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## Bank Selection Criteria in the Saudi Community Empirical Study of Saudi Banks' Customers in Tabuk City

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### ABSTRACT

The study aims to investigate the determinant factors of bank choice among Saudi community; to rank these determining factors according of the customer's priority; and to examine whether Saudi banks 'customers will be a homogeneous group concerning the way they select a bank or not. it follows a descriptive survey research design, quantitative research approach is adopted through the semi-open structure questionnaire. Total of 178 respondents from different banks (full fledge Islamic, conventional and Islamic window banks) as of a single point in time in the form of quantitative measures. Exploratory Factor Analysis is employed to rank factors effect bank choice criteria among Saudi people. Results of factor analysis reveal that ranks of factors affect customer decision in selecting a bank service based on mean, are satisfaction (mean =4.05), service quality (mean=3.74), Islamic value (mean =3.7), service cost (mean=3.5), financial intermediate (mean =3.39). Moreover it discovers that Customers in Saudi banks are homogeneous. Lessons to be learned from the study result, Saudi banks should focus on service quality; note that Saudi Arabia is one of transfers' countries, and Islamic banks should be emphasizing on customers 'trust about services consistent with sharia'h provision.

**Keywords:** bank choice, factor analysis, Islamic value, service quality, customer behavior

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## **Introduction:**

Understanding customers' banks selection criteria has been argued to be helpful to banks in identifying the appropriate marketing strategies needed to attract new customers and retain existing ones. In this light this paper investigates the various factors and analyzes the impact of these factors in developing customer intention for bank selection in Saudi Arabia with special reference Tabuk city, in 2017m. (1439 h)

This study tries to answer the question: what is most important factor that affects banks selection criteria? And whether any difference is available between Islamic banks 'customer and their counterpart conventional 'customers in developing customer intention for bank selection.

The study aims to investigate the determinant factors of bank choice among Saudi community; to rank these determining factors in order of customer's priority; and to examine whether Saudi banks 'customers will be a homogeneous group concerning the way they select a bank or not.

The study consists of six parts which include: introduction; background and literature review; data analysis; result discussion; conclusion and last section is references & appendixes

## **Theoretical background:**

### **The bank selection process:**

In banking system today, commercial banks are not only buying and selling money, but also aim to provide appropriate financial services to customers (1). Actually, customer-oriented activity refers to marketing which require that banks have a comprehensive understanding of customers' attitudes, perceptions and behavior (2)

In addition, banks need to instantly change their marketing policies and strategies to adapt constant environmental changes as well as match the demand of complex marketplace, in order to understand choice or selection

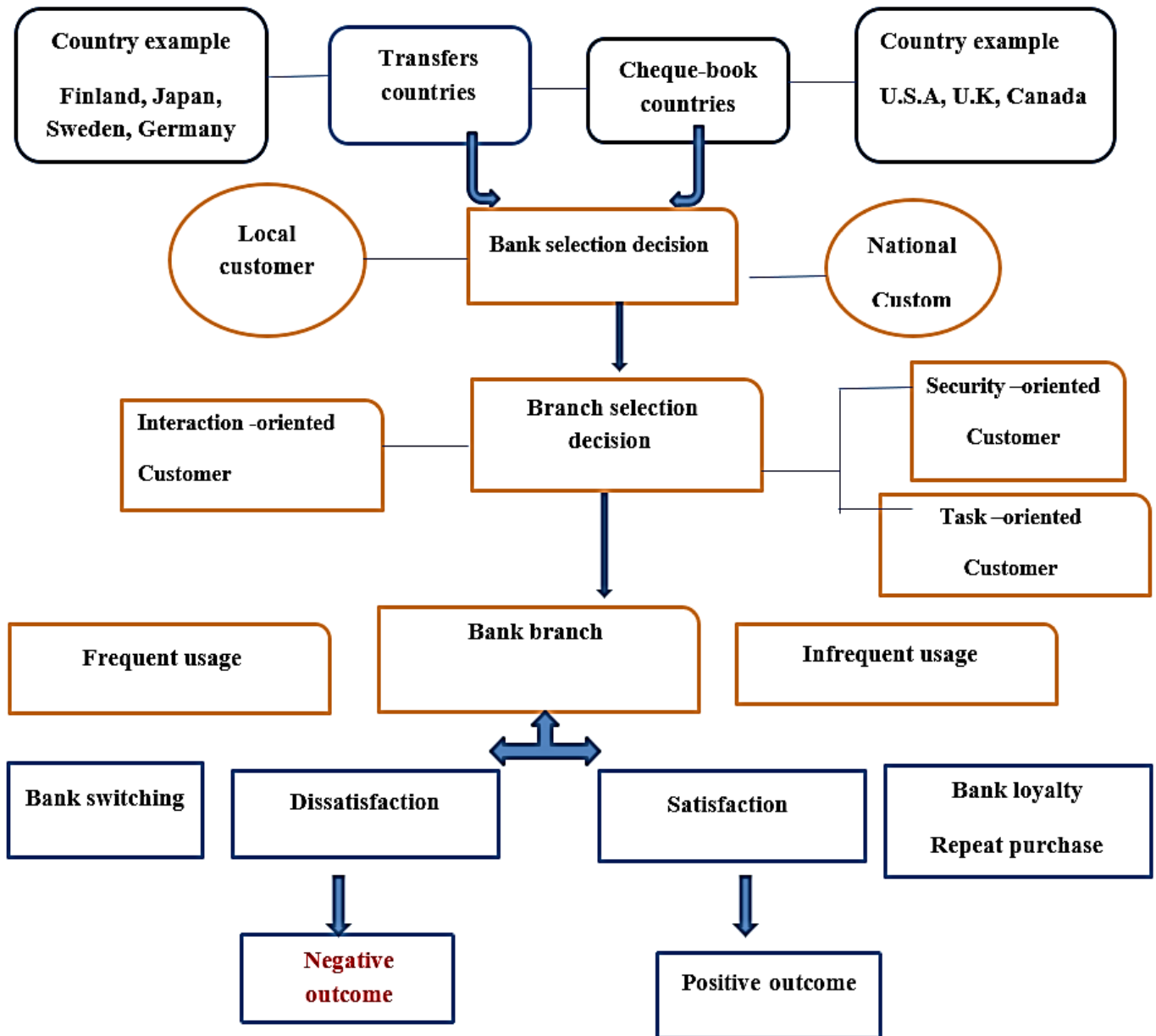
behavior of individual customer and make appropriate marketing strategies (1).

According to (1) the world could be divided into two types of countries regarding the difference of commercial banking industry: cheque-book countries and transfers countries (figure1). Canada, the USA and the UK are typically cheque-book countries where cheques account is frequently used, while Japan, Finland, Sweden and Germany are typical transfers' country where people use bank transfer as cashless payments.

In addition, many researches were conducted in Australia (2), Finland (1) and Hong Kong (3) and showed that a commercial banks' marketing orientation is determined by three market segments (figure1). Firstly, "task-oriented bank customers" are considered as a consumer group who emphasizes on the bank's professionalism. Secondly, "security-oriented customers" appear in the requirement for a bank with a good reputation and high (2). Thirdly, "interaction-oriented customers" usually prefer friendly and confidentiality service of the bank (2) Thus, depend on the classification of customers, banks can be able to identify which types of market segment they belong to.

According to specific market segment, marketing strategies would be clearly developed in order to satisfy customers. For example, interaction-oriented customers significantly value the banking service quality, such as the variety of services, the attitude of bank employees and speed of services. Based on their needs, bank managers could train employees to be more polite and efficient in providing services to customers.

Moreover, customers are divided into frequency usage and infrequency usage, based on the frequency of banking services been used. All the processes are leading to the final result---satisfaction. Customers will be loyal if they satisfy with the banking services. On the contrary, they would switch bank when dissatisfaction generates (2).

**Figure 1: The bank selection process:**

**Source : Kayand Holistus,1995,pp.12(1)**

Combining the framework which was developed by Kaynak and Holstius (1995), the research findings would be analyzed for two purposes. On one hand, Saudi community' bank selection process could be more deeply understand by researcher. On the other hand, it would be beneficial for researcher to analyze the market segment of Saudi people even they are national (their nationality Saudi) or international (non-Saudi /Moqeen). This may help banks to develop appropriate marketing strategies to international students.

