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The Impact of E-Marketing Services on the Satisfaction of the Clients of Emirates Islamic Banks

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Abstract--The study aims to analyze the extent of customer satisfaction with e-marketing services in Islamic banks in the United Arab Emirates through studying the reality and quality of e-marketing services provided by Islamic banks in the United Arab Emirates. The study reviews the most important customer demands from e-marketing banking services provided by Islamic banks in the United Arab Emirates. The study discusses the most important problems and obstacles facing the work of Islamic banks in the United Arab Emirates. Achieve the objectives of the study, the researcher uses the descriptive and analytical research method. The study concludes with a set of results and recommendations, the most important of which is that there is a correlation between the quality of the electronic service in the bank and between the satisfaction and loyalty of customers in addition to the presence of a statistical effect of the impact of the quality of e-marketing services on customer attitudes. The researcher recommends enhancing the use of e-marketing to benefit from its advantages, strengthening attention to customers, enhancing the utilization of the latest technological means to practice banking work, and to enable bank workers to use electronic marketing applications for banking services provided to customers.

Keywords---banks, customer satisfaction, e-marketing, Islamic banking, UAE.

Introduction

The successive and rapid developments have become a major feature of the modern era, prompting the management of institutions to seek modernization to keep pace with recent developments through processes of change and betterment and to search for any opportunity that achieves more efficiency and effectiveness in using all available resources. Technological development has also promoted organizations to increase research on how to use, store and retain knowledge to reuse, and how to use and benefit from it to improve the quality of services appropriately in the future in an attempt to overcome the problem of information overcrowding. The world has undergone many changes since the beginning of mankind. Over time, the means and methods of doing business have evolved, leading to the technology and communication devices of various kinds we have now such as the computer and the Internet ranked first in terms of their advantages.

In the past, manual systems were used to manage accounting operations later, electronic systems have been invented and have surpassed manual systems (Al-Mousawi, 2016). The banking system plays a vital role in the economic realities of all countries as the role of the banking system in the country is similar to the function of the heart muscle for a person. We cannot imagine an individual's life without heart muscle. The same applies to a developed economy. We cannot think of a developed economy without a developed banking system. However, most of the commercial banking businesses share the aspect of dealing with interest. This has led to the reluctance of many individuals to deal with commercial banks and the loss of many resources to the banks due to the prohibition of interest in the Islamic religion.

Therefore, jurists and experts in finance and economics have cooperated to formulate a complementary concept for these financial institutions, namely (Islamic banks) to spare Muslims the burden of dealing with usury on the one hand and to attract deposits and provide services to dealers under the provisions of Islamic Sharia on the other hand, in addition to achieving economic and social development for the countries concerned (Hussein, 2017). The United Arab Emirates has experienced a remarkable increase in the number of Islamic banks operating therein, in addition to an increase in the number of other institutions that operate under Islamic law. Islamic banks have also experienced an expansion in their operations and the quality of their products, especially Islamic finance operations thus promoting other commercial banks, including foreign banks with branches in the Emirates, to launch departments for Islamic financial operations.

The UAE legislator has approved the laws regulating Islamic banks through Federal Law No. 10 of 1980 on the Central Bank, the Monetary System and Regulating the Banking Profession, Federal Law No. 8 of 1984 on Commercial Companies, and Federal Law No. 6 of 1985 on Islamic Banks (Hussein, 2017).

Twenty-three local banks are operating in the United Arab Emirates including eight Islamic banks, according to the annual report of the UAE Central Bank in 2016. The Islamic banks in the United Arab Emirates are Dubai Islamic Bank, Al Ami Bank, Emirates Islamic Bank, Sharjah Islamic Bank, Abu Dhabi Islamic Bank, Noor Bank, Ajman Bank, Al Hilal Bank, Mashreq Islamic Bank. Most of the Emirati Islamic banks enjoy advanced positions in the list of Islamic banks in the world in terms of the size of their assets and have also won many appreciation awards at the international and national level. The size of Islamic banking assets in the United Arab Emirates is estimated at 506 billion dirhams, according to the annual report of the UAE Central Bank for the year 2016.

