

Assessing, Synthesizing and Categorizing the Technical Requirements for Service Quality Improvement: An Exploratory Study on Islamic Banks in Bangladesh

Muhammad Khairul Islam¹, Muhammad Nazmul Hoque^{2*},
Rafikul Islam³ and Fahima Khanom⁴

¹Universiti Tenaga Nasional, Malaysia

²Faculty of Accountancy, Universiti Teknologi MARA Cawangan Selangor,
Kampus Puncak Alam, Selangor, Malaysia

³Aliah University, Now Town, Kolkata – 700160 India

⁴The Department of Business Administration,
International Islamic University Malaysia (IIUM), Malaysia

ABSTRACT

The aim of this study was to identify the technical requirements of Islamic banks in Bangladesh for fulfilling the needs and requirements from their customers to ensure service quality. Data were collected through interviews as one of the “generic qualitative inquiry” approach from 25 middle and top level of executives who have had at least five years of experience in dealing with their valued customers from seven Islamic banks on a personal contact basis. The research data were analyzed starting with transcribing the statements of respondents and later the analysis was completed through content analysis. Altogether, 47 synthesized technical requirements (how’s) were developed and later, all the requirements were categorized under 6 dimensions namely, Employees’ Competency, Islamic Shariah Matters, Service Quality Practice, HRD and Management Role, TQM Practice, Communications and Information Technology. The findings of this research provided the plausible and necessary guidelines to the executives of Islamic banks in Bangladesh for fulfilling the needs and expectations to build customer satisfaction and attain competitive advantage through the service quality enhancement. Moreover, this study provides new insights into customers’ technical requirements about Islamic banking services that could assist those banks to understand the customers’ perceptions for upholding the ultimate satisfaction.

Keywords: Service Quality, Islamic Banks, Technical Requirements, Customer’s Satisfaction, Bangladesh

ARTICLE INFO

Article History:

Received: 31 January 2024

Accepted: 23 Jun 2024

Available online: 1 April 2025

* Corresponding Author: Muhammad Nazmul Hoque; Faculty of Accountancy, Universiti, Teknologi MARA, Cawangan Selangor, Kampus Puncak Alam, Selangor, Malaysia; Email: nazmul@uitm.edu.my

INTRODUCTION

Globalization has resulted a highly competitive business environment and organizations are looking for providing progressively better service quality to drive their organizations to compete successfully in the market (Sunaryo et al., 2023). Nowadays, the prospect and growth potentials of Islamic banks in Bangladesh is perceived to be huge as there is a high demand for interest-free banking services from the people of Bangladesh who have a strong propensity to abide by the rules and principles of Islamic Sharia'h (Ullah & Khanam, 2018). However, apart from the external pressure by the conventional banks, the Islamic banks are also facing enormous problems internally (Zainordin et al., 2021; Shohrowardhy et al., 2016). It is the views of many scholars that presently the level of service quality of Islamic banks in Bangladesh is not as much as it is supposed to be.

Commercial banks form the biggest and the most significant group of financial institutions in Bangladesh (Zeng et al., 2021; Hoque et al., 2022). To compete with the local and international banks, it is mandatory for the commercial banks of Bangladesh to improve the level of their service quality. Besides, it has become the consumers' privilege to enjoy the best financial services as their choice of products and commodities also of different financial institutions including banks, competition in providing quality services have become very crucial in the present day as the process of liberalization and globalization is getting intense (Ahmad, 2020). As in recent years, the customers of the Bangladesh banking sector have become more aware, better acknowledged and more internalized, and as the country's economy and financial status becomes knowledge-based, the customers' request and persistent demand for high quality services will rise along with the increase in their consuming capacity (Akber & Dey, 2020; Meisamy & Gholipour, 2020).

To keep abreast with the strong competition, it becomes a pivotal strategy for the Islamic banks to improve their products and services consistently (Alshater et al., 2023). Hoque et al. (2022) emphasised on adopting service quality programs and opined that service quality may be the way out for the Islamic banks to enhance market shares and profitability (Kanapiyanova et al., 2023).

Bangladesh is regarded as the third largest Muslim country of the world with Muslims representing over 91% of the population (Dhaka Tribune, 2023). Islamic banks in Bangladesh have been struggling alongside conventional ones in offering services to different customer categories. It is also to be acknowledged that Bangladesh was once a British colony, therefore, most of the banks in this country follow conventional practices (Hassan et al., 2023) although, in recent years some of the private and foreign banks have been offering Islamic banking services in parallel with their previous conventional ones. Islamic banking is widespread and well-known in Bangladesh but studies in the area of service quality improvement in this sector are few and most of the studies conducted thus far have concentrated on the comparative financial performance of banks and legal issues (Shohrowardhy et al., 2016; Sunaryo et al., 2023; Daga et al., 2021). Thus, service firms strive to stay in the forefront of today's marketplace by offering quality service in the presence of fierce competition. According to Chow and Luk (2005), service quality is an essential component for winning and retaining customers. While Kandampully and Shuhartanto (2003) strongly claimed that in differentiating a service from its competitors and in fostering customer loyalty, the quality of service is more important than price.

