

## The Level of Service Quality Dimensions of the Banking System in Jeddah, Saudi Arabia

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### *Abstract*

*This study aimed to measure the level of service quality of banks from the prospective of their clients in Saudi Arabia with the application to the city of Jeddah. Data were collected and analyzed from 167 respondents who worked in a variety of jobs in the city and patronized with different banks. The study covered five areas of the banking system, each of which included two quality dimensions. Those areas were; employees of the bank (courtesy and responsiveness), branches of the bank (accessibility and tangibility), financial services (knowledge and competence), electronic services (communication and assurance) and confidentiality of data and satisfaction with services (credibility and reliability). The study revealed that respondents thought that banks had in general well-trained and highly professional employees. The service quality of the branches conduct such as waiting time, duration of the completion of services and number of employees were found not to be of high manner. In addition, the quality of the third item showed that respondents were not highly satisfied with the financial services such as financial solutions and Sharia compatible products. On the other hand, banks appeared to have very sophisticated electronic venues that covered a wide variety of services. The study showed that satisfaction with the banks was high among respondents and their loyalty was high as well. In addition, the study showed that female clients, youths under the age of 25 years old, high income people and the highly educated clients were found to be more positive about banks' service quality.*

**Key Words:** *Quality, Assessment, Services, Dimensions, Clients, Banks, Jeddah, Saudi Arabia.*

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### **Introduction**

During the past two decades, many regulatory, structural, and technological factors contributed to significant changes in the financial services around the world. The outcome of such changes was a competitive industry which has been challenged to please sophisticated clients who are experienced, and have elevated expectations and choices. In competing for bank clients, bank managers have been searching for competitive advantages that would differentiate their institutions from other. In the changing banking scenario of 21<sup>st</sup> century, the banks had to have a vital identity to provide excellent services. Banks nowadays have to be of world-class standard, committed to excellence in customers' satisfaction, and to

play a major role in the growing and diversifying financial sector. There have been remarkable changes in the way of banking in the last few years. Clients have also accurately demanded globally quality services from banks. Therefore, banks have recognized the need to meet customers' aspirations. Consequently service quality is a critical motivating force to drive the bank up in the high technology ladder.

The soundness of banking sector is of a dominant importance because it is a component of the Saudi financial sector, and as efficiency in the utilization of the savings of the depositors and the banking sector resources is essential to improve the growth rate of the existent sectors of the economy. The purpose of banking operations supposed to progress the quality of life for the overall society not just the maximization of shareholders' wealth. In so doing, service quality has been and remains at the forefront of bank management's attention, as well as a focus on the services marketing literature. The general notion has been that the service quality is closely related to customer satisfaction and bank performance. The widely accepted belief is that the delivery of high service quality is a must for attaining customer satisfaction, and a precondition for a number of desirable behavioral outcomes that lead to high performance in commercial banking.

This current research aims to evaluate the service quality of the banking system in Saudi Arabia according to the opinion of clients who patronize with those banks. The first objective of this study is to determine the demographic characteristics of respondents; gender, age, income and education level. The second objective is to investigate the opinion of respondents regarding the level of five quality services of banks under study; employees of the bank (courtesy and responsiveness), branches of the bank (accessibility and tangibility), financial services (knowledge and competence), electronic services (communication and assurance) and confidentiality of data and satisfaction with services (credibility and reliability). The third objective is to calculate if there are differences between the clients of the Saudi banks in assessing the quality of the banks services according to their gender, monthly income age or the education level.

### **Research Hypotheses (Null Hypotheses)**

The study relied on two hypotheses which aimed primarily to investigate the quality of banking services provided by the commercial banks as observed by their clients.

*H1: The Level of service quality of Saudi banks in Jeddah, Saudi Arabia is very poor from their clients' opinion.*

*H2: There are no significant differences between the clients of the Saudi banks in assessing the quality of the banks services according to their gender, monthly income, age, or education level.*

### **Literature Review**

#### **Service Quality**

Service quality can be defined as meeting the needs and expectations of the customers (Smith, 1998; Czepiel, 1990; Munusamy et al., 2010). It is also defined as the degree of discrepancy between customers' normative expectations for service and their perceptions of service performance (Parasuraman et al., 1985). Eshghi et al. (2008) defined service quality as the overall assessment of a service by the customers, while others assumed service to be of good quality when it consistently conforms to customer expectations (Asubonteng et al., 2006; Wisniewski and Donnelly, 1996). In addition, Parasuraman et al. (1985) stated ten quality dimensions for measuring service quality; competence, courtesy, credibility, security, access, reliability and responsiveness, understanding and tangible.