Islamic banks in the United Arab Emirates have played an important role in economic development and achieving public satisfaction due to their efficiency and distinction in the field of Islamic banking through financing different sectors using different forms of Islamic finance, including electronic services thus granting the UAE the excellency in this field (Amaria, 2018). In this study, we review the impact of electronic marketing services on the satisfaction of customers of Islamic banks in the UAE, according to the following:

Literature review

The most important literature review related to the subject of this study will be presented here:

- [Hussein \(2017\)](#), in his study entitled “Commercial and Islamic Banks in the Emirates,” explains the concepts of commercial and Islamic banks. The researcher reviews the definitions, objectives, characteristics, laws, and regulations governing the work of each of them. The researcher uses descriptive and comparative research methodologies. His study concludes with several results, the most important of which is that there is an average effect of quality dimensions of banking services on the levels of customer satisfaction in the institutions that are understudy.
- [Talib \(2003\)](#), in his study entitled "Measuring the Quality of Islamic Banking Services Provided by Islamic Banks Operating in Jordan" states that the study aims to measure the quality of Islamic banking services provided by the Islamic banks operating in the Hashemite Kingdom of Jordan, namely the Islamic International Arab Bank and the Islamic bank. The researcher uses the quantitative and qualitative scientific method to achieve the objectives of his study. The researcher uses five variables that express the dimensions of Islamic banking services in Jordan. The study concludes that there is a positive degree of customer satisfaction with the quality of Islamic banking tangible and material services. As for reliability and safety, the degree of customer satisfaction understudy is low.
- [Khalidi \(2006\)](#), in his study: "Measuring the Quality Level of Services for Islamic Banks Operating in Palestine" is to measure the quality of Islamic banks 'services operating in Palestine from the customers' point of view. In his study, the researcher uses the gap analysis to measure the quality of Islamic banking services. The researcher uses the descriptive, analytical, and quantitative method in his study. The study concludes with many results and recommendations, the most important results of which is that

there is a gap between the expected service and actual performance, as the actual service is positive and high, but it does not rise to the expected quality of service. The study shows that clients of Islamic banks override the relative importance they attach to the criteria they use when evaluating the level of quality of actual services provided by Islamic banks.

What is Islamic banking?

In this part of the study, we review what Islamic banks are in terms of definition, and objectives.

The concept of Islamic banking

Islamic banks have a set of definitions that differ in a formula but share the same meaning. We refer here to the most important definitions. Islamic banks have been defined as " banking institutions aiming to collect funds and employ them under Islamic law to contribute to the establishment of a solid Islamic community and to achieve fair distribution. Others have defined them as" investment financial institutions with a developmental, humanitarian and social mission aimed at pooling funds and achieving optimal use of its resources under the rules and provisions of Islamic law to build a solid Islamic community. Some jurists have defined them as " banking institutions that adhere to the Islamic Sharia and its purposes in all their transactions, investment activities, and management of all their actions. Moreover, they aim to achieve the objectives of the Islamic community internally and externally (Al-Jaabari, 2013). Based on the previous definitions, Islamic banks can be defined as financial institutions that provide services and banking under the principles of Islamic law in a way that achieves the objectives of Sharia. Islamic banks act as a mediator between the savings and investment sectors by attracting financial resources and re-employing them efficiently and effectively with many financial instruments to achieve their growth and to ensure achieving economic and social development.

Objectives of Islamic banks

Islamic banks strive to achieve a set of objectives that stem from the principles and characteristics of the Islamic banking industry. These objectives are to provide distinguished banking services and to contribute to achieving and supporting economic and social development in Islamic societies, and to raise the standard of living under the principles of Sharia. Other objectives are to increase savings awareness among individuals, to rationalize spending behaviors, to operate idle capital, and to employ it in economic fields that raise its return and increase its production. Islamic banks also aim to encourage investment, which is the primary objective of Islamic banks (Mahmoud (2005), to channel investment towards commodity production so that the cash in circulation does not increase and consequently its value decreases.

