

Factors Affecting Customer Satisfaction towards Gold Loan Services Provided by Specialized Banks: Evidence from Gampaha District in Sri Lanka

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Abstract

Introduction: Gold loans are a popular loan facility in South Asia countries. Pawning is a highly competitive product of the banking sector. This study addressed the research problem of customer satisfaction with gold loan services in Sri Lanka. The main objective of this study is to identify factors that influence customer satisfaction with the gold loan services offered by specialized banks in the Gampaha district in Sri Lanka.

Methodology: Service quality, Loan Process, and communications are independent variables used in this study and the dependent variable is customer satisfaction. The data sample of the study is the gold loan customers of specialized banks, and the sample size was 354 customers. Data is collected by distributing questionnaires. A regression model is developed to achieve the objective using the SPSS software and further, reliability and validity of the data is investigated using the goodness of fit tests.

Findings: According to the results, there is a high level of customer satisfaction towards gold loan services provided by the Gampaha district in Sri Lanka. Bank customers' most influential factor in customer satisfaction towards gold loans is service quality in specialized banks, a significant proportion of the participants express confidence while availing themselves of gold loans. Additionally, customer satisfaction of specialized bank customers availing themselves of the loan process and communication has a significant impact.

Conclusion: The study contributes to the understanding of customer satisfaction in the context of gold loan services offered by specialized banks in the Gampaha District of Sri Lanka. Future research should include commercial banks and the need to investigate digital banking adoption, customer satisfaction over time, and factors affecting customer satisfaction in the gold loan industry.

Keywords: Service quality, Loan Process, Communications, Specialized bank customers