

Impacts of Customer Satisfaction on Loyalty and Intention to Switch in Commercial Banking sector in Sri Lanka

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(FGS/02/10/02/2013/03)

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Submitted in accordance with the requirements for the Degree of

Master of Commerce

At the

DEPARTMENT OF COMMERCE AND FINANCIAL
MANAGEMENT

FACULTY OF COMMERCE AND MANAGEMENT STUDIES

UNIVERSITY OF KELANIYA

ABSTRACT

To obtain the competitive advantage in the dynamic financial industry, banks always concentrate to fulfill their customers need and demands up to the extreme level. The current research study attempts to find the impacts of customer satisfaction on loyalty and intention to switch in the commercial bank sector in Sri Lanka. The study has five specific objectives. First, to determine the level of customer satisfaction, loyalty and intention to switch in commercial banking sector in Sri Lanka. Secondly, to explain the influence of demographic factors on customer satisfaction, loyalty and intention to switch in commercial banking sector in Sri Lanka. Thirdly, to determine the level of satisfaction influence on loyalty of the customers among commercial banking industry in Sri Lanka. Fourthly, to explain the influence of loyalty on switching intention of the customers in the commercial banking industry in Sri Lanka. Finally, to determine the impact of customer satisfaction on customer loyalty and intention to switch in commercial banking sector in Sri Lanka. The data were collected from 150 commercial bank customers in the Colombo district. Questionnaires distributed among employees working at reputed organizations in Colombo, students who follow postgraduate studies at universities and professional education institutions and the people who doing business in Colombo district. The collected data then analyzed using the IBM SPSS statics 20. The results of the study revealed that the high level of customer satisfaction will caused for the high level of customer loyalty and as a result the level of intention to switch of the customer will go down and also the customer demographic factors will not influence on their satisfaction, loyalty and intention to switch from the bank. Finally the from the results of the study revealed that customer satisfaction was positively correlated with customer loyalty and negatively correlated with customer intention to switch of the commercial bank customers in Sri Lanka.

Key Words: Customer Satisfaction, Customer Loyalty, Intention to switch, Demographic factors, Commercial Banking sector, Sri Lanka