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## Customer Satisfaction in Participation Banks: A Research in Kastamonu\*

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### Abstract

Interest income is considered as forbidden in Islam. Therefore in Turkey, conservatives generally don't prefer general banking and by this way funds can't be used in economic system. So saving deficit can't be solved in country and saving of people depreciates against inflation. Participation banks which work according to Islamic rules are set up to bring these funds to economy. Participation banking operates in more than 60 countries today and conservatives generally prefer to work with because they are working to principles of profit instead of interest. To attract and persuade more people, at first participation banks should satisfy their customers. In our study we aim to measure customer satisfaction in participation banks in Kastamonu and to reveal the differences between demographic groups. To this aim we conducted a questionnaire to customers of participation banks in Kastamonu.

**Key words:** *Participation Banks, Islamic economics, Customer Satisfaction, Interest-free finance*

**JEL classification:** G20, G23, M30

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## **Introduction**

The Holly Quran which is a book formed by the instructions of ALLAH, bans interests in many parts (Bakara (188, 275, 276, 278, 279), Ali İmran (130), Nisa (29, 31, 160), Rum (39)). So interest income is forbidden in Islam. However, savings should be reached to firms by anyway which is compatible to Islam. Because to achieve economic growth and solve economic problems such as unemployment financial needs of firms should be met so that they increase investments. On the other hand savings should not be depreciated against inflation. Participation banks are operated harmonious to Islamic rules and are good alternatives to conservative people. Conservatives generally don't prefer general banking and by this way funds can't be used in economic system. But there is no barrier for them to use participation banks. Participation banks are good tools to bring funds of conservative people to economy.

Al Baraka Turk and Faisal Finance are the first participation banks in Turkey which are set up in 1985. Participation banking operates in more than 60 countries today and conservatives generally prefer to work with because they are working to principles of profit instead of interest. In participation banking saving holders has not guaranteed their income, conversely, they can lose. Because of more than 1.8 million Islam people some western classical banks (Citibank, HSBC) have set up units which work according to profit share principle. In 2015 two public banks starts to work according to profit share principle in Turkey.

Participation banks have great potential in Turkey to achieve their growth in banking sector. More than %90 of Turkish population is Muslim. The share of total collected funds of participation banks in banking industry is 5.6% while the share of total used funds of participation banks in banking industry is 4.8% (<http://www.tkbb.org.tr/mukayeseli-tablolar>). It can be said that participation banks could not reach their potential.

To achieve their target at first they should satisfy customer needs. Than by the help of positive references of previous customers, participation banks can attract and persuade more people. According to Demirel (2007), customer relationships management aims to create customer loyalty so that customer can not change their banks easily.

In the first part of our study we searched about Islamic banking, participation banking and services of participation banking. Then we investigated academic searches about participation banks. To reveal customer satisfaction of participation banks in Kastamonu, we conducted a questionnaire on them. By using these questionnaires, we used statistical tests and analysis. In the last part, we shared results of this questionnaire.

## **History, Certification of Participation Banks**

After diffusion of classical banks, Islamic scholars started to find alternative ways in financing new investments. Participation banks are the result of these efforts. In B.C. 2121-2081 in Babylon, Hammurabis' law mentions about interest- free banking (Yüksel, 2016:154). In the end of 1950's a new bank established to lend poor farmers without interest and to increase their life standards (Gedikli and Erdoğan, 2016:211). Another alternative trial was done by Prof. Nekar in Egypt. But this bank is closed with the change in government in 1977. Islam Development Bank which is the first participation bank, was established in Jedah in 1974 (Zerka and Nekar, 2011:26). Turkey is one of the biggest partner in Islam Development Bank (Yüksel, 2016:155). Islam Development bank aims to benefit from oil incomes and finance business activities in Islamic countries without interest (Gedikli and Erdoğan, 2016:212). Western banks discovered the importance of interest-free banking before Islamic countries. Eastern Bank and ABN-Amro opened branches in Bahrain and Jedah which are working with the principles of interest-free banking (Gedikli and Erdoğan, 2016:212). Important financial institutions such as HSBC, Citibank, Deutsche Bank have added new instruments without interest. In 2016 the country which has the biggest Islamic banking industry is Iran. Participation banking mainly attracts intention in Middle-east. In Turkey, "AL Baraka Turk" and "Kuveyt Türk" which are the first participation banks of Turkey were established due to decrees in law of Turkish government with a date of 16/12/1983 and a number of 837506 (Zerka and Neccar, 2011:48). Still in Turkey five participation banks are active on banking industry however participation banks could not achieve their goals in Turkish market. The share of total collected funds and total used funds in Turkish banking sector is very small, however the increase in this share has been accelerated (Yüksel, 2016:156).

