

Impact of Service Quality on Customer Satisfaction in Microfinance Sector: Reference in Anuradhapura District

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Abstract

Microfinance is the provision of a broad range of financial services to poor and low-income households and their micro enterprises. It is the widely used throughout the world for many decades as a tool to minimize poverty and reduce income inequality. Accordingly, microfinance is an important and an essential element of the economy. But the current customer satisfaction towards microfinance is not the most positive one. Service quality is a vitally important concept for any kind of organization that aims to achieve long-term success through customer satisfaction. However, there is a lack of recent evidence to show how the quality of these services affects customer satisfaction, leaving a significant empirical gap in the Sri Lankan context. Therefore, this study attempted to explore the impact of service quality on customer satisfaction in the microfinance sector special reference in Anuradhapura District, Sri Lanka. The sample of the study was selected by using the convenience sampling technique which comprises 100 microfinance customers in Anuradhapura District. The research comes under a quantitative approach and the primary and secondary sources were used to collect the data. The data collected through a well-structured questionnaire and hypothesis were tested using descriptive analysis, correlation analysis, and multiple regression analysis. As per the results of multiple regression analysis assurance and responsiveness have a significant impact while tangibility, empathy, and reliability have no such significant impact on customer satisfaction in the microfinance sector in Anuradhapura District. Assurance, tangibility, empathy, reliability, responsiveness have a strong positive relationship in customer satisfaction. Based on the findings researchers concluded that there is much consideration on assurance and responsiveness which have a higher degree of influence on customer satisfaction in microfinance in Anuradhapura District.

Keywords: Customer satisfaction, microfinance sector, service quality