

Competing Retail Banking Through Customer Satisfaction & Convenience

(This Thesis is submitted as partial fulfilment of the requirement for the degree of
Master of Commerce of university of Kelaniya – Sri Lanka and the study was done
based on the findings obtained from major private banks operating in Sri Lanka)

By

A W D S WITHANAGE

ප්‍රවේශ අංකය:	1116
වර්ග අංකය:	

M.COM Degree Programme
Faculty of Graduate Studies
M.com – 23
University of Kelaniya
SriLanka.

Abstract

Following globalization, in most of developing countries the Retail Banking sector emerges at the fore-front of the growth of their respective consumer economies. The Retail Banking sector has made strong in-roads in to the banking industry in Sri Lanka as well. Every bank small or big, new or old, private or foreign explores ways in promoting Retail Banking products. The number of competitors in this industry has increased and the number of customers has also increased dramatically. The economic liberalization has reversed the situation where customer has now achieved the dominant position justifying the adage that “customer is the king”.

Customers are the important stakeholders in an organisation and their satisfaction is most important for any organisation. In the contemporary society almost all the business entities need to oblige customers by providing more services than they expect. Now the question has arisen what are the services the organisations are offering to customers? Are the customers satisfied with these services? What are the various dimensions of customer satisfaction in banking industry?

A proper understanding of customer satisfaction level of bank’s customers and the level of satisfaction delivered by the competitors of the industry is very imperative in order to plan and implement strategies, which are applicable to the dynamic environment but sustainable in the long run. In this research the researcher has measured the level of satisfaction of the customers against the expectations of them. The measurement has been done based on four dimensions namely Service Quality, Product Quality, Price and Other (Innovation, Customization and Relationship). The satisfaction level of the customers and their expectation level have been separately identified to measure the “Customer Satisfaction – Expectation Gap”. (i.e. the gap between the satisfaction level of service quality and the expected level of service quality) It was observed that even though the competitors are good at Service Quality and Price dimensions, still the industry has to be developed in the other selected areas such as Product Quality and Situational Factors. Therefore said dimensions should be further improved while maintain the other two factors i.e. Price and Service Quality dimensions.

Key Words:

Retail Banking, Customer Expectation and Satisfaction, Quality Dimensions i.e. Service Quality, Product Quality, Price and Situational Factors