Armağan (2005:37) defines participation banks as banks which give banking services according to Islamic economic rules. Tunç (2013:39) defines participation banking as a subsystem which comes from inside of

economic life without interest. According to Siddiki (1984:97) banking which is organized due to sharing of profit instead of interest is participation banking. Participation banking is known as interest free banking in the world. Gedikli and Erdoğan (2016:201) define participation banks as institutions which tries to give all banking services by excluding interest. According to Yüksel (2016:153), though Islamic banks have some similarities with classical banks they differ from them by perspective on interest. In Islamic banking customers have the risk of losing their money, because Islamic banks work with a principle of profit and loss sharing.

*Services:* Islamic banks have main services which are called Murabaha (cash buying and selling installments), mudaraba (investment partnership), muşaraka (profit-loss partnership), icara (leasing), Salam (buying and selling in future). Because of Islamic rules participation banks don't work with guns, alcohol, and tobacco sector.

*Murabaha* (Cash buying and selling installments): Banks buy item which is wanted by customer and sell it to him by installment.

*Mudaraba* (Investment partnership): In this kind of partnership banks pays all of costs of Project. In other words, all capital of Project is owned by bank. Customer Works with his experiences, information and labor.

*Muşaraka* (profit-loss partnership): participation bank take responsibility of a part of capital which is wanted by customer. At the same time the other part of capital is provided by customer according to his finance power and Project characteristic. Also customer takes responsibility of management, controlling of entrepreneurship. Because of these responsibilities customer take more of profit.

*İcara* (Leasing): Banks rent accessories, machines and tools which will be used in production of other goods and services to firms. However ownership of them is firms.

*Salam* (Buying and selling in future): Firms and bank agreed to buy and sell an item in the future date which is defined.

Participation banking has not just been developed according to conventional banking because participation banking is a new concept. However it has a great potential. Academicals researches have started to be done after 2010. Turkish Participation Banking Association (TKKB) declared that they are targeting %15 market share of banking sector in 2025. By our Project we will search interest of Kastamonu People to participation banking. By this way we will get information about the development potential of participation banking in Kastamonu and contribute to future of participation banking in academic literature.

## **Literature Review**

Academic researches about participation banking are insufficient when it is compared to searches about classical banking. Most probably it is sourced from higher market shares of classical banks. Generally we witnessed searches about customer satisfaction and customers' attitudes in participation banks (Metawa and Almoosawi, 1998; Naser et.al, 1999; Khan et.al, 2007; Akhtar, 2011; Saini et.al, 2011; Rehman, 2012; Okumuş, 2005).

Metawa and Almoosawi (1998), evaluates 300 customers of Islamic Banks in Bahrain. They searched choice criterias, awareness about services and satisfaction levels of Islamic banks' customers. It is revealed that the main motivation of customers which encourages them to work with Islamic bank is religion. Mostly, customers are satisfied from banking services however they complain about cost and elasticity of financial facilities. Customers are satisfied mostly from employees in service presentation. Addition to this it is revealed that customers generally aware about services of Islamic banks. They advise the improvement of services and education of employees to develop participation banking.

Naser et.al (1999) conducted a survey on 206 Islamic bank customers in Jordan. At the end of this search, it is come out that the most important factor for customers is reputation of bank. Religion factor is following this factor. Participators generally satisfied from the services of Islamic banks. In addition to this customers are not aware about the services of services and therefore they can not use most of alternatives that is presented by banks. Some of participators remark that they are complainant about limited branch number and working hours. Because of this reason they are also working with classical banks. The search of Naser et.al (1999) include various advises to improve customer satisfaction.