In carrying out these objectives, Islamic banks have to constantly be wary of the potential customers' changing behavior, attitudes and perceptions particularly in the retail sector as it occupies a major portion of the banking sector/ industries. Nowadays, many conventional banks also extend their Islamic marketing for bridging the perceived gaps between managers and customers (Islam & Hassan, 2024).

The present research will focus on how to enhance customer satisfaction and overall service quality of the Islamic banks in Bangladesh. Based on the discussion above, this study aimed to assess and categorize the technical requirements for service quality improvement that influences customers' perceptions on service quality of Islamic banks in Bangladesh. Further, this study tested the impact of customers' perception on satisfaction and also service quality practice (TQP), which is influenced by satisfaction. This study included a theoretical foundation as well as the development of the study hypotheses with predicting consumers' perception of Islamic banking services in Bangladesh. Subsequently, this study discusses the research methodology, research findings, discussion, and concluding remarks.

LITERATURE REVIEW

Service Quality in Banks

Since the advent of globalization, monumental changes have been taken place in the business world (De Leon, Atienza, & Susilo, 2020). In particular, the banking and financial service sector has become an industry propelled by demand and constitutes an integral portion of the service industry (Lebdaoui & Chetioui, 2020). In today's fiercely competitive business environment, service quality is critical to the survival, development, and flourishing of the banking business (Tien, Son, Anh, & Duc, 2021). In the banking industry, service quality is characterized as consumers' cognitive representations of the distinction they perceive between the real performance of services and their a prior aspirations of essential banking service features (Abror et al., 2020; Teeroovengadam, 2022). As such, various regulatory, structural and technological transformations are seen within the banking industry aligned with trends inclined to an integrated financial environment (Tsindeliani et al., 2022). The situation is such that banking services can be utilized by customers from any country in the world as these services are widespread with diverse offerings (Shcherbatykh, Shpileva, Riabokin, Zham, & Zalizniuk, 2021). Moreover, banks are competing to offer services through the restructuring of their services in the hope of coping with the technological advancement to meet the ever-changing customers' needs worldwide (Broby, 2021). The customers on the other hand are on the lookout for a potential bank that offers the most efficient, user friendly and safe services. Hassan et al., (2023) carried out an investigation in West Java, Indonesia, to explore the influence of service quality on customer satisfaction with Islamic banking services. According to the findings of the study, service quality had a positive and considerable impact on customer satisfaction in Islamic banking services. Dandis and Wright (2020) discovered two elements of service quality (empathy and assurance) that had a substantial association with Islamic banks' customer satisfaction.

Customer Satisfaction

Customer satisfaction is indeed a logical or cognitive or subjective reflex that appears in the form of a response to a single or protracted sequence of service experiences. Customers' satisfaction speaks loudly about

the businesses' quality and performances. Unsatisfied consumers, on the other hand, remind firms of their poor performance (Supriyanto, Wiyono & Burhanuddin, 2021). To achieve a high level of customer satisfaction, most researchers suggested that a higher level of service quality should be delivered by the service provider as service quality is normally considered an antecedent of customer satisfaction (Alkhazaleh & Haddad, 2021).

Both the service management and the marketing literature suggest that there is a strong theoretical foundation for an empirical exploration of the linkages between customer satisfaction and customer loyalty (Arora & Narula, 2018). According to the literature, customer satisfaction with the service experience will lead to a higher level of customer loyalty. The researchers also stated that there was a strong and positive relationship between customer satisfaction and loyalty (Islam et al., 2021). A satisfied customer is six times more likely to repurchase a product and share his experience, further, an unsatisfied customer can banish future business from the organization. Generally speaking, with higher customer satisfaction the level of loyalty increases. In today's business environment, firms who fail to deliver high-quality products and services lose clients to competitors. Customers are getting more demanding, and their quality expectations are rising; as a result, firms must be customer-focused, provide higher value to consumers, create connections, and concentrate on market engineering. Companies today monitor their customers' satisfaction, their own performance, customer experience, and even their competitors (Shohrowardhy, Alauddin & Sharif, 2016).

On the basis of the empirical literature, customer satisfaction is indicated as a foremost determinant of customer loyalty. Banks have paid more attention to service quality, and greater efforts have been made to achieve a high level of service quality in order to satisfy clients. In today's competitive market, banks must develop ways to increase service quality and to systematically achieve, monitor, and maintain this quality in order to achieve maximum customer satisfaction.

Customer Satisfaction and Bank Competitiveness

Banks' most significant competitive advantage is customer satisfaction. Providing excellent customer satisfaction is the greatest way to distinguish

any bank. With almost everyone offering nearly identical products and services and little space to compete on pricing, the experience clients have with their banks is what differentiates one bank from another (Shokoohyar, Shokouhyar, Sobhani, & Naseri, 2021). Happy clients are committed and loyal, and they refer the service they received to their acquaintances, peers, and friends, which is especially cost-effective considering the high cost of new customer acquisition, where banks have a competitive edge over their competitors (Tanjung, Simanjourang, Prayoga, & Limbong, 2021).

