

**THE IMPACT OF SERVICE QUALITY ON CUSTOMER
RETENTION: SPECIAL REFERENCE TO BANK OF CEYLON
IN BATTICALOA DISTRICT**



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ABSTRACT

Banking sector plays the most significant role in emerging economies like Sri Lanka and the Banks face more competition in the financial market. Meanwhile the Service Quality has longer been recognized as playing a crucial role for success and survival of banks in today's competitive market. Most of the pervious literatures revealed that the Service Quality is normally considered an antecedent of Customer Retention. Hence, most of the researchers suggest that a high level of Service Quality should be delivered by the service providers to achieve a high level of Customer Retention. This study examined the impact of Service Quality on Customer Retention in Bank of Ceylon as research problem of this study. Assurance, Reliability, Tangibles, Responsiveness and Empathy are considered as the measurement variables of Service Quality. Meanwhile Customer Retention was measured by Customer satisfaction, Trust and switching barriers. Questionnaires were used to collect data for this study. 100 customers from the branches of BOC have been selected as sample for this study. Data were analyzed and evaluated by using Univariate and Bivariate techniques. In Bivariate analysis, Correlation and multiple regressions have been used. Findings have shown that the Service Quality and Customer Retention are at high level in BOC. Moreover, it also found that there is a positive relationship between Service Quality and Customer Retention. Furthermore, the study found that the Service Quality significantly impacts on Customer Retention of Bank of Ceylon in Batticaloa district.

Keywords: Service Quality, Customer Retention

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