Okumuş (2005) found that the first priority in preferring participation banks is Islam and rules of Islam. 161 participators are generally satisfied from the services of banks and more than half of (55%) customers are

working with both classical and participation banks. One of the reasons of that is insufficient number of branch network of participation banks. Moreover, the services of participation banks are behind the services of classical banks. Also customers have not enough knowledge about available services of them. Khan et.al (2007) realized similar study in a participation bank in Bangladesh. Sample size is 100 customer of participation bank. In Khan et.al (2007) study, the most important factor affecting customers' decision is Islam and Islamic rules while in Naser et.al (1999) study the most important factor is credibility of bank. When they are well informed about profit loss partnership it is revealed that customers have not sufficient knowledge about other services of participation banks.

Özulucan and Deran (2009) benchmarked activities of participation and classical banks. According to this research, the reasons why participation banks are not enough developed are absence of legal and accounting records, negative prejudices about participation banks in society, uncertainties about economic and politic and inadequacy of tendency to turn to savings.

Khattak and Rehman (2010) did the similar of Okumuş (2005), Khan et.al (2007), Özulucan and Deran (2009) in Pakistan with sample of 156 customers. This time they found that customers chose participation banks because of factors due to banking services such as working hours, keeping customer informations, interaction efficiency. As the result of previous studies it is revealed that customers are generally satisfied from services. They advise participation banks to enlarge their branch network, because most of customers prefer to work with both classical and Islamic banks as the finding of Okumuş (2005).

Bilir and Özgen (2010) studied customer satisfaction of participation banks in Hatay. They found that employees of participation banks should interest with customers one by one. To do this, banks should educate their employees in this direction.

Saini et.al (2011) conducted a survey on 250 participation bank customer. In this research it is revealed that majority of customers (96,6%) are aware of products. Though this awareness, frequencies of using banking services are inadequate. Customers generally prefer participation banks because of faster and effective services, low costs, widespread ATM etc.

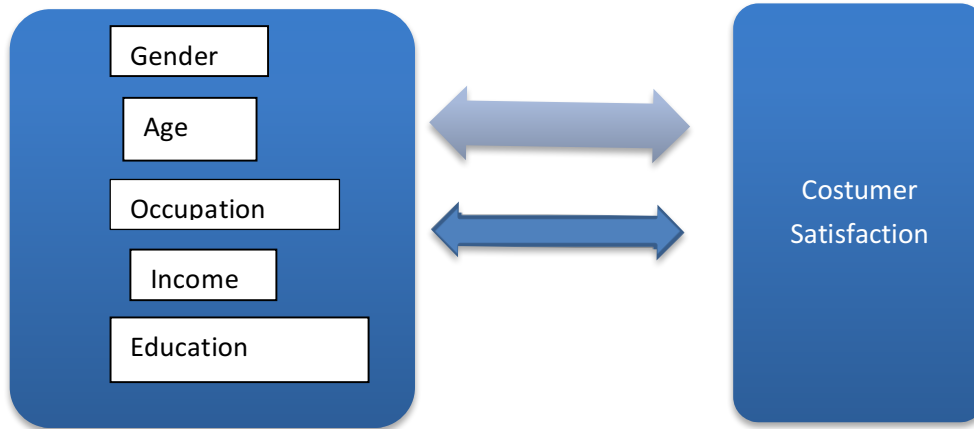
Akhtar (2011) studied on 167 participation bank customers. Although customers usually aware of services of participation banks, they don't use most of these services. As a result of this search to improve quality of participation banks' services, banks should give importance to education of employees. By this way the problems of customers could be solved permanently.

Kaytancı et.al (2013) conducted a survey on 500 participators in Eskişehir. In this study bank customers use only small part of banking services which are known. This result is harmonious to the study of Akhtar (2011). In other word customers don't use banking services effectively. The vast majority of bank customers (70%) have positive opinion about services presented by Islamic bank. Bank customers are generally (82%) satisfied from the speed and effectivity of banking services of Islamic bank. However, it is observed that they are not satisfied from internet banking, give chances to earn high income, autopark and suitability of lending.

As a result, academic searches generally observed that customers are satisfied from quality, speed and effectivity of participation banks' services. Moreover, customers are not well informed about services in Turkey. Even though they are well informed about services they don't use services effectively. Customers generally use current accounts. Also it is revealed that especially in international searches, the most important factor affected customer choices is Islam. But satisfaction of services follows this factor. It is observed that important share of participation banks also works with classical banks. The reason of this is inadequate network of branches and undeveloped internet banking services. Participation banks should give importance to customer satisfaction, educate employees so that they meet customer needs, extend branch network, give importance to advertising, start to give new services and inform customers about these new services. By this way, undeveloped participation banking could provide improvement, provide positive effects to Turkish economy, pull Islamic capital to Turkey and support Istanbul's being financial centre.

