

**ISLAMIC MICROFINANCE SYSTEM AND CUSTOMER
SATISFACTION: A STUDY ON SMEs IN YEMEN**

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ABSTRACT

With the fast changing and challenging business environment, customers are the most important factor in determining the business success. This explains the huge attention given by the scholars and practitioners to the customers' satisfaction. Without satisfied and loyal customers, organizations will have no chance to grow or even to survive. One of the main principles of Islamic banking and financial system is to support the poor people by providing microfinance services to their SMEs. In the context of Yemen, microfinance system still in its infancy and is currently supporting only 11% of the SMEs. The purpose of this study was to investigate the structural relationships between Service Quality (SQ), Business Development Service (BDS), Easy Access Financing (EAF) and the Overall Satisfaction (OS). Moreover, it also aimed to examine the moderation and the mediation effect of Perceived Benefits (PB) in the aforementioned of relationships. In addition, this study investigated the moderating effect of Business Growth (BG) opportunities on the relationship between (BDS), (EAF) with Overall Satisfaction (OS) of SMEs' owners. The framework of this study was developed based on a thorough review of the literature and in line with the knowledge of related theories. To test the model of this study, a survey questionnaire research was employed and the data for this study was collected from SMEs owners who dealt with Islamic Microfinance Institutions (IMFIs). Out of 532 questionnaires distributed, 346 questionnaires were returned and only 320 were completed and were used for the actual data analysis using the PLS-SEM. The results confirmed the positive effect of SQ, BDS and EAF on the SMEs owners' satisfaction. More importantly, the results also confirmed the moderating effect of Perceived Benefits (PB) on the relationship between SQ and SMEs owners' satisfaction. In addition, there was a partial mediation of PB on the relationship between SQ, BDS and SMEs owners' satisfaction. This study has many theoretical as well as practical contributions as discussed throughout the study. At the end of the report, some valuable future research suggestions were provided.

Keywords: Service Quality, Business Development Services, Easy Access Financing, Perceived Benefits, Business Growth, Overall Satisfaction, SMEs, IMFI, Yemen.

ABSTRAK

Sejajar dengan persekitaran perniagaan yang kian berubah and mencabar, pelanggan merupakan antara faktor terpenting yang menentukan kejayaan sesuatu perniagaan. Ini adalah antara sebab utama para cendekiawan dan pengamal perniagaan memberi penekanan dan tumpuan yang penuh terhadap kepuasan pelanggan. Tanpa pelanggan yang berpuas hati dan setia, sesuatu organisasi itu tidak berpeluang untuk berkembang mahupun terus beroperasi. Salah satu prinsip utama perbankan Islam dan sistem kewangan adalah menyokong golongan miskin dengan menyediakan perkhidmatan pembiayaan mikro untuk industri kecil dan sederhana yang biasanya dipelopori oleh golongan yang kurang berpendapatan ini. Dalam konteks negara Yemen, sistem pembiayaan mikro masih di peringkat awal dan hanya menampung 11% daripada jumlah industri kecil dan sederhana ketika ini. Tujuan utama kajian ini adalah untuk mengkaji hubungan berstruktur di antara "Service Quality" (SQ), "Business Development Service" (BDS), "Easy Access Financing" (EAF) dan "Overall Satisfaction" (OS). Tambahan pula, kajian ini turut bertujuan menyelidik kesan "moderating" dan "mediation" berkaitan "Perceived Benefits"(PB) yang telah dinyatakan dalam jaringan hubungan sebelum ini. Rangka kerja kajian ini telah dirangka berdasarkan kajian menyeluruh bahan bertulis dan seiring dengan teori berasaskan pengetahuan dan teori-teori lain yang berkaitan. Untuk menguji model kajian ini, suatu soal selidik kaedah tinjauan telah digunakan dan data-data yang berkaitan telah dikumpul dari para pengusaha industri kecil dan sederhana yang berurusan dengan "Islamic Microfinance Institutions" (IMFIs). Daripada 532 borang soal selidik yang diedarkan, 346 telah dikembalikan dan hanya 320 telah dilengkapkan dengan sempurna dan digunakan dalam analisis sebenar menggunakan PLS-SEM. Keputusan dari analisis ini mengesahkan kesan-kesan positif of SQ, BDS dan EAF terhadap kepuasan pengusaha industri kecil dan sederhana. Lebih-lebih lagi, keputusan yang diterima turut mengesahkan kesan "moderating" "Perceived Benefits" (PB) terhadap hubungan di antara SQ dan terhadap kepuasan pengusaha industri kecil dan sederhana. Pada masa yang sama, terdapatnya "partial mediation" oleh PB terhadap hubungan di antara SQ, BDS dan kepuasan pengusaha industri kecil dan sederhana. Kajian ini mempunyai banyak sumbangan dari segi teoretikal dan praktikal sepertimana yang dibincangkan sepanjang kajian ini. Pada penghujung laporan tersebut, beberapa cadangan kajian pada masa hadapan turut dikemukakan.

Kata Kunci: Kualiti Perkhidmatan, Perkhidmatan Pembangunan Perniagaan, Pembiayaan Akses Mudah, Manfaat Persepsi, Pertumbuhan Perniagaan, Kepuasan Keseluruhan, SMEs, IMFIs, Yemen.

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