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The Effect of Innovative Marketing On Customer Perceived Value In Islamic Banking: Evidence From Algeria

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Abstract:

This study explored the effect of innovative marketing and it's various dimensions on perceived customer value. The research adopts both a descriptive-analytical and inductive methodology , with data collected primarily through structured questionnaires. The target population comprised customers of islamic banks in Algeria. Given the large population size,
A sample of 210 respondents was selected.
All distributed questionnaires were successfully retrieved, achieving a 100 per cent.
The findings indicate the existence of a partial
Relationships between innovative marketing and perceived customer value. Based on these insights, the study recommends placing greater
Emphasis on adopting innovative practices, particularly idea generation _while fostering a culture innovation among employees. It further highlights the importance of strengthening customers engagement through detailed marketing research to better identify their actual needs and preferences.

Keywords: innovative marketing, perceived value, islamic banks.

Introduction

Marketers today face significant challenges in promoting their products, especially with the rapid evolution of information and communication technologies. The beginning of this century marked profound shifts in the principles that govern the business environment. Whereas in the past, companies dictated customer behaviour and pushed products onto them, today it is the customer who drives enterprise behaviour and dictates what they should produce.

To ensure continuity and growth amidst these economic changes, businesses are turning to modern marketing approaches that strengthen their competitive position and expand their market share. Among these approaches, leveraging **innovation-driven marketing strategies** has emerged as one of the most effective solutions for securing a strong competitive position. Innovative marketing has become a modern gateway to respond to competitive pressures by addressing fluctuations in customer needs and preferences.

This is achieved by creating new value propositions that strongly influence purchasing decisions. Hence, companies strive to employ marketing innovation to balance the trade-offs customers make with the benefits they receive.

Chapter One: Methodological Framework of the Study

1.1 Research Problem

Today's rapidly changing business environment, particularly in industries exposed to major transformations—such as market liberalization and openness to foreign investment—has intensified competition. For companies seeking sustainability and growth, this environment requires forward-looking strategies that differentiate them while creating superior value for customers.

One such strategy is **innovative marketing**, which takes multiple forms and can be applied through diverse practices.

Based on this, the present study will focus on addressing the following research question:

- **How well innovative marketing affects the perceived value of Islamic bank customers in Algeria?**

In an attempt to address this central question, the study is guided by the following sub-questions:

- Is there a significant relationship between **product innovation** and the perceived value of Islamic bank customers in Algeria?

- Is there a significant relationship between **pricing innovation** and the perceived value of Islamic bank customers in Algeria?
- Is there a significant relationship between **promotion innovation** and the perceived value of Islamic bank customers in Algeria?
- Is there a significant relationship between **distribution innovation** and the perceived value of Islamic bank customers in Algeria?

Research Hypotheses

Main Hypothesis

- There is a strong positive relationship between **innovative marketing** and the creation of perceived value for Islamic bank customers in Algeria.

Sub-Hypotheses

- There is a strong, significant positive relationship between **product innovation** and the perceived value of Islamic bank customers in Algeria.
- There is a strong, significant positive relationship between **pricing innovation** and the perceived value of Islamic bank customers in Algeria.
- There is a strong, significant positive relationship between **promotion innovation** and the perceived value of Islamic bank customers in Algeria.
- There is a strong, significant positive relationship between **distribution innovation** and the perceived value of Islamic bank customers in Algeria.

3. Significance of the Study

The study of innovative marketing is essential for helping enterprises remain competitive by aligning with the creative direction of modern marketing practices. The significance of this research lies in the following points:

- It addresses a **critical and relevant topic**, namely the adoption and application of innovative marketing by Islamic banks in Algeria.

- The importance of the subject also stems from its focus on innovation as a key factor in enabling enterprises to achieve **market leadership** in an environment characterized by rapid change and intense competition.

- More specifically, the study seeks to demonstrate the effectiveness of innovative marketing as a modern approach through which enterprises can enhance the **perceived value of their customers**, thereby strengthening their overall brand image.

4. Research Objectives

The main objective of this study can be summarized as follows:

- Highlight the importance of innovative marketing in the context of **Islamic banking services** and its effect on perceived customer value.
- Raise awareness among **decision-makers and marketers** in Islamic banks regarding the importance and benefits of adopting innovative marketing practices.
- Provide an **analytical and evaluative perspective** on the role of innovative marketing in enhancing perceived customer value.
- Encourage further research and greater academic and professional attention to this topic, given its growing importance.

5. Conceptual Framework of the Study

The following conceptual framework illustrates the research variables:

- **Independent Variable:** Innovative Marketing (with its four dimensions: product innovation, pricing innovation, distribution innovation, and promotion innovation).
- **Dependent Variable:** Perceived Customer Value.