A pleasant client experience leads to greater sales since existing customers buy more frequently and they bring new customers with them through their recommendations, which subsequently helps enhance profitability. Cross-selling and upselling are also boosted by positive customer experiences (Nahar et al., 2021). As such, a competitive advantage can emerge from either executing a value-creating strategy that is not being used by present or potential competitors at the same time, or from superior execution of the same plan as competitors. Any company's long-term performance and survival are primarily predicated on sustaining competitive advantage (Crick, 2022). The previous discussion stresses the importance of customer satisfaction which should be made the core upon which bank strategies are built. It is important for current banks to concentrate on managing customers for their satisfaction with the services offered. Therefore, a system is needed that measures customer satisfaction continuously (Amer & Abdulwahhab, 2020; Almazroi, Khedr, & Idrees, 2021).

Synthesizing Technical Requirements

The technical requirements for achieving Service Quality Improvement (SQI), as illustrated in Figure 1, involve several critical factors. These include Employees' Competency (EC), Islamic Shariah Matters (ISM), Service Quality Practice (SQP), Human Resource Development & Managerial Role (HMR), Total Quality Management (TQM) Practice (TQMP), and Communications & Information Technology (CIT). Each of these factors plays a significant role in enhancing service delivery by ensuring compliance with industry standards, regulatory frameworks, and customer expectations. For instance, EC emphasizes the necessity of skilled personnel to maintain high service quality standards, while ISM ensures

that services align with Shariah principles, particularly in Islamic finance sectors (Othman & Owen, 2001). Moreover, TQM practices and managerial roles contribute to the strategic alignment of operational efficiency with customer satisfaction (Zairi, 2013).

Additionally, the integration of Communications & Information Technology (CIT) is vital in modern service industries, as it facilitates seamless interactions between service providers and customers, enhancing overall service efficiency and accuracy (Parasuraman et al., 2005). Furthermore, Service Quality Practice (SQP), supported by frameworks such as the SERVQUAL model, ensures that organizations consistently measure and improve their service offerings (Zeithaml, Berry & Parasuraman, 1996). By addressing these interconnected factors, organizations can systematically improve their service quality, ensuring long-term sustainability and customer trust.

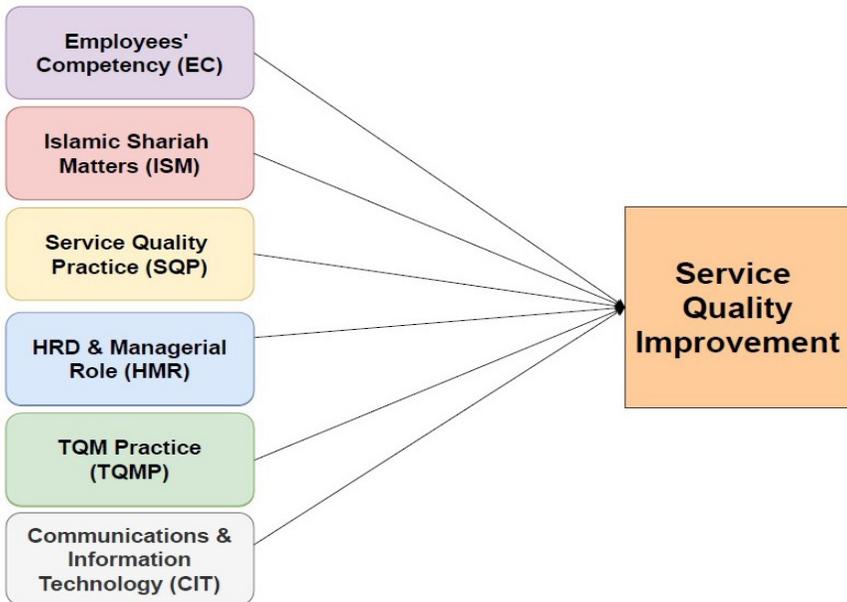


Figure 1: Dimensions Technical Requirements

METHODOLOGY

Due to the nature of this research, the study used a qualitative approach namely the generic qualitative inquiry to develop the technical requirements for fulfilling the customers' requirements. Qualitative researchers are primarily interested in understanding how people interpret their experiences, how they construct their world and what meaning they attribute to their experiences. Similarly, Khedr and Idrees (2021) stated that generic qualitative inquiry investigates people's reports of their subjective opinions, attitudes, beliefs, or reflections on their experiences, of things in the outer world. In this regard, the study articulated the experiences of 25 middle and top level of Islamic banks executives from various parts of Bangladesh. A purposive and snowball sample is a non-probability sample that is selected based on characteristics of a population and the objective of a study. Purposive sampling is also known as judgmental, selective, or subjective sampling. Whereas, in sociology and statistics research, snowball sampling (or chain sampling, chain-referral sampling, referral sampling) is also a non-probability sampling technique where existing study subjects recruit future subjects from among their acquaintances (Khedr & Idrees, 2021).

