

Original Research Article

Causes for Differences in Satisfaction Among Male and Female Customers of Banks in Saudi Arabia

ABSTRACT

Studies for comparing the satisfaction levels of customers of women-only banks and traditional banking systems have revealed that the global satisfaction level, the branch banking, ATM banking and phone banking satisfaction levels are significantly higher for females using women-only banks as compared to males using traditional banks. This study analyzes the causes for such differences in satisfaction levels between female and male customers, using primary data analysis. Application of ANOVA to analyze the effect of demographic factors such as age, occupation, education and income on different modes of banking revealed that male customers in lower age group have higher satisfaction in on-line, ATM and phone banking; male customers working in public and private sectors have higher satisfaction in on-line and ATM banking; male customers with bachelor's degree and below have more satisfaction in phone banking; male customers in higher income groups have higher satisfaction in branch, on-line, ATM and phone banking; female customers in the higher age groups were more satisfied with Phone Banking services. Application of t-tests have been made to bring out the causes for significant differences in the customer satisfaction levels between male and female customers considering 20 characteristics affecting different modes of banking.

Keywords: Customer satisfaction, male, female, women-only banks, traditional banks.

1.INTRODUCTION

1.1 Background

Majority of banks in Saudi Arabia have opened women-only branches that are staffed by and catered only to female customers. Study has been carried out [10]for evaluating and comparing the satisfaction levels of customers of these two distinctly different types of banking systems. The studies have revealed that the global satisfaction level, the branch banking, ATM banking and phone banking satisfaction levels are significantly higher for females using women-only banks as compared to males using traditional banks, at 5% level of significance. The question arises whether demographic factors such as age, occupation, education level and income levels of the customers of these two distinctly different types of banks, viz., traditional banks and women-only banks, have any significant impact on their satisfaction levels. If so, it will be necessary to identify the causes for differences in satisfaction levels for different modes of banking. It is against this background that this paper tries to evaluate the finer causes of such differences in customers' satisfaction of male customers using traditional banking channels and female bankers using women-only banks in Saudi Arabia. The present study focuses on identifying the characteristics affecting different modes of banking, measuring customers' satisfaction and carrying out statistical tests of hypotheses to bring out the significant differences in customer

satisfaction levels for each of the characteristics for both men using traditional banking channels and women using women-only banks in Saudi Arabia, using primary data analysis.

A number of studies have been carried out to evaluate the differences between men and women on satisfaction. Earlier studies have revealed that customer characteristics such as gender have a great impact on the level of customer satisfaction [2, 13]. Similarly there are many studies which have found satisfaction to be unrelated to gender [1, 6, 11, 12]. However many studies have found that women report greater overall satisfaction [5]. On the other hand, there are studies that have identified men as being less satisfied [7, 17]. A study of Impact of Customer Satisfaction and Demographic Factors on Customer's Loyalty in Banking Sector of Pakistan [14] revealed that there was a positive impact of demographical characteristics and customer satisfaction on customer loyalty. A Bahraini survey conducted among college students [3] specified that young customers while choosing their banks paid more attention on determinants like reputation of bank, appropriate location of branch ATM and parking area satisfaction. Banks need to be more innovative and endeavor to provide more value added services to boost the satisfaction level of customers. A study of bank customers in India [16] revealed that improving service quality can increase favorable behavioral intentions of customers. A study of banking customers of Puducherry in India using internet banking services revealed that there is no significant difference in the level of satisfaction of the respondents belonging to different age, education and occupation except income [8]. A study [18] to investigate the customer satisfaction level exposed by different demographic group of customers of Islamic Bank Bangladesh Ltd. (IBBL) identifies that customers irrespective of different demographic segments (gender, marital status, age, income level, education level and religion) are mostly satisfied with IBBL. In their study [15] on Kuwait Islamic banking customers identified that most of the customers are satisfied with their overall and personal contact with bank staff. In Malaysian Islamic banks [4], it has been found that fast and efficient service, friendliness of bank personnel, confidentiality, and transaction speed are the key criteria that leads to customer satisfaction.