6. Research Methodology

The research methodology serves as the means through which the objectives of the study are achieved. It refers to the logical steps, procedures, and techniques applied in conducting scientific research, including methods of data collection, the time frame of data gathering, the design of the questionnaire, and the determination of the study population and sample.

This study relied on the **deductive approach**, which is commonly used to analyze relationships between two or more variables. Furthermore, the research adopted a **quantitative approach**, based on data collection, statistical processing, and interpretation of results (Creswell, 2014). The study also employed a **causal research design**, as it sought to explain cause-and-effect relationships among the study variables (Zikmund et al., 2010).

7. Statistical Analysis Tools

The questionnaires were coded and analyzed using the **Statistical Package for the Social Sciences (SPSS)** in order to test the research model and hypotheses. The following statistical tools were applied:

- **Cronbach's Alpha Coefficient** to assess the reliability and internal consistency of the measurement scale.
- **Correlation Coefficients** between the dimensions and the overall questionnaire score to ensure construct validity.
- **Descriptive Statistics** (frequencies, percentages, arithmetic mean, and standard deviation) to capture and describe the dispersion of the study's marketing variables.

- **Simple Correlation Analysis** to measure the type and strength of the relationship between independent and dependent variables.

- **Coefficient of Determination (R^2)** to determine the proportion of variance in the dependent variable explained by the independent variable.
- **Linear Regression Analysis** to examine the effect of independent variables on the dependent variable and to establish regression equations for each relationship in the study model.

Chapter Two: Theoretical Framework and Early Studies

1. Innovative Marketing

Innovative marketing has drawn significant attention of both academics and practitioners, given its positive influence on institutional success. Although terms such as *innovation*, *creativity*, *invention*, and *improvement* are widely used across different functional areas of an enterprise, marketing innovation is often perceived primarily in the context of product development. Indeed, much of the research has emphasized this dimension, and numerous real-world examples of innovative marketing practices can be observed.

The term « *ibtikar* » is derived from the English word "innovation," yet its meaning is often confused with other related concepts such as *invention*, *creativity*, and *improvement* (Najm, 2003).

Marketing innovation (or innovative marketing) can be defined as the implementation of new or non-traditional ideas into actual marketing practices. In essence, the concept of marketing innovation does not differ fundamentally from innovation in general or from innovation in other functional areas. It may be considered as the successful exploitation of new ideas, and, similar to other forms of innovation, it can be treated as a discipline, learned, and practiced (Jomaa, 2003).

Marketing innovation may be applied to various elements of the **marketing mix**—product (whether goods or services), price, promotion, and place (distribution)—or to all of these elements simultaneously. In other words, this type of innovation is directed toward one or more components of the marketing mix, depending on the enterprise's objectives and market dynamics.

In the field of **marketing research**, innovative marketing may also take the form of adopting a particular issue or differentiating the enterprise from its competitors in terms of their stance on a specific topic or matter.

Based on the above, innovative marketing is characterized by several key features (Kotler, 1996):

- It goes beyond merely generating or creating a new idea; it extends to the actual implementation of that idea in practice.
- Innovative marketing must successfully exploit new ideas in order to generate value for the enterprise.
- It is not restricted to a single marketing area but can extend to any field or marketing practice.

Numerous real-world business cases illustrate how innovative marketing has been applied across different areas of marketing.

Product Innovation

A product can be defined as a "set of physical and intangible characteristics combined to satisfy a specific need" or, in a broader sense as defined by Kotler, "anything offered to the market to satisfy a need or a want."

The search for a new (innovative) product is a **complex and broad process**, beginning with idea generation, followed by product design, specification of features, creation of prototypes, and continuing through production, marketing, and development during its life cycle in the market—until its decline and replacement by another product.

There are generally three types of product innovation:

1. **Radical Innovation Products:** Truly unique and original products that create entirely new markets or categories.

2. **Incremental Innovation Products (Improvements):** Enhancements or modifications to existing products that lead to clear differentiation.

3. Imitative Products

These are products that may be new to the enterprise introducing them for the first time, but are not new to the market as a whole.

Pricing Innovation

Pricing decisions are among the most critical in any enterprise. Marketing literature consistently highlights the uniqueness of price as the only element of the marketing mix that directly generates revenue for the enterprise, while all other elements primarily affect costs. This underscores the strategic importance of pricing for business sustainability and continuity.

