

CONSUMER PERCEPTION ON CONVENTIONAL VS ISLAMIC BANK



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DEDICATION

This thesis is dedicated to my Family.

For their endless love, support and encouragement.

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ABSTRACT

Today, service quality, customer satisfaction and loyalty from service quality are regarded as one of the strategic issues for service organizations. The concept of service quality in services marketing literature became more prevalent in the last few decades. The banking industry had become more complex and competitive, forcing banks to think out of the box to introduce innovative products. The Islamic banking and finance is competing with the conventional banking having a major competitive advantage of interest free dealings as interest is strictly prohibited in Islam. The purpose of present study is to investigate the customer perception in both conventional and Islamic banks and their types. The study investigates the difference between service quality and customer expectations in conventional and Islamic banks. Moreover, the study also investigates the impact of customer demographics on banks service quality. The present study targeted the population of customers of conventional and Islamic banks of Pakistan. While conducting this research, it was not possible to gather information from the entire population. Therefore a convenience sample of 200 customers of the population was drawn and used to generalize. The SPSS 22 is employed to conduct the in depth analysis. The results of present study showed that there is strong positive and direct relationship between service quality and customer satisfaction. It is also found that magnitude of this relationship is high in Islamic banks as compared to conventional banks. The findings of present study are also consistent with previous studies. It is also found that cultural, social and religious factors have great influence on behaviors of consumer. These factors are also affecting the banking activities. The policy makers and high level management make such policies that are in best interest of their customers and more market share can be gained by providing appropriate services. The study also recommends that both Islamic and Conventional Banks should consider demographic factors while offering services

Key Words: Banking, Service Quality, Satisfaction, Islamic, Conventional, Demographic