



**ST. MARY'S UNIVERSITY**

**SCHOOL OF GRADUATE STUDIES**

**CUSTOMER SATISFACTION AND AWARENESS TOWARDS  
INTEREST FREE BANKING IN OROMIA INTERNATIONAL BANK**

**BY**

**NETSANET ABERA**

**MAY, 2017**

**ADDIS ABABA, ETHIOPIA**

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## **DECLARATION**

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Asmamaw Getie (Ass.Prof.). All sources of material used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institutions for the purpose of earning any degree.

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**May, 2017**

## ENDORSEMENT

This thesis has been submitted to St. Mary's University, School of Graduate Studies for Examination with my approval as a university advisor.

Asmamaw Getie (Ass.Prof.).

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**Advisor**

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**May, 2017**



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## **Acronyms**

IFB: - Interest Free Banking

IBS: - Islamic Banking System

OIB: - Oromia International Bank

IFBW:- Interest Free Banking Window

IBI:- Islamic Banking Industry

## Abstract

*The emergence of Interest Free banking system has created a new dimension to the current economic models and financial developments. Hence, use of such innovations is highly appreciated even if its implements depends on the customers intentions. Therefore, this study is concerned with examining the level of customers awareness and satisfaction about interest free banking products in the case of OIB because, customers are ultimate users of the products to be adopted. The study used both primary and secondary data. The secondary data was collected from reports, directives, review of books, magazines and browsing of internet while the primary data was collected through questionnaire having open end, close end and Likert scale forms of measurement. The collected data was analyzed using descriptive analysis like tables and percentages. The finding of the study depicts customers of the bank are less aware, majority of the customers are Muslims, most of them are satisfied the service offered by the bank but there is a room for improvement in order to meet their needs, most of the respondent believe that IFB offers a product and a service that they would like to use and most of the respondents believe that insufficient advertisement on the products. In addition the result indicates IFB can potentially serve as an alternative banking channel in filling the gap left unaddressed by conventional banking and economic development, idle monetary resource mobilization and allocation ,inviting to use banking system, creating employment opportunity. Based on the findings of the study, plausible courses of action were forwarded by the researcher based on the conclusive results of the findings in conjunction with literature review reflections: sufficient advertisement must be done, banks and concerned stakeholders must promote the product and create awareness to the society, enhancing the performance of existing staff through continuous training.*

*Keywords: Awareness, Customer satisfaction, Interest Free Banking*

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the study

Banks play a very important role in the economic life of a nation. As the National bank of Ethiopia (NBE) implements monetary policies, the private banking industry has been expanding in Ethiopia (Harvey, 1991). Following the Monetary and Banking Proclamation of 1994 a number of private banks have been opened in Ethiopia and offering various types of financial services to the public (Alemayehu, 2001).

Interest free banking business refers to a banking business in which mobilizing or advancing of funds taken in a manner consistent with Islamic finance principles and mode of operation that avoids receiving and paying interests. Two basic principles behind Islamic banking are the sharing of profit and loss and significantly, the prohibition of the collection and payment of interest (Hans, 2009).

Interest free banking was introduced in Malaysia during the period of 1970s to 1990s which followed the 'Sharia' principles of Islam to carry out their businesses (Henry & Wilson, 2004). The main contradiction between Islamic banking and conventional banking is Riba (interest) because any kind of giving and taking of interest is strictly prohibited. The idea of Interest free banking system was not only appreciated by Muslims but it has been adopted by the conventional banking industry too. They have opened their independent Islamic operational windows, which are compatible with rule and regulation of the Shari'a. According to a research conducted by Naveed Azeem Khaltak and Kashif-ur-Rehman in 2010 the growth rate of the Islamic banking industry in the market is about 15 to 20% per annum (Naveed Azeem Khaltak and Kashif-ur-Rehman, 2010).

Customer satisfaction is a term which is widely used in business and banking, it plays a great role in long term commitment of the customers with the bank. Customers perceive a performance and they experience transactions also. If their experience is meeting the perceived service quality and benefits, it will lead towards greater customer satisfaction (Rahim Mosahab, October 2010).

Whenever Islamic banks or conventional banks offered any new product or service, then its success depends upon the customer satisfaction level and awareness about that product or service. In this competition they have to give high consideration to their customers. They must have to produce such level of services and products to its customers that they could attract them and can satisfy them.

The Ethiopian banking sectors has expanded in the few past decades and there is only conventional banking system and can also be viewed as one of the factors, which hinder the overall financial sector development. Because Islamic society believes that banking with the conventional banks is against their religious faith and thus a good number of potential customers are not banking with the banks available as of now. It is also observed that even those who have deposit accounts in bank are getting the interest from the bank so as to distribute it to the poor people. Introducing interest-free banking is the way to improve the poor and the disadvantaged segments of the society (Debebe 2015).

Interest free banking started in Ethiopia in September 2013, when Oromia International Bank (OIB) launched the service. The commercial bank of Ethiopia joined the market at the end of October, 2013 followed by United Bank, which began providing the service on May 1, 2014 (Meraf 2013).

Among these Oromia International Bank (OIB) is one of the most recent yet popular private financial institution which has become the first to implement interest-free banking (Islamic banking) in the country since the National Bank of Ethiopia (NBE) issued a directive to banks allowing them to provide the service using a separate window along with their other banking services in the country (Meraf 2013).

## **1.2 Statement of the Problem**

The concept of Interest free banking is not new. Recently it is getting recognition in the financial market. The conventional banking industry is a well established rival for the Islamic banking industry (IBI). Now for this competition, IBI must consider their customer's approach, awareness level and satisfaction towards it.

Islamic banking is a growing worldwide phenomenon in particular; the number of Islamic financial institutions has increased significantly in the Middle East and Southeast Asia. It is expanding not only in nations with majority Muslim populations, but also in other countries where Muslims are a minority, such as the United Kingdom and Japan" (Soléj, 2007).

According to Hadeel abu Loghod stated in (2005), Islamic Banking has been growing worldwide significantly in the past three decades and is developing remarkably in the Southeast Asia, Middle East and even in Europe and in North America. The Gulf Cooperation Council Countries (GCC), have dual banking system where Islamic and conventional banks are operating side by side. He tries to compare in his study that the financial performance (profitability, liquidity and structure) of the two banking styles over the 2000-2005 time period. Among other findings the empirical results show no significant differences in terms of profitability. However, Islamic banks are less exposed to liquidity risk. On the other hand, conventional banks depend more on external liabilities than Islamic banks. Naturally, GCC markets showed that customers were more attracted to use financial instruments offered by Islamic banks. Finally, no statistical significant differences were found on internal growth rate for both types of banking, which implies that this largely depends on the management style and the general performance of the specific bank (Hadeel Abu Loghod, 2005).

Since customer satisfaction plays a major role in any business firm, it is essential that service giving companies' measure and monitor service quality and customer satisfaction on a continual basis to guarantee their survival. Providing quality service is a major issue for all businesses and especially for service providers. Consequently, in order to be competitive in the marketplace, service providers need to satisfy their customers.



The concept of customer satisfaction occupies a central position in marketing thought and practice. Many companies today are aiming for Total Customer Satisfaction (TCS). Although a variety of alternative definitions exist, the most popular definition of customer satisfaction is given by **K. Douglas & John E.G (2008)** who define customer satisfaction as a comparison of customer's expectations to their perceptions regarding the actual service encounters.

There were very few studies on operations and systems of Islamic Banking in Ethiopia. Among few S. Sankaramuthukumar & A.Devamohan, (2008), who studied the Potentiality of Islamic banking in Ethiopia and the result from the study revealed that Ethiopia is a Christian dominated country but both the communities (Christians and Muslims) live in peace and harmony & there is the potentiality for the establishment of an Islamic bank for Ethiopian Muslims. Mohamed Muhumed, (2012) who studied Islamic banking prospect, opportunities and challenges in Ethiopia and concluded as even if there is more than 30 million Ethiopian Muslims everywhere want Islamic Banking and offers huge opportunities to exploit that Islamic banking face the challenge of understanding ,legal, supervisory, regulatory and/or institutional challenge, negative attitude of people towards Islamic banking (wrong association with religion), lack of trained human resource, capital resource constraints and lack of suitable banking policies. Tefere Mekkonen(2015) who studied the contribution of interest free banking to economic development & its prospect in Ethiopia and the finding of the study depicts IFB can potentially serve as an alternative banking channel in filling the gap left unaddressed by conventional banking and, supporting GDP growth and assisting in stabilizing crisis and arresting inflation. As far as the knowledge of the researcher studies have not been conducting in regard with customers' awareness and satisfaction of interest free banking products and services.

