.49	-1.717	0.087
5.	Bank Personnel	7.04	7.31	-1.464	0.144
6.	Bank Reputation	5.91	6.78	-3.94	0.000*
	All fields together	6.56	6.87	-2.11	0.036*

* The mean difference is significant a 0.05 level

- **There are statistical differences at 0.05 level in the mean of respondents on (City).**

Table (38) shows that the p-value (Sig.) is smaller than the level of significance $\alpha = 0.05$ for the field “Reputation”, then there is significant difference among the respondents regarding to these field due to City. It can be concluded that the respondents’ City has significant effect on this field.

Table (38) shows that the p-value (Sig.) is greater than the level of significance $\alpha = 0.05$ for the other fields, then there is insignificant difference among the respondents regarding to these fields due to City. It can be concluded that the respondents’ City has no effect on this fields.

The results show that the City has no effect on the selection process and only the relevant factors used in the study like (Services, Pricing, Approach., etc) can be a main determinants in the bank selection process however the respondents who live in Gaza City Governorate gave higher rating on average to all the factors but still consistent with the overall results of the study.

This result is consistent with Basher (2013) in which city had no effect on the selection process. But this result contradict the reported findings of Aregbeyen (2011) in which no major/ significant location differences in the factors selection were observed.

Table 38 ANOVA test of the fields and their p-values for City

N o.	Field	Means				Test Value	Sig.
		Northern Governorate	Gaza City Governorate	Central Governorate	Southern Governorate		
1.	Bank Approach	5.99	6.08	6.07	5.62	0.493	0.688
2.	Bank Convenience	7.16	7.1	6.92	6.86	0.332	0.802
3	Bank Pricing	5.9	5.82	5.32	5.04	1.653	0.177
4	Bank services	7.21	7.4	7.12	7.12	0.497	0.684
5.	Bank Personnel	7.08	7.2	7.16	7.15	0.074	0.974
6.	Bank Reputation	5.72	6.56	5.72	6.31	3.356	0.019*
	All fields together	6.63	6.78	6.53	6.48	0.71	0.546

* The mean difference is significant a 0.05 level

Chapter 6

Conclusion and Recommendations

Introduction

This chapter reviews the conclusions of the findings that have been obtained, where it presents the results of the analyses and the classification of the major factors that affect the bank selection process in Palestine for both Public and Private sector employees.

The Researchers generate information by analyzing data after it has been collected. For the purposes of this study a quantitative approach was used with a structured questionnaire being distributed to the. The validity and reliability of the questionnaire were established as discussed in Chapter 4. A random sample was selected and a total of 382 responses were received. A statistical package, SPSS 22, was used to analyze the data derived from the questionnaires.

Conclusion

The objectives of this study is to generate a pool of factors that are important for bank selection process and to determine the factors that are most important to the Palestinian customers. Demographic factors such as gender, age, the level of education, number of years in dealing with banks and workplace and city have been used to explain respondents' selection process.

In this study, 46 criteria are included which are included under six major variables (Approach, convenience, Pricing, service, personnel and reputation). Data has been collected from 382 respondents working in either public sector and private sector. In light of the findings that were presented in the previous chapter, the most notable conclusions were:

1. Personal characteristics :

- There is no major differences between personal characteristics (Gender, Age, Years of dealing with banks and City) attributes and the choice of bank but regarding Gender attribute the females ranking were slightly higher than the males.
- There is significant difference between the "Work place" and customers' choice among the respondents regarding the fields "Pricing and Reputation" in which the private sector employees consider them of more significant than the public sector employees.

2. Bank Approach .

The researcher assumed that **There is no statistical significant effect of "Bank Approach criteria" on customer choice bank selection process**. The results proved that there is no a statistical relation between "Bank Approach" and bank selection for both Islamic Banks and conventional Banks, and the data compiled from respondents through the questionnaire revealed that:

- “Bank Approach” is selected to be the fifth important determinant.
- Around 66% of the respondent rank “**Being a Muslim**” criterion the highest while considering Islamic banking , while ranking “ Profit/Loss sharing System” to be the least important criteria.
- The respondent are not interested in opening Accounts in “Conventional banks” as they see that cash loans , Fixed interest rate and overdraft withdrawals as not important criteria when considering their bank selection process.