The philosophy of **pricing flexibility** is particularly emphasized in situations of declining or stagnant demand. Pricing innovation, therefore, serves as an important avenue for achieving marketing differentiation and creating a competitive advantage. However, compared to other areas such as product, promotion, and distribution, pricing innovation has received relatively less attention from researchers.

Examples of pricing innovation include:

- Allowing customers to set the price themselves for purchased products.
- Offering products at prices close to or equivalent to wholesale prices (William, 1997).
- Introducing entirely new pricing structures in the market, such as installment-based sales without interest or accumulated late penalties, or seasonal discounting strategies (e.g., selling apparel at reduced prices during off-seasons).

Promotional Innovation

Stanton defines promotion as *"the act of informing, persuading, and reminding the market of what a enterprise sells, with the hope of influencing the recipient's feelings, behaviours, and beliefs."* Promotion is thus a key component of the marketing mix aimed at the market, serving as a communication tool intended to build customer conviction about products in order to increase sales and market share.

Given the diversity of consumer purchasing behaviours and their geographic dispersion, effective communication with customers has become increasingly complex. However, in today's environment, this is no longer a rigid constraint. Advances in **digital technologies** and **communication platforms** have significantly enhanced the role of promotional mix elements, enabling enterprises to influence customers more efficiently and directly.

According to Suleiman (2006), promotional innovation can be achieved through several approaches:

- **Innovative Style:** An innovative promotional strategy should include a dramatic or professional description, whether the communication is auditory or visual. Elements such as movement, rhythm, and distinctive colour are essential additions.
- **Innovation in Personal Selling:** Personal selling can adopt innovative methods as a means to increase the likelihood of successful transactions—for example, through creative ways of gathering information about potential customers or developing novel techniques for handling objections.
- **Innovative Promise:** This refers to the actual or perceived value of the product, which promotional activities aim to communicate to customers. The core of the innovative message is expressed in terms of the unique benefits and advantages the product offers.
- **Supporting Claims:** Providing substantiated evidence to reinforce the credibility of promotional messages is an integral part of promotional innovation.

Distribution Innovation

Distribution innovation refers to the process of delivering products to customers through individuals and institutions that create **time, place, and possession utility** for the product (Hassan, 2000).

There are numerous distribution-related activities and fields in which innovation can benefit both marketers and customers. Distribution innovation may include:

- Developing new and unconventional methods of product delivery.
- Designing or re-shaping the **distribution outlet** itself.
- Redesigning the **internal layout** of the distribution channel or outlet.
- Enhancing the **atmosphere or environment** of the distribution process in ways that influence customer perceptions and behaviour.

In short, distribution innovation surrounds any new approach that improves the effectiveness, efficiency, or appeal of delivering products to end-users (Naji, 2005).

2. Perceived Value

The benefit a customer derives from consuming a product is no longer the sole criterion for evaluation; rather, it must be compared to the cost of obtaining it. The difference between the perceived benefits and the total costs is referred to as **perceived value**.

The concept of perceived value has been widely studied by many scholars. According to Kotler, value is defined as *"the difference between total customer value and total customer cost, where total customer value represents the bundle of benefits received from the product, while total customer cost includes the financial, functional, and psychological costs borne by the customer"* (Ray, 2000).

Lendrevie (2003) outlines the key **elements of customer value** as follows:

A. Total Customer Value

1. **Product Value:** This refers to the inherent features and characteristics of the product such as durability, performance level, cost efficiency in use, reliability, and the ability to perform over a long period.

2. **Service Value:** The intangible benefits customers gain, such as after-sales services, delivery methods, maintenance, and availability of spare parts—particularly relevant in technical and mechanical product categories.

3. **People Value:** The skills, expertise, and professionalism of employees play a critical role in shaping customer perceptions and evaluations. Highly competent staff facilitate sales transactions, foster long-term relationships, and increase customer trust.

4. **Image (Perceptual) Value:** The brand image and the enterprise's reputation significantly influence perceived value. Beyond functional performance, psychological and social dimensions—such as prestige, pride, or enjoyment derived from owning the product—add to the overall value.

B. Total Customer Cost

According to Dumolin (1994), the costs borne by customers to acquire a product can be grouped into:

- **Financial Costs:** The monetary outlay required to purchase and use the product.
- **Time Costs:** The time spent in acquiring, learning, or using the product.
- **Energy Costs:** The physical effort involved in the purchasing and consumption process.
- **Psychological Costs:** The mental effort, uncertainty, or stress associated with product choice and usage.

Additional Perspectives on Perceived Value

Perceived value has also been defined as *"the customer's goals, personal needs, and the benefits they seek to obtain—all of which shape the reasons behind determining the value of a product purchase"* (Eric, 1995). This definition highlights that the expected value must align with the customer's aspirations and desired benefits; however, it does not explicitly address the cost aspect, which can negatively affect perceived value.