Nevertheless, Parasuraman et al. (1988) shortened the dimensions of quality into five factors; reliability, responsiveness, assurance, empathy and tangibles. Those five factors represent the base for SERVQUAL model of measuring service quality in organization. On the other hand, Cronin and Taylor (1992) present SERVPERF model to measure service quality in four industries; banks, pest control, dry cleaning and fast food. SERVPERF includes five quality dimensions; reliability, assurance, tangibility, empathy and responsiveness. Bahia and Nantel (2000) conducted a study on the banking services quality and found that six dimensions to be important in customer relations; assurance, service accessibility, price, tangibility, reliability, and dependability.

Jabnoun and Al-Tamimi (2003) conducted a study on some banks in the UAE and they found three dimensions to be of importance; personal interaction, tangibility, and empathy. In a study of the Ethiopian bank services using SERPERF scale, Shanka (2012) found that offering quality services have positive impact on overall customer satisfaction. This study showed that empathy and responsiveness play the most significant role in customer satisfaction followed by tangibility, assurance and finally bank reliability. In a study of SERVQUAL model in the banking sector in Hong Kong, Cheung et al. (2013) found that the five SERVQUAL dimensions have a positive influence on customer satisfaction; tangibility, responsibility, reliability and assurance were more significant in contributing to customer satisfaction, while empathy was the least significant.

### **The Saudi Banking Sector**

In 1952, Saudi government established Saudi Arabian Monetary Agency (SAMA) to perform the role of the central bank and to accommodate the significant increases in government revenues and expenditures which led to an urgent need for financial services in the country. SAMA was established to govern the monetary issues and to organize the work of banks and other financial institutions in the country giving it the primary responsibility for monetary stability in Saudi Arabia (SAMA, 2013). Before SAMA was established, branches of a few foreign banks, along with some local money exchangers, provided some simple financial services to the trading community and pilgrims. The banking system has been organized according to banks control system issued by Royal Decree in 1966. However, several amendments and revisions have been incurred to the system since then. According to the law, the Council of Ministers has the power to legalize the establishment of commercial banks or licensing the foreign branches of the international banks.

Currently 24 banks are operating in Saudi Arabia, including 12 national banks, where the size of bank assets and capital account at the end of 2014 has reached approximately two trillion Saudi Riyals (\$1= 3.75 Saudi Riyals). The Saudi banking sector is becoming increasingly competitive and consolidated, which means that local banks are facing shareholder pressure to focus on value rather than revenue growth. The ease and convenience offered by technologies such as mobile phones and the internet have helped Saudi financial institutions serve the domestic economy and their clients. Banks are now facing strong and intense competition (Albarq, 2014). Banks in Saudi Arabia are formulating various strategies to retain clients, the key to which is increasing service loyalty levels. Customer loyalty has a strong link to the firm's profitability and long-term growth (Almossawi, 2001). In the context of banking services, small increases in customer retention rates can increase profits dramatically (Mouawad and Kleiner, 1996). Therefore, Albarq (2013) contends that Saudi banks need a system to foster customer loyalty.

### **Previous Studies on Saudi Banking System**

Al-Mubareek (2002) conducted a study to investigate the views and attitudes towards clients' quality women's banking service in Saudi Arabia, using SERVPERF five dimensions scale. The search results have pointed to the positive impression about the overall quality of banking women to serve in the kingdom as

expressed by the participants in the study, which reflected that 97% of the sample satisfaction in terms of the five dimensions of SERVPERF scale. It has resulted in the presence of a positive correlation between the four dimensions of this scale of the overall quality of banking service level. The scale failed to show a statistically significant relationship to safety on the overall quality of banking service. Al-Mubareek (2002) recommended the need to use the methods of modern marketing trends in dealing with women clients and intensify studies, which means knowing the characteristics and trends of women in Saudi society. Another study performed by Albarq (2013) to investigate the impact of service quality underlying the SERVQUAL model on customer loyalty among local banks in Riyadh, Saudi Arabia. The findings indicate that improving service quality can help to enhance customer loyalty. Empathy, assurance, and reliability are the service quality dimensions that play significant roles in this equation. The study also finds that while the respondents evaluate the banks positively overall, there is still room for improvement. The third study is that of Almotairi et al. (2013) which studied the relationship between online banking services provided by different banks in Riyadh, Saudi Arabia namely; Al- Rajhi Bank, National Commercial Bank and Riyadh Bank.