Islamic banks provide investment financing for all projects in various agricultural, industrial, educational, and health sectors, as well as facilitate businessmen to benefit from banking services. It also works on devising new instruments of financing, such as Murabaha, Musharakah, and Mudarabah that are in line with

Islamic law, and line with modern changes. Islamic banks seek to create a free economic system, to get rid of economic dependence on large countries through creating distinguished Islamic banks that manage their economies, to expand the volume of direct commercial exchanges between Islamic countries without a foreign intermediary, and to introduce social services aimed at strengthening forms of social integration, such as: collecting and distributing zakat (zakat) (Ajlouni, 2008).

Online shopping in Islamic banks

Banks have realized the importance of electronic banking marketing because of the vital role that electronic banking marketing plays at the level of support, survival, and continuity of the bank's entity, especially with the characteristics of banking services that distinguish them from other sectors and businesses. As a result, many considerations and factors have emerged that studies and research have proven govern an individuals' choice of the bank they deal with. Other considerations and factors have appeared such as the quality of service, the manner of dealing with the clients, and after-sales services as important criteria in the clients' choice of the bank and its services (Mualla, 2007).

The banking industry has recently experienced tangible progress in allowing bank customers to conduct banking operations through electronic communication networks. It is expected that these operations will spread widely in the coming times, especially in light of the continuous development in the field of technology for banking operations. Electronic banking operations mean that banks provide traditional or innovative banking services through electronic communication networks. The validity of access to banking services is limited to the bank's clients according to the membership conditions set by the banks (Ismail, 2007). In this section of the study, we review the concept of E-banking, the e-marketing strategy, and its advantages. This will be according to:

The concept of electronic marketing

Many definitions are explaining what electronic marketing is. Here is the definition that we recommend. It defines e-marketing as " the strategy that is used in organizing the methods of modern communication technology through transforming the virtual market into a tangible reality" (Mualla, 2007).

E-marketing strategy

The strategy of electronic banking marketing is to provide electronic banking services through the Internet as a new marketing channel that has unique characteristics such as speed and low costs that distinguish it from other communication channels. The e-marketing strategy reflects the process of shifting from the spatial market to the space market and the electronic catalog, as the Internet has become a communication instrument that allows those interested to enter the target sites 24 hours a day, 7 days a week. Electronic marketing has unified the world by facilitating the process of buying and selling goods and banking services. It has also helped in generating demand for commodities, thus

achieving the objective of producing these commodities by reducing the cost of their operations (Haddad, Jouda: 5).

Advantages of electronic marketing

Electronic banking and marketing operations are distinguished by a set of advantages:

- Reducing costs: The performance of banking institutions for their business and marketing activities through the Internet has led to lower costs because of the absence of the need for investment infrastructure, and the reduction of logistical obstacles. This has prompted large and small banking institutions to provide their services through this network or other technological means equally.
- The quality and speed of customer service: The banking institutions that provide services to customers via the Internet and other technological means are distinguished from other competing institutions as online banking service reduces the costs and physical effort that customers incur in obtaining banking services or searching for information regarding financial matters.
- Customer assistance: online banking service gives the clients the chance to compare and choose between the vast number of available alternatives and make the final choice (Abd al-Rahim, 2011).
- Increased productivity: answering clients' technical questions regarding their services through their website increases the productivity of electronic banks with the lowest costs and the least possible effort.
- Information exchange, relevance, and control: electronic banking marketing facilitates the process of exchanging information between those interested and presenting it to them when needed, in addition to the ability of the clients to log on to the bank's website and access their accounts or registered materials and the ability to register without physically going to the bank's building.
- Banking institutions or others can, through the Internet, provide banking services to their clients in the local and target foreign markets in line with their needs and desires and the needs of their labor markets (Ismaila, 2007).