Hence, this research is intended to address the customers' awareness and readiness to use Interest free banking services and how they are satisfied by the services they get. Therefore this study tries to fill the research gap with respect to Ethiopia on total awareness about the various Islamic banking services among the users of the services and their level of satisfaction by the services they get.

The research questions are:

1. What are the major criteria that determine the customers' selection for IFB system?
2. What is the customers' satisfaction level and awareness about services on IBS?
3. How do customers' perceive the services provided by the interest free banking windows?
4. What are the problems faced by the users before the interest free banking service being introduced?

### **1.3 Research Objective**

#### **1.3.1 General Objective**

The general objective of this paper is to assess customer satisfaction & awareness on Islamic banking services with specific reference to Oromia International Bank.

#### **1.3.2 Specific Objectives**

- To identify factors that influence customers on the selection of Interest free Banking System.
- To assess customers awareness about different products and services of IBS.
- To assess to what extent users feel satisfied with service rendered.
- To find out problems faced by the users before IBS introduced.

### **1.4 Significance of the Research**

Research on interest free banking has been gaining attention of scholars in both Islamic countries and non Islamic countries.

Yet Islamic finance and Islamic banking remain little known to the large majority. Especially in Ethiopia awareness about the Islamic banking service and its mode of operation is little known. It is of paramount important to explore about the product and how it operates both from academic and practice point of view and give sufficient information on the service the bank is currently providing and help it to know areas which need improvement and plan towards it so that its customers enjoy quality service. It also allows the stake holders to have knowledge on where the bank stands in the eyes of its customer.

In addition, the finding of this study will have its contribution to knowledge building and academic research by helping other researchers to undertake a further detailed investigation on the subject and providing relevant empirical evidences

## **1.5 Scope of the study**

This paper was conducted on Oromia International bank city branches. Oromia International bank is the first in Ethiopia in introducing interest free banking system.

## **1.6 Research Limitation**

The researcher could not cover all the private banks operating in Ethiopia for two sound reasons; except the OIB most of them did not yet practically launch IFB convention and only two (United Bank S.C & Wegagen Bank.) that launched the convention did not well into it at full scale (only at pilot stage) which is the limitation of the study.

The other limitation was, this area is new in our country lack of availability and accessibility of adequate reference materials might have had constraining effect on the research.

## **1.7 Organization of the Paper**

The study is organized in to five chapters. The first chapter starts by giving a brief introduction followed by statement of the problem. It also includes the objectives, research question and significance of the study, as well as the scope and limitation of the study. The second chapter will focus on exploring various literatures on the problem under study to provide definitions to the various concepts as well as explain the theoretical perspectives and conceptual framework. The third chapter presents the methodology of the study. It covers research design, data type and source, sampling method and size, data collection procedures method of data collection and analysis of the study and the forth chapter covers the result of the study. The last chapter will provide summary of findings, the conclusion of the study and suggests possible remedial recommendations.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Islamic Finance

Islamic finance is a way to put Islamic principles about the economy in to practice. Attempts to develop a specific Islamic type of economy, based up on the precepts of the holy book of Muslims, the *Quran*, and on Islamic religious law, the *Sharia*, can be seen as a manifestation of the wish harbored by Muslims to retain or regain their own identity vis-à-vis the capitalist west and, until the fall of communism, the socialist East.

IFB is a form of banking convention that is based on Islamic concepts. It involves profit-sharing as per agreement and loss/risk sharing as per investment between banks and customers as its main method, but prohibiting financing/ investing based on fixed pre-determined return. Moreover, it is alternative banking services that operates according to the shari'a principles in which both the bank and the customer agree to involve only in shari'a compliant activities.

According to Ethica's Handbook of Islamic Finance (2013), Abdulrazak (2009), Hassan and Lewis (2007), Islamic Banking Handbook (First Edition 2010), and the prevailing local practices governed by the working policies and procedures adopted by the bank (Oromia International Bank) the Islamic banking products are clustered in to three broad categories: Islamic Banking Deposit Products (Source of Funds), Islamic Banking Financing Products (Use of Funds) and Other Services (Trade Services and Other) all with specific services.

Islamic banking is interchangeably call interest free banking paying or receiving interest (riba) is forbidden and this is considered as one of the governing principles of the banking convention. As articulated by Lina (2004) and shanmugam and Zahari (2009), lending money at interest has been condemned by authors like Plato, Aristotle and early fathers of the Christian church. The authors then underscore the fight against usury or interest goes back to the earliest beginnings of civilization.

(Ethica's Handbook of Islamic Finance, 2013) Stated that the concept of riba was widely recognized among the addressees of the Holy Quran, and it is that concept which is reflected in the legal definition provided for riba either in the hadith or in the later literature of Islamic jurisprudence. According to this definition, any transaction of loan where the payment of an additional amount on the principal is made conditional to the advance of such a loan is called riba and hence forbidden in Islamic banking. As the convention basis on Sharia Principle that bases on Holy Quran, riba is considered as one of the prohibition in interest free banking.

Islamic economics can also be seen as an attempt to prevent Muslims from assimilating in this globalizing world by western culture (Kuran 1996, 2006). What motivates the Muslim to advocate the use of financial instruments that obey specific Islamic requirements is that the rise in oil wealth in a number of Muslim countries after the 1973-74 oil crisis & the success of Malaysia as a fast grower with contributed to formerly unknown self-confidence that made Muslim government and firms to develop new financial instruments that under lay the first attempts to Islamize the economy. One important motivation for developing specific Islamic views on the economy was the conviction that Islam was seen as backward by the dominant European civilization which had little time for the tenets of Islam in the economic sphere (Hans 2009).

According to Muhammad Hanif who did his thesis in February 2011 he argued that Islamic Banking is growing at a rapid speed and has showed unprecedented growth and expansion in last two decades in spite of mismatching of existing financial framework and business practices. By the end of 2008 volume of Islamic banking has reached to US \$ 951 Billion with operation in more than 50 countries. Middle East is the centre of Islamic banking with contribution of approximately 80% while 20% share is contributed by rest of the world. In Pakistan Islamic banking is at infant stage although last 6 years growth is marvelous. Islamic banking has grown at an average annual rate of 76% in the last six and half years in Pakistan. Although Islamic banking faces multi challenges however three of them are very vital for its existence. First is *Sharia* compliance in its operations in an environment which is dominated by interest based practices even in Muslim societies. Second is perception of financial industry practitioners about its performance whether the system is able to serve the total needs of trade and industry.

Third is the perception of a large majority of Muslims whether existing practice of Islamic banking is *Sharia* compliant or mere copy of conventional practices under the banner of *Sharia*.

## **2.2 Theoretical Literature Review of IFB**

The IFB relationship is based on a partnership, with cash being entrusted to bank for investment, and returns shared between depositors and banks as per pre-agreed upon ration. Losses are shouldered by fund owners (depositors). This profit and risk sharing principle is very different to traditional/conventional banking practices. It introduces the concept of sharing to financing and creates a performance incentive within the mind of bankers that relates to the use of the funds. Islamic bankers encourage people to invest as investment depositors receive a share in the bank's profits. Investors are motivated by the human desire toward ownership, high reward and the satisfaction of being part of a successful project. (Hassein, Zamir & Abbas, 2010).

According to Yahia (2010), the economic development of Islamic countries can greatly enhanced by the Islamic financial system due to the mobilization of savings that are being kept away from interest based conventional banks and the development of the capital markets. Such motivation to invest in IFB may also stem from the fact that research shows that the share in the bank's profits may at times be higher than fixed rate of interest given by conventional banks. According to Yahia (2010), one can expect that the Islamic financial system is best for the elimination of debt financing and improve the efficiency of resource allocation. As the Islamic banking system has experienced stability in times of crisis, the share of investment depositors automatically be at risk because of participation in the profits and losses, and this means that individual banks and the whole banking system is less likely to break (Hassan and Zaher, 2001).

## **2.3 Paying or Receiving Interest (Riba) is Forbidden**

If there is one distinguishing characteristic of the Islamic economy, it is the prohibition of *riba*. This is nothing new. The ban on *riba* was already observed in the medieval Muslim world and famous scholars such as al-Ghazali took the ban on *riba* for granted. The literal meaning of *riba* is 'increase' or 'addition' or 'surpluses. In the *sharia*, *riba* stands for an

addition to the principal and, by implication, for a payment for the use of money which has been fixed beforehand. It is a form of excess, of unjustified appropriation of income, and it therefore is at variance with the principle of tawheed (Tawheed in Arabic means attributing Oneness to Allaah and describing Him as being One and Unique, with no partner or peer in His Essence and Attributes) and brotherhood and with Islamic ideas about income distribution. The prohibition of *riba* is based on a number of verses from the *Quran*, in particular *Sura 2:275* and *278*, *Sura 3:130*, *Sura 30:39* and *Sura 4:161*. The last two may not include an pit right ban on *riba*, they only state that *riba* earning are not blessed by God, respectively, that *riba* was forbidden (Hans, 2009).