For the data collection, interviews were conducted under a generic qualitative approach among 25 respondents with open-ended questions to receive the technical requirements for enhancing the service quality of Islamic banks in Bangladesh. Interviewing is a useful data collection method, especially during the exploratory stage of a research. The respondents were shown a complete and prioritized customer' requirements (Amer & Abdulwahhab, 2020) list developed from the voice of their customers, and then, they were asked to find out the way of "how" these requirements can be fulfilled. Having conducted the interviews, the data were analyzed according to descriptive and content analysis.

An open-ended question was asked to the respondents to get the technical requirements for having enhanced service quality in the Islamic banks in Bangladesh. A recorder was used to tape their statements, simultaneously the researcher wrote down their articulated main points. An interview guide was followed with various subjects such as the study asking the permission about the time and place, explain the details about the purpose of the interview and most importantly, the study confirmed with them about the confidentiality of the conversation.

FINDINGS

The present study aimed to evaluate as well as categorize the technical requirements for enhancing the service quality in Islamic banking organizations in order to fulfill customers' demand and satisfaction. This research selected the Bangladesh region as study location. To complete the current study goals, this study interviewed 25 middle and top-level executives who specialized in the Islamic financing sector, and they were experienced in dealing with customers for over 5 years. Data from the respondents were analyzed under the following themes: (1) What services do you use as a customer of the Islamic bank? (2), Experience of gathering good Islamic banking services (3), Experience of gathering poor Islamic banking services (4), How to improve the services quality in Islamic banking institutions? (5), What are the technical requirements to enhance the service quality in Islamic financial organizations in order to fulfil the customer's need and satisfaction?

Theme 1: Services used as a customer of the Islamic bank

Service quality has become prone to gain importance in the banking sector given that the financial services environment is continuously changing. The strongly competitive financial industry is forcing banks, including Islamic financing, to continually reassess their customer service providing in light of the changing consumer demands for service quality. The purpose of the Islamic banking institution is to meet customers' demands and satisfaction. In any sort of banking organization, offering the best quality service for consumers is of utmost importance because it is one of the core requirements for every banking institution. About the customers' relationships and their consumption pattern of Islamic banking services over the years we asked the question, "What services do you use as a customer of the Islamic bank?". According to the first interviewer who expressed the following expression:

I have been maintaining different accounts since 1994 and onward. Because of my involvement with the business, I have to maintain different types of accounts as well, and to maintain those accounts properly, considerable hours have to spend at the bank office. Therefore, this became part of our office. In this

regard, we are quite familiar and experienced with the services provided by the bank. (Interview with General secretary of Islamic Bank of Bangladesh)

However, one of the participants explained his views differently. He expressed that:

When a bank establishes its mission and vision, and to achieve those, they always need to emphasize a single customer to satisfy his/her needs and requirements and for that purpose, they always provide various services. But as individual customers of the bank, we usually use very few services. For answering your question, basically, I have some savings and current accounts and some investment accounts. Especially, for my current account and some investment account, I need to go to the bank almost every day. (Interview with Chairman, Shariah Supervisory Committee, NRBC Bank, Bangladesh in an interview, 2023)

From the above statements, there are two vital issues produced: firstly, about the banks' purpose to do business in the financial environment and the second is about the services the customers have been getting over the years. Additionally, it is clear that almost everyone had a general experience of Islamic banking which includes savings accounts, current accounts and modarabas accounts.

Theme 2: Experience of gathering good Islamic banking services

Even though, most of the respondents were using general banking, they had some observations about good and poor services in Islamic banking organizations. When banks have a deeper awareness of their customer's needs, they may try to fulfil those requirements, and thus, banks should provide higher-quality services (Lebdaoui & Chetioui, 2020). The best service quality, accordingly, derives from improved client satisfaction and organizational efficiency. Due to better education and flexible accessibility to financial paths, consumers have now more strength than earlier. Consequently, they have higher expectations for the goods and services they need. Customers have more power than ever before due to

better education and easy access to banking channels (Dandis et al., 2021). As such, they demand more from the products and services they require. In every banking sector, it is a general need that setting, building, and preserving better consumer relationships results in lucrative development (Zouari & Abdelhedi, 2021). Responding to the second theme regarding the experience of gathering good Islamic banking services, some of the respondents provided the following statements:

For me, we basically do our financial transaction through bank because of safety purpose. For this issue I feel safe in transaction, employees are consistently courteous with customers, they have up to date/modern equipment, so far, they keep its records accurately and more appreciable thing is they contribute some portion of its profits towards the social development. (Interview with General Manager of Islamic Bank of Bangladesh)

The good thing is the attitude. Even, I mean the knowledge about the transaction of the customers, they have sufficient knowledge, I mean the employees have sufficient knowledge. Their employees are quite customer friendly, and they have positive thing. I think that's good enough to compete with other conventional banks. (Interview with Human Resource Manager of Exim Bank)

From the above responses, some important aspects of good service experiences can be identified. For instance, friendliness of employees, efficient transactions, prompt services, knowledgeable employees, etc. Though they had some mixed feelings regarding the satisfaction of services they received from the banks, most of them had positive perceptions towards Islamic banks.

