

**QUALITY OF PERSONAL BANKING SERVICE OF LICENSED
COMMERCIAL BANKS IN GAMPAHA DISTRICT**



By

**MANIYANGAMA DEWAGE NADEESHA PIYUMALI
KARUNARATHNA**

REG. NO: EU/IS/2014/COM/05

INDEX NO: COM1775



**A project report Submitted to the faculty of Commerce and Management, Eastern
University, Sri Lanka as a partial fulfillment of the requirement of the Degree of
Bachelor of Commerce Honours**

Department of Commerce

Faculty of Commerce and Management

Eastern University, Sri Lanka

2020

**PROCESSED
MAIN LIBRARY, EUSL**

ABSTRACT

Service quality can be important for the all organizations to growth and performance of the organization. The banking industry no exception. In order to gain competitiveness, the bank has been introducing more facilities to customers than other competitive organizations. Since the length in years of customer relationships are one of the most important factors that contribute to the profitability. As a result, service quality may be one important driver of licensed commercial banks. The main aim of the study is to find out “The level of service quality of personal banking in commercial banks in Gampaha District”.

This study was implemented with five dimensions which are used to measure the quality of services. Those dimensions are core service, tangibility, service delivery, reliability, competence. Primary data collection method was used in this research. The primary data were collected using questionnaires from the customers, who are using the commercial banking facilities selected in Gampaha District. Three hundred customers are selected as sample out of five banks using the convenience sampling method.

As well as, Sample and the questionnaire was analyzed using five point Likert scale model. Further collected data were analyzed by using the SPSS version 22 computer package for interpreting and obtaining conclusion. The collected data were analyzed by using frequency analysis, descriptive analysis, cross tabulation analysis, ANOVA and independent sample T test.

Based on research finding indicate that there is high level of service quality in personal banking service of licensed commercial bank in Gampaha district. When considers the level of each dimensions of service quality core service, service delivery, competence were high level and tangibility and reliability were moderate level. And there is no any significant effect of demographic factors of age category, monthly income level, how long involve banking activities and gender on service quality dimensions. There is significant effect of demographic factors of civil status on core service and tangibility in commercial banks in Gampaha district.

Keywords: *Service Quality, service delivery, core service, competence, tangibility and reliability*

TABLE OF CONTENT

	PAGE NO
TITLE	i
ACKNOWLEDGEMENT	i
ABSTRACT.....	ii
TABLE OF CONTENT	iii
LIST OF TABLES	viii
LIST OF FIGURES	x
LIST OF ABBREVIATIONS.....	xi
CHAPTER ONE-INTRODUCTION.....	1
1.1 BACKGROUND OF THE STUDY	1
1.2. PROBLEM STATEMENT	3
1.3 RESEARCH QUESTIONS.....	4
1.4 RESEARCH OBJECTIVES	5
1.5 SIGNIFICANCE OF THE STUDY.....	5
1.6 SCOPE OF THE STUDY	6
1.7 SUMMARY	7
CHAPTER TWO-LITERATURE REVIEW.....	8
2.1 INTRODUCTION.....	8
2.2. SERVICE	8
2.3 SERVICE QUALITY	9
2.3.1 Definitions of Service Quality	9
2.4 SERVICE QUALITY MODELS	10
2.4.1 Grönroos Service Quality Model.....	10
2.4.2 Gap Service Quality Model	11
2.4.3 Servqual	13
2.4.4. SERVPERF	15
2.4.5 Second Order Model.....	15
2.5 MEASURING SERVICE QUALITY.....	16
2.5.1 Core Service	16
2.5.2 Tangibility	16
2.5.3 Service Delivery	17