The study used tangibles, reliability, responsiveness, and empathy the SERVQUAL model to be determinants of customer satisfaction, and covered university students in Riyadh. The study reveals that all the selected dimensions; tangibles, reliability, responsiveness and empathy are the significant determinants of overall satisfaction of the customer but with diverse significance levels. The study further reveals that tangibles and reliability are most influential dimensions to enhance customers' overall probability of satisfaction as compared to the rest of dimensions proposed in this study. In another study, Sabaei (2014) conducted a study that aimed at identifying the level of quality of Islamic banking services and investigating the importance of the various dimensions of the quality of banking services in Saudi Arabia. The study concluded that the overall level quality of services that Islamic banking offer is high. However, their relative importance varies from one dimension to another. The security, confidence and physical aspects are very high which is a good point. On the other hand, the application aspects do not get the same importance. These aspects include the customer's wishes, helping them to improve the services offered to them, and the personal attention of the customer.

## Research Methodology

The researchers used descriptive analytical method, which is known as the way in research dealing with the events, phenomena, and practices are available for study and measurement as it is without any intervention of its processes, but researchers can interact with to describe and analyzes. This approach considered to be the most appropriate to achieve the objectives of this study from point of views of research population. A questionnaire is designed for data collection based on review of previous literature, studies, interviews and discussions with experienced clients and employees. The questionnaire is divided into two parts. The first part covered the five questions about the demographic information while the second part investigates the quality of banking services. The study population was chosen randomly from employees of different sectors of activities in the city of Jeddah such as banks, petrochemical companies, investment firms, educational institutions, government agencies and telecommunication firms. For easy filling of questioner and for reaching to a maximum number of respondents; the researchers used electronic copies that were distributed through emails, websites and social communications tools. The researchers received 192 questionnaires where 167 were found usable for analysis.

The researchers used the five Likert scale to measure the agreement and disagreement of respondents towards the statements of the questionnaire. Representations of the means weighted according to the values are displayed in Table 1.

Table 1: Five-level Likert Representation

Weighted Means	Weight	Representation
1 to < 1.8	1	Strongly disagree
1.8 to < 2.60	2	Disagree
2.60 to < 3.40	3	Neutral
3.40 to < 4.20	4	Agree
4.20 to 5	5	Strongly Agree

The researchers used several statistics to analyze data such as descriptive statistics to describe the questions of this study. In addition, t-test was used to find the differences between respondents when there are two groups while using the analysis of variance (ANOVA) when there are more than two groups in this current research. Researchers also used the cursory differences between the means of the categories and the artificial means as well. The internal consistency was calculated for the questionnaire using the correlation coefficient between each item the questionnaire questions. Results are shown in Table 2.

Table 2: Internal Consistency

Quality Services	Person Correlation Coefficient	Sig.
Employees of the bank	0.974**	0.00
Branches of the bank	0.971**	0.00
The financial services provided by the bank	0.983**	0.00
The electronic services	0.984**	0.00
Confidentiality of data and satisfaction with services	0.994**	0.00

\*\* Correlation is significant at the level (0.01).

We find from Table 2 that all the correlation coefficients are high, positive and significant at the level of significance (0.01), which indicates high internal consistency between the items in the questionnaire. These results conclude that the five quality services in the questionnaire are related to each other's and that respondents have a clear understanding that factors of the study went as a one subject. For the purpose of examining that data entered into the system for analysis are reliable, researchers used Cronbach's Alpha test shown in Table 3.

Table 3: Reliability Test of Data

Quality Services	Quality Dimensions	Cronbach's Alpha
Employees of the bank	Courtesy and responsiveness	0.813
Branches of the bank	Accessibility and tangibility	0.790
The financial services provided by the bank	Knowledge and competence	0.948
The electronic services	Communication and assurance	0.809
Confidentiality of data and satisfaction with services	Credibility and reliability	0.752
The entire questionnaire		0.955

Table 3 depicts the results of reliability test by using Cronbach's Alpha method where it shows that all the coefficients for each factor are close to one. Also, the value of coefficient of the entire questionnaire was 0.955 which is also high. Therefore we may conclude that data entered for analysis are reliable and can be trustworthy for generalization.