Theme 3: Experience of gathering poor Islamic banking services

As for the experience of poor services provided by the Islamic banks, the following statements were observed from some respondents:

Sometimes we have to wait and queue up. In terms of promptness, their service is not good. There are too much paperwork and

mostly services are delay, thus, it should be more rapid. Another thing is behaviour. There are some officers. I have experiences that their behaviour is not friendly, sometimes they behave very roughly and rudely. (Interview with Officer of the NCC Bank of Bangladesh).

I did not find employees who can satisfy us in answering questions related to Islamic Sharia'h matter. That is why, still Islamic banking is not clear to me. (Administrative officer of the Dutch Bangla Bank of Bangladesh).

Compared to other conventional banks, still Islamic banks did not launch full-fledged Internet banking. (HR Officer of Prime Bank of Bangladesh).

Based on the above statements, a few significant factors were identified such as the behaviour of employees, too much paperwork and service delay, confusion about Islamic Shariah matter, and lack of full accessibility of the internet facilities. The majority of the time, it has been challenging to achieve accomplishing the customers' demands. Prior to this, several scholars have examined issues related to poor service quality in banking and various organizations. For example, Amer and Abdulwahhab (2020) found that employee disengagement leads to substandard customer service, a lack of commitment, and diminished performance. This could be explained by the fact that they are uninspired, poor performers, and disinterested in the organization's performance. Bank employees believe that employee engagement improves organizational performance as indicated by (Amer & Abdulwahhab, 2020). Moreover, according to them, individuals may demonstrate their full potential and excel at work in an environment that fosters engagement by collaborating with co-workers, applying the liability of their duties, and attempting to make a significant contribution to organisational goals and objectives, which subsequently leads to high levels of performance.

Theme 4: Improvement of the services quality in Islamic banking institutions

Based on the above answers from the interviews with the respondents, it can be emphasized that, certain type of improvements were necessary to fulfil the customers' expectations towards the services of Islamic banks. The respondents also expressed their feelings about how to improve the services of Islamic banks. One of the respondents expressed the following and a few others concurred with him:

For deposit they need to go first counter, second counter and third counter after you can finish this one but if it is done in one counter, I mean if everything is done in same counter then it can be easier and quicker. They need to increase the manpower in the bank. Yes, also the behaviour of the employee in the bank. Because sometimes their behaviour is not good. Every organization, especially, service organization must improve its technological resource and capabilities. (Interviewed with Managing Director of Brac Bank of Bangladesh)

From the overall discussion on improving the service quality of Islamic banks, some important issues were raised. Some of the participants discussed about benchmarking with some renowned banks in Bangladesh as well as international banks; others said about implementing sophisticated technology. A few of them pointed out that even the environment of the banks and the behaviour of employees can play significant roles in improving the services of Islamic banks in Bangladesh. Meanwhile, there are few steps have been taken to improve service quality. In order for customers to continue doing business with a firm even though they occasionally receive poor service, businesses have to come up with strategies to compensate for insufficient amenities and fix their deficiencies. According to studies, outstanding customer service enhances consumer happiness and consequently encourages trust (Dandis et al., 2021; Zouari & Abdelhed, 2021).

Theme 5: Technical requirements to enhance the service quality in Islamic financial organization in order to fulfil the customer's need and satisfaction.

To enhance service quality in Islamic banking, key technical requirements must align with consumer expectations and satisfaction. Expert bankers provided insights on improving Shariah compliance, employee competency, service efficiency, and technology integration to ensure high-quality, customer-centric services. One respondent stated that:

As you know that, we are dealing with a quiet large number of customers every moment, therefore, it is really difficult to maintain the expected service quality level of customers. But still, we believe that our service is quite satisfactory. (Operational Officer of Islamic Bank of Bangladesh)

While another stated in a different way:

Yeah, we agree that the customers' expectations are changing rapidly and due to some unavoidable circumstances, we are facing challenge to satisfy them. Also, we agree that we need to improve the service quality level. (Executive officer of Eastern Bank of Bangladesh)

One respondent responded with the following statement:

As you can see that our staffs are busy all the time. And this thing happens always. Training should be provided on routine basis, but we are lacking that not only that but also, we need to emphasise on research and development seriously. The R&D department has to do research of 'service quality', 'customers satisfaction', 'Islamic products and service', ensuring 'up-to-date equipment, resources and latest technology' and 'social responsibility'. (Managing director and CEO of Islamic Bank of Bangladesh)

Technical efficiency is the ability of a system to produce what it needs from the components that are available. A bank that is operating more

effectively should have both greater technical and economic efficiency. The technical requirements of banks can be evaluated using a variety of techniques. In order to attain consumer demand and satisfaction in the banking sector, technical requirements are important. However, Islamic financial institutions face significant challenges regarding fulfilling consumer requirements in terms of technical requirements such as lack of proper training, poor service quality, products and services, confirming current facilities, recent technology, insufficiency of professionalism and lack of transparency. Most importantly, technical requirements are measured by the maximum necessities gained with the use of the minimum quantity of resources that fulfil the customer demand (Abdelhed, 2021).