Other marketing scholars conceptualize perceived value as a *variable that increases when customer needs are better satisfied or when product costs decrease*. Audiger (2003) further emphasizes the significant role of the costs borne by customers in shaping their overall perception of value.

Customer Evaluation Situations

Customers evaluate a product or brand throughout the entire decision-making journey. Two key situations stand out:

1. **Pre-Purchase Evaluation of Alternatives:**
2. This occurs during the third stage of the decision-making process, where the customer compares available options. The evaluation criteria differ depending on the product category, but the customer typically makes the final choice based on the alternative that offers the highest expected value (Allard, 2000).

3. **Post-Purchase Evaluation:**

Although not always immediate, customers reassess their decision after purchase based on the actual benefits versus costs experienced. This post-purchase evaluation shapes satisfaction, loyalty, and future purchasing behaviour.

2. Post-Purchase Evaluation

At this stage, the evaluation process is focused on a single option—the chosen alternative based on prior assessments. The customer now verifies the accuracy of their expectations. Product use and consumption generate a *new level of value,* known as **actual or perceived value**.

The comparison between expected and perceived value can yield three possible outcomes (Ladwin, 2003):

- **Expected value > Perceived value:** The customer feels dissatisfied or disappointed, and may file a complaint.
- **Expected value = Perceived value:** The customer experiences a balanced state, resulting in satisfaction.
- **Perceived value > Expected value:** The customer feels highly satisfied, which is the ideal outcome for businesses.

3. Early Studies

1. **Souleimani, M. (2007).** (alibtikar altaswiki wa dawroho fi tahssin adaa almoaassassaa) *Innovative Marketing and its Role in Improving Enterprise Performance: Case Study of El-Hodna Dairy, a master dissertation , University of M'sila.*
   - Focused exclusively on product innovation as a marketing mix element.
   - Did not consider other elements such as pricing, promotion, and distribution.
   - Linked product innovation primarily to overall enterprise performance, rather than customer perceived value.

2. **Abdullah, M. N. (2009).** (inikassat alibibtikar altasswiki ala alassalib almotabaa fi tarwiji alkhidmat alataswikia alfondokia) *Implications of Innovative Marketing on Promotional Practices in Hotel Services: A Field Study in Hotels of Erbil Province*.
   - Examined the concept and importance of innovative marketing in hotel services.
   - Found that although hotels implement marketing activities, none had a dedicated innovative marketing department.

○ Hotel management did not prioritize innovative capabilities in recruitment nor foster an environment conducive to creativity.

3. **Zaher et al. (2021).** (dawr altaswik alibtikari fi tahssini alsora aldhihnia lada omalaa charikat altaamin fi mohafadat alladhikia) *The Role of Innovative Marketing in Enhancing Corporate Image: A Study of Insurance Companies in Latakia.*

○ Aimed to assess the role of innovative marketing mix elements (product, pricing, distribution, promotion, physical evidence, processes, people) in shaping customer perception of corporate image.

○ Applied a descriptive methodology and distributed 303 questionnaires among insurance enterprise employees.

○ Concluded that innovative marketing significantly enhances corporate image and contributes positively to customer perceptions.

4. **Al-Rhaimi, A. (2005).** (athar tatbikat altaswik alibtikari ala alsora aldhihnia lilbaramij alsiahia fi alordon min wijhata nadhar idarat makatib alsafar w alsiaha) *The Impact of Innovative Marketing on the Mental Image of Tourism Programs in Jordan.*

○ Aim: To investigate the effect of innovative marketing practices on the mental image of tourism programs in Jordan, from the perspective of travel agency managers.

○ Sample: 126 travel agency managers in Jordan.

○ Findings: The study revealed a significant positive impact of innovative marketing on creating a favorable image of tourism programs.

Chapter 3: Practical Framework of the Study

1. Method and Procedures

This study relies on two main sources of data:

- **Secondary sources:** The theoretical framework is developed using secondary data such as books, articles, and previous studies.
- **Primary sources:** To address the analytical aspects, primary data are collected through a structured questionnaire, which serves as the main research instrument.

2. Population and Sample

The population of this study consists of all customers of Islamic banks in Algeria. Due to the absence of a comprehensive sampling frame and considering the large and geographically dispersed population, a **convenience sampling technique** was adopted (Saunders et al., 2009).

The questionnaire was distributed online via the official pages of Islamic banks in Algeria between **February 23, 2023, and March 20, 2023**. A total of **210 valid responses** were collected.