The return allocation from IFB is governed by the concept of sharing profit as agreed but loss as per the capital contributed for both the fund mobilization and the financing dimensions. According to Hassan and Lewis (2007), the main difference between an Islamic or interest-free banking system and the conventional interest-based banking system is that, under the latter, the interest rate is either fixed in advance or is a simple linear function of some other benchmark rate, whereas, in the former, the profits and losses on a physical investment are shared between the creditor and the borrower according to a formula that reflects their respective levels of participation. In Islamic finance, interest-bearing contracts are replaced by a return-bearing contract, which often takes the form of partnerships.

## **2.4 Instruments recommended in Islamic principles**

These products are means of providing funds to those who need funds financial institutions in compliance with the IFB principles. These products are:

- **Mudaraba:** - it can be translated as trustee finance contract or trust financing. The *Maliki* and *Shafii* law school also use the name *qirad*. The bank, or any other money provider, acts as *rabal-mal* or financier, capital owner, and provides the entire capital needed for financing a project. The other party, the *mudarib* or agent, manages the venture and brings their labour and expertise in. The capital provider is similar to a sleeping partner. Parties agree beforehand on the proportion in which they share any profits. Losses are borne exclusively by the capital provider. The *mudarib* cannot share in any loss, because the *sharia* stipulates that one cannot lose what one does not contribute.

Even poor management is no reason to hold the mudarib responsible, unless there is evidence of willful or culpable negligence. The mudaraba contract is a profit-sharing contract(Hans 2009).

- **Musharaka:** - is partnership financing. It can be seen as a kind of equity participation contract. Both profits and losses are shared according to a predetermined formula, usually in the same proportion as the partner's shares in the firm's equity, though profits can be shared in any equitable proportion. Losses must be shared in proportion to capital contributions. Partners may decide to share profits not only taking account of capital contributions, but also of the amounts of labour supplied (Hans 2009).
- **Murabaha:** - the most popular Islamic financial instrument is murabaha, that is, a cost-plus or mark-up contract. The word murabaha derives from the Arabic word '*ribh*', meaning profit. A murabaha contract is a trade contract, stipulating that one party buys a good for its own account and sells it to the other party at the original price plus a mark-up. The mark-up can be seen as a payment for the services provided by the intermediary, but also as a guaranteed profit margin. Payment may take place immediately, but also at a later date or in installments. In the case of deferred payments we have in fact a combination of murabaha and credit sale, *bai' muajjal*. It has become common practice to denote a credit sale with a mark-up as murabaha, and sometimes the terms murabaha and *bai' muajjal* are used interchangeably (Hans 2009).
- **Ijara and Ijarawaiqtina:-** Ijarais a contract under which the financier purchases the required item and leases it to their client. Upon expiration of the lease, the title of the item may be sold to the lessee. Parties may agree to such a sale beforehand in a separate contract. Under *ijarawaiqtina*, lease to own, or lease purchase, periodic installments include a portion that goes toward the final purchase and transfer of ownership of the product. This can be seen as a call option premium. It gives the lessee the right to buy the good at the end of the lease period at an agreed resale price. Islamic banks and Islamic windows of conventional banks routinely offer *ijara* financing for periods from, say, three to seven years. This form is again, popular for financing means of transport, including airplanes and machinery. Longer periods apply for home finance. Lease can be seen as the transfer of the usufruct of an object, to which there are no objections in the



*sharia*. As with murabaha, penalty clauses for late payments should avoid *riba*(Hans 2009).

- **Bai'salam:** - is a sales contract where the buyer pays in advance for goods. It is a purchase with deferred delivery, or buyer's credit. The goods need not already exist at the time the bai'salam contract is entered in to, but they must be ascertainable, that is, they should be described exactly as to both quality and quantity, and the exact date and place of delivery must be specified in the contract. Otherwise the contract would be tainted by gharar. It remains, of course uncertain whether the goods will be actually available. If the seller is unable to deliver, parties may agree to postpone delivery to the next crop or the seller returns the advance paid to him, without any increase. If the seller fails to deliver while able to do so, this is a breach of contract and the buyer may take the matter to court(Hans 2009, p.54).
- **Quardhasan:** - these loans are beneficence loans, on which no interest is charged. The lender may however, charge a commission. It is meant for those who are less well-heeled, such as farmers and other small businessmen and poor consumers. A quardhasan loan is free of any rate return, although the receipt may wish to reward the provider with a return in excess of the original amount borrowed (Hans 2009).
- **Istisna:** - Istisna is a contract of manufacture with progressive financing, or a contract of acquisition of goods by specification or order where the price is paid progressively in accordance with the progress of a job. Payments are made as the building or manufacturing of the object comes closer to completion (Hans 2009).
- **Sukuk:** - Sukuk are tradable asset-backed, medium-term notes. The name sukuk is sometimes translated as certificates or as Islamic bonds. Islamic bonds sounds a bit like a contradiction, and of course no predetermined interest rate is promised on these so-called bonds. Still, they may offer investors a steady stream of income. Sukuk are backed by real assets and often, but not always, they represent ownership of real assets. It mainly aimed at institutional investors, though there have been issues with a minimum value of each sukuk below the equivalent of €2,000(Hans 2009,).

## **2.5 Customer Satisfaction Theories**

Customer satisfaction is a term which is widely used in business and banking. It is a main indicator of performance of any organization working on any criteria. In Islamic banking it is seen as an individual's experience of banking transactions (Jayaraman Munusamy, October 2010). Customer satisfaction has different levels and attained level of satisfaction by the customer can be varied every time but there may be a maximum and minimum level of satisfaction. Customer satisfaction is high when customer gets maximum benefit at his minimum input (Bilal Afsar\*, June, 2010). Customer satisfaction plays a great role in long term commitment of the customers with the bank. Customers perceive a performance and they experience transactions also. If their experience is meeting the perceived service quality and benefits, it will lead towards greater customer satisfaction (Rahim Mosahab, October 2010). There are two main concepts of customer satisfaction, transaction specific satisfaction and overall satisfaction. It might be possible that one time transaction satisfaction is low but overall customer satisfaction is high (Abed Abedniya, 2011). In Islamic banking it is very important to attain customer satisfaction as it leads towards the loyalty. There are some main factors which are related with the customer satisfaction like behavior of banking staff with customers, low rates of banking charges, banks reputation in general public, its location, adopted policies etc. Customer satisfaction level can be visualized by many factors like the speed of bank staff reaction in some transaction or dealing. Documentary evidence by the bank provided to customers is also useful in building the customer satisfaction. Environment of the bank also plays a role in building the customer satisfaction in Islamic banking. Minimum time taking in executing any function or transaction in bank also enhances the customer's satisfaction. The quality of communication between the customers and the bank staff is also important. If the communication is easy and friendly environment is provided to the customer, it increases the customer satisfaction (M.Taimoor Hassan, 2012).

Customer satisfaction is one of the essential components of any organization's strategies, as the customer is the ultimate source of income for any industry. Regarding the customer satisfaction, in the banking industry from the last one and half decade the bankers pay attention towards its customer satisfaction. That is all due to the competition in the banking industry and some banks consider the customer satisfaction as the principal component of their marketing strategy. That's why with the competition mostly the ultimate customer

benefited. Now, many financial institutions are trying to increase the customer satisfaction and their retention toward the financial institution through improving the quality of the services and the products they offered to its customers, with this they are achieving their desired objective. A study that was conducted in (2004) by Liang and Wang, found that for banks, their long term customers are more beneficial than the short term. This means, if the customer who have their account with the bank for more than two or three years are more beneficial for the bank then those who have an account with the bank for just one or half year. That is why more established customers have relatively high account then the new or un established customer (Liang and Wang, 2004).

Customer satisfaction has been perceived as a key factor in finding out why customers leave or stay with a bank. Generally, any bank needs to know how to keep their customers, even if they seem to be satisfied. As competition within the financial services industry is more intense than ever, and as banking companies' service menus are becoming increasingly comparable, the need to understand bank customer satisfaction is vital (Rose & Marquis, 2006). Service quality and product quality are vital elements in determining customer satisfaction, as is customer awareness. In this context, quality is the key factor and is synonymous with the consumer's ability to select from a wide array of products and services that provide a closer match to his or her needs and desires (Ho, Lau, Lee & Ip, 2005). Following this, it is argued that the increasing perception of service quality and product quality will increase customer awareness, which finally increases satisfaction. The relationship between bank customers' awareness, the quality of service they receive and their level of satisfaction has been investigated in different countries, but there are few studies on Islamic banks (Mohamed Sharif, 2005).

