

FACTORS AFFECTING MAINTAINING CUSTOMER SATISFACTION IN THE BANKING SECTOR DURING THE COVID-19 PANDEMIC PERIOD IN KANDY DISTRICT

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INTRODUCTION

The study has focused on factors affect maintaining customer satisfaction in the banking sector during the COVID-19 pandemic. Covid-19 is a global pandemic or virus that can be spread through a touching surface that has not been cleaned. In 2019, this coronavirus was found in China for the first time. Moreover, the exact origin of Covid-19 is still investigating by the world. With the COVID-19 outbreak, the country was on lockdown from time to time.

Moreover, people have to do their work by staying at home. Then it becomes a reason to change customer satisfaction in the banking sector. According to the new health protocol, banking activities and systems have changed customer satisfaction. The study assists bank managers in identifying customer satisfaction during the COVID-19 pandemic and factors that affect customer satisfaction during the pandemic. Some Sri Lankan researchers have done similar studies concerning only commercial banks in Sri Lanka. For instance, research has been done concerning both public and private commercial banking sectors in Sri Lanka. Furthermore, another research has been done on the banks of Surat city (Mistry, 2013). However, fewer studies are done concerning the COVID-19 pandemic and customer satisfaction. Though, when it comes to the Sri Lankan context, there are fewer studies on this topic. Therefore, the researcher provided a depth of knowledge and understanding about the factors affecting customer satisfaction in the banking sector during the COVID-19 pandemic.

On the other hand, this study suggests improving customer satisfaction in the banking sector. Therefore, this study is more worthwhile to improve the performance and reputation of the banking industry in Sri Lanka. The researcher's intend to identify the factors that affect maintaining customer satisfaction in the banking sector during the Covid-19 pandemic period in Kandy District, reveal the level of customer satisfaction in the banking sector during the Covid-19 pandemic, and give suggestions to improve customer satisfaction in the banking sector with the Covid-19 pandemic. The study has provided suggestions to improve customer satisfaction in banks. Hence, all the bank managers and employees can enhance their attitudes and adjust work according to suggestions. By recognizing the factors affecting customer satisfaction during the Covid-19 pandemic and understanding what to expect a customer from the bank during a crisis, then managers and employees in the banking sector can improve their performance by fulfilling customers' expectations.

METHODOLOGY

The researcher has used the quantitative approach to conduct this study. The researcher distributed a structured questionnaire among the banking customers. The researcher has developed a conceptual framework for previous studies by including three independent variables and a dependent variable.

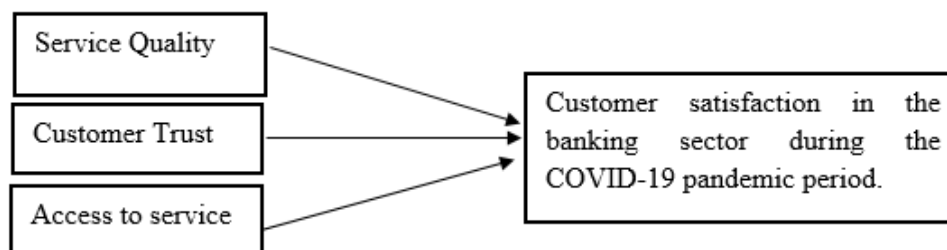


Figure 1 Conceptual Framework

The study has concerned with three alternative hypotheses based on the conceptual framework.

H₁: Service Quality has a significant impact on Customer Satisfaction in the banking sector during the COVID-19 pandemic period.

H₂: Customer Trust has a significant impact on Customer Satisfaction in the banking sector during the COVID-19 pandemic period.

H₃: Access to Service has a significant impact on Customer Satisfaction in the banking sector during the COVID-19 pandemic period.

Since the study was done on banks in the Kandy district, it has taken the target population as all people above the age of 20. The sample size was defined using the Yamane Formula, around 400 under the population of 867,118. However, according to Sekaran and Bougie (2013), the researcher selected 384 customers from the population. The researcher used the Simple Random sampling method under the probability sampling technique for collecting the data. This study has three independent variables and one dependent variable. Hence, the researcher has used the multiple regression method to analyze the relationship between those variables through SPSS software.

RESULTS AND DISCUSSION

The study's dependent variable, "customer satisfaction in the banking sector during the COVID-19 pandemic period," is represented by "TCS." Three independent variables: Service Quality, Customer Trust, & Access to Service, are represented by TSQ, TCT, and TAS, respectively.

Table 1 Correlation of Variables

		TCS	TSQ	TCT	TAS
Pearson Correlation	TCS	1.000			
	TSQ	.872	1.000		
	TCT	.936	.873	1.000	
	TAS	.887	.875	.881	1.000
Sig. (1-tailed)	TCS	.			
	TSQ	.000	.		
	TCT	.000	.000	.	
	TAS	.000	.000	.000	.
N	TCS	384	384	384	384
	TSQ	384	384	384	384
	TCT	384	384	384	384
	TAS	384	384	384	384

According to the correlation table, all the significance values of the dependent and independent variables have less than 0.05 (5%). Thus all relationships are significant at the level of 0.05. This means there are real systematic relationships between the study's dependent and three independent variables. Person correlation between TCS & TSQ, TCS & TCT, and TCS & TAS are 0.872, 0.936, and 0.887 respectively. Hence, those independent variables have strong positive relationships with the dependent variables, according to the SPSS results.