## Data Analysis

Table 4: Frequency Distribution of the Respondents according to Gender, Age, Monthly Income and Educational Level

<b>Gender</b>	<b>Frequency</b>	<b>Percent (%)</b>
Male	103	61.7
Female	64	38.3
<b>Total</b>	<b>167</b>	<b>100.0</b>
<b>Age Groups</b>	<b>Frequency</b>	<b>Percent (%)</b>
Less than 25 years	2	1.2
From 25 to 35 years	82	49.1
From 36 to 45 years	42	25.1
More than 45 years	41	24.6
<b>Total</b>	<b>167</b>	<b>100.0</b>
<b>Monthly Income - Saudi Riyals (SR)</b>	<b>Frequency</b>	<b>Percent (%)</b>
Less than SR 15000	89	53.3
From SR 16000 to 25000	55	32.9
From SR 26000 to 35000	12	7.2
More than SR 35000	11	6.6
<b>Total</b>	<b>167</b>	<b>100.0</b>
<b>Education Level</b>	<b>Frequency</b>	<b>Percent (%)</b>
Secondary	18	10.8
Diploma	14	8.4
University	78	46.7
High Studies	57	34.1
<b>Total</b>	<b>167</b>	<b>100.0</b>

1 \$US = 3.75 SR

Table 4 shows that male respondents represent almost two thirds of the sample, however, this distribution does not signify any tendency. It is most likely the exposure to the questionnaire and the accessibility the researchers have to respondents. Nevertheless, the employed number of males in Saudi Arabia is greater than that of the females in the country. Moreover, the youth (between the ages of 25 to 35 years) represents almost half of the sample where older ages represent the remaining half of respondents. In general, this might be the case of the distribution of the population in the country where younger generations represent the majority of the population in the country. Table 4 also shows that more than 50% of respondents earn less than SR 15000 a month where one third earns more than this amount and less than SR 25000 a month. Finally, the vast majority of the sample acquires either a bachelor degree or higher degrees which may give their answers more credibility and reliability as being mature people.

### Service Quality 1: Employee of the Bank (Courtesy and Responsiveness)

The first item that is investigated in this current study is the service provided by the banks' employees. This service is named "courtesy and responsiveness" based on services quality dimensions presented in many literatures. Results are depicted in Table 5.

Table 5 shows the mean and standard deviation of each statement of the first item (employees of the bank). We notice that through the average mean of the whole item (3.68) lies in the range (3.40 – < 4.20) – according to five-Likert scale, which indicate that the respondents agree to the statements of the first service quality which may indicate a well-trained and highly professional employees. The understanding of

the bank employees to the needs of clients ranked one which is very necessary in the highly competitive private banking system of Saudi Arabia.

Table 5: The Level of Service Quality of Employees Performance (Courtesy and Responsiveness)

Statements	Mean	Std. Dev.	Representation	Rank
Understands my specific service demand	3.82	0.87	Agree	1
Acquainted with the information that concerns the providing services	3.73	0.80	Agree	2
Responds to my requests promptly	3.58	0.95	Agree	3
Provides service very well	3.57	0.94	Agree	4
<b>Average</b>	3.68		Agree	

### Service Quality 2: Branches of the Bank (Accessibility and Tangibility)

The second item investigated in the study is the branches internal conduct which is named here in this current study as being “accessibility and tangibility”. Results of the respondents are shown in Table 6.

Table 6: The Level of Service Quality of Branches’ Conduct (Accessibility and Tangibility)

Statements	Mean	Std. Dev.	Representation	Rank
The access to the bank branch is easy	4.00	0.96	Agree	1
The performance time for providing service is convenient	3.00	1.12	Neutral	2
The employees’ numbers are suitable enough to provide service to the clients	2.66	1.13	Neutral	3
The waiting time for providing service is suitable and convenient	2.65	1.11	Neutral	4
<b>Average</b>	3.08		Neutral	

Table 6 above shows the mean and standard deviation of each statement of the second item (branches of the bank). We notice that through the average mean of the whole item (3.08) lies in the range (2.60 – < 3.40) – according to five-Likert scale, which indicates that the respondents are neutral to the statements related to the branches conduct of the banks under study. With the exception of the first item in the table regarding the accessibility, branches internal services such as waiting time, duration of the completion of services and number of employees are not performing well.

### Service Quality 3: The Financial Services (Knowledge and Competence)

The third item investigated in the study is the financial services provided to the clients of the banks covered under this study. These services are given the name “knowledge and competence). Results are shown in Table 7.