Customer satisfaction is a well-known, established concept in such areas as marketing, consumer research, economic psychology, and welfare and general economics. The most common interpretations obtained from various authors note that satisfaction is a feeling that results from a process of evaluating what has been received against what was expected, including the purchase decision itself and the needs and wants associated with the purchase. They stated that satisfaction is the customers' evaluation of a product or service in terms of whether that product or service has met their needs and expectations. Kessler (1999) noted

that increasing satisfaction requires an understanding of what satisfaction is and how it is to be handled. This signifies that in order to increase satisfaction, we should understand its antecedent variables. (Ulfat, 2013).

## **2.6 Factors of Customer Satisfaction**

The key factors that influence customers' bank selection include the range of services, the rates, and the fees and prices charged (Cauruan A, 2002). It is apparent that, to satisfy customers, superior service, alone, is not sufficient. Prices are essential, if not more important than service; relationship quality is also important. Furthermore, service excellence, meeting client needs, and providing innovative products are essential to success in the banking industry. Most private banks claim that creating and maintaining customer relationships is important to them and that they are aware of the positive value relationships provide (Colgate, Stewart & Kinsella, 2004). Customers in Islamic banks seriously consider whether the bank complies with *Shari'ah* principles in all its banking activities (Ahmad & Haron, 2002; Metawa & Almosawi, 1998). Some researchers have placed emphasis on customer satisfaction in the Islamic banks and stated that Islamic banking is no longer a business entity serving the religious obligations of the Muslim community. Rather, customers of Islamic banks include a wide array of people across various cultures and religions (Mohamed Sharif, 2005).

Customer satisfaction has been increasingly recognized as an important component of contemporary marketing thought, particularly in the case of service industries. It is generally argued that if customers are satisfied with the product received after the use of them, then it is likely that they would engage in a repeat purchase and try line extension. A satisfied customer will also convey positive messages about it to others. Dissatisfied customer, on the other hand, is likely to switch to a substitute product or/and service the next time when she/he recognizes the same need. The same customer will also engage in a negative word of mouth, causing a serious damaging effect on the business. This "market damage" can be subtle but extensive, undermining the best intentions and the strongest marketing campaigns (Bielski, 2004). According to modern marketing understanding, business can survive as long as they can meet their customers need and enable customer satisfaction. The assumption is that, with customer satisfaction in place, loyalty, retention and profitability will automatically

follow. As such, like any other business operating in the service sector, the banks operating in compliance with Islamic principles must also gain their customer satisfaction and their loyalty, leading to a higher rate of return. To achieve this, it is essential for these banks to understand their customers' need, interest and concern. In intensifying competitive business environment, their survival lies on finding consumer priorities device and means of satisfying consumers (Naveed Azeem Khaltak and Kashif-ur-Rehman, 2010).

## **2.7 Trust and Commitment of Customers**

Customers trust and their commitment is an important factor that has strong impact on the organizational performance. Bank's good image is essential to hold its market position. It helps to develop and maintain trust between customers and their banks (Flavian et al, 2005). When customers realize that Islamic banks operate their functions under Islamic principle then their desire to switch to the conventional banks reduces. It shows customers trust towards Islamic banks. There is a positive response from people for Islamic credit cards facility. People show their trust and commitment in Islamic banking system because of its advantages. Islamic banks provide credit card facility not only to the rich people but also to the mediocre and it is different from conventional banking system that provides credit card facility to the rich people. Trust plays a vital role to increase the customer's loyalty. Muslim depositors enjoy profit. On the other hand they believe that their saving is free of interest which is prohibited in Shari'ah. Number of researchers support trust factor in determining customer loyalty towards Islamic banks (Cauruan A, 2002). On the other hand negative image of the banks change the customer point of view and reduce their trust and commitment (Kang and James, 2004). Due to lack of trust the relationship between bank and its customers reduces. To build up trust it is important that one party has confidence on the honesty and credibility of the other party (Morgan and Hunt, 2008). All organizations have their rules and regulations. In the light of those rules they make their policies and strategies. Islamic banks avoid all the transactions that are prohibited in Islam and follow Islamic principles (Al Musari, 2011). Islam is against the business in which interest is involved. Islam motivates the people to do business on profit sharing ratio rather than to take interest. Islam prevents to make investment in the trade that involves narcotic and betting (Robinson, 2007). So Islamic banks have to realize that they do not involve in any type of activity that is prohibited in

Islamic principles (Ahmad, 2000). It helps to build up trust on Islamic banking system. In this way customers will remain loyal and committed to their banks (M.Taimoor Hassan, 2012).

## **2.8 Empirical Literature Review**

### **2.8.1 Empirical review at International Level**

A survey that was conducted by Lorienc in (2003) showed that most bank customers use the face to face interaction with tellers or other bank staff while in the transaction. Their survey found that about 87% customers used to visit cashier, 83% visit ATM, 3% uses e-mail banking. This survey suggested that if the banks want to have best competition with their rivals then they must have to keep their management staff highly trained and professional, because they have to attract and satisfy their customer with direct interaction (Naveed Azeem Khaltak and Kashif-ur-Rehman).

A study was conducted in (2003) by Naser K., Jamal A. & al-Khatib,K on Jordan customers. They tried to find the attitude of Jordanian people towards interest free banking. Ultimately they got that religion is not the main factor for the selection of financial institution, but in fact there are some other factors too which are influencing the decision criteria of the customers and in this regard the main factor is the level of profitability, that is, returns on their investment (Naser K., Jamal A. & al-Khatib,K, 2003).

Saduman, H.O (2005) conducted a study on Turkey customers. They determined the main factors that customers considered very important while selecting the financial institution. They found that there are three most essential criteria in the bank selection for Muslims, these are:

1. The provision of fast and efficient services.
2. The speed of the transaction.
3. The reputation and image of the bank. Saduman, H.O (2005).

In 2010 a study was conducted by Metawa and Almoosawi on the Bahrain customer's perception and they found that “most of the Islamic bank customers are satisfied with Islamic banks' services. The factor with which the customers have shown dissatisfaction is the high cost of the services that has been charged by the Islamic banks. The religion was the most

influential factor in the selection of Islamic banking system not the return on their investment. Most of the customers were aware from the fundamental products of Islamic banks but have no knowledge about the complex Islamic financial system (Metawa and Almosawi 2010)

### **2.8.2 Empirical Review at National level**

To date there have been very few studies conducted regarding the Interest free banking in Ethiopia. Among few Mohamed Muhumed, (2012) who studied Islamic banking prospect, opportunities and challenges in Ethiopia and concluded as even if there is more than 30 million Ethiopian Muslims everywhere want Islamic Banking and offers huge opportunities to exploit that Islamic banking face the challenge of lack of awareness and understanding ,legal, supervisory, regulatory and/or institutional challenge , negative attitude of people towards Islamic banking (wrong association with religion), lack of trained human resource, capital resource constraints and lack of suitable banking policies. Shaik Abdul Majeed, (2014) that studied the Role and Progress of Islamic Banking in India, Ethiopia and Rest of the World and the studies result Ethiopia of economic development, largest population and well growing condition of financial markets and infrastructure areas the National Bank of Ethiopia (NBE) directive allowed banks to provide interest-free banking service using a separate window along with their other banking services to serve the public and Oromia International Bank, a private financial institution, becomes the first to implement interest-free banking [Islamic banking] in Ethiopia and serving more than 4000 customer base and daily deposits are around two to two and half million birr per day on an average. S. Sankaramuthukumar & A.Devamohan, (2008), which studied the Potentiality of Islamic banking in Ethiopia and the result from the study revealed as the Ethiopian Muslims are vibrant and they establish their identity in spite of that fact that Ethiopia is a Christian dominated country. Ethiopian Christians have no way affected or influenced the Ethiopian Muslims. Of course, this is good from society's point of view, since both the communities (Christians and Muslims) live in peace and harmony. This indicates the potentiality for the establishment of an Islamic bank for Ethiopian Muslims.

### **2.8.3 Summary of literature review and Research Gap**

From the above empirical review at international level most of studies were emphasized on countries with large number of Muslim culture and community than those are Christian dominated country like Ethiopia which both the communities (Christians and Muslims) live in peace and harmony. The studies found that the religion was the most influential factor in the selection of Islamic banking system & Most of the customers were aware from the fundamental products of Islamic banks but have no knowledge about the complex Islamic financial system.

When we see empirical review at national level most of studies were focused on the Potentiality of Islamic banking in Ethiopia, Islamic banking prospect, opportunities and challenges in Ethiopia & the Role and Progress of Islamic Banking in Ethiopia. As per my review, few studies are conducted regarding with customers awareness but there is no research undertaken regarding customer satisfaction on interest free banking system. The purpose of this study is to survey the customers' readiness, awareness and satisfaction on IFB products. Therefore, this study tries to fill the research gap at national level.