3. Research Instrument

The research tool was a structured questionnaire designed using **Google Forms**, containing a set of sequenced questions to collect quantitative data (Acharya, 2010).

The questionnaire was divided into three main sections:

- **Section One:** Demographic characteristics of respondents.
- **Section Two:** Statements related to **innovative marketing** in Islamic banks in Algeria.
- **Section Three:** Statements related to **customer perceived value**.

A **five-point Likert scale** was used to measure the variables and dimensions of the study, capturing the degree of agreement or disagreement with the statements.

4.1. Validity of the Scale

4.1.1. Internal Consistency

Internal consistency was examined by calculating the correlation coefficients between each item and the total score of its respective dimension.

Table (01): Correlation coefficients between each item of the "Innovative Marketing" dimension and the total score of the dimension.

No	Statement	Correlation Coefficient	Sig
1	The Islamic bank seeks to implement innovative services.	0.662	0.000
2	Continuous changes in Islamic banking services occur due to changes in customer needs and desires.	0.655	0.000
3	Customer reception centers are attractive and comfortable.	0.656	0.000
4	Banking services are innovative and fast.	0.642	0.000
5	The Islamic bank strives to achieve temporal and spatial benefits in an innovative way.	0.707	0.000
6	Islamic banks aim to provide numerous branches across the country.	0.445	0.000
7	Islamic banks focus on using innovative methods.	0.745	0.000
8	Prices applied in Islamic banks are determined based on customer opinions.	0.545	0.000
9	Islamic banks always seek to innovate in pricing their services.	0.642	0.000
10	Islamic banks pay attention to innovating modern communication methods to deliver information to customers.	0.545	0.000
11	Islamic banks rely on electronic communication to promote their products.	0.784	0.000

Source: Prepared by the researchers based on survey data analysis using SPSS V.20

The results in Table (01) show that all correlation coefficients between the items of the "Innovative Marketing" dimension and the total score are statistically significant at the level of significance ($\alpha = 0.01$). This indicates that the items are consistent in forming the dimension and valid for measuring what they were designed to measure.

Table (02): Correlation coefficients between each item of the "Perceived Value" dimension and the total score of the dimension.

Statement No	Statements	Correlation Coefficient	Sig
1	Islamic banks always strive to achieve the duality (quality/price)	0.589	0.000
2	Islamic banks seek to provide services at the lowest possible cost to their customers	0.614	0.000
3	The information provided by Islamic banks is characterized by reliability	0.695	0.000
4	Islamic banks are characterized by credibility and integrity	0.666	0.000
5	Customers form a good impression of the services of Islamic banks	0.603	0.000
6	The pricing methods applied in Islamic banks leave customers with a feeling of satisfaction	0.430	0.000
7	The speed of service delivery in Islamic banks increases positive attitudes toward them	0.615	0.000
8	Communication in Islamic banks strengthens trust between customers and the banks	0.570	0.000

9	Customers feel satisfied with the innovative prices offered by Islamic banks	0.654	0.000

Source: Prepared by the researchers based on survey data analysis using SPSS V.20

Similarly, the results in Table (02) reveal that the correlation coefficients for the "Perceived Value" dimension are statistically significant at the level of significance ($\alpha = 0.01$). This conenterprises the internal consistency of the items and their validity in representing the construct under study.

4.1.3. Construct Validity

Table (3): Correlation coefficient between each dimension score in the questionnaire and the overall score of the instrument.

Axis No.	Axis	Correlation Coefficient	p-value
1	Innovative Marketing	0.897	0.000
2	Perceived Value	0.952	0.000

Source: Prepared by the researchers based on survey data analysis using SPSS V.20

Table (03) shows that all correlation coefficients between the two main dimensions of the questionnaire are positive and statistically significant at the significance level ($\alpha = 0.01$). This indicates that the study items have the ability to explain the variables, and thus, the questionnaire dimensions can be considered valid and consistent.

4.2. Reliability of the Instrument

Reliability refers to the stability, consistency, and predictability of the measurement instrument. It reflects the extent to which the scale consistently provides reliable information about respondents' behaviours. Reliability is therefore considered a fundamental requirement and condition for the credibility of the study tool.

In order to test the reliability of the instrument, **Cronbach's Alpha coefficient** was applied. Cronbach's Alpha is one of the most widely used methods because of its simplicity and the high degree of confidence it provides in the results.

To verify the reliability of the study instrument, Cronbach's Alpha was calculated for the responses of the pilot sample. The results are presented separately for each case study, as shown in the following table:

Table (04): Results of Cronbach's Alpha reliability test.