3. Bank convenience

The researcher assumed that **There is statistical significant effect of “Bank Convenience criteria ” on customer choice bank selection process”**. The results proved that there is a statistical relation between “Bank Convenience” and bank selection, and the data compiled from respondents through the questionnaire revealed that:

- “Convenience criterion” is selected to be the third important determinant.
- Geographical distribution of the bank branches, the convenient location of the branches , number of the branches and Convenient Place of ATM machines” are the highest ranked factors .
- The bank space and layout , working hours and a availability of parking spaces are the least important factors to consider in their process.

4. Bank Pricing .

The researcher assumed that **There is no statistical significant effect of “Pricing criterion ” on customer choice bank selection process”**. The results proved that there is no a statistical relation between “Pricing” and bank selection, and the data compiled from respondents through the questionnaire revealed that:

- “Pricing criterion” is selected to be the last important determinant.
- Paying high interest rates and profits rates on deposits and investment are considered important but not a main determinants in their selection process.
- Banks charges of low interest and fees on their services is considered significant but was ranked the least important in the respondent selection process

5. Bank Services.

The researcher assumed that **There is a statistical significant effect of “service criterion” on customer choice bank selection process”**. The results proved that there is a statistical relation between “services” and bank selection, and the data compiled from respondents through the questionnaire revealed that:

- “Service criterion” is selected to be the most important determinant.
- “Confidentiality, security of fund, ATM Cards, Credits Cards and E-banking services” the most important criteria.

- Providing new services on a regular basis and money transfer and money exchange to other foreign currencies is considered significant but was ranked the least important in the respondent selection process.

6. Bank Personnel .

The researcher assumed that **There is a statistical significant effect of “personnel criterion” on customer choice bank selection process**. The results proved that there is a statistical relation between “personnel” and bank selection, and the data compiled from respondents through the questionnaire revealed that:

- “personnel criterion” is selected to be the second most important determinant.
- “Efficient and Knowledgeable Staff and Pleasant staffs appearance” criteria is the highest ranking factors.
- Confidence in bank manager and recommendation by a third parties were ranked the least important factors.

7. Bank Reputation .

The researcher assumed that **There is a statistical significant effect of “Reputation criterion “ on customer choice bank selection process”** . The results proved that there is a statistical relation between “Reputation” and bank selection, and the data compiled from respondents through the questionnaire revealed that:

- “Reputation criterion” is selected to be the fourth most important determinant.
- Bank reputation was ranked fourth as a determinants for their bank selection.
- Good reputation and active social responsibility factors is the highest ranking factors.
- Offering free consultation was the least important factor.

Recommendation :

In light of the above mentioned results, the following recommendations are formulated:

1. Bank Approach Recommendations :
 1. Both Islamic and conventional Banks should consider introducing saving and investing opportunities designed especially for employees to promote savings accounts among them.
 2. Islamic banks should increase the public awareness about the Islamic banking financial services and instruments .
 3. Islamic banks should make marketing campaign to attract customers.
2. Bank Convenience Recommendations:
 1. Banks should keep on implementing expansion plans and increase their branches and to operate in every city.
3. Bank Service Recommendations:
 1. Reinforce the result of this study by continuously improve the services offered by the bank.
 2. There is also the need for the bank to constantly survey and contact with their customers and determine their needs so as to satisfy them better.
4. Bank Personnel Recommendations:
 1. Banks Human resources management should continuously held training courses to improve their employees skills and train them to better
 2. Banks should
5. Bank Pricing Recommendations:
 1. Conventional banks should reconsider the pricing strategy they adopt in order to make it appealing by the customer and become a main determinant while considering another alternatives.
6. Bank Reputations Recommendations ;
 1. Work on improving the reputation of the bank as banking results showed a slight relationship between the customer's choice of the Bank and bank reputation.
 2. Banks should increase their social responsibility activities in the community.
7. General Recommendations:
 1. Working banks operating in Gaza strip should consider the findings of this study while preparing their marketing strategies and to capitalize on the factors that customers consider important and reinforce their effort to improve other areas of weaknesses.
 2. This study examined one type of customers, that is, the employees. Although this segment of the market is important to study, other segments who may have different selection processes, should not be ignored
 3. Bank management should be aware that some of the bank selection determinants vary within one segment based on the personnel characteristics, so intense analysis should be made in order to meet all the needs of the segment.