#### **SERVQUAL:**

As banking is considered a service industry which requires developing individually customized service solutions for customers, customer service and satisfaction have been the main areas of academic research (4). Many researchers have recognized that developing valid measures of service quality is necessary. For example, Frost and Kumar (2000) (5) have developed internal service quality model. The P-C-P attributes model is created by Philip and Hazlett (1997)(6). The Internet banking model is developed by Broderick and Vachirapornpuk (2002)(7) The development of service theories

has led to the rise of service quality development in the past decades. Nevertheless, one of the most critical assessment tools of service quality is SERVQUAL which originally developed by Parasuraman et al. (1985) (8) he suggested that service quality is a comparison between customer expectation of service and their evaluation of the service performance. In other word, delivering good quality of service require conforming customers expectation consistently. At the beginning, SERVQUAL was originally measured on 10 dimensions including 34 items of service. But some of the items are found overlap in later researches, so the model has been purified in to five key factors: "reliability", "tangibles", "empathy", "assurance" and "responsiveness" (9)

#### **The definition is described as follow:**

- **Reliability:** Ability to perform and complete promised service and accuracy within the given set of requirements;
- **Tangibles:** Physical facilities, equipment and appearance of personnel;
- **Responsiveness:** The Company has the willingness to provide its customers with prompt service;
- **Assurance:** Knowledge and courtesy of employees who have the ability to inspire trust and confidence
- **Empathy:** Providing care and giving individualized attention to customers in order to satisfy the customers;

#### **Literature review:**

##### **Customer Satisfaction:**

The most popular view of customer satisfaction in academia is that customer satisfaction is the judgment borne out of the comparison of pre-purchase expectations with post purchase evaluation of the product or service experience (8) ,(16) Customer satisfaction can result from any dimension (whether or not it's quality related) and its judgments may arise from non-quality issues (e.g. needs, equity, and perceptions of 'fairness') and require

experience with the service provider 16; (10) demonstrated that safety of fund ,and availability of technology based services, quick service ,minimum waiting time, low/reasonable service-charge and pleasing manner of staff are major factors in a bank selection in Nigeria.

#### **Personal Factors:**

When we consider personal factors, friendly/pleasing manner of staff is the major factor in a bank selection by the sampled customers of the bank (11)and (12). According to the findings of (13) , the second most common reason for customers to leave retail banks in Mekelle city was due to staff attitude. In contrast, (14) and (15) revealed that Employee's attitudes were found to be insignificant factors.:(16) they demonstrated that friendly or pleasing manner of staff, ATM service, bank speed, service quality, external bank appearance and internal sitting arrangement, secured feeling, proximity to home or work place, availability of several branches and long operating hours were significant factors; whereas others' recommendations, number of counter windows, safety of funds, good reception at the bank and low service charge were insignificant factors for bank selection decision.

#### **Service Quality:**

(16), stated that delivering quality services and products to customers had significant positive influence for success and survival of today's competitive banking environment; (10) By using a survey of households The Determinants of Bank Selection Choices by Customers: Recent and Extensive Evidence from Nigeria. His study revealed that the safety of funds and the availability of technology-based service(s) are the major reasons for customers' choice of banks.

(17) Their research had tried to find out exact determinants affecting customer's choice of bank using mortgage products in context of Pakistan. They had demonstrated that choice of customers for the mortgage product depends

on quality of services, cost of mortgage product, confidence level of customers build by the bank and convenience of the customers.; (18) They had studied quality of services and range of services as determinants of customer choice of banking in Malaysia, their results showed that both quality and range of services emerged as significant factors in determining the banking choice. ;(19), Their results showed that service is the most influential of all the six determinant-factors (which include Proximity, attractiveness, referrals, marketing and price followed suit, and quality of services) for the choice of commercial banks

### **Islamic value perception & understanding:**

(20) , their study aimed to understand the key motivations for Islamic bank patronage among Muslims using in-depth interviews and non-participant observation in Malaysian community . The theoretical framework of this study was customer-oriented. They have found that: shariah-adherent behaviour among Muslims in Terengganu (city in Malaysia) has not reached the ideal level although these customers understand the basic concepts of Islamic banking and are aware of the importance of dealing only with such banks. Accordingly they recommended that efforts on the appreciation of Islamic values require further emphasis, also they demonstrated that: influence of religion on the selection of Islamic bank among Muslims in Terengganu. Accordingly they recommend that marketing activities by Islamic banks should consistently comply with the shariah principles.

Kabiru&lbrahim(2014) (21),he investigated the relationships among the variables – Perception, Awareness, and Understanding of Muslim's Account holder's in conventional bank to purchase Islamic bank products he demonstrated that Perception, Awareness and Understanding are positively associated with Muslim account holders in conventional banks toward Islamic banking products. then he recommended that the Islamic banking industry should focus on the people's understanding of

Shariah position on business transactions, concept of profit and loss sharing practice, benefit of Islamic banking products, good understanding of Islamic banking theory and practice that would have impact on customer decision.

Ahmad and Haron (2002) conducted their research based upon a sample taken from Malaysian Islamic bank customers; they have reported that the majority of Islamic bank customers emphasized religious as well as other factors like cost/benefit, service delivery, reputation and location in patronizing Islamic banks

According to Dar (2000)(23) it is very important to give customer awareness and education for the development of Islamic Banking in the developed countries like UK.

Salman Masood (2014)(24) they investigated customer awareness and perception towards the Islamic Banking products and how this perception and awareness can be raised for the greater success of Islamic banking products. Their results showed that customers use only the current and saving accounts; they do not use different modes of financing because of less awareness about the products and financing modes of Islamic banks. Even bankers by themselves not have full awareness of Islamic banking products and services.

Adi Zakaria Afiff(June 2009)(25) they aimed to test the addition of a spiritual dimension in the formation of customer value, in addition to the functional, social and emotional dimension of customer value that has already been empirically tested in previous studies, among customers who own saving products at Islamic banks in Indonesia. The study also investigated the relationship between customer value and customer satisfaction, and the relationship between customer satisfaction and customer behavioral intentions among these Islamic banks customers. Their results showed that spiritual dimension is significantly related to the customer value together with all 3 other dimensions (functional, social and emotional) of

customer value. Also, they demonstrated that customer's values positively influence customer satisfaction, and customer satisfactions positively influence customer behavior intentions.

Muryani Arsli (2014)(26) they stated that the behavior of consumers in Islamic banks is dominated by customer choice of Islamic banking cause a sense of satisfaction with quality of services such as efficient services, the speed of the transaction, service quality, convenience, reputation and image of the Islamic but not concerned with Shariah, whereas Islamic banking is based on the principles, rules and Islamic law (Malaysia).

#### **Profitability:**

Rahmatina A. Kasri (27), their empirical study investigated the factors affecting saving in the Islamic banks in Indonesia. By employing the Vector Autoregressive and its associated Impulse Response Function analysis for all Islamic banks in Indonesia from March 2000 to August 2007, the study analyzes the importance of real rate of return on Islamic deposit, interest rate on conventional deposit, real income. their results showed that higher Islamic deposit is significantly correlated with higher rate of return and lower interest rate; Furthermore, the study finds the existence of displaced commercial risk between the Islamic and conventional banks, such that the Islamic banks' depositors transfer their funds to the conventional banks when the rate of return provided by the Islamic banks is significantly lower than the interest rate of its counterpart.

#### **Convenience factor:**

Convenience factors include location convenience, operating of bank, and availability of transport to reach the bank, availability of bank ATM at multiple locations, location of ATM's, multiple branches of the bank, availability of parking space near the bank (28)

(28), his result showed that out of six factors five factors which included., technology factors, social influence, service quality factors, bank

image factors, and financial factors have significant impact on bank selection intention while convenience factor has insignificant impact.

(29) he investigated the influence of bank 'characteristics on service choosing, he has estimated the probability of usage of more than 1 service. Then he stated that: as for bank characteristics, influence of bank's reliability, proximity to work or home, number of clients, speed of development, and bank's honesty matter for at least one service.