No	Dimension	Number of Items	Cronbach's Alpha
1	Innovative Marketing	11	0.698
2	Perceived Value	9	0.784
3	Total	15	0.853

Source: Prepared by the researchers based on survey data analysis using SPSS V.20

4.2.1. Results of Cronbach's Alpha

As shown in **Table (04)**, the values of Cronbach's Alpha were found to be high across all dimensions of the questionnaire. The coefficients ranged between **0.698 and 0.784**, indicating acceptable to good levels of internal consistency. Moreover, the overall Cronbach's Alpha coefficient for the entire scale was **0.853**, which reflects a high degree of reliability.

4.3. Normality Test for Study Variables

To test whether the data follow a normal distribution, both the **Skewness** and **Kurtosis** coefficients were calculated. According to statistical references, the Skewness coefficient should fall within the range of **–3 to +3**, and the Kurtosis coefficient should fall within the range of **–7 to +7**.

Ensuring normal distribution is an important prerequisite for the use of most parametric statistical tests. The results of the normality test for the study variables are summarized in the following table:

Table (05): Results of the normality test (Skewness and Kurtosis).

No	Dimension	Skewness Coefficient	Kurtosis Coefficient
1	Innovative Marketing	–0.676	0.335
2	Perceived Value	–0.813	0.335

Source: Prepared by the researchers based on survey data analysis using SPSS V.20

Based on the results presented in **Table (05)**, it can be concluded that all study variables follow a normal distribution. This ensures the validity of applying parametric statistical tests in the subsequent analysis.

4.5. Statistical Treatment

The collected data were coded and analyzed using the **Statistical Package for the Social Sciences (SPSS)**. The following statistical techniques were employed:

- **Percentages and frequencies** to describe the demographic characteristics of the study sample.
- **Arithmetic means and standard deviations** to describe and analyze the questionnaire items.
- **Cronbach's Alpha coefficient** to verify the reliability of the questionnaire.
- **Simple linear regression analysis** to examine the effect of independent variables on the dependent variable and to derive the regression equation linking them.

Chapter Four: Findings and Recommendations

4.1. Analysis of Demographic Variables

In this section, the distribution of the study sample according to demographic characteristics (gender, age, educational level, and income) is presented. The results are summarized in the following tables.

Gender

Table (06): Distribution of study respondents by gender.

Gender	Frequency	Percentage (%)
Male	115	54.8
Female	95	45.2
Total	210	100

Source: Prepared by the researchers based on survey data analysis using SPSS V.20

From Table (06), it is observed that **54.8% of the respondents are male**, while **45.2% are female**.

3. Age:

Table (7): Distribution of Study Respondents by Age

Age Group	Frequency	Percentage (%)
18–25 years	126	60.0
26–50 years	66	31.4
Over 50 years	18	8.6
Total	210	100

Source: Prepared by the researchers based on survey data analysis using SPSS V.20

From the table, we observe that the largest percentage of the surveyed customers falls within the age group of **18–25 years**, representing **60%**, followed by the age group of **26–50 years** with **31.4%**, and finally the age group of **above 50 years** with **8.6%**. This indicates that **youth constitute the dominant segment in the study population**.

Educational Qualification:

Table (8): Distribution of the sample according to educational qualification.

Educational Qualification	Frequency	Percentage %
Secondary or lower	52	24.8%
University	121	57.6%
Postgraduate	37	17.6%
Total	210	100%

Source: Prepared by the researchers based on survey data analysis using SPSS V.20

From the table, we observe that the **vast majority hold a university degree**, representing **57.6%**, followed by those with a **secondary level or lower** at **24.8%**, while **postgraduate studies** account for **17.6%**. This may have a positive impact on the accuracy of the questionnaire results.

Income:

Table (9): Distribution of the sample according to income.

Income	Frequency	Percentage (%)
Less than 25,000 DZD	69	32.9
25,000–55,000 DZD	117	55.7
More than 55,000 DZD	24	11.4
Total	210	100

Source: Prepared by the researchers based on survey data analysis using SPSS V.20

From the table, it can be observed that the **dominant income group** consists of individuals with an income between **25,000 DZD and 55,000 DZD**, representing about **55.7%**. This is a logical result given the average income level in Algeria.

After analyzing and interpreting the demographic data from the questionnaire, we now move on to analyze the **attitudes of the study sample** toward the different axes of the questionnaire.

2-Presentation of the results of evaluating the study variables:

The analysis is based on the results obtained from the statistical analysis program, as shown in **Table (10):**

Table (10): Arithmetic Mean, Standard Deviation, and Relative Importance of Responses to the Items of the Innovative Marketing Axis.