## **Research and Methodology**

We investigated the factors which affect satisfactions of participation banks. As we mentioned before previous studies generally studied religion, gender, service qualities, age etc. In our study our hypotheses are about the relationship between gender, age, occupation, income, education and customer satisfaction of participation banks. Model of our search is shown in Graph 1.



**Figure 1.** Model

## Methods

In our research population is customers of participation banks in Kastamonu. We conducted a survey on customers of participation banks in Kastamonu. There are 3 participation banks which are active on Kastamonu city (Kuveyttürk, Al BarakaTürk, Türkiye Finans). While surveys are conducting, face to face method is used on 3 participation banks' branches. In the first part of survey demographic questions are asked while in the second part questions that aim to reveal customer satisfaction are asked. Scale used in second part is taken from Kaytancı et.al (2013). In second part likert scale is used (1: absolutely don't agree; 2: don't agree; 3: Neither disagree nor agree; 4: Agree; 5: absolutely agree). 465 customers answered questionnaire, however 21 of them eliminated because of missing and incomplete answers. As a result, we studied on 444 surveys. According to Küçük (2016:95), Sample of 382 persons is adequate to study with population of 1.000.000 persons at a 5% significance level. Then surveys are evaluated by statistical Package Programmes. In Table 1 we can see the participators' demographic results.

**Table 1.** Demographic Results

<b>Gender</b>	<b>N</b>	<b>%</b>	<b>Age</b>	<b>N</b>	<b>%</b>
Male	247	55,63	0-25	60	13,5
Female	197	44,37	26-34	149	33,6
<b>Total</b>	<b>444</b>	<b>100</b>	35-44	132	29,7
			45-54	81	18,2
<b>Job</b>	<b>N</b>	<b>%</b>	55+	22	5,0
Entrepreneurship	55	12,4	<b>Total</b>	<b>444</b>	<b>100,0</b>
worker-officer	191	43,0			
Student	76	17,1	<b>Income</b>	<b>N</b>	<b>%</b>
Housewife	50	11,3	0-1500	160	36,0
retired	35	7,9	1501-3000	165	37,2
non-worker	31	7,0	3001-4500	97	21,8
other	6	1,4	4500+	22	5,0
<b>Total</b>	<b>444</b>	<b>100,0</b>	<b>Total</b>	<b>444</b>	<b>100,0</b>
<b>Education</b>	<b>N</b>	<b>%</b>	<b>Political Identity</b>	<b>N</b>	<b>%</b>
Primary-middle	63	14,2	Nationalist	159	35,8
lycee	166	37,4	Secular-Modernist	41	9,2
Bachelor	181	40,8	Social Democrat	80	18,0
Graduate-MBA-Doctorate	34	7,7	Conservative	164	36,9
<b>Total</b>	<b>444</b>	<b>100,0</b>	<b>Total</b>	<b>444</b>	<b>100,0</b>

55,62% of participators are male while 44,37% of them are female. The most crowded age groups are 26-34 and 35-44 groups. 33,6% of participators are between 26 and 34 years old while 29,7% of them are between 35 and 44 years old. Most of participators (43%) are officer or worker. Students (17,1%) and housewives (11,3%) are other crowded job groups. Harmonious to this reality, participators' income is generally have lower than 3000 TL. 36% of them have lower income than 1500 TL while 37,2% of them have income between 1501 TL and 3000 TL. Also it is known that Kastamonu is one of the city which have lower income. Most of participators are graduated from lycees (37,4%) or faculties (40,8%). Most of participators defined themselves as nationalist (35,8%) or Conservatives (36,9%). Conservative and nationalist parties generally become succesful in political elections.

Reliability of questions are tested with Cronbach Alfa and found 0,864 score. According to Küçük (2016:232) if scale is bigger than 0,80 questions have high reliability. To decide whether use parametric or non parametric tests, Skewness and Kurtosis scores are evaluated. Means, Skewness and Kurtosis scores are given in Table 2.