The emergence of Interest free financial system has created a new dimension to the current economic models and financial developments. Hence, use of such innovations is highly appreciated even if its implementations depends on the customers intentions.



## **CHAPTER THREE**

### **RESEARCH METHDOLOGY**

#### **3.1 Introduction**

This chapter presents details of the research design and methodology. This includes research design, data type and source, sampling method and size, method of data collection and data analysis.

#### **3.2 Research Design**

A research design is a plan or a blueprint of how to design conducting the research (Babbie and Mouton, 2001). In this research, descriptive study design using qualitative method were used to analyze data collected from customers since the study involves assessing their awareness and satisfaction level by the service provided. The reason behind descriptive study design was used because of the nature of the research title which forces in describing the existing situation under the study.

#### **3.3 Type and source of data**

The study was used both primary and secondary source of data. Primary data was collect by distributing questionnaire to customers who used interest free banking services. With assumption to get well organized information, Oromia international bank was selected. Review of books, reports and browsing of internet was making a suitable to gather secondary data.

#### **3.4 Method of Sampling & Sample Size**

##### **3.4.1 Population of the Study**

Oromia International Bank is the first bank which adopts interest free banking windows in Ethiopia. The target population were the banks' city branch interest free banking customers who uses the service more than a year and that have established comprehensive (deposit, Financing & trade service)IFB services relationship. The estimated total numbers of target customers as of March 31, 2017 is 1101.

It is to be noted that the information about the population is gathered from the secondary data source of the target bank and the bank is acknowledged for the information and their direct and indirect participation in the primary data contribution and collection:

### **3.4.2 Sample Size of the Study**

Mugenda and Mugenda (2003) suggest that in descriptive studies ten percent of the population is representative enough to generalize the characteristics being observed. By deploying the method explained above 10% percent of the accessible population was constituted in the sample size. The target population of this research refers to 1101 customers who are currently established compressive interest free services more than a year.

### **3.4.3 Sampling Techniques**

To gather the required data, purposive sampling technique of probability was employed which is believed as an appropriate technique to draw a representative sample from the population under study. From the total population size of customers 110 respondents were contacted to gather primary data which is relevant for the study

### **3.5 Method of Data Analysis**

The researcher has made qualitative data analysis method on the responses given on the questions of the research. The data collection instruments were both close ended, open ended and Likert scale methods in nature. The data generated was analyzed and presented by descriptive statistical analysis techniques such as tables & graphs.

**CHAPTER FOUR:**  
**DATA ANALYSIS AND INTERPRETATION**

**4.1 Introduction**

Under this chapter, data that were gathered from primary sources using questionnaire are analyzed, presented, and interpreted through the descriptive and statistical findings.

Table 4.1: Questionnaire Response Rate

<b>Questioners</b>	<b>Responses</b>	
	<b>No</b>	<b>Percentage</b>
<b>Distributed</b>	<b>110</b>	<b>100%</b>
<b>Collected</b>	<b>103</b>	<b>94%</b>
<b>Uncollected</b>	<b>7</b>	<b>6%</b>

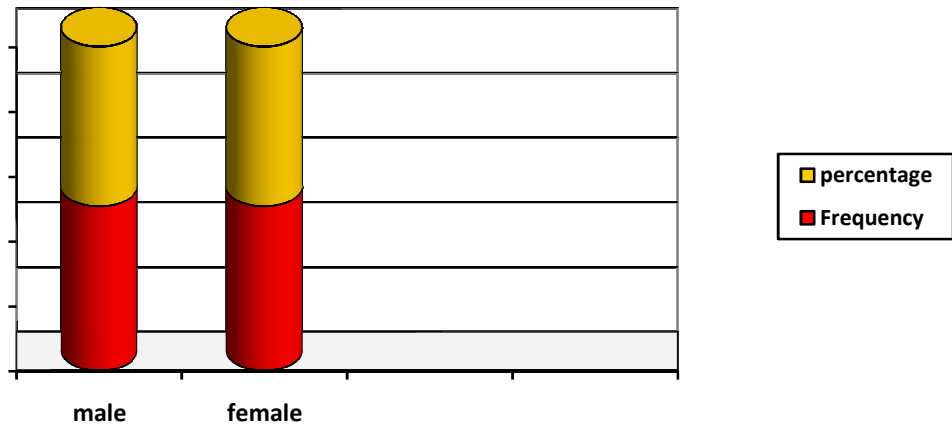
Source: Own Computation from Primary Data Source, 2017

As the above table 4.1 indicates about 94% of respondents were responded and collected for the questions raised and only 6% of them were not found and unable to give back the questioner give to them.

**4.2 Demographic Characteristics of Respondents**

The personal profile of the respondents is analyzed as per their gender and Religion distribution in the interest free financial services associated with. Descriptive statistics was performed on the demographic variables as a means of describing the respondents. Respondents were asked to give their personal information and from the total number of respondents' majority of them (67%) are males and 33% are female customers.

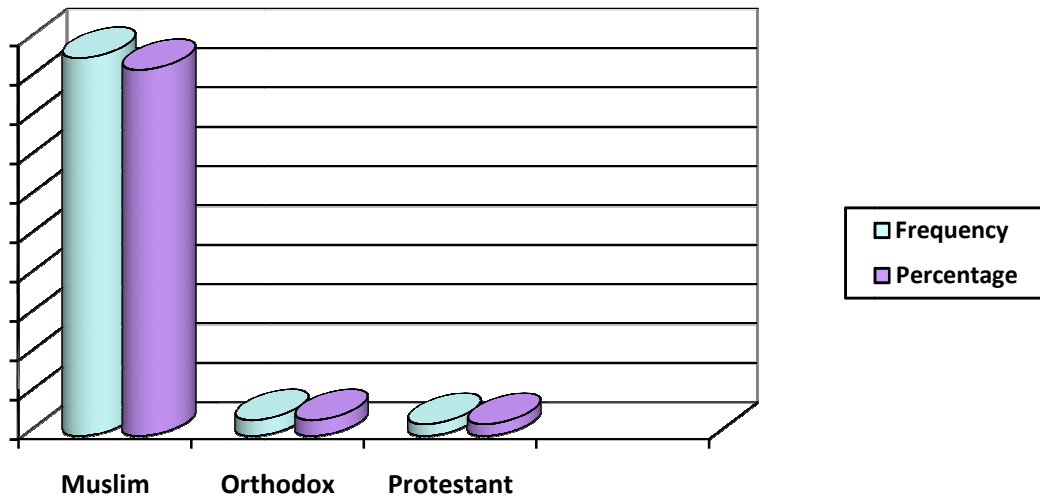
Figure 4.1: Demographic Characteristics of Respondents



Source: questionnaire 2017.

Respondents' religion distribution those who are started to use the IFB services were analyzed and presented in figure below:-

Figure 4.2: Respondents Religion Distribution

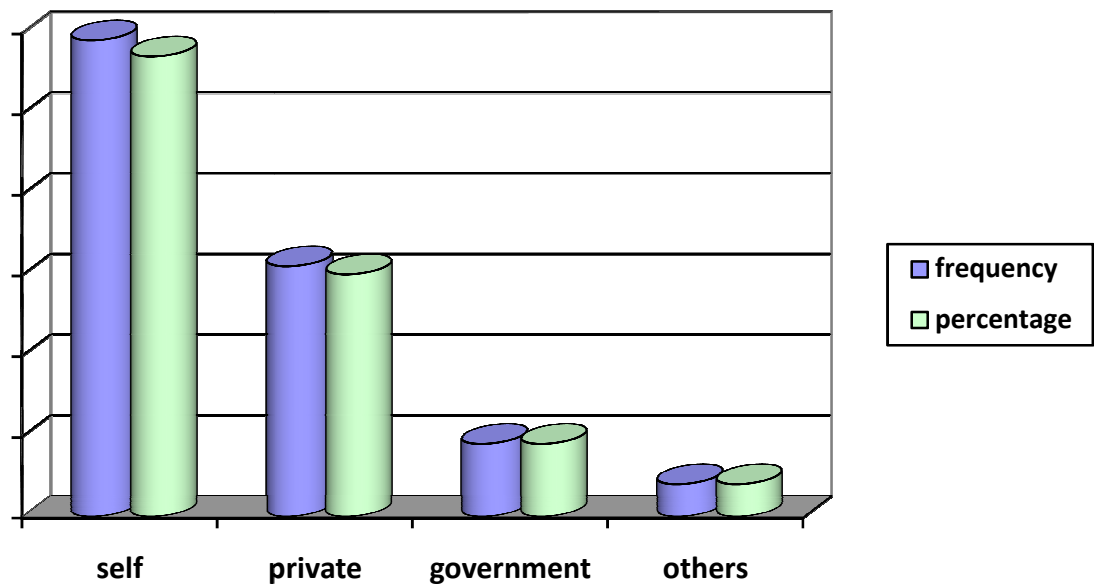


Source: questionnaire 2017.