Statement No.	Statements	Mean	Standard Deviation	Rank	Comment
1	The Islamic bank seeks to implement innovative services	2.5024	0.75399	4	High
2	Continuous changes occur in Islamic bank services due to changes in customer needs and desires	2.5311	0.70044	3	High
3	Customer reception centers are attractive and comfortable	2.4067	0.80393	5	High
4	Bank services are innovative and fast	2.1675	0.85805	10	Medium
5	The Islamic bank seeks to achieve temporal and spatial benefits innovatively	2.3493	0.78905	7	High
6	Islamic banks strive to provide many branches across the country	2.6986	0.60451	2	High
7	Islamic banks are keen on using innovative methods	2.3811	0.70044	2	Medium
8	The prices applied in Islamic banks are determined based on customer opinions	2.9208	0.80393	1	High
9	Islamic banks always try to innovate in pricing their services	2.1675	0.85805	9	Medium
10	Islamic banks are keen on developing modern communication methods to convey information to customers	2.0364	0.78905	11	Medium
11	Islamic banks rely on electronic communication to promote their products	2.2351	0.78905	8	Medium
Overall Dimension	Innovative Marketing	2.4426	0.47720	/	High

Source: Prepared by the researchers based on survey data analysis using SPSS V.20

The sample members expressed their opinions regarding the **Innovative Marketing axis**, which was measured using **11 items** as shown in the table above. The arithmetic mean was **2.442** with a standard deviation of **0.477**, indicating that **innovative marketing is at a high level**.

Table (11): Arithmetic Mean, Standard Deviation, and Relative Importance of the Sample's Responses to the Items of the "Perceived Value" Axis.

Item No.	Statements	Mean	Standard Deviation	Relative Importance	Comment
1	Islamic banks always strive to achieve the duality (quality/price)	2.4737	0.77864	4	High

2	Islamic banks seek to provide services at the lowest possible cost to their customers	2.3110	0.81684	9	High
3	The information provided by Islamic banks is characterized by reliability	2.3828	0.78868	7	High
4	Islamic banks are characterized by honesty and integrity	2.4450	0.79547	6	High
5	Customers have a good impression of the services of Islamic banks	2.6459	0.65706	1	High
6	The pricing methods applied in Islamic banks leave the customer feeling satisfied	2.6411	0.63581	2	High
7	Speed in providing services in Islamic banks increases the positive attitude toward them	2.3254	0.82005	8	High
8	Communication in Islamic banks enhances trust between customers and the banks	2.4545	0.80807	5	High
9	The customer feels satisfied with the innovative prices offered by Islamic banks	2.5646	0.73176	3	High
10	Dimension as a whole	2.4716	0.46126	/	High

Source: Prepared by the researchers based on survey data analysis using SPSS V.20

The sample members expressed their opinions regarding the **"Perceived Value" axis**, which was measured using **9 items**, as shown in the table above. The arithmetic mean was **2.471** with a standard deviation of **0.461**, indicating that the **perceived value is at a high level**.

Results of Hypothesis Testing and the Relationship Between the Study Variables:

Through this section, the researchers aim to test the main and sub-hypotheses of the study by measuring the effect of the independent variable on the dependent variable with its different dimensions, using the **simple regression model**.

Results of the First Hypothesis Test:

Variable						
	Beta	Calculated T Value	Degrees of Freedom (df)	Correlation Coefficient (R)	Coefficient of Determination (R^2)	sig
	0.720	16.931	1	0.720	0.519	0.000

Source: Prepared by the researchers based on survey data analysis using SPSS V.20

The correlation is statistically significant at the 0.05 = α level.

The hypothesis states that: *"There is a strong positive significant relationship between innovation in the field of product and the perceived value of customers of Islamic banks in Algeria."*

When examining the effect of innovative marketing in the field of product on perceived value, the results showed a statistically significant effect at the 0.05 = α level. The calculated **T-value was 16.931** with a **p-value of 0.000**.

The **correlation coefficient (R)** indicates the strength of the relationship between innovative marketing in product development and perceived value, with a value of **0.720**. This reveals a strong positive correlation between the two variables.

Additionally, the **coefficient of determination (R^2)** reached **0.519**, meaning that innovation in product explains **51.9%** of the perceived value—a reasonably strong explanatory power. Therefore, innovation in product affects **51.9%** of the perceived value, while the remaining percentage is attributed to other variables not included in the model.

Accordingly, the hypothesis is accepted in its stated form at the 0.05 = α significance level.