#### **Summary of theoretical discussion:**

#### **The determinants of the bank selection decision:**

Basing on SERVQUAL theories and other previous similar researches, the researcher concludes six factors that are considered key variables affecting customer' bank selection in previous researches and develop a model as a theoretical framework of her research.

#### **Theoretical framework of research**

Depending on six factors and service quality background the researcher selects from previous researches, five aspects are concluded

**Figure (2):** "financial intermediate ", "cost", "satisfaction" and "service quality," And Islamic value "In order to investigate the key factors that affect the preference of Saudi banks' customers, and what are Items that can be consider as components of each factor

#### **Research design:**

#### **Methodology:**

This study employed a descriptive survey research design since the objective is identifying the factors that affect customers' bank selection criteria, in order to rank that factors according to their importance, and if there is any difference between customers groups in that factors .so that it uses a questionnaire survey data collection instrument of bank customers, it involves respondents from different banks as of a single point in time in the form of quantitative measures. The

questionnaire was designed to enable rating the relative importance of five factors attributes when choosing banks. They were measured on a five-point Likert-type scale of importance ranging from (5=very most important) to (1=not important at all). The questions of the questionnaire are divided into two parts; The first section of the questionnaire asks respondents' personal information, which

includes gender, age, education level, religious , nationality, job type ,whether respondent has opened bank account or not ; and the second section of questionnaire asks respondents about the determinant factors of their bank selection, which include service quality , customer satisfactions , Islamic value ,cost of services ,financial intermediate .

**Table (1) Summary of theoretical discussion**

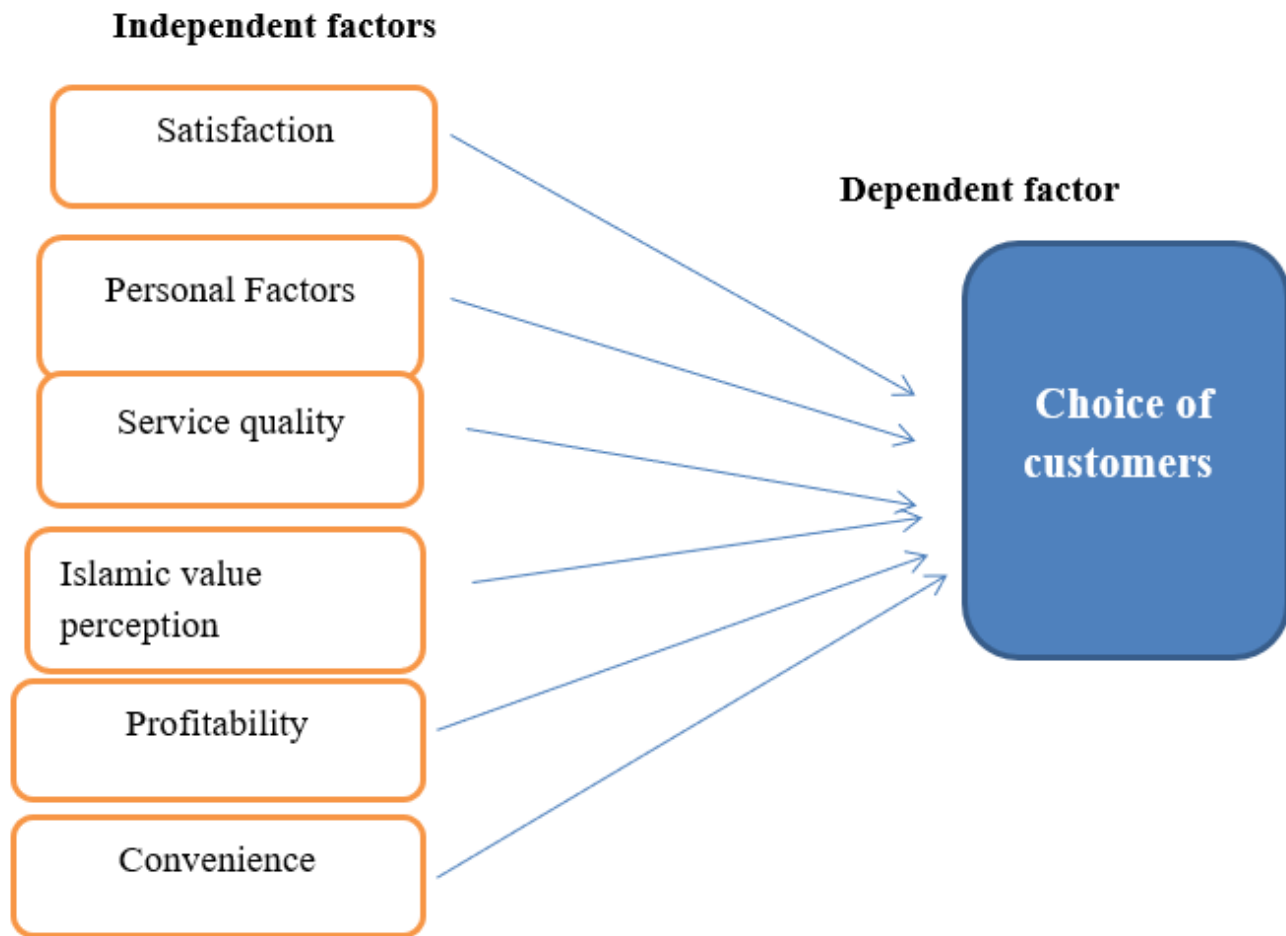
Label	aspects	items
1	satisfaction	<ul style="list-style-type: none"> <li>❖ Judgment from a comparison of pre–purchase expectations with post purchase evaluation of the banks 'service</li> <li>❖ require experience with the service provider</li> </ul>
2	Personal Factors	<ul style="list-style-type: none"> <li>❖ friendly/pleasing manner of staff</li> <li>❖ Attitude of staff</li> </ul>
3	service quality	reliability(Accuracy in account management, ;tangibles(Parking facilities, appearance of staff and bank building) responsiveness(Speed of service) assurance( Safety of funds) empathy (Friendliness and helpfulness of personnel, Giving personal attention to customers)
4	Islamic value perception & understanding	<ul style="list-style-type: none"> <li>❖ Awareness of Islamic banking products &amp; services ,and its compliance of shareiah provision by employees</li> <li>❖ Customer ensure a bank provides them banking and financing services completely free from any shareiah constrains</li> </ul>
5	profitability	<ul style="list-style-type: none"> <li>❖ High Rate of return on customer deposits</li> </ul>
6	convenience	location convenience, operating of bank, and availability of transport to reach the bank, availability of bank ATM at multiple locations, location of ATM's, multiple branches of the bank, availability of parking space near the bank.

### Data Collection:

For the purpose of investigating factors that affect the preference of Saudi community toward type of bank services, the study is adopted quantitative research approach through the semi-open structure questionnaire. The questionnaires are distributed not only to Saudi people, but also to non-Saudi people (Mqem). As planned, the time from distribution of the questionnaire to the end of receiving the

answers is two weeks. Since there is no previous research concerning the customers' banking selection criteria in Saudi Arabia it required an exploratory study to identify some important variables which may not be known carefully.

In accordance with the non-probabilistic convenience sampling, a sample size of 200 respondents is selected. But only 178 questionnaires are received back.

**Figure (2) Theoretical framework of research****Validity:**

Before the survey was conducted, in order to determine the validity of the questionnaire and to Improve, ten questionnaires was distributed to research experts' reviewers. Where their grades two Professor majoring in finance, one Professor in business administration, one Professor in statistics (total = 4 Professors) and 2 associate professors in business administration plus one participant in statistics (total = 3. participant) and two Assistant Professor in economics plus one assistant in finance (total = 3. Assistant). The total number of arbitrators =10. So a researcher asked them if there is any wrong question or misunderstanding, besides if the arbitrators have any comments on these questionnaires, the suggestions were welcome. Then Questionnaires were modified according to the comments and suggestions from arbitrators and

distributed through Email and face to face contact.

**Reliability:**

According to Cooper and Schindler (2003) (30), data reliability is concerned with a measurement of Consistency. In order to check the reliability of the data, researcher adapts one of the most commonly Indicators of internal consistency: Cronbach's alpha test in the SPSS 19. Pallant (2010) (31) have Suggested that Cronbach's alpha is a test for a survey's internal consistency and finding scales are reliable. Values range of Cronbach's alpha is from 0 to 1. Higher values indicate higher average correlation among the 26 terms. In general, at least 0.7 Cronbach alpha values is good enough. In this case, Figure (1) presents that Cronbach's alpha score is (0.76) which means that questionnaire is reliable to test at any place.



