

**THE EMPIRICAL STUDY ON CUSTOMER SATISFACTION TOWARDS SERVICE QUALITY OF
COMMERCIAL BANKS IN SRI LANKA WITH A COMPARISON BETWEEN STATE BANKS AND PRIVATE
BANKS**

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Abstract

Commercial banks play a significant role in the economic development of the country representing major part of the service sector. Hence, providing better service quality is vital as banks have to compete for customers. Customer who select bank for their financial services will always prefer to get the service that gives them maximum satisfaction. Although there are other factors such as price, product quality etc other than service quality that determine customer satisfaction (Wilson et al. 2008, p. 78-79) the research is focused on service quality alone to determine the customer satisfaction.

The Objective of this study is to investigate the level of service quality of private and state commercial banks in Sri Lanka from the perspective of bank customers and assessing the satisfactions towards the services provided by the commercial banks (Morawakage, 2013). A descriptive statistics analysis and regression analysis use to evaluate the level of service quality of Sri Lankan commercial banks from the customers' perspective. The measurements used were based on widely accepted SERVQUAL model (Parasuraman et. al. 1985, 1988, 1991). Morawakage (2013) stated that the results of the study indicated significant positive relationship between service quality and customer satisfaction in Sri Lankan commercial Banking sector. The expected finding is to show that there is a significant gap between customer expectations on state banks and private banks in terms of service quality in Sri Lanka. **Key words:** customer satisfaction, service quality, commercial banks