DISCUSSION

The system of Islamic banking institutions needs to be concerned with what principle are being applied by consumers to evaluate their services as consumer behavior habits are transforming because of the recent digital trend. The present study is a vital contribution to the field of banking services by understanding the essential requirements when evaluating services for Islamic financial organizations. The analysis of this study interviewed 25 top level officials who are experts in the financing sector. The outcomes of this study demonstrated that offering the greatest service quality may lead to better levels of customer satisfaction among Bangladeshi Islamic bank customers. This finding supports earlier studies' results that customer happiness and service quality in Islamic banking were strongly correlated (Hoque et al., 2022). Though customers of Islamic banks are pleased with the common level of service they receive from their banks, there is no guarantee that these customers will not move to another bank. As a result, Islamic banks must improve client trust in Shariah compliance in order to improve customer relationship management. Our findings indicated that banking institutions should provide their best in order to satisfy customers' requirements as well as demand. Most of the clients of Islamic banks. Thus, when developing their marketing strategy for Islamic banking services, Islamic banks need to more thoroughly evaluate the factors that shape their brand identity and give service quality the same weight as "Sharia compliance."

In the contexts of Islamic banks in Bangladesh, the key objective of this study was to enhance the services quality and fulfil customers' requirements based on the development of technical requirements and the outcomes have showed that technical requirements in the banking sector was positively correlated with banking achievement. In line with these outcomes, Hoque et al. (2022) found that the capability of financial institutions to generate the highest output feasible with a minimum of inputs, and this implies that the crucial role of technical requirement plays a significant function in the banking industry. The study described how the increased level of technical requirements accelerates the financial and operational success of banking organizations resulting in customers' satisfaction and meet their demand. This is also supported by Rahman et al. (2023), which highlighted the significance of great technical requirements in achieving outstanding functional and financial outcomes. The study guides Islamic financial institution management on developing their policies, methods, technologies, and combinations of components in order to attain the highest possible output while employing a minimal number of available resources. From the outcomes, some of the core technical requirements that are essential for customers' requirements and satisfaction such as personnel training, providing various fields of knowledge for personnel, responsiveness and determined workers, transparency from Shariah point of view, practicing Islamic culture officially, promotion of Islamic banking products, assuring service quality practice and customers focus in order to get customers satisfaction, long-term plan for service quality improvement, adequate manpower, higher management support, up-to-date equipment, resources and latest technology, 24 hours hot line (helpline) service, establishing e-banking (internet) system. It guides the Islamic banking management to improve the operational, service and technical requirements of the banking institution by attaining optimal desired outputs.

CONCLUSION

This research sought to determine the most pertinent factors demanded by customers and the technical requirements for achieving effective service quality, as perceived by customers of Islamic banks in Bangladesh. Through a collection of qualitative data from management of Islamic banks in Bangladesh, the research identified what customers look for and more

importantly, how these expectations can be met from a technical perspective. The study demonstrated that technical requirements have greater influence on customers' needs and demand. The Islamic banking organizations' technical requirements is the strength with which the banks emerge the highest output with the operation of minimum quantity of available inputs. Furthermore, the study insights that emerging business competition is substantially linked with financial institutions' efficiency rate. To cope with emerging market competition, the Islamic financial institutions should develop their service level, technical efficiency, and operational activities in order to hold their clients. Banks should also pay attention to know their customers' requirements, basic demand, benchmark rates and they need to focus on adapting to them. Islamic financial authorities need to understand what sort of measures are being utilized by clients to assess their facilities. This study highlights the significance of service quality and potential customers' fulfilment of Bangladeshi Islamic banks.

In brief, this study identified six key technical requirements. By addressing these concerns and proposing practical solutions, stakeholders gain a valuable framework to improve service quality, strengthen market position, and align with industry best practices. Ultimately, this research aims to enhance customer satisfaction more effectively. The research identified the technical requirements that are purported to satisfy the customers' requirements progressively. The management team within Islamic banks is expected to take the findings of this research in its future redesigning exercise of the bank services and this may push them one-step forward to their vision to provide excellent Islamic banking services to the customers. The findings of the research are equally useful to other similar organisations for operating their business efficiently and effectively.

ACKNOWLEDGMENT

The authors would like to express their gratitude to the Faculty of Accountancy, Universiti Teknologi MARA, Malaysia. We also would like to extend our appreciation to fellow colleagues for their reviews and comments on the earlier draft of this paper and facilitating this research project.