**Figure (3): reliability test (Cronbach's Alpha) results**

Case Processing Summary			
		N	%
Cases	Valid	168	94.4
	Excluded <sup>a</sup>	10	5.6
	Total	178	100.0
a. Listwise deletion based on all variables in the procedure.			

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.764	.762	5

### Data Analysis and Interpretation:

In the chapter of empirical study, the results of respondents' profile data are presented which are collected from 178 questionnaires. Each item in Part I and Part II of the questionnaire is presented using percentages figures and tables. SPSS is used for the simple descriptive data, which describes the mean score of factors.

In order to determine the factors which affect the choice of the bank, the answers reflect in a way of ranking the importance of different factors. Since there are many influencing factors in this study, after collecting the answers from questionnaires, the researcher conducts the advanced statistical procedures of factor analysis. It is a data summarization and reduction technique---

"Exploratory factor analysis", this method can find out the similarity among each factor items

in a straightforward way, hence each factor represents a basic property. Even though questions are formulated in a similar way, readers can distinguish these variables. So that factor analysis method is suitable for research about determinant factors of persons in Saudi Arabia for choosing their bank.

Pallant (2010) (31) suggest that there are three steps in conducting factor analysis. The process of analysis is presented as follow:

#### 1. KMO and Bartlett's Test

KMO and Bartlett's Test is employed to examine whether the data set of the questionnaire is appropriate for factor analysis.

#### 2. Factor extraction and rotation

Factor extraction and rotation are techniques which are used to reduce the large number of Variables so as to determine the number of factors.

#### 3. Factor interpretation

According to the result of factor extraction and rotation, each factor would be named Depending on understanding the content of variables. Mean value of factors will be calculated and ranked in order of importance. Moreover, by comparing mean value of different group of respondents, we test whether there are differences among Islamic banks 'customer and their counter parts conventional' customers. So that to find out the character of Saudi people in choosing banks in Tabuk., and give further suggestions for Islamic banks to attract and retain their customers.

### Empirical Study

This chapter consists of two sections. Firstly, the descriptive analysis of customers is Conducted regarding general information of respondents and respondents banking behavior.

The second section presents the respondent's bank selection criteria as well as the mean scores of each item.

### Descriptive Analysis:

**Table (3) shows Customers Profile**

Profile variables	Classification	Conventional bank' customer	Islamic bank customer	Islamic window 'customer	Total	%
Gender	Male	1	37	38	76	43%
	Female	9	45	48	102	57%
	Total	10	82	86	178	100
	%	6%	46%	48%	100%	
Age	Less than 20 years	1	2	0	3	2%
	20 – 30	3	35	31	69	39%
	31-40	5	29	33	67	38%
	41-50	1	10	13	24	13%
	More than 50	0	6	9	15	8%
	Total	10	82	86	178	100%
	%	6%	46%	48%	100%	
Nationality	Saudi	6	75	70	151	85%
	Non Saudi (Moqem)	4	7	16	27	15%
	Total	10	82	86	178	100%
	%	6%	46%	48%	100%	
Religious	Muslim	10	82	85	177	99.4%
	Non-Muslim	0	0	1	1	0.56%
	Total	10	82	86	178	
	%	6%	46%	48%	100%	
<b>Education level</b>	Uneducated	0	2	1	3	2%
	Primary	1	1	8	10	6%
	Secondary	0	13	20	33	19%
	University	4	50	43	97	54%
	Graduate	5	16	14	35	20%
	<b>Total</b>	<b>10</b>	<b>82</b>	<b>86</b>	<b>178</b>	<b>100%</b>
	<b>%</b>	<b>6%</b>	<b>46%</b>	<b>48%</b>	<b>100%</b>	
<b>Job type</b>	Free workers	3	9	9	21	12%
	House wife	0	8	9	17	10%
	employee	7	65	67	139	78%
	investor	0	0	1	1	1%

Source: researcher from data analysis

According to table (3) observations should be noted 43% of respondents are male as compare to female 56% (female number exceed male number ); most of respondents are adult ,because their ages are range from 20-50 (90%) as compare to younger (less than 20 years) only 2% ,and older (more than 50 years ) only 8%.that is means respondent are well understand what they are say . most of the sample respondents are Saudi (85%) as compare to non-Saudi only 15%. Thus, means that the results of this research represent Saudi opinion. Most of respondents are Muslims (99.4%) as compare to non- Muslim only 0.56%). that is means even Muslim people in Saudi Arabia can choose conventional bank based on service quality and satisfaction. Most of the sample respondents are employees (78%) the result of this study can be applied to

employee market segment in the banking markets.

According to result showing in table (4) we can conclude service quality is the most important factor for choosing a bank service in Saudi Arabia specially Tabuk city. However, cost of service is an important issue of some communities, it represents less important factor for bank selection decision in Saudi community. Thus, the suggestion for Saudi banks should focus in quality of service and make good marketing strategy to attracting institutions to further encourage their employees to purchase banking service.

Moreover, the researcher makes a descriptive analysis for all factors axis's statement:

Table (5), (6), (7) ,(8 ) ,(9)show the result

**Table (4) shows Determinants of bank selection ranking according respondents 'answer**

Reason for bank selection decision	Frequency	Percentage	Ranking
Quality of services	87	49%	1
The bank of my Affiliation	35	20%	2
Geographic location	27	15.2	3
Personal relation	15	8.4	4
Low cost services	14	7.9	5

Source: researcher from data analysis

**Table (5 ) shows Importance ranking of satisfaction axis statements:**

Statement	N	Chi-Square	Degree of freedom (df)	Asymp. Sig.	Mean	Importance rank	Std. Error
I can pay my purchase electronically through electronic methods of payment	178	97.326a	3	0000	4.28	1	0.77
the bank provides me with all banking services which I need	178	100.966 <sup>a</sup>	3	0000	4.19	2	0.75
I can contact the bank electronically from any place in the Saudi Arabia or out side	178	114.584b	4	0000	3.99	3	0.92
the bank provides me with all financial services when I need it	178	107.000b	4	0000	3.96	4	0.90
I can easily contact the bank daily any time through the day	178	93.404b	4	0000	3.95	5	0.96
I completely satisfied from bank 'services	178	110.034b	4	0000	3.93	6	0.95

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 44.5.

b. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 35.6.

Source: researcher from data analysis

**Table (6) shows of service quality Importance ranking axis statements:**

Statement	N	Chi-Square	Degree of freedom (df)	Asymp. Sig.	Mean	Importance rank	Std. Error
employees do not Boring from your enquiries	178	131.382 <sup>a</sup>	4	0000	4.15	1	0.89
an employee explains the required service procedures	178	87.281a	4	0000	3.85	2	0.96
there is enough number of employees to provide bank 'services for large number of clients	178	61.831 <sup>a</sup>	4	0000	3.62	3	1.1
You get the service at relevant time	178	68.742 <sup>a</sup>	4	0000	3.54	4	1.1
You don't wait for long time in the bank to get banking service	178	21.719 <sup>a</sup>	4	0000	3.4	5	1.27
a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 35.6.							

Source: researcher from data analysis

**Table (7) shows Important ranking of services 'cost axis statements**

Statement	N	Chi-Square	Degree of freedom (df)	Asymp. Sig.	Mean	Importance rank	Std. Error
fees costs of transfer is low & suitable	178	112.281a	4	0000	3.7	1	0.92
interest /profit on business finance is suitable to me	178	84.921a	4	0000	3.66	2	0.98
Interest /profits required on credit cards affordable for me and not high	178	47.843a	4	0000	3.47	3	1.10
interest /profit on personal finance is low and suitable to me	178	48.85	4	0000	3.34	4	1.13
interest/profit on real estate finance suitable to me	178	104.640a	4	0000	3.33	5	0.98
a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 35.6.							

