

THE IMPACT OF CUSTOMER RETENTION AND CUSTOMER SERVICE QUALITY ON CUSTOMER SATISFACTION IN THE SRI LANKAN BANKING SECTOR

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Abstract

It is obvious that customers are important stakeholders in organizations and their satisfaction is a priority to management. Customer satisfaction has been a subject of great interest to organizations and researchers alike. In recent years, organizations are obliged to render more services in addition to their offers. The quality of service has become an aspect of customer satisfaction. It has been proven by some researchers that service quality is related to customer satisfaction. Others used service quality dimensions to evaluate service quality. s. The emergence of new forms of banking channels such as Internet banking, Automated Teller Machines (ATM), phone banking and also maturing financial market and global competition have forced bankers to explore the importance of customer loyalty. (Ganjinia, Gilaninia, & Tajani, 2013) Therefore, studies need to focus on the changing role of the banking system and its dynamic financial market.

This study will be undertaken with the objective of finding out the impact of the service quality on customer's satisfaction in banking sectors. For this study, Quality of services will be evaluated by reliability, functionality, responsiveness service design and assurances, and also reviewed with help of the GAP (SERVQUAL) analyze. Primary data will be collected through by developing self-administered questionnaire from the selected customers. Formal Interview and focus group discussion will be taken place to find out the influences on purchasing. The data will be contained the personal details, demographic details and perception of Customers on all dimensions of service quality. Such analysis will be helpful to guide to actions that must be taken by the service provider to retain it's predict customers.

Keywords: Customer retention, service quality, Customer satisfaction, Sri Lankan banking sector