

Impact of Social Capital on Customer Satisfaction: A Case of the Sri Lankan Banking Sector

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Customer satisfaction is a crucial element in the modern business landscape, particularly within the banking industry, where it is vital for retaining existing customers and attracting new ones. Various strategies, tools, and technologies are employed to enhance customer satisfaction, but social capital defined as the social relationships between different stakeholders, is expected to support and amplify this satisfaction. The present study aims to explore the role of social capital in influencing customer satisfaction within the Sri Lankan banking sector. Grounded in Social Capital Theory, which emphasizes the quality and excellence of relationships both within and outside organizations, the study identifies three primary dimensions of social capital—structural, cognitive, and relational—as independent variables, with customer satisfaction as the dependent variable. A quantitative research design was employed, utilizing a purposeful sample of 384 staff members predominantly from state-owned banks in Sri Lanka. Data were collected through a survey and analyzed using SPSS 20 software. Inferential statistical techniques, including correlation and regression analyses, were applied to test the hypotheses. The findings reveal a strong, significant positive relationship between all three dimensions of social capital and customer satisfaction. The study thus underscores the importance of developing structural, cognitive, and relational capital as critical tools for enhancing customer satisfaction in the banking sector.

Keywords: *Banking Industry, Customer Satisfaction, Social Capital*