Source: researcher from data analysis

**Table (8) shows Important ranking of financial intermediate services axis statements**

Statement	N	Chi-Square	Degree of freedom (df)	Asymp. Sig.	Mean	Importance rank	Std. Error
the bank provides intermediary service in Saudi security market	178	152.787a	4	0000	3.47	1	0.78
the bank provides portfolio management service as the agent of client	178	88.337b	4	0000	3.42	2	0.76
the bank provides project feasibility study to help them in investment decision	178	157.730a	4	0000	3.39	3	0.78
The bank provides financial intermediary services in foreign security market	178	186.382a	4	0000	3.36	4	0.76
the bank provides investment agent service to its customers	178	190.090a	4	0000	3.29	5	0.76
a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 35.6.							
b. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 44.5.							
c. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 33.6.							

Source: researcher from data analysis

**Table (9) shows important ranking of Islamic values axis statements**

Statement	N	Chi-Square	Degree of freedom (df)	Asymp. Sig.	Mean	Importance rank	Std. Error
I don't request any banking service unless insuring that it's completely consistent with Sharia'h compliance	178	94.798a	4	0000	3.96	1	0.93
I know that there is valid shariah oversight body	168	81.702a	4	0000	3.69	2	0.95
the bank's activities are complying with shariah provision	168	76.286a	4	0000	3.67	3	0.96
Staffs explain banking services procedures and their compatibility with the provisions of Islamic sharia	168	75.631a	4	0000	3.64	4	0.97
Bank staff are experienced in the field of Islamic finance	168	56.405a	4	0000	3.56	5	1.1

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 33.6.

Source: researcher from data analysis

As we notice from table (9) however not important to client to know about specialization field of staff, the most important factor to Islamic banks' customer is trust that the bank provides them banking services consistence with sharia'h compliance, in addition to get information about existence of sharia'h oversight body. Thus, Islamic bank should be concerning these issues in their marketing strategy.

### Analysis and Discussion

In this section, analysis and discussion are presented based on the empirical finding. Firstly, a brief introduction is presented about factor analysis. Secondly, the finding reports described the outcome of factor analysis in three steps. Choice criteria for all Saudi banks 'customers (full fledge Islamic banks, Islamic window banks, and conventional banks) would be ranked in order based on the mean importance of each factor. Finally, the result of factor analysis is discussed linking to previous theories presented in section two.

### Exploratory Factor Analysis:

"Exploratory factor analysis" is a data summarization and reduction technique which is able to investigate relationships among a large number of individual scale items and to reduce to a more manageable number (Pallant, 2010). Compared with mean-ranking analysis, 'factor' refers to the group of related variables in

factor analysis, could improve the quality of the analysis as well as delivering a holistic view of the selection criteria (Pallant, 2010).

### Steps in factor analysis

There are three main steps to conduct factor analysis in SPSS. Details would be explained Below:

#### 1) KMO and Bartlett's Test

In order to decide whether a particular data set is appropriate for factor analysis, the Kaiser-Meyer-Olkin (KMO) and Bartlett's Test need to be conducted before factor analysis. According to Pallant (2010) KMO and Bartlett's Test measure of sampling adequacy which identifies the strength of inter-correlations among those items. The KMO index should be above 0.6 and the Bartlett's test of sphericity index should less than 0.05 (Sig. <0.05) which suggests the sample of survey is good enough for factor analysis. As Table (5-1) shows, the value of KMO for all factors items is (.861) and the value of Bartlett's test of sphericity (0.000) indicate that the factor analysis is appropriate. More over researcher conducts KMO for each factor items see figures (3), (4), (5), (6), (7) show the value of KMO for each factor is above (0.5) and the value of Bartlett's test of sphericity (0.000) which indicate that the factor analysis is appropriate for each factor of choice criteria. According to Pallant (2010), for a data exploration technique, the number of factors are determined on research background,

theoretical framework and researchers' the solution cannot be rotated. So that judgment rather than by a hard statistical rule. researcher considers (KMO) is the base for the Therefore, researcher does not make Rotated number of factors determining. then factors are Component Matrix analysis, because Only one ranked based on factors mean. component was extracted from factor 1. Hence

**Figure (3)**

<b>KMO and Bartlett's Test</b>		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.861
Bartlett's Test of Sphericity	Approx. Chi-Square	2200.130
	df	325
	Sig.	.000

**Figure (4) shows KMO and Bartlett's Test for factor (1) satisfaction**

<b>KMO and Bartlett's Test</b>		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.873
Bartlett's Test of Sphericity	Approx. Chi-Square	383.015
	df	15
	Sig.	.000

**Figure (5) shows KMO and Bartlett's Test for factor (2) quality**

<b>KMO and Bartlett's Test</b>		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.817
Bartlett's Test of Sphericity	Approx. Chi-Square	400.721
	df	10
	Sig.	.000

**Figure (6) KMO and Bartlett's Test for factor (3) cost of services**

<b>KMO and Bartlett's Test</b>		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.824
Bartlett's Test of Sphericity	Approx. Chi-Square	377.349
	df	10
	Sig.	.000

**Figure (7) shows KMO and Bartlett's Test for factor (4) cost of financial intermediate**

<b>KMO and Bartlett's Test</b>		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.838
Bartlett's Test of Sphericity	Approx. Chi-Square	302.860
	df	10
	Sig.	.000

**Figure (8) shows KMO and Bartlett's Test for factor (5) Islamic value**

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.786
Bartlett's Test of Sphericity	Approx. Chi-Square	329.226
	df	10
	Sig.	.000

**1) Factor extraction method****Table (10) shows Extraction Method for factor (1) satisfaction**

Communalities		
	Initial	Extraction
the bank provide me with all banking services which I need	1.000	.621
I can easily contact the bank daily any time through the day	1.000	.536
I can contact the bank electronically from any place in the Saudi Arabia or out side	1.000	.618
I completely satisfied from bank 'services	1.000	.653
the bank provides me with all financial services when I need it	1.000	.623
I can pay my purchase electronically through electronic methods of payment	1.000	.340
Extraction Method: Principal Component Analysis.		

**Table (11) shows total variance of satisfaction components**

Total Variance Explained						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.392	56.539	56.539	3.392	56.539	56.539
2	.746	12.441	68.980			
3	.589	9.811	78.791			
4	.473	7.888	86.679			
5	.450	7.494	94.173			
6	.350	5.827	100.000			
Extraction Method: Principal Component Analysis.						

According to table (5-3) the last statement loading less than 0.4 would be omitted (Field, 2005)(32).

0.4. Instead of (Field 2005) variable with a

**Table (12) shows component of satisfaction matrix**

Component Matrix <sup>a</sup>	
	Component
	1
the bank provide me with all banking services which I need	.788
I can easily contact the bank daily any time through the day	.732
I can contact the bank electronically from any place in the Saudi Arabia or out side	.786
I completely satisfied from bank 'services	.808
the bank provides me with all financial services when I need it	.789
I can pay my purchase electronically through electronic methods of payment	.583

**Table (13) shows Extraction Method for factor (2) quality**

Communalities		
	Initial	Extraction
there is enough number of employees to provide bank 'services for large number of clients	1.000	.652
you don't wait for long time in the bank to get banking service	1.000	.752
You get the service at relevant time	1.000	.716
an employee explains the required service procedures	1.000	.481
employees do not Boring from your enquiries	1.000	.548
Extraction Method: Principal Component Analysis.		

According to table (5-5) All items are retained because their factors loadings above 0.4.

**Table (14) shows total variance of factor 2(quality)**

Total Variance Explained						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.150	63.002	63.002	3.150	63.002	63.002
2	.786	15.727	78.729			
3	.457	9.148	87.877			
4	.358	7.166	95.043			
5	.248	4.957	100.000			
Extraction Method: Principal Component Analysis.						

**Table (15) shows factor 2 (quality) component matrix**

Component Matrix <sup>a</sup>	
	Component
	1
there is enough number of employees to provide bank 'services for large number of clients	.808
you don't wait for long time in the bank to get banking service	.867
You get the service at relevant time	.846
an employee explains the required service procedures	.694
employees do not Boring from your enquiries	.740
Extraction Method: Principal Component Analysis.	
a. 1 components extracted.	



