

# **Service quality and customers satisfaction in Pakistani Islamic banks**



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**Abstract:**

Banking sector in Pakistan is facing many challenges and also growing rapidly especially the Islamic banking. During the last decade the Islamic banking industry is flourishing even the commercial banks are compelled to face the challenge and capturing the market share by offering the Islamic services windows along with the conventional banking services in Pakistan. But it is to be determine that , are these banks offer Islamic banks services, however if they offer such types of services then how is sharia compliance and service quality is followed by these banks in order to satisfy their customers. Pakistan is Muslim based country and has a particular banking environment so, by keeping in view this situation a model is developed named SQPIB (Service Quality in Pakistani Islamic banks). Using the questionnaire technique a questionnaire is developed by modified SERVQUAL model for measuring service quality in Pakistani Islamic banks. The resulting instrument is intended to help the managers of Islamic banks based in Pakistan to measure their service quality and focus their attention on the service quality dimensions, promotion strategy for the awareness of the Islamic bank services that matter most too current and potential customers. By using the SQPIB tool the questionnaire is distributed to the 214 customers of both Islamic banks and no Islamic banks.

This service quality tool measures the service quality as perceived by people. The instrument includes thirty-two items and by using factor analysis, which are grouped into five dimensions named as: responsiveness, accessibility, and bank image, credibility and Islamic tangibles. The contribution of this study is the proposed service quality tool for the Pakistani Islamic banks SQPIB. SERVQUAL cannot be the universal quality tool due to difference in business environment and its validity across borders and the scale construct as items can beaffected by different contexts. SQPIB is developed for the Pakistani Islamic banks to the researcher's knowledge, very few service quality models have been developed for the Islamic banking industry in Pakistan

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