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Service quality and customer satisfaction in a government bank in Sri Lanka

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Customer satisfaction and service quality is the most important factor in the bank. Banks are working hard to provide the quality of service to their customers in order to attain their customer satisfaction. The main purpose of this study was to select the best branch with the best service quality from six branches belonging to a government bank viz. Matara, Batticoloa, Kurunagala, Kandy, Jaffna and Borella, and determine whether the effect of the service quality on customer satisfaction. In addition, identify the areas where the bank needs to improve and determine the main factors influencing the level of customer satisfaction. Data was collected by using a questionnaire distributed among 1506 respondents. The questionnaire has been contented background information of the respondents and five service quality dimensions such as Tangible, Reliability, Responsiveness, Assurance and Empathy. The analysis of research was divided three main parts. Chi Square Test and Fisher's exact test were used to analysis the association between customer satisfaction and background information. In addition, proportional odds model was fitted between customer satisfaction and background information of customer as the first part of the analysis. Secondly, Explanatory Factor Analysis was used to find the factor scores for service quality dimensions. Thus, the analysis of variance (ANOVA) was used to select the best branch. Finally, the logistic regression model was used to find the most effective service quality dimensions using SPSS and R software. As a results, Gender, Income, Education level and Transaction Duration were effect on the customer satisfaction. Furthermore, the Parking facilities, attractiveness of the bank and Customer Loyalty were highly impacted on the customer satisfaction. In addition, Matara was the best branch among the service quality. This finding helps to manage banks in the various aspects of their products or services that affect consumer satisfaction. It provides a deeper understanding of what is needed to improve customer satisfaction and banking strategies to attract and retain their customers.

Keywords: Chi square test, factor analysis, Fisher's exact test, logistic regression model, proportional odds model