REFERENCES

- Abror, A., Patrisia, D., Engriani, Y., Evanita, S., Yasri, Y., & Dastgir, S. (2020). Service quality, religiosity, customer satisfaction, customer engagement and Islamic bank's customer loyalty. *Journal of Islamic Marketing*, 11(6), 1691-1705.
- Ahmad, F. (2020). Islamic banks vs. Conventional banks in Bangladesh: A comparative study based on its efficiency in operation. *International Journal of Islamic Banking and Finance Research*, 4(1), 29-37.
- Akber, S., & Dey, A. (2020). Evaluation of the financial performance between traditional private commercial banks and Islamic banks in Bangladesh. *International Journal of Islamic Banking and Finance Research*, 4(2), 1-10.
- Alkhazaleh, A. M. K., & Haddad, H. (2021). How does the Fintech services delivery affect customer satisfaction: A scenario of Jordanian banking sector. *Strategic Change*, 30(4), 405-413.
- Almazroi, A. A., Khedr, A. E., & Idrees, A. M. (2021). A proposed customer relationship framework based on information retrieval for effective Firms' competitiveness. *Expert Systems with Applications*, 176, 114882.
- Alshater, M.M., Khan, A., Hassan, M.K., & Andrea Paltrinieri, A., (2023). Islamic Banking: Past, Present and Future. *Journal of College of Sharia and Islamic Studies*, 41(1), 193-221.
- Amer, R. S., & Abdulwahhab, F. L. (2020). Achieving the competitive advantage by using Customer Relationships Management (CRM). *Polish Journal of Management Studies*, 21(1), 61-70.
- Broby, D. (2021). Financial technology and the future of banking. *Financial Innovation*, 7(1), 1-19.
- Chow, C. C. & Luk, P. (2005). A strategic service quality approach using analytic hierarchy process, *Managing Service Quality*, 15(3), 278-289.

- Crick, J. M. (2022). Does competitive aggressiveness negatively moderate the relationship between cooptation and customer satisfaction performance? *Journal of Strategic Marketing*, 30(6), 562-587.
- Daga, R., Nawir, F., & Pratiwi, D. (2021). Strategies to Improve Service Quality Through Digitalization of Banking Services at PT. Bank Negara Indonesia (Persero) Tbk. *Quantitative Economics and Management Studies*, 2(5), 318-325.
- Dandis, A. O., Wright, L. T., Wallace-Williams, D. M., Mukattash, I., Al Haj Eid, M., & Cai, H. (2021). Enhancing consumers' self-reported loyalty intentions in Islamic Banks: The relationship between service quality and the mediating role of customer satisfaction. *Cogent Business & Management*, 8(1), 1892256.
- De Bruin, L., Roberts-Lombard, M., & De Meyer-Heydenrych, C. (2021). Internal marketing, service quality and perceived customer satisfaction: An Islamic banking perspective. *Journal of Islamic Marketing*, 12(1), 199-224.
- De Leon, M. V., Atienza, R. P., & Susilo, D. (2020). Influence of self-service technology (SST) service quality dimensions as a second-order factor on perceived value and customer satisfaction in a mobile banking application. *Cogent Business & Management*, 7(1), 1794241.
- Dhaka Tribune, 2023. Census 2022: Bangladesh population now 165 million. Retrieved from <https://www.dhakatribune.com/bangladesh/274863/census-2022-bangladesh-population-now-165-million>, accessed on 18, 2023.
- Hassan, M.K., Islam, M.T., Ahmed, Z. & Sarker, J.I. (2023). Islamic banking in Bangladesh: a literature review and future research agenda. *International Journal of Islamic and Middle Eastern Finance and Management*, 16(5), 1030-1054.
- Hoque, M. N., Rahman, M. K., Said, J., Begum, F., & Hossain, M. M. (2022). What factors influence customer attitudes and mindsets towards the use of services and products of Islamic Banks in Bangladesh? *Sustainability*, 14(8), 4703.