Table 7: The Level of Service Quality of the Financial Services (Knowledge and Competence)

Statements	Mean	Std. Dev.	Representation	Rank
The bank provides all the financial services that I need	3.78	0.95	Agree	1
The bank provides financial products that compatible with Islamic and Sharia laws	3.22	1.05	Neutral	2
The bank provides excellent financial solutions that suitable for the client needs	3.11	1.04	Neutral	3
<b>Average</b>	3.37		Neutral	

Table 7 above shows the mean and standard deviation of each statement of the third item (the financial services rendered by the bank). We notice that through the average mean of the whole item (3.37) lies in the range (2.60 - < 3.40) – according to five-Likert scale, which indicates that the respondents are neutral to the statements of the third item – in general. This may conclude that clients of the Saudi banks under study are not highly satisfied with the financial services of such banks. The neutral ranking is equal to a reasonable conduct but not high.

**Service Quality 4: The Electronic Services (Communication and Assurance)**

The fourth item investigated in the study is the electronic services provided by the banks under study such as using the online services, telephone services and the Automated Teller Machines (ATM). This group of services is named here in this research as being “communication and assurance”. Results are shown in Table 8.

Table 8: The Level of Service Quality of the Electronic Services (Communication and Assurance)

Statements	Mean	Std. Dev.	Representation	Rank
I can perform all the bank services that I need online (electronic site)	3.70	1.11	Agree	1
I can perform all bank services that I need through the bank telephone	3.61	1.09	Agree	2
I can perform all the bank services that I need from the bank through the ATM's	3.60	0.95	Agree	3
<b>Average</b>	3.64		Agree	

Table 8 shows the mean and standard deviation of each statement of the fourth item investigated in this study (the electronic services). We notice that through the average mean of the whole item (3.64) lies in the range (3.40 – < 4.20) – according to five-Likert scale, which indicates that the respondents agree to the statements of the fourth item – in general. The relatively good performance in the electronic services of the banks in Saudi Arabia is no wonder as the country in general is pursuing an ambitious electronic program. Both the government and the banks are transferring almost all of the government services into an electronic base which requires a huge electronic infrastructure in the banking system for the payments of the government services.

**Service Quality 5: Confidentiality of Data and Satisfaction with Services (Credibility and Reliability)**

The fifth and last item of group of quality services that is investigated in this study is about the confidentiality of information and data of their clients along with the satisfaction with their banks’ services. This group of services is given the name “credibility and reliability” based the different classifications of the dimensions of quality presented in the literature of quality. Results related to this item are shown in Table 9.

Table 9 shows the mean and the standard deviation of each statement of the fifth item (confidentiality of data and satisfaction with services). We notice that through the average mean of the whole item (3.50) lies in the range (3.40 – < 4.20) – according to five-Likert scale, which indicates that the respondents agree to the statements of the fifth item – in general. Apparently, there is a good trust in the confidentiality of data of the clients and a good satisfaction about the services of the banks in general; both are not very high though. On the other hand, the last statement in the table shows that clients are not willing to change their banks to others’.



Table 9: The Level of Service Quality of the Confidentiality of Data and the Satisfaction with Services (Credibility and Reliability)

Statements	Mean	Std. Dev.	Representation	Rank
The bank keeps and handles my data and information in a confidential manner	4.09	0.89	Agree	1
I am satisfied with service quality provided to me from the bank	3.61	1.02	Agree	2
I advise my relatives and my friends to deal with this bank	3.56	1.05	Agree	3
I think I may change the bank that I deal with soon.	2.74	1.2	Neutral	4
<b>Average</b>	3.50		Agree	

## Testing Hypotheses

### Hypothesis 1

H1: The Level of service quality of Saudi banks in Jeddah, Saudi Arabia is very poor from their clients' opinion.

To confirm or to reject the hypothesis, one sample t-test will be used, and that is by comparing the observed mean with the artificial mean for each item. To identify the quality of Saudi banks services provided to the clients, we compare the observed (calculated) means with the artificial means, which could be generated from multiplying the number of statements of each item by the identical (neutral) weight i.e. (3). Table 10 shows the artificial means for each item of service quality while Table 11 depicts the t-test results.

