

A Study on Service Quality and Its Effects on Customer Satisfaction in Online Banking in Kaduwela Region

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ABSTRACT

Introduction: The purpose of the study is to analyze the service quality and its effects on customer satisfaction in online banking in Kaduwela region. Service quality in online banking is most important to the banking sector because service quality highly contributes most to the customer satisfaction in online banking. Further, this study explores the level of customer satisfaction on online banking through the service quality in online banking and explores the influence of the service quality factors in E-SERVQUAL model on customer satisfaction in online banking.

Design/Methodology/Approach: The chosen sample of 200 online banking users who live in Kaduwela region, were selected as research sample. Researcher has used primary data for the data collection. The collected quantitative data were analyzed using SPSS with descriptive analysis techniques. The final version after conducted data analysis of the E-SERVQUAL model for measuring online banking service quality dimensions)Efficiency, Reliability, Security & Privacy, Responsiveness and Empathy(with total of 34 questions.

Findings: Findings show that the level of customer satisfaction was 88.67%, it states the high level in customer satisfaction. Results show that, according to the personal correlation analysis, all the dimensions have significant and positive relationship on customer satisfaction in online banking. According to regression estimates, two dimensions)Efficiency and Security & Privacy(were statistically significant with customer satisfaction while three dimensions)Reliability, Responsiveness and Empathy(were insignificant.

Conclusion: Results show that service quality is significantly influence the customer satisfaction.

Keywords: *Online banking, Service quality, SERVQUAL, Customer satisfaction*