**Table(16) shows Extraction Method: for factor 3: cost of services**

Communalities		
	Initial	Extraction
Interest /profits required on credit cards affordable for me and not high	1.000	.708
Profit / interest on personal finance is low and suitable to me	1.000	.755
Interest/profit on real estate finance suitable to me	1.000	.626
Interest /profit on business finance is suitable to me	1.000	.582
Fees cost of transfer is low & suitable	1.000	.455
Extraction Method: Principal Component Analysis.		

**Table (17) shows total variance of factor 3: cost of services**

Total Variance Explained						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.127	62.533	62.533	3.127	62.533	62.533
2	.678	13.557	76.090			
3	.553	11.054	87.144			
4	.393	7.855	94.999			
5	.250	5.001	100.000			
Extraction Method: Principal Component Analysis.						

**Table (18) shows extraction method for factor (4) financial intermediate**

Communalities		
	Initial	Extraction
The bank provides intermediary service in Saudi security market	1.000	.668
The bank provides financial intermediary services in foreign security market	1.000	.634
the bank provides investment agent service to its customers	1.000	.522
the bank provide project feasibility study to help them in investment decision	1.000	.618
the bank provide portfolio management service as the agent of client	1.000	.548
Extraction Method: Principal Component Analysis.		

**Table (19) shows total variance of factor 4 (financial intermediate )components**

Total Variance Explained						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.990	59.798	59.798	2.990	59.798	59.798
2	.648	12.958	72.756			
3	.520	10.400	83.155			
4	.469	9.384	92.540			
5	.373	7.460	100.000			
Extraction Method: Principal Component Analysis.						

**Table (20) shows component matrix of factor 4 (Financial intermediate**

Component Matrix <sup>a</sup>	
	Component
The bank provides intermediary service in Saudi security market	1
	.817
The bank provides financial intermediary services in foreign security market	.796
the bank provides investment agent service to its customers	.722
the bank provide project feasibility study to help them in investment decision	.786
the bank provide portfolio management service as the agent of client	.740
Extraction Method: Principal Component Analysis.	
a. 1 components extracted.	

**Table (21) shows extraction method for factor (5) Islamic value**

Communalities		
	Initial	Extraction
the bank's activities are comply with shariah provision	1.000	.585
I know that there is valid shariah oversight body	1.000	.618
I don't request any banking service unless insuring that it's completely consistent with Sharia'h compliance	1.000	.392
Staffs explain banking services procedures and their compatibility with the provisions of Islamic sharia	1.000	.736
Bank staff are experienced in the field of Islamic finance	1.000	.681
Extraction Method: Principal Component Analysis.		

**Table (22) shows total variance of Islamic value factor**

Total Variance Explained						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.013	60.253	60.253	3.013	60.253	60.253
2	.708	14.151	74.404			
3	.597	11.937	86.341			
4	.443	8.866	95.208			
5	.240	4.792	100.000			
Extraction Method: Principal Component Analysis.						

**Table (23) shows component matrix of factor (5) Islamic value**

Component Matrix <sup>a</sup>	
	Component
	1
the bank's service are comply with shariah provision	.765
I know that there is valid shariah oversight body	.786
I don't request any banking service unless insuring that it's completely consistent with Sharia'h compliance	.626
Staffs explain banking services procedures and their compatibility with the provisions of Islamic sharia	.858
Bank staff are experienced in the field of Islamic finance	.825
Extraction Method: Principal Component Analysis.	

**Factor interpretation:**

Basing on step two, five factors are identified. All items are retained because of the

factor loadings above 0.4. Except only one item of factor one (satisfaction) is omitted because it load less than 0.4 see table (10). Moreover, mean score of every variable is computed in order to identify the importance of variables to customers in the bank selection process. However, SPSS would not label and interpret each of the factors, so four factors need to be named depending on understanding of the content of variables (Pallant, 2010).

The first factor in Table (24) is satisfaction which includes (offering all banking & financial service; easy to contact the bank; meet any expected of banking service needs). This factor accounts for 56.5 of the total variance. This factor can be labeled satisfaction, in particular it should be noticed that provide all banking services (mean = 4.19), and availability of electronic contact /or( E, Banking) (mean = 3.99), have the highest mean in this factor, in other word, the vast importance of offering all banking services & availability of E. Banking determining customer bank selection in Saudi Arabia.

**The second factor has been labeled: services quality**, which identifies a dimension based on extract service provided by bank, which includes Empathy: employees do not Boring from customers' enquiries (mean = 4.15), Giving personal attention to customers: employees explains the required service procedures (mean = 3.85). This factor accounts for 63.002% of the total variance.

**The third factor is labeled "cost of services"** which includes fees of transfer, interest /profit on business finance, interest/profit on credit card, interest /profit on personal finance, interest /profit on real estate finance. This factor accounts for 62.533% of the total variance. It should be noticed that interest on real estate finance and interest on personal finance is the least important factors, but the vast importance of cost of transfer, and interest on business finance determining customer bank selection in Saudi Arabia. Therefore it indicates that Saudi Arabia is belonging to transfers countries.

**The fourth factor is labeled financial intermediate** which includes: providing intermediary service in Saudi security market, portfolio management service as the agent of client, helps customer in investment decision (make feasibility study), providing financial intermediary services in foreign security markets, providing investment agent service to customer. This factor accounts for 59.798% of the total variance. The most important items in this factor in determining bank customer bank selection, are providing intermediary service in Saudi security market (mean = 3.47), portfolio management service as the agent of client (mean = 3.42), however the least important items in this factor is investment agent service as well as among all items (mean = 3.29).

**Fifth factor is labeled Islamic value** :which includes providing services consistent with Sharia'h compliance, availability of sharia'h oversight body, providing services comply with sharia'h provision, employees experience of Islamic financial services & its compatibility with shareia'h provision, experience of staff in the field of Islamic finance. This facto accounts for 60.253% of the total variance. It should be note that providing services consistent with Sharia'h compliance (mean = 3.96), and availability of sharia's oversight body (mean = 3.69) are the most important item in determining customer bank selection.

Next part of analysis set out to exam whether banks 'customers constitute a homogeneous group concerning the way they choose the bank. Both Saudi and Non-Saudi bank 'customer, male and Female, Islamic banks 'customers and conventional/mixed banks 'customers would be ranked in order of the mean important of factors.

Table (25) shows that there is not significance difference is found in customer bank selection based on nationality, however from table (26) Islamic value is more important to Saudi than Moqem, but quality is more important to moqem than Saudi. See appendix (31)

**Table (24 ) shows Results of factor analysis:**

Factors and Items		Factor loadings	Mean	% of Variance	KOM Value
<b>Factor 1 : Satisfaction</b>			<b>4.05</b>	<b>56.539</b>	<b>0.873</b>
1	the bank provide me with all banking services which I need	.789	4.19	7.888	
2	I can contact the bank electronically from any place in the Saudi Arabia or out side	.786	3.99	9.811	
3	the bank provides me with all financial services when I need it	.789	3.96	7.494	
4	I can easily contact the bank daily any time through the day	.732	3.95	12.441	
5	I completely satisfied from bank 'services	.808	3.93	7.888	
<b>Factor 2: services quality</b>			<b>3.74</b>	<b>63.002</b>	<b>0.817</b>
1	employees do not Boring from your enquiries	0.740	4.15	4.957	
2	an employee explains the required service procedures	.694	3.85	7.166	
3	there is enough number of employees to provide bank 'services for large number of clients	.808	3.62	63.002	
4	I get the service at relevant time	.846	3.54	9.148	
5	I don't wait for long time in the bank to get banking service	.867	3.4	15.727	
<b>Factor 3: cost of services</b>		<b>3.50</b>	<b>62.533</b>	<b>0.824</b>	
1	Fees cost of transfer is low & suitable	.675	3.7	5.001	
2	Interest /profit on business finance is suitable to me	.763	3.66	7.855	
3	Interest /profits required on credit cards affordable for me and not high	.842	3.47	62.533	
4	Profit / interest on personal finance is low and suitable to me	.869	3.34	13.557	
5	Interest/profit on real estate finance suitable to me	.791	3.33	11.054	
<b>Factor 4: financial intermediate</b>		<b>3.39</b>	<b>59.798</b>	<b>0.838</b>	
1	the bank provides intermediary service in Saudi security market	.817	3.47	59.798	
2	the bank provide portfolio management service as the agent of client	.740	3.42	7.460	
3	the bank provide project feasibility study to help them in investment decision	.786	3.39	9.384	
4	The bank provides financial intermediary services in foreign security market	.796	3.36	12.958	
5	the bank provides investment agent service to its customers	.722	3.29	10.400	
<b>Factor 5: Islamic value</b>		<b>3.70</b>	<b>60.253</b>	<b>0.786</b>	
1	I don't request any banking service unless insuring that it's completely consistent with Sharia'h compliance	.626	3.96	11.937	
2	I know that there is valid shariah oversight body	.786	3.69	14.151	
3	the bank's service are comply with shariah provision	.765	3.67	60.253	
4	Staffs explain banking services procedures and their compatibility with the provisions of Islamic sharia	.858	3.64	8.866	
5	Bank staff are experienced in the field of Islamic finance	.825	3.56	4.792	