Table 10: The Artificial Means

Items - Service Quality Dimensions	Artificial Means
Employee of the bank (courtesy and responsiveness)	4 * 3 = 12
Branches of the bank (accessibility and tangibility)	4 * 3 = 12
The financial services provided by the bank (knowledge and competence)	3 * 3 = 9
The electronic services (communication and assurance)	3 * 3 = 9
Confidentiality of data and satisfaction with services (Credibility and reliability)	4 * 3 = 12
Total	18 * 3 = 54

Table 11: One Sample t-test Results

Items	N	Test value	Mean	Std. Dev.	T	df.	Sig.	Mean difference
Employees of the bank	167	12	14.71	3.43	10.19	166	0.00	2.71
Branches of the bank	167	12	12.32	4.17	0.99	166	0.33	0.32
The financial services provided by the bank	167	9	10.11	2.94	4.87	166	0.00	1.11
The electronic services	167	9	10.91	3.08	8.02	166	0.00	1.91
Confidentiality of data and satisfaction with services	167	12	14.0	3.97	6.51	166	0.00	2.0
Total	167	54	62.04	17.26	6.02	166	0.00	8.04

From tables 10 and 11, we observe the following points:

- 1- The quality of Saudi banks services in relation to the employees of the bank is high, where the observed mean (14.71) is higher than the artificial mean (12) with mean difference (2.71). This difference is statistically significant at level of significance (0.05) – according to sig. value (0.00) which is less than ( $\alpha = 0.05$ ).
- 2- The quality of Saudi banks services in relation to the branches of the bank is not significantly high, where the observed mean (12.32) is slightly higher than the artificial mean (12) with mean difference (0.32). This difference is not statistically significant – according to sig. value (0.33) which is greater than ( $\alpha = 0.05$ ).
- 3- The quality of Saudi banks services in relation to the financial services provided by the bank is high, where the observed mean (10.11) is higher than the artificial mean (9) with mean difference (1.11). This difference is statistically significant at level of significance (0.05) – according to sig. value (0.00) which is less than ( $\alpha = 0.05$ ).
- 4- The quality of Saudi banks services in relation to the electronic services rendered by the bank is high, where the observed mean (10.91) is higher than the artificial mean (9) with mean difference (1.91). This difference is statistically significant at level of significance (0.05) – according to sig. value (0.00) which is less than ( $\alpha = 0.05$ ).
- 5- The quality of Saudi banks services in relation to the confidentiality of data and the satisfaction with services is high, where the observed mean (14.0) is higher than the artificial mean (12) with mean difference (2.0). This difference is statistically significant at level of significance (0.05) – according to sig. value (0.00) which is less than ( $\alpha = 0.05$ ).
- 6- The total quality of Saudi banks services is generally high, where the observed mean (62.04) is higher than the artificial mean (54) with mean difference (8.04). This difference is statistically significant at level of significance (0.05) – according to sig. value (0.00) which is less than ( $\alpha = 0.05$ ).

### **The Final Decision about Hypothesis 1**

Whereas, the quality of Saudi banks services provided to the client is generally high, and almost all the items forming the total quality are high and statistically significant (except for branches of the bank).

Therefore, we reject the hypothesis: *H1: The Level of service quality of Saudi banks in Jeddah, Saudi Arabia is very poor from their clients' opinion.*

### **Hypothesis 2**

*H2: There are no significant differences between the clients of the Saudi banks in assessing the quality of the banks services according to their gender, monthly income, age, or education level.*

### **Sub-Hypotheses**

**Sub-Hypothesis (I):** *There are no differences between the clients of Saudi banks in assessing the quality of bank services according to gender.*

Table 12: Independent Samples t-test Results according to Respondents' Gender

	Gender	N	Mean	Std.	t	Df.	Sig.
Quality of Saudi Banks Services	Male	103	3.94	0.82	11.13	165	0.00
	Female	64	2.65	0.56			

Table 12 shows the mean, standard deviation, t-test value, degree of freedom and the sig. value for the respondents' assessment according to the gender (male - female). We may notice the cursory differences between the two means. To test the significance of the difference, sig. value can determine this. We notice that the sig. value equals (0.00) is less than ( $\alpha = 0.05$ ) which indicates the significance of difference, namely, there is statistically significant difference between the opinions of the respondents towards the quality of Saudi banks services according to their gender – for the favor of male (of higher mean).