**Table 2.** Means, Skewness and Kurtosis Scores

Question	Skewness	Kurtosis	Mean
I am satisfied from effectivity and speed of transactions.	-0,420	-0,454	3,77
I am satisfied from advises of staff about investment	-0,404	-0,473	3,81
I am satisfied from location of Branch.	-0,542	-0,145	3,67
I am satisfied from interior design of branch.	-0,549	-0,050	3,80
I am satisfied from behaviour of staff to customers.	-0,357	-0,240	3,68
I am satisfied from working hours.	-0,456	-0,428	3,60
I am satisfied from importance that is given to privacy of customers.	-0,462	-0,228	3,67
I am satisfied from information about new tools and services.	-0,395	-0,563	3,61
I am satisfied from appropriate of credit conditions.	-0,426	-0,611	3,52
I am satisfied from autopark facilities.	-0,305	-0,823	3,45
I am satisfied from high income facilities.	-0,497	-0,354	3,62
I am satisfied from quality of internet banking.	-0,281	-0,581	3,64
I am satisfied from diversity of service and products.	-0,553	-0,290	3,64
I am satisfied from using technology in banking.	-0,284	-0,655	3,57
I am satisfied from knowledge and competence of staff.	-0,380	-0,390	3,60
I am satisfied from credit card services.	-0,315	-0,834	3,54
I am satisfied from fees about transactions.	-0,322	-0,809	3,52

We decided to use parametric tests because skewness and kurtosis scores are between -1 and +1 also sample is bigger than 30. Means are between 3,345 and 3,81 as you can see in Table 2. The lowest score is due to question about autopark facilities (3,45). Three of participation banks are located in the centre of Kastamonu. So it is normal to slog in finding parking places in the centre. The highest score is due to question about advises of staff about investment (3,81). Küçük (2016) remarked that in five likert scale mean can be evaluated as low (1,00-2,33), Middle (2,34-3,66) and High (3,67-5,00). In our study general satisfaction level is 3,63. This score is middle however it is very close to high level. So we can evaluate this score as upper-middle or high level and it can be said that customers are satisfied. This satisfaction level shows that participation banks could increase their customers in Kastamonu.

## Findings

We used Independent Sample T test to benchmark satisfaction levels of males and females. As a result of this test we found that means of males and females don't differ from each other (sig:0,405). Means and standard deviations are shown in Table 3. The mean of males are 62,08 while mean of females are 61,27. It can be said that means don't differ at 5% significance level.

**Table 3.** Mean, Std.Deviation, Std.Error

Gender		N	Mean	Std. Deviation	Std. Error Mean
Total	Male	247	62,0769	9,23750	,58777
	Female	197	61,2690	10,81070	,77023

We also searched if there is difference between age groups. There are more than 2 age groups so we used One Way Anova test. According to result of this test (sig:0,000) it is revealed that there is difference between age groups. Levene test shows that variances are not homogeneous (sig:0,000). Tamhane's T2 test is used to reveal which groups differ from others. The results are given in below.

- a) There is difference between 0-25 age group and 45-54 age group in 5% significance level.
- b) There is difference between 0-25 age group and 55+ age group in 5% significance level.
- c) There is difference between 26-34 age group and 45-54 age group in 5% significance level.
- d) There is difference between 26-34 age group and 55+ age group in 5% significance level.
- e) There is difference between 35-44 age group and 45-54 age group in 5% significance level.
- f) There is difference between 35-44 age group and 55 age group in 5% significance level.

Shortly participators who are older than 45 years old are more staisfied from others. Means, Standard deviations are given in Table 4.

**Table 4.** Mean, Std.Deviations and Std. Errors According to Age Groups.

	N	Mean	Std. Deviation	Std. Error
<b>0-25</b>	60	60,8333	9,80689	1,26606
<b>26-34</b>	149	60,2550	10,35854	,84860
<b>35-44</b>	132	60,3258	10,43738	,90846
<b>45-54</b>	81	65,4938	7,63728	,84859
<b>55+</b>	22	68,5000	5,73004	1,22165
<b>Total</b>	444	61,7185	9,96266	,47281

One Way Anova test is used to whether there is difference in satisfaction levels between participators with different jobs. Result of this test show that means differ according to jobs (Sig:0,001). Variances are not homogeneous according to Levenet test results (Sig:0,000). Tamhane's T2 Test is used to find which groups differ from others. The results are shown in below.

- a) There is difference between satisfaction levels of entrepreneurships and housewives in 5% significance level.
- b) There is difference between satisfaction levels of entrepreneurships and retireds in 5% significance level.

