

## **Service quality and customer satisfaction: A comparative study of public and private banks in Kegalle District in Sri Lanka**

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### **Abstract**

Service quality is a competitive strategy in any business activity to achieve customer satisfaction. It is the way in which customers are served in an organization which could be good or poor, when the performance of the product or service is higher than the expectations of the customer, customers' intends to purchase more with higher satisfaction. This study focuses the effect of service quality on customer satisfaction in public and private banks in Kegalle District in Sri Lanka. The dependent variable of the study was customer satisfaction and the independent variables were tangibility, reliability, responsiveness, assurance and empathy. The service quality was measured using SERVQUAL scale. Convenience sampling was used to select 50 customers from each of public private banks. Primary data were collected by a distributing questionnaire which relates to dimensions of service quality and customer satisfaction. Questionnaires were delivered at the banks, when they arrived to obtain the service. Descriptive and inferential statistics were used in data analysis. The results of the study revealed that service quality is a significant determinant of customer satisfaction across public and private banks and public banks have more gaps in providing the desired customer service and the level of customer satisfaction is in poor status when compared with private banks. All dimensions such as tangibility, reliability, responsiveness, assurance and empathy are dominated by private banks than the public banks. Thus, private bank customers are more satisfied as they receive better service in promised time, availability of parking facilities and sincere interest in problem solving. The study stresses that public banks are always known for the trust, they have developed with the customers and for their existence in the society for a long period. By keeping trust factor, public banks should come forward and try their best to provide quality service to their customers by increasing the efficiency and quick counter service which may lead to reduce long queues, associate more with technology and good infrastructure. Employees need to value and worth the customers because satisfied customers engage in greater word of mouth communication.

**Keywords:** *Customer satisfaction, public and private banks.*