**Sub-Hypothesis (II):** *There are no differences between the clients of Saudi banks in assessing the quality of bank services according to their age.*

Table 13: The Cursory Differences between the Categories of Respondents' Age

	Age Groups	N	Mean	Std. Dev.
Quality of Saudi Banks Services	Less than 25 years	2	4.72	0.31
	From 25 to 35 years	82	3.23	0.86
	From 36 to 45 years	42	3.86	0.15
	More than 45 years	41	3.39	1.39
	Total	167	3.45	0.96

Table 13 shows the cursory differences between the categories of age (less than 25 years - from 25 to 35 years - from 36 to 45 years - more than 45 years). We notice the existence of cursory slight differences between the means of the categories of Age. To test the significance of these differences we conduct analysis of variance (ANOVA), shown in Table 14.

Table 14: One-Way ANOVA according to Respondents' Age

		Sum of Squares	df	Mean Square	F	Sig.
Quality of Saudi Banks Services	Between Groups	14.31	3	4.77	5.62	0.001
	Within Groups	138.23	163	0.85		
	Total	152.53	166			

Table 14 shows the results of one-way analysis of variance. The sig. value equals (0.001) is less than (0.05) which indicates the significance of differences, namely, there are statistically significant differences between the opinions of the respondents toward quality of Saudi banks services according to their Age – for the favor of respondents of the age group (less than 25 years).

**Sub-Hypothesis (III):** *There are no differences between the clients of Saudi banks in assessing the quality of bank services according to their monthly income.*

Table 15 shows the cursory differences between the categories of monthly income (less than SR 15000 - from SR 16000 to 25000 - from SR 26000 to 35000 - more than SR 35000). We notice the existence of cursory differences between the means of the categories of monthly income. To test the significance of these differences we conduct analysis of variance (ANOVA) shown in Table 16.

Table 15: The Cursory Differences between the Categories of Respondents' Monthly Income

	Monthly Income	N	Mean	Std.
Quality of Saudi Banks Services	Less than SR 15000	89	3.12	0.89
	From SR 16000 to 25000	55	4.02	0.23
	From SR 26000 to 35000	12	1.94	0.15
	More than SR 35000	11	4.92	0.08
	Total	167	3.45	0.96

Table 16: One-Way ANOVA according to Respondents' Monthly Income

		Sum of Squares	df.	Mean Square	F	Sig.
Quality of Saudi Banks Services	Between Groups	78.9	3	26.3	58.23	0.00
	Within Groups	73.63	163	0.45		
	Total	152.53	166			

Table 16 shows the results of one-way analysis of variance. The sig. value equals (0.00) is less than (0.05) which indicates the significance of differences, namely, there are statistically significant differences between the opinions of the respondents toward quality of Saudi banks services according to their monthly income – for the favor of respondents of monthly income (more than SR 35000).

**Sub-Hypothesis (IV):** *There are no differences between the clients of Saudi banks in assessing the quality of bank services according to their education level.*

Table 17: The Cursory Differences between the Categories of Respondents' Education Level

	Education Level	N	Mean	Std.
Quality of Saudi Banks Services	Secondary	18	2.85	0.99
	Diploma	14	2.31	0.19
	University	78	3.08	0.73
	High Studies	57	4.41	0.35
	Total	167	3.45	0.96

Table 17 shows the cursory differences between the categories of education level (secondary – diploma – university – high Studies). We notice the existence of cursory differences between the means of the categories of education level. To test the significance of these differences we conduct analysis of variance (ANOVA) shown in Table 18.

Table 18: One-Way ANOVA according to Respondents' Education Level

		Sum of Squares	df	Mean Square	F	Sig.
Quality of Saudi Banks Services	Between Groups	87.54	3	29.18	73.19	0.00
	Within Groups	64.99	163	0.40		
	Total	152.53	166			

Table 18 shows the results of one-way analysis of variance, we find that the sig. value equals (0.00) is less than (0.05) which indicates the significance of differences, namely, there are statistically significant differences between the opinions of the respondents toward quality of Saudi banks services according to their education level – for the favor of respondents who have high studies.

### The Final Decision about Hypothesis 2

Whereas, all the above sub-hypotheses are statistically significant, we can conclude that there are statistically significant differences between clients of Saudi banks in assessing the quality of banks services according to their gender, age, monthly income and education level.