Results of the Second Hypothesis Test:

Variable						
	Beta	Calculated T Value	Degrees of Freedom (df)	Correlation Coefficient (R)	Coefficient of Determination (R^2)	sig
	0.719	14.901	1	0.719	0.518	0.000

Source: Prepared by the researchers based on survey data analysis using SPSS V.20

The correlation is statistically significant at the 0.05 = α level.

The hypothesis states that: *"There is a strong positive significant relationship between innovation in pricing and the perceived value of customers of Islamic banks in Algeria."*

When examining the effect of innovation in pricing on perceived value, the results showed a statistically significant effect at the 0.05 = α level. The calculated **T-value was 14.901** with a **p-value of 0.000**.

The **correlation coefficient (R)** indicates the strength of the relationship between innovation in pricing and perceived value, with a value of **0.719**. This demonstrates a strong positive correlation between the two variables.

Furthermore, the **coefficient of determination (R^2)** reached **0.518**, meaning that innovation in pricing explains **51.8%** of the perceived value—an acceptable explanatory power. Therefore, innovation in pricing affects **51.8%** of the perceived value, while the remaining percentage is attributed to other variables not included in the model.

Accordingly, the hypothesis is accepted in its stated form at the 0.05 = α significance level.

Variable						
	Beta	Calculated T Value	Degrees of Freedom (df)	Correlation Coefficient (R)	Coefficient of Determination (R^2)	sig
	0.654	15.213	1	0.658	0.521	0.000

Source: Prepared by the researchers based on survey data analysis using SPSS V.20

Results of the third Hypothesis Test:

The correlation was found to be statistically significant at the 0.05 level (α = 0.05).

The hypothesis stated that *"there is a strong and significant positive relationship between promotional innovation and the perceived value of customers in Islamic banks in Algeria."*

The analysis conenterpriseed a statistically significant effect of promotional innovation on perceived value at the 0.05 level, with a calculated T-value of **18.910** and a probability value of **0.000**.

The correlation coefficient (R = **0.719**) indicates a strong positive relationship between promotional innovation and perceived value. Furthermore, the coefficient of determination (R^2 = **0.524**) reveals that promotional innovation explains **52.4%** of the variation in perceived value — a solid explanatory power.

This means that **more than half of the perceived customer value is driven directly by promotional innovation**, while the remaining 47.6% is attributed to other variables outside the model.

Accordingly, the hypothesis is accepted in its stated form at the significance level of α = 0.05.

Variable						
	Beta	Calculated T Value	Degrees of Freedom (df)	Correlation Coefficient (R)	Coefficient of Determination (R^2)	sig
	0.654	15.213	1	0.658	0.521	0.000

Source: Prepared by the researchers based on survey data analysis using SPSS V.20

Results of Testing the Fourth Hypothesis:

Source: Prepared by the researchers based on the results of the questionnaire analysis using SPSS V20.

The correlation is statistically significant at the significance level of 0.05 = α.

The hypothesis states that *"there is a strong positive and significant relationship between innovation in distribution and the perceived value of Islamic banking customers in Algeria."*

When examining the effect of innovation in distribution on perceived value, the results show a statistically significant effect at the significance level of (0.05 = α), where the calculated T-value reached **15.213** with a probability value of **(0.000)**. The correlation coefficient **(R = 0.658)** indicates the strength of the relationship between innovation in distribution and perceived value, revealing a strong positive correlation between the two variables.

In addition, the coefficient of determination **(R^2 = 0.521)** shows that innovation in distribution explains **52.1%** of the perceived value, which is considered an acceptable explanatory power. Therefore, innovation in distribution affects **52.1%** of the perceived value, while the remaining percentage is attributed to the contribution of other variables not included in the model.

Accordingly, the hypothesis is accepted as stated, at the significance level of (0.05 = α).

Findings

- The study results show that customers of Islamic banks agree on the availability of innovative marketing dimensions, represented in four areas: product innovation, distribution innovation, pricing innovation, and promotion innovation.
- There are statistically significant differences in the mean responses of the sample according to personal variables at the 5% significance level.
- The correlation coefficient between the main independent variable (innovative marketing) and the dependent variable (perceived value) shows a strong, statistically significant positive relationship. This asserted the validity of the main hypothesis, which posits a strong positive relationship between all dimensions of innovative marketing combined and perceived value.

Recommendations

- Achieve balance in innovation across different marketing fields without focusing on one area at the expense of others.
- Foster joint interest among various branches of Islamic banks toward projects related to marketing innovation.
- Attach importance to innovation in services due to its significant role in improving the bank's image.
- Finally, It's advisable for Islamic bank management to optimize marketing innovation because of its substantial impact on building perceived value and, consequently, customer loyalty.

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