Limitations

1. There are changes continuously in the banking sector thus we cannot predict if other elements in bank selection criteria exist at this time.
2. Limited time measurement for data collection and questionnaire survey.
3. The potential of the inaccurate data collection exists.
4. The sample size used in this study is limited its results contribute to the body of knowledge but cannot be generalized.
5. The sample used in this research is limited to one segment of all the bank customers that is (Employees).
6. There was no local studies to compare the results only Arabic and foreign studies .

For future studies, we hope these limitations would encourage future studies on the topic.

Suggested Future Researches :

1. Customer's criteria for selecting an Islamic bank.
2. An analysis of customers knowledge and awareness of Islamic Financial Services in Islamic bank .
3. Study of Customer switching behavior in the Palestinian banking industry.
4. E-banking and it's affect on customer satisfaction.
5. Bank selection criteria for business companies .

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Appendices

Appendix 1 – Questionnaire judgment committee

Dr. Fares Abu Moammer	Islamic University of Gaza
Dr. Alaa El Rafati	Islamic University of Gaza
Dr. Salem Hilles	Islamic University of Gaza
Dr. Wasseem El-Habeel	Islamic University of Gaza
Dr. Samy Abu Rous	Islamic University of Gaza
Dr. Yaser El Shorafa	Islamic University of Gaza
Dr. Samir Safi	Islamic University of Gaza
Mr. Hazem El Hosary	National Islamic Bank

Appendix 2 – Questionnaire (Arabic Version)



الجامعة الإسلامية - غزة

عمادة الدراسات العليا

كلية التجارة

قسم إدارة الأعمال

بسم الله الرحمن الرحيم

الأخت/ ت الفاضل/ ة

السلام عليكم ورحمة الله وبركاته

الموضوع/ تعبئة استبانة

يقوم الباحث بإعداد دراسة ميدانية بعنوان "العوامل المؤثرة في اختيار المتعاملين للبنوك - دراسة تطبيقية للبنوك العاملة في فلسطين" بهدف التعرف على هذه العوامل لاستخدامها في تطوير أداء البنك و لاستغلالها في جذب العملاء والحفاظ عليهم، وتقدم هذه الدراسة بغرض نيل درجة الماجستير في إدارة الأعمال من الجامعة الإسلامية بغزة.

لذا أمل من سيادتكم التفضل بتعبئة الاستبانة التالية بموضوعية وحيادية، شاكراً لكم جهودكم في دعم البحث العلمي، علماً بأن المعلومات المقدمة من طرفكم ستستخدم لأغراض البحث العلمي فقط.

شاكراً لكم حسن تعاونكم

الباحث/

المجموعة الأولى: البيانات الفردية

الرجاء اختيار البديل المناسب لكل من الفقرات التالية:

1. الجنس

ذكر <input type="checkbox"/>	أنثى <input type="checkbox"/>
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2. العمر :

أقل من 30 سنة <input type="checkbox"/>	من 30 إلى 40 سنة <input type="checkbox"/>	أكثر من 40 سنة <input type="checkbox"/>
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3. المؤهل العلمي:

ثانوية عامة فأقل <input type="checkbox"/>	بكالوريوس <input type="checkbox"/>	أعلى <input type="checkbox"/>
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4. عدد سنوات التعامل مع البنوك.