Customer satisfaction with the performance of Islamic banks in the UAE

Customer satisfaction is an important concept in the field of services and material "capital" goods marketing. The impact of customer satisfaction and its relationship to growth and profit generation is stronger in services than in physical goods. Although there is a clear relationship between the concept of customer satisfaction and service quality, jurists have not agreed on the nature and type of this relationship and the concept of each one of them. Some of them believe that customer satisfaction is the same as the quality of service, and some believe that they are different (Lahlouh, Zain El-Din: 2016,19). Here, we review the concept of customer satisfaction and the importance of measuring customer satisfaction.

The concept of customer satisfaction

Jurists have not agreed on a specific definition of the concept of customer satisfaction. Some of them have defined satisfaction as "the joy that a customer feels when he/she achieves the desired satisfaction and that satisfaction is formed by comparing what the customer expects to obtain and what he has got". Likewise, satisfaction represents an emotional response to the experiences that a customer goes through, and is related to the products or services that he/she has purchased. The emotional response represents the reaction of the client resulting from the process of evaluation and cognitive awareness with what he thought he would get. Some jurists define customer satisfaction as customer behavior meaning the actions and behaviors that individuals take in planning the purchase of a product or service. Customer satisfaction is an expression of human behavior concerning the procurement process and the fulfillment of needs. This behavior is an external activity that represents a response to external environmental stimuli and psychological factors such as motivation, learning, and perception to achieve the desired satisfaction and satisfaction of customers (Al-Mathemi, 2016).

The importance of customer satisfaction with the e-marketing service in Islamic banks

Customer satisfaction is so important that all organizations wanting to achieve continued growth in the market need to measure it. Customer satisfaction is a critical issue to achieve success in any business, whether traditional or online, and the importance of measuring customer satisfaction in Islamic banks is highlighted through:

- Determining the extent of customer satisfaction.
- Presenting the results to the partners in any organization, including the funders.
- Diagnosing the reasons for failure to achieve the goals of the banks.
- Knowing whether the target group has benefited from the provided service or not.
- Helping supervisors to expand the range of activities and services provided by banks to include other communities.
- Avoiding repeating the same mistakes in the activities and services that will be provided by the banks.
- Knowing whether the used management style achieves customer satisfaction or needs revision (Al-Khafaji, 2008).

Factors that enhance customer satisfaction with the e-marketing service in Islamic banks

- Listening to a Client's needs.
- Communication with the client is the key to enhancing customer satisfaction, in addition to following up and making sure that expectations of clients are fulfilled.
- C- Maintaining professionalism and following the saying that the customer is always right even when he is wrong.

- Building customer confidence as the performance of banks and their ability to meet customers will make the customer feel that they have made the right decision.
- Building reputation through attention to quality, services, and presentation.
- Using smart business reports to analyze customer issues and implement new measures to eliminate them.
- Rewarding loyal customers (Al-Khalidi, 2006).

The risks of electronic marketing services in Islamic banks

Providing electronic shopping services in Islamic banks has multiple risks (Wadi, 2007). In this part of the study, we review the most important challenges and risks.

- Operating Risks: Operating risks arise from insufficient security of systems, inadequate systems design, Inadequate design of systems and their insufficiency to complete work, as well as misuses by clients.
- Reputation risk: Reputational risk arises in the event of a negative public opinion towards the bank or the institution that provides this type of banking services. The bad reputation may arise from the lack of adequate protection means for the customer data that the bank maintains or the occurrence of some breach of the bank's electronic systems. Also, a bad reputation may arise from the hacking of these systems by some strangers or workers in the same bank. This greatly affects the reputation of the bank and its activity thereby affecting the number of customers at this bank and forcing it to reduce efforts to the maximum extent thus reducing profits (Mansour, Al-Abed, 23).
- Legal risks: These risks occur in the event of violating the laws, rules, or established controls, especially those related to combating money laundering operations, or as a result of the lack of clear definition of the legal rights and obligations resulting from electronic banking operations. This includes the lack of clarity of the legal rules for consumer protection in some countries or the lack of legal knowledge of some agreements concluded using electronic media (Al-Baroudi, 2005).

