

**FACTOR INFLUENCING ON THE CUSTOMER RETENTION IN
THE BANKING SECTOR**

A SPECIAL REFERENCE TO VAVUNIYA DISTRICT



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ABSTRACT

Purpose: The purpose of this research is to identify how the impact on customer satisfaction, competitive advantage, service quality, customer perception of value on customer retention. The objective of this research is that to identify the level, relationship and impact regarding customer satisfaction, competitive advantage, service quality, customer perception of value on customer retention, to conduct the primary research with help of questionnaires and to review the findings and to make recommendation about this study. Therefore, this study presents a new model and examines the impact/influence of customer satisfaction, competitive advantage, service quality, customer perception of value on customer retention.

Design or methodology: This research is based on the survey method, as the questionnaire was distributed to gather data from public for the research about the impact of customer satisfaction, competitive advantage, service quality, customer perception of value on customer retention. 100 responses were gathered from the distribution of questionnaire. Moreover, the data for this research as analyzed through IBM SPSS statistic software.

Found by using SPSS software for this research. The hypothesis that was identified for this research was accepted. Likewise, there was a significant positive correlation identified in this research which helps to study to prove its overall value.

Research limitations: The current study has limited time duration for the collection of data. Data collection is only depended on questionnaire. Respondents were too busy to read the questions properly and tick the answer just for the sake of completing the survey quickly. So there is no guarantee that the data collected is 100% correct and hence while analyzing the researcher has considered level of significance.

Value: This research help to overcome the issues encounter in the based articles. Contribution to the existing body of knowledge in terms of knowledge narrowing the research gap by identifies the factors influencing on the customer retention in the banking sector. Banks must consider the customer retention. Because when the customer's customer satisfaction, competitive advantage, service quality and customer perception of value increase, the customer retention also increase.

Keywords: Customer Satisfaction, Competitive Advantage, Service Quality, Customer Perception of Value and Customer Retention

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