The Impact of Service Quality and Customer Satisfaction on Customer's Loyalty in Jordan Islamic Bank

Abstract

Purpose - The main objective of this paper is to "explore how service quality and customer satisfaction impact on a customer's loyalty in Jordan Islamic Bank (JIB).

Design/methodology/approach - A quantitative methodology was adopted to examine the proposed model and hypotheses. A questionnaire was randomly distributed to a sample of 100 to those visiting the JIB in Amman city and 78 were returned. SPSS was used to analyse the data.

Findings - The results show that service quality dimensions impact significantly and positively upon customer satisfaction and customer satisfaction is positively related to customer loyalty. Responsiveness demonstrates the highest positive correlation with customer satisfaction and reliability shows the least positive correlation with customer satisfaction. Practical Implications: Jordan Islamic Bank should focus on continuous improvement of service quality due to its direct effect over customer satisfaction and ultimately loyalty. Managers should pay attention to the quality provided by their employees and develop them through training and education programmes in Islamic knowledge.

Originality/Value: As the first study of its kind in Jordan, the paper's contribution stems from fulfilling the research gap in examining effects of service quality and customer satisfaction impacting on customer loyalty in Jordan Islamic Bank .