- c) There is difference between satisfaction levels of officers and housewives in 5% significance level.
- d) There is difference between satisfaction levels of officers and retirees in 5% significance level.
- e) There is difference between satisfaction levels of students and housewives in 5% significance level.
- f) There is difference between satisfaction levels of students and retirees in 5% significance level.

Shortly, housewives and retirees are more satisfied from services of participation as you can see it in Table 5. The ages of retirees are higher, so it is harmonious to the result that participators bigger than 45 years old are more satisfied.

**Table 5. Mean, Std.Deviations and Std. Errors According to Jobs**

	N	Mean	Std. Deviation	Std. Error
Entrepreneurship	55	59,6000	10,64512	1,43539
Officer-Worker	191	60,8272	10,61660	,76819
Student	76	59,9868	10,30404	1,18195
Housewife	50	65,2000	7,65053	1,08195
Retired	35	66,8286	6,96836	1,17787
Non-Worker	31	63,3871	6,84435	1,22928
Other	6	64,0000	7,53658	3,07679
Total	444	61,7185	9,96266	,47281

We want to measure whether there is difference in satisfaction levels according to participators' education level. To this aim we used One Way Anova test, because we studied on more than 2 groups. The results of this test shows that there is differences between groups with different education levels (Sig:0,022). Levene test shows that variances are not homogeneous (sig:0,005). Tamhane's T2 test helps us to reveal which education groups differ from each other and we reached results in below.

**Table 6. Mean, Std.Deviations and Std. Errors According to Education Levels**

		Mean	Std. Deviation	Std. Error
Primary-Middle	63	65,4127	6,50715	,81982
Lycee	166	61,0723	10,80604	,83871
Bachelor	181	60,8950	10,07555	,74891
Graduate- doctorate	34	62,4117	9,19900	1,80407
Total	444	61,7185	9,96266	,47281

- a) There is difference between participators' educated from primary- middle schools and faculties in 5% significance level.
- b) There is difference between participators' educated from primary- middle schools and lycees in 5% significance level.

Shortly, satisfaction level of participators educated in primary-middle schools are higher than others. Means, Standard Deviation and Standard errors are shown in Table 6.

We also searched whether there is difference in satisfaction levels of participators according to their income. To this aim we used One-Way Anova test, however it is revealed that there is not difference in satisfaction levels (Sig:0,880). Table 7 shows means, standar deviation and standard errors according to



their income. Even participants who earn more than 4500 TL in a month have higher satisfaction (mean:63,36), this difference is not meaningful in 5% significance level.

**Table 7. Mean, Std.Deviations and Std. Errors According to Income**

	N	Mean	Std. Deviation	Std.error
0-1500	160	61,5250	9,83637	,77763
1501-3000	165	61,6485	10,20151	,79419
3001-4500	97	61,7835	10,29991	1,04580
4500+	22	63,3636	7,76773	1,65609
Total	444	61,7185	9,96266	,47281

Again One Way Anova test is used to reveal if mean of participants change according to their income. Result shows that mean of participants differ according to their income (sig:0,000). Levene test is used to have information about homogeneity of variances and this test shows that variances are not homogeneous (sig:0,000). Tamhane's T2 test is used to find which groups differ from others. After the test we reached results in below.

- a) There is difference between nationalist participants and conservative participants in 5% significance level.
- b) There is difference between nationalist participants and secular-Modernist participants in 5% significance level.
- c) There is difference between nationalist participants and social democrat participants in 5% significance level.
- d) There is difference between conservative participants and secular-modernist participants in 5% significance level.
- e) There is difference between conservative participants and social democrat participants in 5% significance level.

**Table 8. Mean, Std.Deviations and Std. Errors According to Political Identity**

	N	Mean	Std. Deviation	Std.Error
Nationalists	159	63,5723	6,73782	,53434
Secular-modernist	41	52,8537	9,12294	1,42476
Social Democrat	80	48,7625	7,09830	,79361
Conservatives	164	68,4573	5,45067	,42563
Total	444	61,7185	9,96266	,47281

Conservative participants are more satisfied than others. This result can be estimated because banking without interest is order of Holy Quran and Islam. As customers give more importance to religion satisfaction level from participation banks increase. Also nationalists have greater satisfaction than average and follow conservatives. However, social democrats and secular-modernists have very low score.