Therefore, we reject *H2: There are no significant differences between the clients of the Saudi banks in assessing the quality of the banks services according to their gender, monthly income, age, or education level.*

### Discussion and Conclusion

This study has focused on broader dimensions than either SERVQUAL or SERVPERF and the results show a good standing banking system in Saudi Arabia in general. The study covers Jeddah, a major industrial and commercial city which might not reflect the real performance of banking system in the country. The results of this current study support those of Al-Mubareek (2002) in a study to investigate the views and attitudes towards clients' quality women's banking service in Saudi Arabia, using SERVPERF five dimensions scale. The search results have pointed to the positive impression about the overall quality of banking women to serve in the Kingdom as expressed by the participants in the study, which reflected that 97% of the sample satisfaction in terms of the five dimensions of SERVPERF scale. In addition, this study also supports that of Albarq (2013) which investigated the impact of service quality underlying the SERVQUAL model on customer loyalty among local banks in Riyadh, where the respondents evaluate the banks positively in general, in a similar conclusion to that of this current study. The study of Sabaei (2014) that aimed at identifying the level of quality of Islamic banking services in the country brought a similar conclusion to that of this current study praising the banking services although concentrated to the Islamic financial services.

Banks have experienced mergers and acquisitions encouraged by SAMA and the government to protect the system from bankruptcy or mismanagement. It is may be even an exaggeration or overprotection that hinder banks from expansion or entering new alliances or new initiatives or projects. Even money exchange agencies have been ordered to consolidate and form Al-Bilad Bank to control this industry from the unlawful money transactions. This close supervision along with the mergers and acquisitions make banks very sophisticated institutions with huge capitals and assets.

Those huge banks operate in a highly and professional manner helping the government to transfer into an electronic government where electronic payments have expanded to include almost all services whether in the public or the private sector. Moreover, the Sharia compatible financial services have grown rapidly in the country by huge demands from the public forcing all banks to adopt such services. The interests provided by banks are considered by the majority of the people as been Riba (unlawful earnings) which make banks enjoying a huge deposits without paying clients any interests.

This, of course contributed, in part, to the high profits of the banks in Saudi Arabia where no bank has experienced any losses in the last decades comparing to the bankruptcy and losses of some banks in the international arena. Banks also charge credit cards holders a very high interest rate that is considered one of the highest rate in the world. Moreover, SAMA licensed some international banks in the country but is restricted only to work as investors and not dealing in the regular banks operations such as deposits, savings or issuing ATM cards which make local banks enjoying taking all national market share on this regard.



## Recommendations

On the light of the results of this study, the researchers come up with some recommendations that would help in enhancing the service quality of the conduct of Saudi banks.

1. As the case of the branches of the bank being overcrowded, Saudi banks may increase the number of employees in the most visited branches, provide employees with proper training in customer care and organize the process of service to the clients of the banks. Banks also may also improve the waiting time for providing services to the clients. Some types of operations research and reengineering of processes may be put into the resolution of the waiting time management.
2. Banks need to provide more diversified financial products and solutions to individuals and commercial firms. Banks may reconsider the interest rates values and conditions of providing loans or credit cards as the clients are in most cases do not obtain interests in their deposits and savings due to the Islamic religious restrictions on interests. This means that banks can make more concessions to their clients.
3. As the growing trends of Islamic financial products that adhere to the Sharia laws, banks may benefit from this opportunity and provide a wide range of products that may help both clients and banks.
4. This study concludes that the loyalty of clients is strong which may encourage banks to provide sustainable positive financial solutions to clients since the majority of them receive their salaries directly transferred from their employers. In turn, banks may help them to plan for their future and give them competitive deals.
5. Saudi Arabian Monetary Agency (SAMA), the central bank of the country, should maximize its role in the oversight and control of the banks. Traditionally speaking, SAMA used to be at the side of the banks for the fear of bank being bankrupt or mismanaged; therefore, the agency may balance its role and exert its efforts in supporting individuals and business from the exploitation or mistreatment of the banks.

## Further Studies

Further studies in the banking system of Saudi Arabia may include other less developed cities in the country so that we may have a better picture about the quality of the banking services in the country. In addition, there is a need to focus more in the details of the financial services, fees of services and credit cards interests in the country as the satisfaction about those services is not clear yet. Sharia compatible banking services should be investigated and evaluated as well. The role of Saudi Arabian Monetary Agency (SAMA) in managing the banking system shall be studied thoroughly as well. Moreover, some comparison studies between the banking services in Saudi Arabia and those of the Gulf Cooperation Council countries (GCC) banks can be useful as a mean of benchmarking and evaluation. The newly emerging Islamic products might be in need of a thorough investigation so that they can be exposed and evaluated. As this current study focused on all banks operating in the city, further studies may make a comparison study between the different national banks operating in the country.

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