The above table shows that not only Muslim customers who are the users of IFB products, rather non-Muslims are also the users of interest free banking system. From OIB customers, 93%, 4% and 3% are Muslim, Christian orthodox and Christian protestant respectively.

Based on the research the conclusion is that with respect to the receipt and payment of interest, there is no distinction between Muslims and non-Muslims or between individuals and states because interest is prohibited not only in Islamic scriptures but also in other religious scriptures of the world. Therefore, prohibitions of interest apply to Muslims as well as non-Muslims.

Figure 4.3: Working area of customer respondents

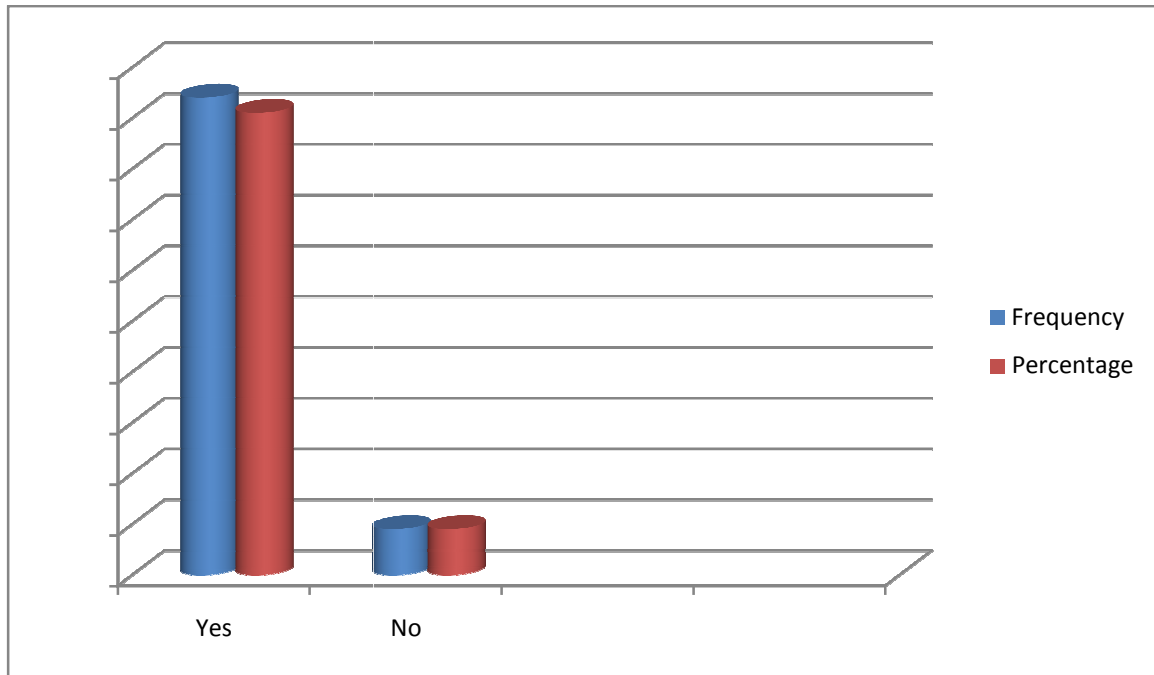


Source: questionnaire 2017.

As it is demonstrated in the above Figure 4.3, they are engaged in different types of occupation, which is basis for the research outcome. Among OIB customers 57%, 30%, 9% and 4% were self employee, private sector employee, government employee and other type of employees respectively.

Question to assess the problems which the customers were observed before the introduction of the IFB services is given and the response of the selected respondents are presented in the figure below:-

Figure 4.4: Problems faced by users before the introduction of IFB



Source: questionnaire 2017.

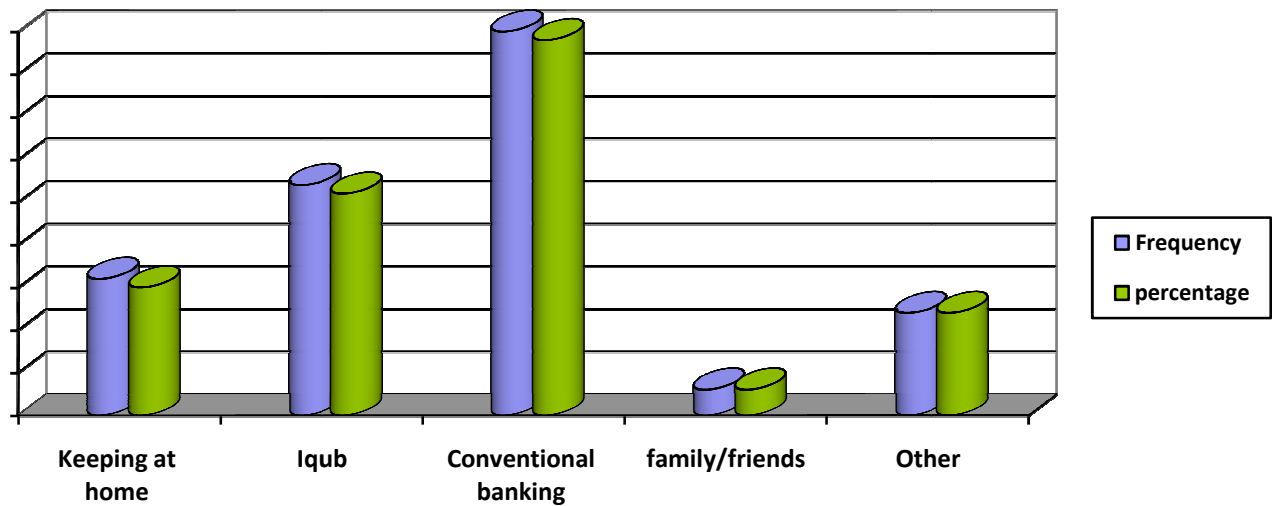
According to the above figured presentation, about 91% of respondents replied that there were problems in their day-to-day business activities before the introduction of the IFB services and the rest 9% of the respondents does not face problems on their business before the introduction of IFB. Respondents are also be given a chance to specify the problem they faced before IFB and among the problems the mentioned are:-

- Some of them whom are keeping their money at home replied that they could not found financial institutions taken in a manner consistent with Islamic finance principles and mode of operation.
- Others are also specified the problems before IFB mismatching of existing financial framework and business practices

### 4.3 IFB Service Awareness Measurements

Based on the assessment made through questionnaire distributed to customers about the method of financial service used before the IFB the following result were found and presented in the following figure.

Figure 4.5: Respondents financial services used before IFB



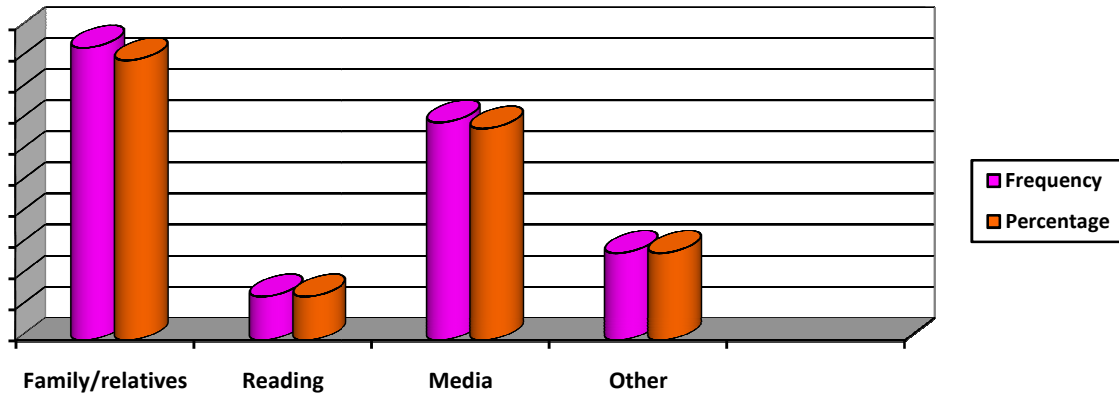
Source: questionnaire 2017.

The above figure demonstrate about 44% of the respondents replied that they were using conventional banking system before the introduction of IFB system, 15% of the customer respondents were keeping their money at home to respect the Sharia rules due to lack of IFB service , 26% of the respondents were using alternatives like being a member of Iqub established around their work place or home which is a traditional way of saving money, 3% of the respondents are also investing the money to be saved on to their families and friends and the rest 12% of the customers are saving their money other than those means mentioned in the questionnaire.

