



DECLARATION

**IMPACT OF INTERNET BANKING
FUNCTIONALITY TOWARDS CUSTOMER
SATISFACTION OF LICENSED COMMERCIAL
BANKS IN SRI LANKA**

This dissertation is submitted as a partial fulfilment of the degree of
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ABSTRACT

Internet banking activities came into existence as a result of the evolution of new technology and it allows the customers to undertake their banking activities even staying at home. Yet, the internet banking usage in Sri Lanka still remains at low level compared to the developed and developing nations in the region. So this study endeavored to identify the impact of Internet Banking Functionality on Customer Satisfaction of licensed commercial banks in Sri Lanka. The study was based on four objectives. First, to identify the existing level of internet banking functions in Sri Lanka, second, to explore the relationship between Internet Banking Functionality and Customer Satisfaction, third, to examine how Internet Banking Functionality impact on Customer Satisfaction and finally, to determine the mediating role of customer loyalty within the relationship of customer satisfaction and word of mouth. Accessibility, convenience, security, privacy, content, design, speed, fees & charges were considered in measuring the internet banking functionality. Questionnaires were distributed to 100 internet banking users selected by convenience sampling technique to collect data. Descriptive statistics, correlation coefficient, regression analysis, Baron and Kenny mediator analysis and Sobel test were used to analyse data. The results revealed that internet banking users were almost agreed with the existing situation of all the functionality dimensions and it further indicated that there is a significant positive impact of Internet Banking Functionality on Customer Satisfaction. Additionally the study found that Customer Loyalty partially mediate the relationship between Customer Satisfaction and Word of mouth. Hence the researcher recommends the bank management to expand the internet banking facility towards increasing the satisfied customer base.

Keywords: *Customer loyalty, Customer satisfaction, Internet banking, Word of mouth*