**Table (25) ANOVA test result of difference based on nationality**

		Sum of Squares	df	Mean Square	F	Sig.
Satisfaction * nationality	Between Groups (Combined)	.597	1	.597	1.379	.242
	Within Groups	76.226	176	.433		
	Total	76.823	177			
quality * nationality	Between Groups (Combined)	.056	1	.056	.076	.784
	Within Groups	131.131	176	.745		
	Total	131.188	177			
cost of banking services * nationality	Between Groups (Combined)	.018	1	.018	.027	.870
	Within Groups	116.321	176	.661		
	Total	116.339	177			
financial intermediat * nationality	Between Groups (Combined)	.663	1	.663	1.898	.170
	Within Groups	61.475	176	.349		
	Total	62.138	177			
Islamic values * nationality	Between Groups (Combined)	.375	1	.375	.647	.422
	Within Groups	96.343	166	.580		
	Total	96.718	167			

**Table (26) shows importance ranking for the factors based on nationality**

	Satisfaction	quality	cost of banking services	financial intermediate	Islamic values
rank					
Saudi	1	3	4	5	2
Moqeen(non-Saudi)	1	2	4	5	3

**Table (27) shows ANOVA test result of difference based on gender:****ANOVA Table**

		Sum of Squares	df	Mean Square	F	Sig.
Satisfaction gender	*Between Groups (Combined)	.032	1	.032	.073	.788
	Within Groups	76.791	176	.436		
	Total	76.823	177			
quality gender	*Between Groups (Combined)	.876	1	.876	1.183	.278
	Within Groups	130.312	176	.740		
	Total	131.188	177			
cost of banking services gender	*Between Groups (Combined)	1.766	1	1.766	2.713	.101
	Within Groups	114.573	176	.651		
	Total	116.339	177			
financial intermediat gender	*Between Groups (Combined)	.517	1	.517	1.477	.226
	Within Groups	61.620	176	.350		
	Total	62.138	177			
Islamic values gender	*Between Groups (Combined)	.570	1	.570	.984	.323
	Within Groups	96.148	166	.579		
	Total	96.718	167			

According to table (27) Although, there is no significant difference in bank choice is noted base on gender, quality is more important to male than female, in contrast , Islamic value is more important to female than male see table (28) .see appendix (32)

**Table (28) shows importance of factors ranking based on gender**

	Satisfaction	quality	cost of banking services	financial intermediate	Islamic values
rank					
male	1	2	4	5	3
female	1	3	4	5	2

**Table (29) shows ANOVA test result of difference based on type of bank:****ANOVA Table**

	Sum of Squares	df	Mean Square	F	Sig.
Satisfaction * what is the type of the bank where you have opened your account?					
Between Groups (Combined)	1.557	2	.779	1.810	.167
Within Groups	75.266	175	.430		
Total	76.823	177			
Quality * what is the type of the bank where you have opened your account?					
Between Groups (Combined)	.506	2	.253	.339	.713
Within Groups	130.681	175	.747		
Total	131.188	177			
Cost of banking services * what is the type of the bank where you have opened your account?					
Between Groups (Combined)	2.593	2	1.297	1.995	.139
Within Groups	113.746	175	.650		
Total	116.339	177			
Financial intermediate * what is the type of the bank where you have opened your account?					
Between Groups (Combined)	1.141	2	.571	1.637	.198
Within Groups	60.996	175	.349		
Total	62.138	177			
Islamic values * what is the type of the bank where you have opened your account?					
Between Groups (Combined)	1.310	2	.655	1.132	.325
Within Groups	95.408	165	.578		
Total	96.718	167			

According to table (29) there is no significant difference in bank choice is noted base on type of bank (full fledge Islamic bank /or not) ,however Islamic value is more important factor for Full fledge Islamic banks ' customer than their counter part (conventional/mixed) 'customers , in contrast , service quality is more important for conventional and semi Islamic banks 'customers than full fledge Islamic banks 'customers. see appendix (33)

**Table (30 shows importance of factors ranking based on bank type**

	Satisfaction	quality	cost of banking services	financial intermediate	Islamic values
rank					
conventional	1	2	4	5	3
full fledge Islamic bank	1	3	4	5	2
Islamic window bank(mixed)	1	2	4	5	3



### Discussion:

Table (4) shows that the most important factor affect customer decision in select a bank to open his/she is account is quality factor .this result goes consistent with Dr. Gazie S. Okpara(2013) he stated that service quality is most influential of all the six determinant-factors (which include Proximity, attractiveness, referrals, marketing and price followed suit, and quality of services ) for the choice of commercial banks. Also this result goes consistent with Muhamad Jantan,(july 1998), Irfan Ahmed, (May 2012, Aregbeyen,(December 2011).

Table (5 ) shows that electronic methods of payment is most important item in the satisfaction factor (mean =4.28) as well as all 26 items in all five factors, however this item is

excluded from the factor in extraction method step see table (10) it loads less than 0.4 . This indicate that electronic methods of payment does not belong to satisfaction factor, it can be belong to service quality, because it loads 4.11 of variance within factor 'items see Tables (31), (32).

Also from table (5) and (10) it should be noted that the most important item of satisfaction factor is availability of all banking services (mean =4.19), followed by adaption of modern electronic telecommunication facilities (mean =3.99). This result goes consistent with, Omo Aregbeyen,(December 2011) he had demonstrated that safety of funds and the availability of technology based service(s) are the major reasons for customers' choice of banks.

**Table (31) Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.308	55.135	55.135	3.308	55.135	55.135
2	1.004	16.742	71.877	1.004	16.742	71.877
3	.640	10.670	82.547			
4	.447	7.453	90.000			
5	.353	5.886	95.886			
6	.247	4.114	100.000			

Extraction Method: Principal Component Analysis.

**Table (32)**

Communalities		
	Initial	Extraction
there is enough number of employees to provide bank 'services for a large number of clients	1.000	.778
I don't wait for long time in the bank to get banking service	1.000	.825
I get the service at relevant time	1.000	.731
an employee explain the required service procedures	1.000	.566
employees do not boring from my enquiries	1.000	.654
I can pay my purchase electronically through electronic methods of payment	1.000	.758
Extraction Method: Principal Component Analysis.		

Table (6) shows the most important item of service quality factor is the Empathy: employees do not Boring from customers 'enquiries (mean =4.15), in addition to an employee explains the required service procedures (mean =3.85).based on Descending order. This result goes consistent with (Parasuraman, 1988) model. Moreover it adds new rank of service quality items; this result reveals that Empathy is the most important element of service quality items.

Table (7) shows Important ranking of services 'cost axis statements in descending order includes: fees costs of transfer (mean=3.7), interest /profit on business finance (mean=3.66), Interest /profits required on credit cards (mean=3.47), interest /profit on personal finance (mean=3.34). interest/profit on real estate finance(mean = 3.33).it should be noted that fees costs of transfer is the most important item of service cost factor in determining customer 'bank choice . thus it indicates that Saudi Arabia is one of transfers countries .

Table (8) shows importance rank of financial intermediate items in descending order: providing intermediary service in Saudi security market (mean=3.47), providing portfolio management service as the agent of client (mean =3.42), help customer in investment decision (mean =3.39), providing financial intermediary services in foreign security market (mean =3.36), providing investment agent service to its customers (mean=3.29). Thus providing investment agent service to its customers is least important item in financial intermediate factor, as well as all as of all five factors 'items (26 items).

