

A COMPARATIVE STUDY OF SERVICE QUALITY AND CUSTOMER SERVICE IN PUBLIC SECTOR AND PRIVATE SECTOR COMMERCIAL BANKS

W.M.C.B. Wanninayake, D.M.R. Dissanayake

Abstract

The commercial banking sector in Sri Lanka has been rapidly growing in the last two decades. The entire banking sector consists of both private and public sector banks, and private sector banks have been diversifying tremendously compared to the public sector. The public sector banks are implementing restructuring strategies to face these competitive forces aroused by the private sector commercial bankers. However, the service quality improvements, differentiation of service marketing and continuous customer service enhancements are the critical successive factors in this industry. This study was based on both primary and secondary data. The primary data was collected from a sample survey that was conducted in six districts namely Colombo, Gampaha, Kurunegala, Anuradhapura, Kandy and Galle. Then, 300 respondents who are customers of banks having experiences in both public and private sector banks, were asked to answer the prepared questionnaires. The service quality and customer service were the major two variables of the above-mentioned research study. Finally, the study revealed that customers of public sector banks experienced a higher service gap compared to the private sector banks. However, the perceived satisfaction towards the public sector banks of rural area customers is higher compared to those of urban customers. The study identifies that the process efficiency and interactive service marketing are comparatively poor in public sector banks and yet customers feel a higher level of confidence on public sector banks than on the private sector. Researchers have presented some recommendations for public sector banks to develop service quality and customer service competitively.

Keywords: Customer Service, Differentiation, Service Gap, Service Marketing, Service Quality.

For full paper: fmscresearch@sjp.ac.lk