Since the major banks in Saudi Arabia are operating exclusively women-only branches and since earlier studies have revealed that the global satisfaction level, the branch banking, ATM banking and phone banking satisfaction levels are significantly higher for females using women-only banks as compared to males using traditional banks. It becomes pertinent to analyze effect of demographic factors for different modes of banking for both male and female customers separately. Further it will be necessary to identify the characteristics affecting the satisfaction based on the demographic characteristics for the modes of banking showing significant differences in satisfaction levels for both male and female customers.

1.2 Objectives of the study

The objective of this study is to analyze the demographic characteristics of customers which affect different modes of banking for both males using traditional banks and females using women-only banks. Earlier studies have revealed that the global satisfaction level, the branch banking, ATM banking and phone banking satisfaction levels are significantly higher for females using women-only banks as compared to males using traditional banks, at 5% level of significance [9, 10]. Further the study identifies the characteristics affecting different modes of banking and identifying those characteristics which significantly impact the satisfaction levels of the customers. The results are based on an original customer satisfaction survey conducted in the traditional banks and women-only banks in Saudi banking sector. The survey took place in and out of different branches of various traditional banks and women-only banks in Saudi Arabia, in order to determine the perceptions of the entire gamut of customers. The objectives of the customer satisfaction survey are based on the assessment of the critical satisfaction characteristics [9] for both male and female customers.

The main objectives for conducting this research are:

1. To analyze the effect of demographic factors on Branch Banking, On-line banking, ATM Banking and Phone Banking for both male and female customers separately.
2. To identify the characteristics affecting different modes of banking, viz., Branch Banking, On-line Banking, ATM Banking and Phone Banking.
3. To identify the characteristics affecting the satisfaction based on the demographic characteristics for the modes of banking showing significant differences in satisfaction levels for both male and female customers separately.
4. Providing insights to the banks regarding the critical characteristics affecting the customers' satisfaction.

The paper is structured into five sections. After this introductory section, the next section (section 2) presents the methodology. While the data analysis and findings are contained in section 3 of the paper, section 4 gives the summary and conclusions. The subsequent sections cover the acknowledgement and references.

2. METHODOLOGY

2.1 Questionnaire and the customer satisfaction model

The same questionnaire and the customer satisfaction model proposed by Ibrahim et al, (2013a) have been used for collecting the primary data. The model consisting of five factors – about the bank, branch banking, on-line banking, ATM banking and phone banking, was sub defined using 31 characteristics – 5 characteristics evaluating about the bank, 10 about the branch banking, 6 about on-line banking, 6 about ATM banking and 4 about phone banking, as per the perception of the respondents. A combination of both descriptive and inferential statistics has been used for data analysis.

2.2 Data collection

A questionnaire in English and Arabic was designed, which incorporated the measures mentioned in the customer satisfaction model. The questionnaire was administered to gather data from the male customers of the traditional bank users and female customers of women-only bank users in the kingdom of Saudi Arabia. The sampling frame for the study consisted of traditional male bank users and female women-only bank users in the Kingdom of Saudi Arabia. A total of 220 male and 279 female bank users (using women-only banks) were randomly selected and data was collected by meeting the customers face to face. Thus data from 499 questionnaires were used for analysis.

3. DATA ANALYSIS AND FINDINGS OF THE STUDY

The data collected were analyzed using IBM SPSS Statistics 20.

3.1 Respondents' Profile

With a view to analyze the effect of demographic characteristics on the satisfaction of male and female customers, data was collected from respondents in different age groups, occupation, education and income groups. The demographic profile of the respondents together with the profiles of male and female respondents is given in Table 1.