Table 2 Coefficients Table

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error				Tolerance	VIF
1	(Constant)	.108	.052		2.079	.038		
	TSQ	.138	.037	.140	3.685	.000	.189	5.299
	TCT	.621	.038	.629	16.158	.000	.179	5.583
	TAS	.215	.040	.210	5.369	.000	.176	5.666

Table 3 ANOVA Table

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	493.069	3	164.356	1102.636	.000 ^b
	Residual	56.642	380	.149		
	Total	549.711	383			

The significance value in this ANOVA table is less than 5%, which indicates that the overall model is fit. Here, the significance value is 0.000, which means the overall model is valid at a 95% confidence level.

The overall equation is as followed;

$$\text{Customer Satisfaction in the banking sector during the COVID-19 pandemic period} = \alpha + \beta_1 * \text{Service Quality} + \beta_2 * \text{Customer Trust} + \beta_3 \text{Access to Service}$$

Under the Multiple regression test, the Coefficient table is essential when analysis of the hypothesis. The constant value in this Coefficient table represented the intercept or Alpha value of the overall model. Further, the three variables in the table, TSQ, TAS, and TCT, represented the values in the equation. According to the coefficient table, the developed model can be shown as follow;

$$\begin{aligned} \text{Customer Satisfaction in the banking sector during the COVID-19 pandemic period} &= 0.108 + \\ & (0.138 * 6) + (0.621 * 6) + (0.215 * 6) \\ &= 0.108 + 0.828 + 3.726 + 1.29 \\ &= \underline{5.952} \end{aligned}$$

As per the SPSS results, the significance values of TSQ, TCT, & TAS were 0.000. Therefore, all the independent variables in the study followed the value to accept the hypothesis.

Rule: Sig. Value < 0.05, 0.00 < 0.05

According to the SPSS results, H₁, H₂, and H₃ have been supported and there are relationships between all three independent variables with dependent variable.

Table 4 Hypothesis Testing

Hypothesis	Accepted/ Rejected
H ₁ : Service Quality has a significant impact on Customer Satisfaction in the banking sector during the COVID-19 pandemic period.	Accepted
H ₂ : Customer Trust has a significant impact on Customer Satisfaction in the banking sector during the COVID-19 pandemic period.	Accepted
H ₃ : Access to Service has a significant impact on Customer Satisfaction in the banking sector during the COVID-19 pandemic period.	Accepted

CONCLUSIONS AND IMPLICATIONS

The researcher intended to determine the level of customer satisfaction in the banking sector during the COVID-19 pandemic period and the factors that affected customer satisfaction within the banks during the pandemic. According to the collected data through questionnaires, the SPSS results show that customer satisfaction during COVID-19 has decreased due to the bank restrictions and the practices applied for this period. Customers have changed their opinions, habits, and behavior regarding buying and consumption during the COVID-19 era (Ltifi & Hichri, 2022). This literature has shown that customers are dissatisfied and have changed their behavior due to the pandemic. Further, the researcher has found that several factors have positively impacted customer satisfaction in the banking industry, which are accepted through the developed hypothesis in Table 4. Service Quality, access to service, and customer trust significantly impact customer satisfaction during the pandemic period. All the dimensions of Service Quality positively impact customer satisfaction in the banking sector

during the COVID-19 era (Nautwima & Asa, 2022). During the pandemic period, customer satisfaction decreased due to the failure of access to service. Bankers can access banking services through mobile banking instead of conventional banking or physical bank locations to satisfy the customers (Rumiyati & Syafarudin, 2021). Rahmatika (2022) also proved that service quality and trust directly affected customer satisfaction during this period (Rahmatika, 2022).

Throughout the responses that the customers received, the researcher collected some suggestions to enhance customer satisfaction in the banks during the pandemic. When considering those suggestions, it can be found that many of them suggest improving online banking facilities, a touchless system in the ATMs, adjusting new health protection equipment and technology in the world, etc. From the research results, the researcher shifts to mobile banking due to the COVID-19 pandemic. Mobile banking helps to maintain peoples' safety, and it has become the primary source in this COVID-19 pandemic period (Abdus Salam et al., 2021). This research does not represent all the customers in Sri Lanka, and the study focused on a small sample size and limited geographical area. Hence, future research can focus those factors on expanding the knowledge. The study showed that all bankers should prioritize their customers and give more attention to Service Quality, Access to Service, and Customer Trust to win customer satisfaction and retain them further.

Keywords: COVID-19 pandemic, customer satisfaction, service quality

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