- Islam, M. M. & Hasan, M. M. (2024). Islamic marketing of conventional banks: bridging managers' and clients' perceived gaps. *Journal of Islamic Accounting and Business Research*, <https://doi.org/10.1108/JIABR-11-2023-0379>.
- Islam, T., Islam, R., Pitafi, A. H., Xiaobei, L., Rehmani, M., Irfan, M., & Mubarak, M. S. (2021). The impact of corporate social responsibility on customer loyalty: The mediating role of corporate reputation, customer satisfaction, and trust. *Sustainable Production and Consumption*, 25, 123-135.
- Kanapiyanova, K., Faizulayev, A., Ruzanov, R., Ejdyd, J., Kulumbetova, D., & Elbadri, M. (2023). Does social and governmental responsibility matter for financial stability and bank profitability? Evidence from commercial and Islamic banks. *Journal of Islamic Accounting and Business Research*, 14(3), 451-472.
- Kandampully, J. & Suhartanto, D. (2003). The role of customer satisfaction and image in gaining customer loyalty in the hotel industry. *Journal of Hospitality and Leisure Marketing*, 10(2), 3-25.
- Lebdaoui, H., & Chetioui, Y. (2020). CRM, service quality and organizational performance in the banking industry: A comparative study of conventional and Islamic banks. *International Journal of Bank Marketing*, 38(5), 1081-1106.
- Meisamy, H., & Hassan F. Gholipour, H.F. (2020). Challenges Facing Islamic Banking in Iran: Evaluation and Policy Implications. *Journal of Islamic Monetary Economics and Finance*, 6(3), 621-640.
- Nahar, S., Meero, A., Rahman, A. A. A., Hasan, K. R., Islam, K. A., Zayed, N. M., & Faisal-E-Alam, M. (2021). Analysis on the marketing strategy and competitive advantage of banking industry in Bangladesh: an entrepreneurial case study of HSBC bank. *Academy of Entrepreneurship Journal*, 27(4), 1-7.
- Othman, A., & Owen, L. (2001). Adopting and measuring customer service quality (SQ) in Islamic banks: A case study in Kuwait Finance House. *International Journal of Islamic Financial Services*, 3(1), 1-26.

- Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (2005). A conceptual model of service quality and its implications for future research. *Journal of Marketing*, 49(4), 41-50.
- Rahman, M. K., Hoque, M. N., Yusuf, S. N. S., Yusoff, M. N. H. B., & Begum, F. (2023). Do customers' perceptions of Islamic banking services predict satisfaction and word of mouth? Evidence from Islamic banks in Bangladesh. *PLoS One*, 18(1), e0280108.
- Shcherbatykh, D., Shpileva, V., Riabokin, M., Zham, O., & Zalizniuk, V. (2021). Impact of Digitalization on the Banking System Transformation. *International Journal of Computer Science & Network Security*, 21(12spc), 513-520.
- Shokoohyar, S., Shokouhyar, S., Sobhani, A., & Naseri, S. (2021). Improving internet service providers competitiveness: ISP's perception regarding customer satisfaction. *International Journal of Business and Systems Research*, 15(3), 292-316.
- Shohrowardhy, H.S., Alauddin, M. & Sharif, M.Y. (2016). Elixir of the Service Quality of Islamic Banking Sector in Bangladesh. *Global Journal of Management and Business Research: E Marketing*, 16(2).
- Sunaryo, W., Rubini, B., & Faruk, U. (2023). The role of social media, service quality and public relation on organization image. *International Journal of Data and Network Science*, 7(1), 405-410.
- Supriyanto, A., Wiyono, B. B., & Burhanuddin, B. (2021). Effects of service quality and customer satisfaction on loyalty of bank customers. *Cogent Business & Management*, 8(1), 1937847.
- Tanjung, A. R., Simanjorang, E. F., Prayoga, Y., & Limbong, C. H. (2021). The Effect of Company Image, Service Quality, and Completeness of Facilities on Customer Satisfaction in Bank Muamalat Rantau Prapat. *Budapest International Research and Critics Institute (BIRCI-Journal): Humanities and Social Sciences*, 4(2), 3032-3038.

- Teeroovengadam, V. (2022). Service quality dimensions as predictors of customer satisfaction and loyalty in the banking industry: Moderating effects of gender. *European Business Review*, 34(1), 1-19.
- Tien, N. H., Son, T. H., Anh, D. B. H., & Duc, N. M. (2021). Factors affecting customer satisfaction on service quality at joint stock commercial banks in Vietnam. *Journal of Critical Reviews*, 8(2), 605-617.
- Tsindeliani, I. A., Proshunin, M. M., Sadovskaya, T. D., Popkova, Z. G., Davydova, M. A., & Babayan, O. A. (2022). Digital transformation of the banking system in the context of sustainable development. *Journal of Money Laundering Control*, 25(1), 165-180.
- Zheng, G. W., Siddik, A. B., Masukujjaman, M., & Fatema, N. (2021). Factors affecting the sustainability performance of financial institutions in Bangladesh: The role of green finance. *Sustainability*, 13(18), 10165.
- Zouari, G., & Abdelhedi, M. (2021). Customer satisfaction in the digital era: evidence from Islamic banking. *Journal of Innovation and Entrepreneurship*, 10(1), 1-18.
- Zainordin, N.A., Selvaraja, M., Man, N.Y., & Hoong, L.S. (2021). Challenges And Opportunities of Islamic Banking and Financial Institutions in Malaysia. *South-East Asia Journal of Contemporary Business, Economics and Law*, 10(1), 1-30.
- Zairi, M. (2013). Total Quality Management for the 21st Century. *Butterworth-Heinemann*.
- Zeithaml, V. A., Berry, L. L., & Parasuraman, A. (1996). The behavioral consequences of service quality. *Journal of Marketing*, 60(2), 31-46.