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**SERVICE QUALITY AND CUSTOMER SATISFACTION
(A STUDY OF LICENCED COMMERCIAL BANKS IN
COLOMBO DISTRICT)**

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ABSTRACT

Now banking sectors are booming rapidly. Especially the mobile banking activities, banking operation, deposit rates and loan facilities are increased very fast. Because of that reason in every year most of the customers are joining with the banks. In any business-to-customer (B2C) type of environment, satisfying a customer is the ultimate goal and objective. Because of that banks have to improved quality of the service to capture new customers as well as to retain existing customers. Therefore, this research focused on the measurement of customer satisfaction through delivery of service quality in the licensed commercial banks in Colombo District. Main objective of this study was the find out the relationship between service quality and customer satisfaction and give the recommendations to enhance Customer Satisfaction via Service Quality. SERVQUAL Service Quality model was the used instrument for measuring the bank Service Quality in this research context. Research sample size consists with 200 customers, customers was drawn from 8 different licensed commercial banks in Colombo District. The data was collected in primary data collection method. The primary data was collected by using self-administrative questionnaire. The Data were analysed through SPSS 16 software to find out the relationship between Service Quality and Customer Satisfaction by chi-square test, spearman's correlation coefficient analysis. The result shows that majority of the

Service Quality attributes are positively related to Customer Satisfaction. Consider the relationship between two variables there is a positive relationship between Service Quality and Customer Satisfaction. Further, there is positive relationship between tangibles and Customer Satisfaction; it has significant effect on Customer Satisfaction. As well there is a positive relationship between reliability and Customer Satisfaction. Further it has significant effect on Customer Satisfaction. Consider about the responsiveness there is a positive relationship between responsiveness and Customer Satisfaction. Further it but it has significant effect on Customer Satisfaction. Then there is a positive relationship between assurance and Customer Satisfaction. Also it has significant effect on Customer Satisfaction. Finally there is a positive relationship between empathy and Customer Satisfaction. Further it has significant effect on Customer Satisfaction. The study highlights implications for marketers in banking industry for improvement in delivery of service quality.