

Factors Affecting the Customers Retail Bank Selection Decision: With Special Reference to Anuradhapura District

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Commercial banks play a major role in the economic development of Sri Lanka and should face a tough competition in retail banking industry due to the wide range of choice that the customers have. With this rapidly increasing competitiveness in the banking industry it has become a major challenge for them to expand their retail banking market share by retaining the existing customers while attracting new customers. Therefore, this study attempted to investigate factors affecting the customers' retail bank selection decision. A literature survey was carried out and five independent variables were identified. The study selected banking customers in Anuradhapura district as the population and data was collected from 200 customers using a self-administrated questionnaire. The collected data was analyzed by employing descriptive statistics, correlation analysis and multiple regressions analysis. The results of the study revealed that it has 79.8% explanatory power with the R square value and further results indicated that the financial benefits, bank staff friendliness, electronic facilities and the convenience of the bank have a significant impact on customers' retail bank selection decision, while the reputation of the bank was not a significant factor. As per the results of the study, managers of commercial bank industry must pay their attention on identified significant factors in creating a suitable retail banking service package to their customers.

Keywords: Retail banking services, commercial banks, bank selection