أقل من سنة <input type="checkbox"/>	من 2 - 5 <input type="checkbox"/>	أكثر من 10 <input type="checkbox"/>
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5. الحالة

موظف (قطاع حكومي أو خاص) <input type="checkbox"/>	شركة <input type="checkbox"/>	مستثمر (مدخر) <input type="checkbox"/>
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المجموعة الثانية: العوامل التي تؤثر على اختيار البنك

1. نوع البنك : يقصد بها البنوك الإسلامية أو البنوك التقليدية و يعتمد اختيار البنك على :

م	العنصر	1	2	3	4	5
1	التعامل مع البنوك الإسلامية لتطبيقها مبادئ الشريعة.					
2	التعامل مع البنوك الإسلامية لعدم تعاملها بنظام الفوائد.					
3	اتعامل مع البنوك الإسلامية لتطبيقها مبدأ المشاركة في الربح و الخسارة.					
4	اتعامل مع البنوك الإسلامية لأنني مسلم.					
5	اتعامل مع البنوك الإسلامية لوجود هيئة رقابة شرعية تراقب جميع العمليات البنكية و مسئولية عن الفتاوي.					
6	اتعامل مع البنوك الإسلامية لتنوع برامج التمويل (مراجعة ، مشاركة ، مضاربة ... الخ).					

2. ملائمة البنك : يقصد به سهولة الوصول للبنك و الحصول على الخدمة و يعتمد اختيار البنك على :

1	سهولة الوصول للبنك (مكان البنك قريب من مكان العمل او السكن)				
2	الانتشار الجغرافي للبنك و كثرة عدد الفروع				
3	وجود صرافات آليه				
4	وفرة موظفي البنك وعدم الانتظار طويلا للحصول على الخدمات				

3. التسعير : و يقصد بها نظر العملاء بالنسبة لقيمة العمولات و الفوائد و الارباح حيث يعتمد اختيار البنك على :

1	انخفاض قيمة الفوائد / الأرباح في حالة التمويلات				
2	ارتفاع نسبة العائد او الارباح على حساب التوفير / الاستثمار				
3	محدودية العمولات البنكية				

4. الخدمات البنكية : يقصد بها وجهة نظر المتعاملين في الخدمات التي يقدمها البنك و يعتمد اختيار البنك على :

1	تنوع الخدمات البنكية و استمرارية تقديم خدمات جديدة				
2	توفير خدمات البنك الالكتروني (موقع الكتروني ، رسائل نصية ... الخ)				
3	سهولة تقديم الخدمات البنكية من فتح حساب او الحصول على التمويل				
4	توفير بطاقات السحب الالكتروني (Credit Cards and Debt cards)				
5	سهولة القيام بالحوالات المالية و توافر العملات الأجنبية				

5. سمعه البنك و أداء الموظفين : يقصه بها نظرة العملاء لصورة و سمعه البنك و كفاءة الموظفين العاملين في البنك حيث يعتمد اختيار البنك على :

1	سمعه البنك في المجتمع و الحفاظ على سرية العملاء.				
2	المسؤولية الاجتماعية للبنك و دعم المجتمع و البيئة المحيطة.				
3	كفاءة الموظفين و سرعة تقديم الخدمات.				
4	المام الموظفين بمهامهم و تقديم الخدمة على اتم صورة وعدم تحويل العملاء على الموظفين الآخرين.				
5	المظهر الحسن للموظفين و التبسم في وجه العملاء.				