Table1. Demographic Profile of respondents

Variable	Category (Code)	Male	Female	Total
Age Group	Below 25 (A1)	28	43	71
	25-35 (A2)	124	179	303
	35-45 (A3)	36	28	64
	Above 45 (A4)	32	29	61
Occupation	Public Sector (O1)	80	169	249
	Private Sector (O2)	108	77	185
	Self Employed (O3)	16	0	16
	Not working (O4)	16	33	49
Education	Below Bachelor's Degree (E1)	68	51	119
	Bachelor's Degree (E2)	124	189	315
	Master's Degree or Above (E3)	28	39	65
Income (SAR)	Below 6000 (I1)	32	67	99
	6000-9000 (I2)	32	114	146
	9000-12000 (I3)	36	54	90
	12000-15000 (I4)	60	24	84
	Above 15000 (I5)	60	20	80

The study of demographics of the respondents revealed that about 61% of the respondents are in the age group of 25 to 35 years. Further about 75% of the users are below the age of 35 years. About 87% are employed and about 76% of the customers were having bachelor's degree and above. The income ranges of the customers are well dispersed. The study aims at identifying the characteristics affecting the transaction mode preference and satisfaction based on the demographic characteristics.

3.2 Effect of Demographic Factors on Modes of Transaction

To analyze the effect of demographic factors on Branch Banking, On-line banking, ATM Banking and Phone Banking for both male and female customers separately, the data regarding the customer priorities for different modes of banking based on various demographic factors was analyzed using chi-square tests of significance. As a sample, the differences in the gender-wise preferences for different age groups, occupations, education groups and income groups with respect to Branch banking are presented in Figures 1 to 4, together with the results of chi-square tests. Similar graphical and inferential analyses were carried out for online banking, ATM as well as Phone banking.

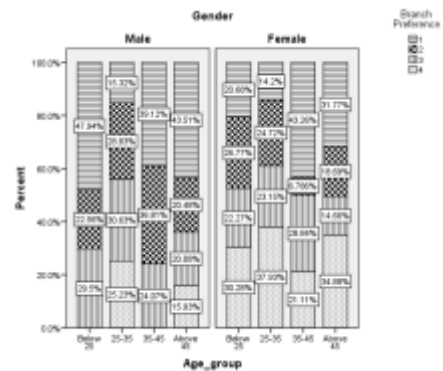


Fig. 1. Effect of age groups on Branch Banking preferences.
 Male: $\chi^2 = 29.973$; $p = 0.000$ Female: $\chi^2 = 11.381$; $p = 0.250$

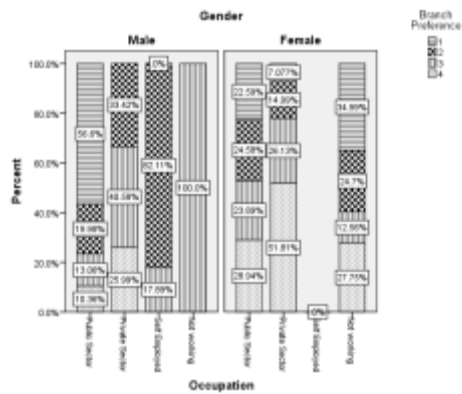


Fig. 2. Effect of occupation on Branch Banking preferences
 Male: $\chi^2 = 69.772$; $p = 0.000$ Female: $\chi^2 = 12.908$; $p = 0.045$

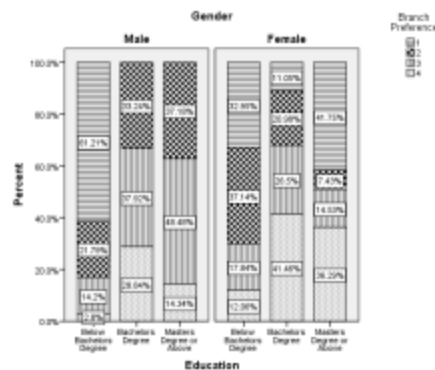


Fig. 3. Effect of education on Branch Banking preferences
 Male: $\chi^2 = 51.739$; $p = 0.000$ Female: $\chi^2 = 29.614$; $p = 0.000$



Fig. 4. Gender-wise preferences for different income groups for Branch Banking
Male: $\chi^2 = 49.522$; $p = 0.000$ Female: $\chi^2 = 16.427$; $p = 0.172$

It can be observed that male customers in the age group 25 -35 years have very low priority towards branch banking. Male customers employed in public sector have high priority for branch banking whereas the employed female customers have the lowest priority towards branch banking. Also it is noted that male customers with below bachelor's degree prefer branch banking, while customers with bachelor's degree and above, it is not their first preference. Branch banking is least preferred by female customers with bachelor's degree. With respect to income groups, branch banking is the most preferred mode for male customers in the range SAR 6000-12000.