\*This result bridges the gap because there is no clear consensus about the effect of financial intermediate factor in customer bank selection criteria.

Table (9) shows important ranking of Islamic values axis items, in descending order including: assurance of providing banking services consistence with sharia'h compliance(mean=3.96),availability of valid

shariah oversight body(mean=3.69), bank should comply with shareia'h compliance in its activities(mean =3.67), Staffs explain banking services procedures and their compatibility with the provisions of Islamic sharia(mean =3.64), Bank staff are experienced in the field of Islamic finance(mean =3.56).Thus it should be noted that assurance of providing banking services consistence with sharia'h compliance is the most important item of Islamic value factor in determining customer bank selection . This result goes consistence with Ahmad Azrin Adnan, (2013) they recommended that marketing activities by Islamic banks should consistently comply with the shariah principles.; Also it goes consist Salman Masood (2014) Their results showed that customers use only the current and saving accounts; they do not use different modes of financing because of less awareness about the products and financing modes of Islamic banks.

Table (24 ) shows Results of factor analysis ,it should be conclude that rank of studies factor which are effect on customers decision in choose their banks in descending order : Satisfaction(mean=4.05), services quality(mean=3.74), Islamic value (mean=3.7), cost of services(mean=3.5), financial intermediate(mean=3.39).

Table (25) shows that there is not significance difference is found in customer bank selection based on nationality , however from table (26) Islamic value is more important to Saudi than Moqem ,but quality is more important to moqem than Saudi. This considers is new result because there is no previous work revealing this issue.

According to table (27) Although, there is no significant difference in bank choice is noted base on gender, quality is more important to male than female, in contrast , Islamic value is more important to female than male see table (28) in Saudi Arabia community .

According to table (29) there is no significant difference in bank choice is noted base on type of bank (full fledge Islamic bank /or not),

however Islamic value is more important factor for Full fledged Islamic banks 'customer than their counter part (conventional/mixed) 'customers, in contrast, service quality is more important for conventional and semi Islamic banks 'customers than full fledged Islamic banks 'customers. These results goes consistent with Kabiru&Ibrahim(2014) he had demonstrated that Perception, Awareness and Understanding are positively associated with Muslim account holders in conventional banks toward Islamic banking products. then he recommended that the Islamic banking industry should focus on the people's understanding of Shariah position on business transactions, concept of profit and loss sharing practice, benefit of Islamic banking products, good understanding of Islamic banking theory and practice that would have impact on customer decision. Also the results go consistent with Ahmad and Haron (2002) they have reported that the majority of Islamic bank customers emphasized religious as well as other factors.

## Conclusion:

### ❖ Results

- 1- the most important factor affect customer decision in select a bank to open his/she is account is quality factor
- 2- electronic methods of payment is most important item affect customer decision in choose a bank , moreover it doesn't belong to satisfaction factor ,but it belong to quality factor
- 3- the most important item of service quality factor is the Empathy
- 4- the most important item of service cost factor in determining customer 'bank choice
- 5- Financial intermediate factor includes: providing intermediary service in local security market, providing portfolio management service as the agent of client, helping customer in investment decision, providing financial intermediary services in foreign security market, providing investment agent service to banks 'customers.

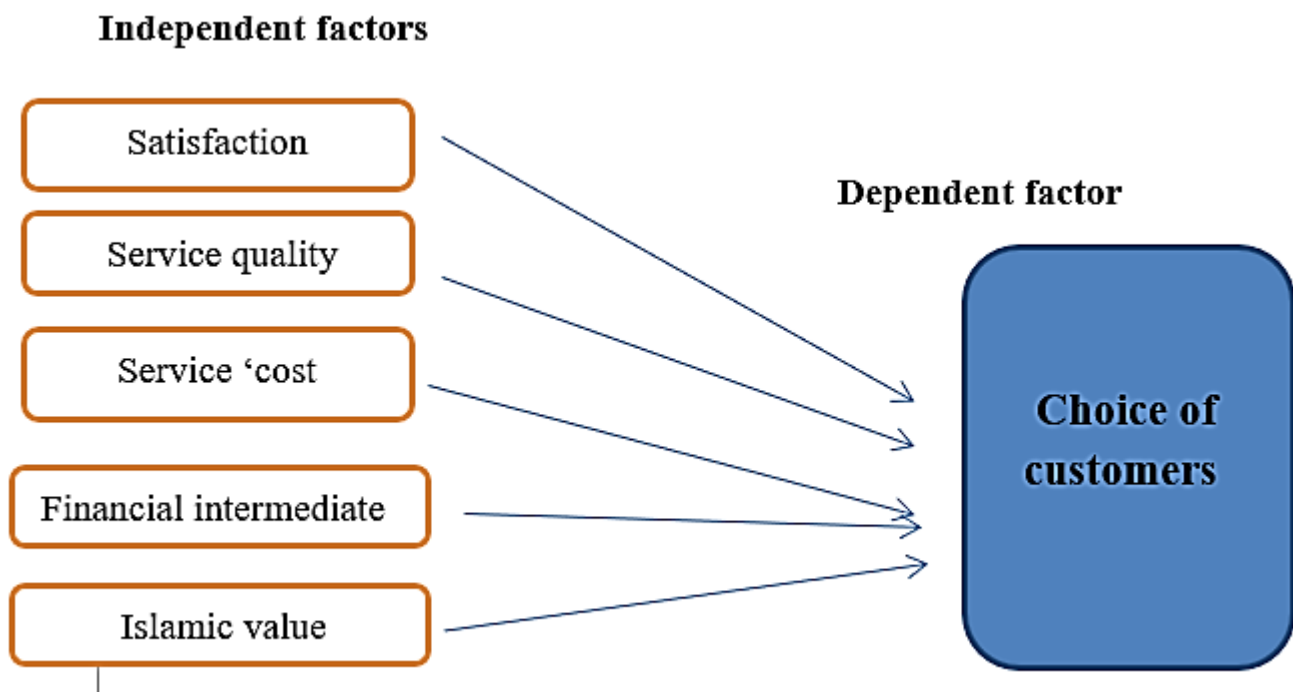
- 6- the most important item of financial intermediate factor in customer select a bank service is providing intermediary service in local security market, however the least important item of financial intermediate is , providing investment agent service to banks ' customers ,as well as all other factor 'items (26 items)
- 7- Islamic value factor which effect on customers decision about their bank choice consists of : assurance of providing banking services consistence with sharia'h compliance, availability of valid shariah oversight body, bank should comply with shareia'h compliance in its activities, Staffs explain banking services procedures and their compatibility with the provisions of Islamic sharia, Bank staff are experienced in the field of Islamic finance.
- 8- Cost of service factor includes fees costs of transfer, interest on business finance. Interest required on credit cards, interest required on personal finance interest required on real estate finance
- 9- the most important item of Islamic value factor in determining customer 'bank selection ,is assurance of providing banking services consistence with sharia'h compliance
- 10-Importance rank of studies factor which are effect on customers decision in choose their banks in descending order : Satisfaction(1),services quality(2), Islamic value(3) , cost of services(4), financial intermediate(5).
- 11-there is not significance difference is found in customer bank selection based on nationality
- 12-Islamic value is more important to Saudi than Moqem, but quality is more important to moqem than Saudi.
- 13-There is no significant difference in bank choice is noted base on gender.
- 14-Quality is more important to male than female, in contrast, Islamic value is more important to female than male.

- 15-there is no significant difference in bank choice is noted base on type of bank (full fledge Islamic bank /or not)
- 16-Islamic value is more important factor for Full fledge Islamic banks ' customer than their counter part (conventional/mixed) 'customers
- 17-Service quality is more important for conventional and semi Islamic banks 'customers than full fledge Islamic banks 'customers.
- 18-Ranks of factors affect customer decision in select a bank service based on their mean, are satisfaction (mean =4.05), service quality (mean=3.74), Islamic value (mean =3.7) service cost (mean=3.5), financial intermediate (mean =3.39).

#### ❖ Recommendations

- 1- Suggestion for Saudi banks should focus in quality of service, and make good marketing strategy to attracting institutions to further encourage their employees to purchase banking service.

#### Research frame work:



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