					سهولة الوصول لمدير الفرع.	6
					ترشيح البنك من قبل الزملاء أو الأقارب أو رؤساء العمل.	7

Appendix 3 – Questionnaire (English Version)

Group 1 – Demographic Data

Please select one of the following alternatives

1. Gender

Male

Female

2. Age

Less than 30

30 – less
than 40

More than
40

3. Years of dealing with banks

Less than 5

2 –5

5 –10

More than 10

4. Education

Diploma

Bachelor

Higher
education

5. work place

Public sector

Private
sector

6. City :

1. Northern Governorate (Jabalia – Bait Lahia – Bait Hanoon)
2. Gaza City Governorate.
3. Central Governorate (Al Buraj , AL Nussairat , Al Maghazy , Der El Balah)
4. Southern Governorate (Khanyounis , Rafah)

Group 2: The Determinants that affect the bank selection :

Please rate the determinants that affect the bank selection. The evaluation ranges from (1) to (10) taking into consideration that level (10) indicates the highest level of effectiveness.

1. **Bank Approach** : Refers to the type of banks **Islamic** or **Conventional** that customers prefer to conduct with and why this affect the selection process.

- **Islamic Banks.**

No	Item	10 – 1
1	The employees Select Islamic banks because of applying Islamic Principles.	
2	The employees Select Islamic banks because of applying profit / loss sharing principle in their time deposits accounts and saving accounts.	
3	Being Muslim The employees Select Islamic banks because of	
4	The employees Select Islamic banks because of the Shariaa control bank board that monitor all of the operations conducted by the bank.	
5	The employees Select Islamic banks because of Varity of the Islamic financing alternatives.	

• **Conventional Banks.**

6	The employees Select traditional banks because of offering loans (Cash)	
7	The employees Select traditional banks because of Over Draft option in exchange of commission .	
8	The employees Select traditional banks because of the fixed interest rate paid over time deposits accounts and saving accounts.	

2. **Bank Convenience** : Refers to the accessibility and easiness of obtaining the services.

1	The employees select banks that operates in convenient places that are easy to reach (the bank branches are close to work place or home).	
2	The employees select banks that operates in every city.	
3	Availability of several branches .	
4	The employees select banks that are spacious and have waiting halls .	
5	The employees select banks that attractive internal and external layout and decoration.	
6	banks that provide 24/7 ATM service.	
7	banks that provide ATM service in convenient places.	
8	Adequate number of personnel in each department.	
9	Increasing the working hours	
10	Availability of parking spaces outside the bank.	

3. **Bank Pricing** : Refers to the customers' perception of the cost and commission fees charges , interest rate on loans , rates on savings (Profit/loss in Islamic Banking).and how it affects the selection process :

1	Bank that charges low interest rate / profit on loans / Islamic financing.	
2	Bank that pay high interest rate / profit on deposits / investments accounts.	
3	Bank that charges low commission on other services.	
4	Bank that provide their distinguish clients services with low charges .	
5	Bank that provide free services.	

4. **Bank services** : Refers to the clients perspective of the services provides by the banks and how it affects the selection process :

1	The bank provides variety of services .	
2	The bank provides new services on a regular basis.	
3	The bank provides E-banking services (Website , SMS ...etc)	
4	Ease of opening accounts and obtaining loans .	
5	Providing ATM cards , Credit Cards and Debt cards.	
6	Ease of making money transfer and foreign money exchange.	
7	Clients confidentiality regarding personal information.	
8	Safety of funds and anti-theft security measures.	
9	Providing brochures stating all the services provided.	

5. **Bank Personnel** : Refers to the clients perception of the banks staff and manager and how this affect the selection process:

1	Efficient banks staff.	
2	Efficient banks staff provides services without delaying the clients.	
3	The bank staff are knowledgeable and provide services in a full perspective.	
4	One stop service .(one employee provide all the services required)	
5	Pleasant appearance of staff .	
6	Confidence of bank manager .	
7	Recommendation by friends , relatives and peers.	
8	Responsiveness of bank staff in providing the service and handling problems.	

6. **Bank Reputation** : Refers to the customers perspective of the banks image , reputation and social responsibility in the community

1	The bank have a good reputation in the community.	
2	The bank aware of social responsibility and support the community.	
3	The bank donate to the charities.	
4	The bank handle customers complaints with transparency.	
5	The bank support the customers in hard times.	
6	The bank provide free consultations to their customers.	