Analysis for online banking reveals that male customers in the lower age group prefer online banking whereas it is the least preferred mode for male customers above 45 years of age. Female customers in the age group 25-35 and above 45 years of age prefer online banking. Male customers working in public or private sector prefer online banking. Further, male customers with bachelor's degree and female customers with master's degree and above prefer online banking. Male customers with very low as well as very high income and female customers earning SAR 9000 or more prefer online banking.

It is observed that ATM banking seems to be quite popular, being their first or second choice, among male customers as none of them have assigned least priority for ATM banking. Further, female customers with bachelor's degree and below and those earning below SAR 9000 prefer ATM banking. In contrast, Phone banking does not seem to be the preferred mode by both male and female banking customers as most customers have assigned third or fourth priority for phone banking.

3.3 Gender differences in customer satisfaction factors

Analysis concerning the effect of demographic factors on various modes of banking for both male and female customers was accomplished by carrying out ANOVA based on age groups, occupation groups, education levels and income groups, for both male and female customers separately. Only the significant results of analysis are shown in Table 2.

Table2. Demographic factors for male and female customers with significant influence on satisfaction for various banking modes.

	Male	Female
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Demographic factor * Banking mode Satisfaction	F-Statistic	Significance (two-tailed)	F-Statistic	Significance (two-tailed)
Income Group * Branch	5.985	0.000	1.374	0.243
Age Group * On Line	6.974	0.000	0.156	0.926
Occupation * On Line	10.696	0.000	1.533	0.218
Income Group * On Line	4.853	0.001	0.725	0.575
Age Group * ATM	9.891	0.000	0.372	0.773
Occupation * ATM	6.377	0.000	0.418	0.659
Income Group * ATM	5.748	0.000	0.521	0.721
Age Group * Phone	3.327	0.021	2.589	0.050
Education * Phone	9.670	0.000	1.613	0.201
Income Group * Phone	5.694	0.000	1.927	0.106

Post Hoc analysis based on the results of ANOVA for male and female customers reveal that:

- Male customers in lower age group have higher satisfaction with on-line, ATM and phone banking.
- Male customers working in public and private sectors have higher satisfaction with on-line and ATM banking.
- Male customers with bachelor's degree and below are more satisfied with phone banking.
- Male customers in higher income groups have higher satisfaction with all modes of banking.
- Female customers below 25 years have lesser satisfaction with phone banking.

4. SUMMARY AND CONCLUSIONS

Keeping in view the objectives of this study, the effect of demographic characteristics which affect different modes of banking for males using traditional banks and females using women-only banks, the following summarizes the results of the analysis.

Results for male customers:

- Customers employed in Public Sector; Education below Bachelors level; Income group 6000 to 12000 prefer branch banking.
- Customers in the lower age group, working in public and private sector and in higher income group prefer online banking.
- Customers mostly assigned ATM banking as their first or second choice.
- Customers mostly assigned least priority for phone banking.

Results for female customers:

- Customers with bachelor's degree assigned least priority for branch banking.
- Customers in the age group 25-35 and above 45 years as well as customers earning SAR 9000 or more prefer online banking.

- Customers with bachelor's degree and below and those earning below SAR 9000 prefer ATM banking.

The study provides the bank executives with insights into the kinds of service customers find most appropriate for their banking needs. It must be noted that this research includes only the investigation for the customers of traditional banks and women-only banks of Saudi Arabia. Sample size limits the scope of large scale applicability of the results. Data gathered from a larger sample size may be useful to further validate the results.

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