Based on the above result majorities of the respondents were using Conventional banking system before the introduction of interest free banking system and they shift to this window because of many reasons among that 95% of customers replied that it's because of religious case they shift to IFB windows, mean 'Riba' is forbidden or not allowed in 'Sharia' principles & the rest replied that for personal satisfaction and to save their money in safe place.

Respondents have also replied about where they got awareness about the IFB services and they have mentioned their sources of information and summarized by the following figure.

Figure 4.6: Respondents source of information about IFB



Source: questionnaire 2017.

Based on the respondents reply majority 45% of them heard about IFB from informal way of communication like friends or family members, 34% have heard about IFB from different media sources, 14% of them also heard about IFB from other means which they did not specify, and 7% of them heard about IFB from reading various magazines, news papers, brochures and pamphlets distributed by the bank to its customers.

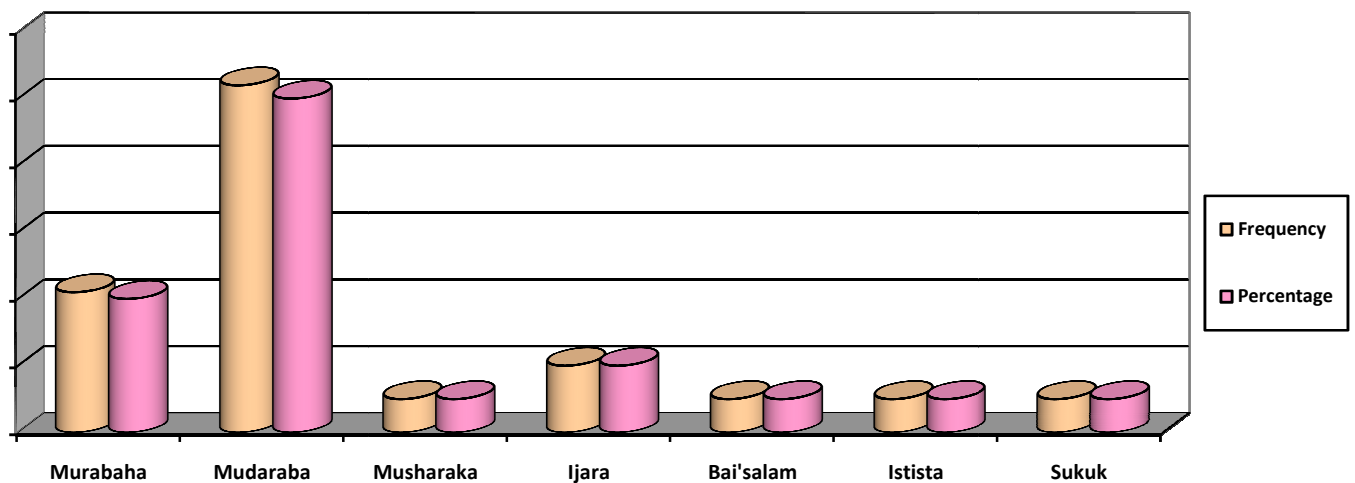
The above result shows as majority of the respondents have heard about IFB services through informal way of communication than the advertisement done by the bank. Only 41% of them got the information from advertisements released by OIB through media and print outs.



In any business firm with services and products need to promote their products to attract and initiate their customers to purchase, like wise since IFB services in a modern banking activity is a new alternate service to that of interest based banking service, need to be more advertized to those who seek those services. Therefore, OIB must advertize its IFB services through use of different sources of media to approach large customers in order to be strong competitive in the banking sector and more specifically to attract more customers of IFB services as an alternate way to that of Interest based banking services and to get large market share and profit from such new services.

For the respondents questions are also given to assess among the services of IFB which of them are the more they know and the respondents response summarized as follows:-

Figure 4.7: Awareness about specific products



Source: Questioner 2017.

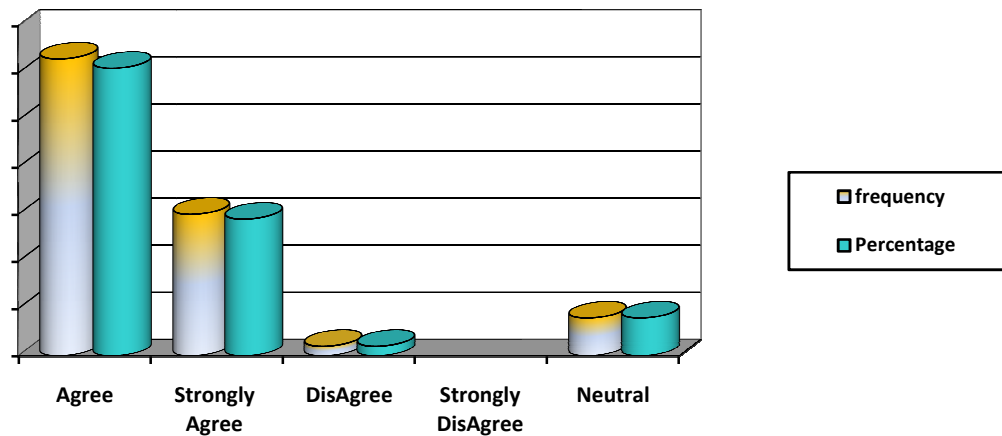
Interest Free Banking has provided a number of services to satisfy the interest of the customers to facilitate sales, trade financing and investment. Some of the basic instruments are cost-plus financing (Murabaha), Profit-sharing (Mudaraba), Leasing (Ijara), Partnership (Musharaka), and forward sale (Bai-salam). These instruments serve as the basic building blocks for developing a wide array of more complex financial instruments, suggesting that there is great potential for financial innovation and expansion in Interest Free markets.

The above figure demonstrate that 50% of them (half of the total respondents) have good awareness about Mudaraba than the other, 20% of them have moderate awareness about Murabaha, 10% of them are aware of Ijara, the reset have equal number of awareness about the other services as 5% Musharaka, 5% Bai'isalam, 5% Istista and the rest 5% of them knows Sukuk.

One of the main challenges facing interest free banking is the poor understanding about its operations in the Muslim and non-Muslim customers.

From the above result what can be concluded is that the other services than Mudaraba were not properly introduced by the bank and enough awareness about the benefits of these services were not created So the bank must give due consideration on awareness creation and advertisement for their clients on IFB products.

Figure 4.8. Employee awareness and competency about IFB services



Source: questionnaire 2017.

The other question which was given to customers whether they think the employee who are serving them are aware of the services which they are delivering or not and they have responded the result summarized below.

From the total sample of customers 61% have agreed that the employee of the bank working in IFB services are well aware of the IFB, and about 29% of the respondents strongly agreed

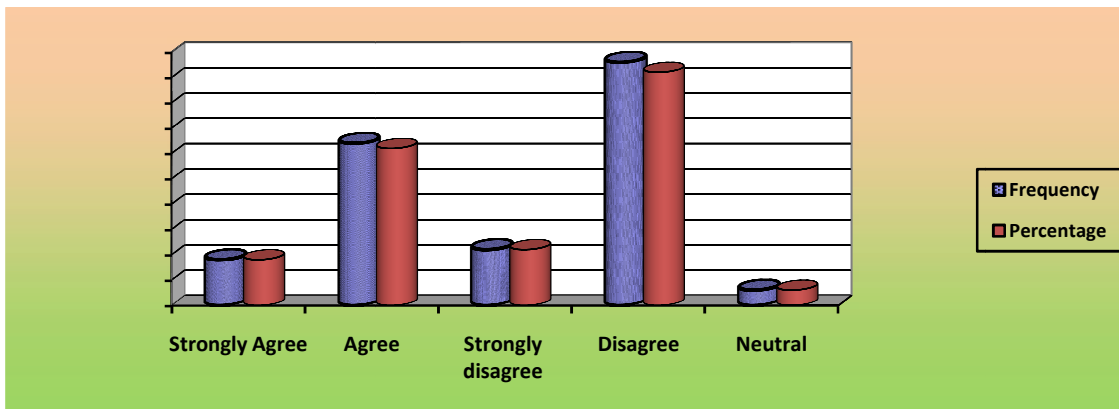
that employee of the OIB are aware of the IFB services given in the banking sector, 8% of the respondents are not willing to reflect their opinion on the question raised and only 2% of the respondents disagree or do not believe that the employee which are working on IFB are aware of all the services delivered in IFB.

Finally it will be possible to say that about 90% of the customers believe that the employee working in OIB are well aware of those IFB services given by the bank, adequate training about the new IFB services must be continuously given to employees in order to deliver sufficient service to their customers.

#### 4.4 Level of Promotion on IFB products

Since IFB is a new alternative banking service in our country banks must advertize the products there must be sufficient advertisement to promote the products to the customers To assess the level of advertisement of the OIB a question were given to the selected customers and the result demonstrated in the figure below;

Figure 4.9. Advertisement on IFB



Source: questionnaire 2017.

