Impact of Relationship Marketing on Customer Loyalty in State Sector Commercial Banks in Sri Lanka

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Relationship marketing is designed to foster customer loyalty, interaction, and long-term engagement. It focuses on customer satisfaction and the provision of value over time rather than individual transactions. However, relationship marketing and its impacts can take various forms and shapes. We explore the influence of relationship marketing on customer loyalty within state-sector commercial banks in Sri Lanka by drawing on four pivotal independent variables: trust, commitment, communication, and conflict handling. The study uses a survey-based quantitative research design that covers customers of state-sector commercial banks in Sri Lanka. Despite the overall population size being undetermined, the study draws evidence from 369 respondents. The collected data was analysed using descriptive and inferential statistics using SPSS 20 software. The study's findings highlight that all relationship marketing predictors positively correlate with customer loyalty, indicating a significant positive impact on customer loyalty in the context of Sri Lanka's state-sector commercial banks. Notably, communication emerged as the most critical factor influencing customer loyalty. The study concludes that relationship marketing exerts a positive effect on customer loyalty in the examined banks, highlighting the strategic importance of fostering relational elements to enhance customer loyalty. By focusing on these key findings, businesses, especially financial institutions, can cultivate strong, lasting customer relationships, improving loyalty, repeat business, and positive word-of-mouth referrals.

Keywords: Commitment, Communication, Conflict Handling, Customer Loyalty, Relationship Marketing, Trust