

## ABSTRACT

With the continuous growth of competition in the market place understanding customers has become more and more important in marketing. Many Researches have shown that high service quality contributes significantly to firm's profitability. However due to the services intangibility, inseparability, heterogeneity and perishability of production and consumption service quality becomes hard to evaluate. This research study examines the degree of influence of service quality on customer's satisfaction via its variables such as Tangibility, Assurance, Responsibility, Empathy, Responsiveness and Technology.

The study was designed to evaluate and compare the perceived service quality in Islamic and Non-Islamic banks in Batticaloa district. In this study the conceptual framework has developed based on literature. The data was collected through personally administrated questionnaires from a sample of 200 respondents by convenient sampling method, which is 47 from Islamic Bank and 153 from Non-Islamic Bank based on their customers' amount. Customers of three Non-Islamic banks and one Islamic bank were included in this study. The population group was including all the Batticaloa district Muslim peoples who are living in the Kathankudy, Eravur, and Oddamavady. The questionnaire was based on modified form of SERVQUAL model designed to tap responses on service quality developed by Parasuraman et al.

The results indicate that customer perception is relatively highest on the responsiveness and empathy areas of Islamic bank and on the tangibility, assurance, reliability and Technology of Non-Islamic banks. However, customer perception is lowest in the tangibility, assurance, reliability and technology areas of Islamic bank. The study also indicates that overall perception about service quality is highest in Non-Islamic banks in Batticaloa district. The study suggests that Islamic banks can improve their service quality by improving their technology part. Non-Islamic banks can improve their services by comprehensive training of employees.

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**A STUDY ON PERCEIVED SERVICE QUALITY OF ISLAMIC AND  
NON-ISLAMIC BANKS IN BATTICALOA DISTRICT**



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