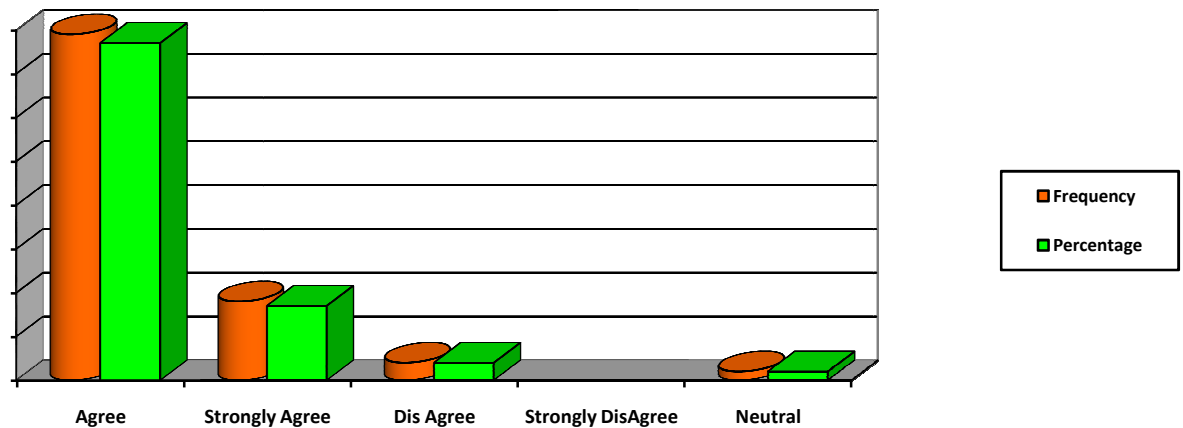
Only about 40% of the respondents believe that advertisement were done by OIB, majority of the respondents about 57% of them do not believe that advertisement were done by the bank on IFB, and the rest 3% of the respondents are not sure whether advertisement were done properly or not by the bank.

The above figure indicate that the advertisement done by the OIB so far were not enough, therefore, the bank has to exert more effort and invest more on introducing the IFB services through various means and should attract more customers of such service users.

These findings also agree with the current benefit of advertisement in the business area in order to maximize revenue through increasing the number of customers who are able to use those services of IFB.

Another question raised to selected customer was whether the IFB banking service offers the kind of services that they want to get or not. Based on this assessment results were found and summarized below in figure.

**Figure 4.10. IFB services and Customers' choice**



Source: questionnaire 2017.

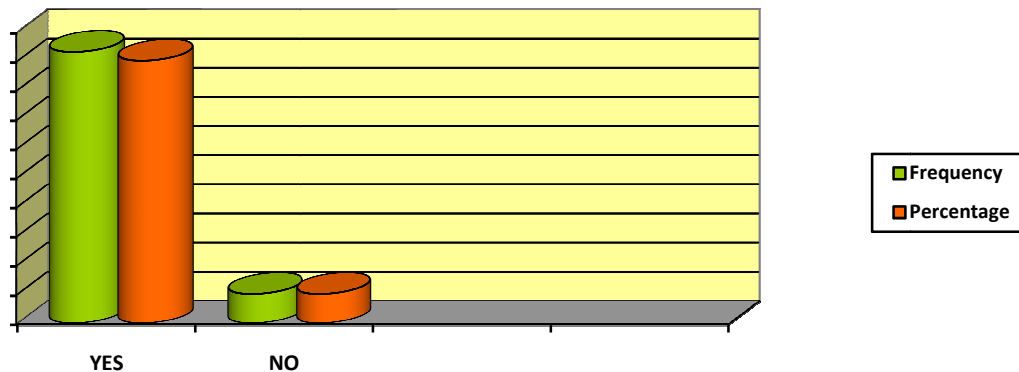
Islamic Financial Institutions (IFIs) are operating in the same society where conventional banks are operating and perform all those functions which are expected from a financial institution. IFIs are assisting business world by providing all the services required to run the economy smoothly, however, the philosophy and operations are different.

As the above figure demonstrate majority of them about 77% believe that the IFB services given by the bank are those which the customers want to get, 17% of them strongly believe that the IFB services are those which they want to get, only 4% of them do not agree that

those services are not mach with their interest and 2% of them do not respond for the given question.

Even though the number is less, there are still customers about 4% which are not interested with the available IFB services, therefore, the bank must consider global banks which providing IFB services to their customers and need to include additional services.

Figure 4.11 whether respondents are beneficiaries from IFB services or not



Source; Questionnaire 2017

Islamic financing is working within the Sharia frame work following certain restrictions including following. First IFBs cannot provide finance for an activity which is prohibited by Sharia (Islamic law) irrespective of its profitability and economic viability. Second IFIs cannot lend any amount in cash for interest however need is fulfilled either through supply of required asset or through profit and loss sharing. As shown in the above figure among customer respondents 90% are replied that working with IFB is more beneficial than working with conventional banking system and the rest 10% didn't agree.

In conclusion working with IFB is more beneficial than working with conventional banking system because IFB provide finance services which are 'halal' (products which are more recommended in Islamic principles).

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# Appendices

# St Mary's University School of Graduate Studies Questionnaire

**Dear Respondent**

The purpose of this questionnaire is to collect data on customer satisfaction & awareness of Interest Free Banking in Oromia International Bank. The information obtained through this questionnaire will be used for only academic purpose.

First and for most, I would like to thank you for your willingness to fill these questionnaire.

1. All pieces of information will be used only for the research purpose. You don't have to write your name. Your response will keep anonymous.
2. Each of your response is very useful for the study therefore your response to each question is appreciated.
3. You can give more than one choice where necessary.
4. If you have comment or if you want to provide further explanations, please use the space provided at the end of the questionnaire.

**Part I General background of the respondents**

- |               |                            |                          |                         |                          |  |
|---------------|----------------------------|--------------------------|-------------------------|--------------------------|--|
| 1. Sex        | Male                       | <input type="checkbox"/> | Female                  | <input type="checkbox"/> |  |
| 2. Occupation | Self-employed              | <input type="checkbox"/> | Private sector employee | <input type="checkbox"/> |  |
|               | Government sector employee | <input type="checkbox"/> | Other                   | <input type="checkbox"/> |  |
| 3. Religion   | Muslim                     | <input type="checkbox"/> | Christian Orthodox      | <input type="checkbox"/> |  |
|               | Christian Protestant       | <input type="checkbox"/> | Other                   | <input type="checkbox"/> |  |

**Part II**

4. What financial services were you using before introduction of Islamic/interest free window?

Keeping money at home  'Iqub' for saving   
Conventional banking system  Family or friend for borrowing

5. Where you were using banking service before you came here?

\_\_\_\_\_

6. Why did you shift to interest free banking?

\_\_\_\_\_  
\_\_\_\_\_

7. Do you think there is a demand for interest free banking service in the city?

Yes  No

If "yes" for what reason?

\_\_\_\_\_  
\_\_\_\_\_

8. Among IFB products which products do you know more about it?

Murabaha (Cost – plus or Mark-up contract)   
Mudaraba (Profit sharing contract)   
Musharaka (equity participation contract or partnership financing)   
Ijara waiqtina (leasing/hire & purchase)   
Bai' salam (Sales contract where the buyer pays in advance for goods)   
Istista (The price is paid progressively in accordance with the progress of a job)  
Suku rtificate or Islamic bonds)

9. If you know the above products how did you know about them?

From family and relatives  By reading  Media   
Other sources

If other please specify \_\_\_\_\_

10. Do you think participation in interest free banking is more beneficial than participation in conventional banking?

Yes  No  Don't know

11.. Are you satisfied by the services delivered by the banks?

Yes  No

If your answer is No please write your reason

\_\_\_\_\_

If your answer above is yes, what aspect of the service do you find satisfying

\_\_\_\_\_

12. Do you think that IFB services will help you in your business?

\_\_\_\_\_

13. Did you face any problem before introduction of interest free banking?

Yes  No  Don't know

If your answer is 'Yes' please specify

\_\_\_\_\_

14. In your opinion what should be included in order to improve this sector?

\_\_\_\_\_

### Part III: Respondents' opinion on the service rendered

Please tick the number that you feel most appropriate, using the scale from 1 to 5 (Where 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly Agree).

S/A	Questions	Alternatives				
		SD	D	N	S	SA
15	OIB supports me in idea or by giving awareness about the products					
16	I believe interest free banking offers the kind of products that I want to use					
17	OIB do sufficient advertisement/promotion of interest free banking services and products					
18	I believe employees who deliver these services are fully aware and competent in the filed					

**THANK YOU!!!**



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