2.5.4 Reliability	18
2.5.5 Competence	18
2.6 COMMERCIAL BANKS	20
2.7 RESEARCH GAP	20
2.8 SUMMARY	21
CHAPTER THREE-CONCEPTUALIZATION AND OPERATIONALIATION	22
3.1. INTRODUCTION.....	22
3.2. CONCEPTUALIZATION	22
3.3. CONCEPTUAL FRAMEWORK	23
3.4. SERVICE QUALITY	23
3.5. SERVICE QUALITY DIMENSIONS.....	23
3.5.1. Core Service	23
3.5.2. Tangibility	24
3.5.3. Service Delivery	24
3.5.4. Realiability.....	24
3.5.5. Competence	25
3.6. OPERATIONALIZATION.....	25
3.7. CHAPTER SUMMARY	27
CHAPTER FOUR-METHODOLOGY	28
4.1 INTRODUCTION.....	28
4.2 POPULATION AND SAMPLE SELECTIONS	28
4.2.1 Study Population.....	28
4.2.2 Sample Size	28
4.3 METHOD OF DATA COLLECTION	29
4.3.1 Primary Data.....	29
4.3.2 Secondary Data.....	29
4.4 STRUCTURE OF THE QUESTIONNAIRE	29
4.5 METHODS OF DATA PRESENTATION	30
4.6 METHODS OF DATA ANALYSIS	30
4.6.1 Reliability Analysis	31
4.6.2 Univariate Analysis	31

4.7 METHOD OF DATA EVALUATION.....	32
4.8 SUMMARY	32
CHAPTER FIVE-DATA PRESENTATION AND ANALYSIS.....	34
5.1. INTRODUCTION.....	34
5.2. ANALYSIS OF RELIABILITY	34
5.3. FREQUENCY DISTRIBUTION ANALYSIS OF RESPONDENTS BY THEIR PERSONAL DETAILS.....	35
5.3.1. Gender	35
5.3.2. Civil Status	36
5.3.3. Age.....	36
5.3.4. Monthly Income Level	37
5.3.5. How Long Involve With Bank	38
5.3.6. Preferred Bank.....	39
5.4 SERVICE QUALITY	40
5.4.1. Level of Overall Service Quality.....	40
5.5 CORE SERVICE.....	41
5.5.1 Frequency Distribution Indicators of Core Service (Percentage & Frequency).....	41
5.5.2. Descriptive Analysis of Core Service Indicators And Core Service	42
5.5.3. Level of Core Service	43
5.6. TANGIBILITY	43
5.6.1. Frequency Distribution of Indicators of Tangibility.....	43
5.6.2. Descriptive Analysis of Indicator of Tangibility	45
5.6.3. Level of Tangibility	45
5.7. SERVICE DELIVERY	46
5.7.1. Frequency Distribution of Indicators Of Service Delivery	46
5.7.2. Descriptive Analysis of Indicator of Service Delivery	47
5.7.3. Level of Service Delivery	48
5.8. RELIABILITY	49
5.8.1. Frequency Distribution of Indicators of Reliability	49
5.8.2. Descriptive Analysis of Indicator of Reliability.....	50
5.8.3. Level of Reliability	50

5.9. COMPETENCE	51
5.9.1. Frequency Distribution of Indicators of Competence	51
5.9.2. Descriptive Analysis of Indicator of Competence.....	52
5.9.3. Level of Competence.....	52
5.10 CROSS TABULATION ANALYSIS.....	53
5.10.1. Comparison of Mean Values between Service Quality Dimensions and Gender	53
5.10.2. Comparison of Mean Values between Service Quality Dimension and Age	54
5.10.3. Comparison of Mean Values between Service Quality Dimensions And Banks	54
5.11. ANOVA TEST	55
5.12 SUMMARY	57
CHAPTER SIX-DISCUSSION	58
6.1. INTRODUCTION.....	58
6.2. DISCUSSION OF PERSONAL INFORMATION	58
6.2.1. Gender	58
6.2.2. Civil Status	58
6.2.3. Age.....	58
6.2.4. Monthly Income Level	59
6.2.5. How Long Involve With Bank	59
6.2.6. Preferred Bank.....	59
6.3. DISCUSSION ON RESEARCH INFORMATION.....	59
6.3.1. Discussion for Objective One.....	59
6.3.2. Discussion for Objective Two	60
6.3.3. Discussion for Objective Three	61
6.3.4. Discussion for Objective Four.....	62
6.3.5. Discussion for Objective Five	62
6.3.6. Discussion on the Overall Service Quality.....	63
6.4. SUMMARY	63
CHAPTER SEVEN-CONCLUSIONS AND RECOMMENDATIONS.....	65
7.1. INTRODUCTION.....	65

7.2. CONCLUSION	65
7.3. RECOMMENDATION	66
7.4. SUGGESTIONS FOR FURTHER RESEARCHERS	67
7.5. LIMITATIONS OF THE STUDY	68
7.6. SUMMARY	68
LIST OF REFERENCES	69
APPENDIX -01	74