Challenges facing e-marketing service in Islamic banks in the UAE

There are several challenges facing e-marketing services. The most important of these obstacles are:

- Tax challenges: International legal jurisprudence has begun to divide over electronic marketing operations as soon as the electronic marketing operations have begun to spread since electronic marketing operations have a special nature, whether in the way of work or their systems or terms of its legal nature. One of the issues that caused the most disagreement was whether to impose taxes on the activities of those banks and institutions, how to estimate and collect that tax, and what tax legislation should be applied to organizations that carry out these operations.

- The absence of legislation and legal systems: The means of electronic service have evolved for years without being accompanied by a legal regulation that suits their challenges. Standards, rules, and theories differ and change little by little. Hence, the importance of Islamic banks is as they are institutions that have the effect of channeling the legislative institution to adopt legislation compatible with electronic money concepts, methods, rules, and provisions for dealing with its legal problems, (Arab, 2009).
- Security of electronic transactions and banking information: The protection of data in the banking environment is extremely important for banks whose data represent digital money and represent financial rights and key elements of credit. It is necessary to develop a comprehensive information security strategy that deals with the electronic system of the bank and also deals with internal protection systems from abuse activities that may be practiced by the concerned employees within the facility. Moreover, it is necessary to identify the parties involved in accessing the control and processing system, as well as developing a strategy for protection from internal intrusions.
- The challenges of electronic banking contracts and problems of evidence. Modern means of communication have raised questions about the validity of the contract being concluded through electronic means such as telex and fax. The issue of concluding the contract through computer systems and information networks has been raised since the beginning of the nineties in terms of reliability and authenticity of electronic means and e-mail related to the relations subject to the contract (Arab, 2009).

Conclusion

After reviewing the impact of electronic marketing services on the satisfaction of customers of Islamic banks in the UAE in terms of the concept of banks, their importance, objectives, the nature of marketing and the advantages, and after explaining what customer satisfaction with the electronic marketing services in Islamic banks is, and clarifying the risks and challenges facing Islamic banks in the framework of providing their electronic services, the study has reached several findings and recommendations.

Rustles

- The UAE legislator has regulated the work of Islamic banks according to Federal Law No. 6 of 1985
- There is a set of challenges facing the e-marketing service in Islamic banks in the UAE, the most prominent of which are challenges related to tax, lack of legislation, and other security concerns.
- There is a correlation between the quality of the electronic service in the bank and the satisfaction and loyalty of customers. There is also a relationship between the availability of an informational base for marketing and the quality of banking services.
- The quality of banking service and its fulfillment of customer needs makes the bank occupies the forefront of competing banks, and there is insufficiency in managing banking operations in terms of speed of completion and the use of modern technology.

Recommendations

The study concludes with several recommendations that may be a key factor in promoting the work of Islamic banking institutions. These recommendations focus on the following:

- The researcher recommends that the UAE legislator make amendments to the law governing the work of Islamic banks by expanding the ability of these banks to invest, facilitating licensing procedures, supporting their credit ceiling, and their guarantees, and enhancing the status of Islamic banks in the UAE society.
- The researcher recommends working to enhance the use of electronic marketing to benefit from its advantages, to enhance customer attention, to support the use of the latest technological means in banking, and to enable bank workers to use modern methods in electronic marketing applications for banking services provided to clients.
- The researcher recommends that Islamic banks hold courses and workshops that include modern administrative trends to enlighten managers and workers about the concept of e-marketing, its activities, and operations.
- The researcher recommends the necessity to build an information and communication technology infrastructure in Islamic banks, which is one of the most important requirements for achieving electronic marketing.
- The researcher recommends the necessity of following up on recent developments in the field of electronic marketing and reaching customers through the latest electronic means, as they have a direct impact on the quality of banking services.
- The researcher recommends that banks conduct studies to follow up on all new developments regarding banking services development. Moreover, Banks must work to create an atmosphere of confidence, reassurance, and security in their relationships with customers.

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