This time we searched the averages of customers according to usage of their savings in banks. To test it we used One Way Anova test. The results of test show that there is difference in satisfaction levels according to evaluation of their savings (Sig:0,000). Levene test is used to decide whether variances are

homogeneous and found that they are not (sig:0,000). After Tamhane's T2 test, the results are found as below.

- a) There is difference between customers who use savings in both banks and who use savings in classical banks in 5% significance level.
- b) There is difference between customers who use savings in both banks and who use savings in participation banks in 5% significance level.
- c) There is difference between customers who use savings in participation banks and who use savings in classical banks in 5% significance level.

Table 9 shows Mean, Std.Deviations and Std. Errors of customers according to preferences between banks. 39,86% of customers are using their savings in both participation and classical banks. These result is important and in further studies it should be searched. Customers who prefer to use their savings in participation banks have higher satisfaction level (66,92). Also customers who have no savings have very close score in savings (64,06). The lowest satisfaction score (51,00) explains why customers use savings in only classical banks. Customers who use their savings in both banks have higher satisfaction score than classical but lower than participation banks. It is understood that convincing customers who don't use banks for savings is easier. Customer who has no savings have also higher satisfaction level so in future they can have savings and so convincing them to work with participation banks is easier.

**Table 9.** Mean, Std.Deviations and Std. Errors According to Bank Preferences in Savings

	N	Mean	Std. Deviation	Std.error
Participation	158	66,9241	6,30897	,50191
Classical	21	51,0000	12,62537	2,75508
Both banks	177	57,2034	10,30078	,77425
I have no savings	78	64,0641	7,59415	,85987
I don't use banks for my savings	10	63,6000	8,50098	2,68825
Total	444	61,7185	9,96266	,47281

We also searched if satisfaction level differs according to usage of participation banks in transactions. To this aim we used One way Anova test. It is revealed that there is differences in groups (sig:0,000). We used Leven test to decide whether variances are homogeneous. Levene test shows that variances are not homogeneous (sig:0,005). So we used Tamhane's T2 test to see which groups differ and reached results in below.

- a) There is difference between customers who use term deposits in participation banks and who realizes EFT/Money transfer in 5% significance level.

Table 10 shows satisfaction levels of customers according to transactions they did. Customers who uses Money transfer and EFT have the lowest satisfaction levels. However, customers who use term deposits have the highest satisfaction levels. As satisfaction of customers increase they started to evaluate their savings in term deposits. Participation banks should increase satisfaction of customers who use EFT and Money transfer. By this way they can convince them to use term deposits or lend.

**Table 10.** Mean, Std.Deviations and Std. Errors According to transactions

	N	Mean	Std. Dev.	Std. Error
Term Deposits	53	66,0943	9,51974	1,30764
Demand deposit	45	62,3333	10,35945	1,54430
EFT-Money Transfer	141	58,9007	10,63707	,89580
Pay Bill	142	62,4577	9,19190	,77137
Fund – Credit usage	25	63,0000	9,63933	1,92787
Other	38	61,7368	7,85230	1,27381
Total	444	61,7185	9,96266	,47281

## Conclusion

Participation banking presents important opportunities for economy. Islam bans interests and working with interests. Some savers don't prefer banking system because of their religion (Islam). Improve in participation banking will bring these funds to banking system and contribute to economy. To improve participation banking, banks should satisfy their customers and present higher quality services. In our study we aim to measure satisfaction of customers in Kastamonu participation banks. As a result we reached that customers of Kastamonu participation banks satisfied in high level or very close to high level. Also we found that relationships between demographic variables and satisfaction levels.

The satisfaction level from services of participation banks don't change according to gender. Age is one of the factor that affects satisfaction level from services of participation banks. Customers who are older than 45 more satisfied from participation banking. Another interesting result is about jobs, occupations. Housewives and retireds are more satisfied from services of participation banking according to other job groups. Satisfaction level of participators educated in primary-middle schools are higher than other education groups. If participation banks want to increase their share in market they shall define new strategies to satisfy youngs, working people and educated persons. Their success in satisfying youngs, working and educated persons will have positive impacts on Turkish economy.

Customers who have less satisfaction level prefer EFT and Money transfers but don't prefer term deposits. These customers are great opportunity for participation banks. If banks increase their satisfaction level and persuade them, the number of customers who prefer participation banks for term deposits will increase. By this way participation banks can increase their profits.

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