

**“MARKET SEGMENTATION AND ITS IMPACT ON  
CUSTOMER SATISFACTION IN PRIVATE COMMERCIAL  
BANKS WITH ESPECIAL REFERENCE TO MANNAR  
BRANCHES, MANNAR DISTRICT”**



**SAHAYANATHAN BENADICT**

**1389**



FDV1333



Project Report  
Library - EUSL

**DEPARTMENT OF MANAGEMENT  
FACULTY OF COMMERCE AND MANAGEMENT  
EASTERN UNIVERSITY, SRI LANKA**

**2014**

# **MARKETING SEGMENTATION AND ITS IMPACT ON CUSTOMERS SATISFACTION IN PRIVATE BANKS IN MANNAR DISTRICT**

## **ABSTRACT**

In this competitive commercial world, an organization has to satisfy the needs and wants of the customers, and has to attract new customers, and enhance their business. Customer value is considered as a control element for all business strategies. Therefore, every organization has to emphasize on customer satisfaction. As far as the banks are concerned this phenomenon is very prominent.

In Mannar district, banks customers' satisfaction is in low because there is poor marketing segmentation in the banking industry. Therefore the study focuses on assessing the segmentation and its impact on customer's satisfaction in private banks. In this analysis the customer satisfaction has been evaluated by marketing mix and demographic factors and perception of segmentation were chosen to evaluate the impact on customer's satisfaction and convenience sampling technique was used to select these 200 customers from population.

Results show that 96% of customers satisfied at high level and 88.5% of customers said the segmentation is in effective in Mannar. The demographic factors effect on customers satisfaction level the study result proved it. And the finding revealed that effective segmentation leads to customer's high level satisfaction so Mannar banks effectively segment their customers; therefore customers are satisfied at high level.

Key words: Satisfaction, Marketing mix, and segmentation.

**Researcher: S.Benadict**

# TABLE OF CONTENTS

	Page no
Acknowledgment	i
Abstract	ii
List of table	vii
List of figures	ix
<b>CHAPTER- 01</b>	<b>1-7</b>
<b>INTRODUCTION</b>	<b>1</b>
1.1 Background study	1
1.2 Research problem of study	5
1.3 Research questions	5
1.4 Objective of study	6
1.5 Significance of study	6
1.7 Summary	7
<b>CHAPTER- 02</b>	<b>8-27</b>
<b>LITURATURE REVIEW</b>	<b>8</b>
2.1 Introduction	8
2.2 Definition of market	8
2.3 Definition of marketing	9
2.4 Marketing	9
2.5 Marketing segmentation	11
2.6 Market segmentation in banks	17
2.7 Customer service	18
2.7.1 Service marketing	18
2.7.2 Importance of service marketing in banks	18

2.7.3 Marketing by banks different in certain respect from Marketing	19
2.8 Marketing strategy	20
2.8.1 Marketing mix strategy	20
2.8.2 Additional Ps for service organization	23
2.9 Relationship marketing	23
2.10 Customer	24
2.10.1 Customer satisfaction	24
2.10.2 Customer satisfaction in banking industry	27
2.11 Market segmentation and customer satisfaction	27
2.12 Summary	28

## **CHAPTER- 03** 29-34

### **CONCEPTUALIZATION AND OPERATIONALIZATION** 29

3.1 Introduction	29
3.2 Conceptualization of research problem	29
3.3 Brief description on variables	
3.3.1 Customer satisfaction	30
3.3.2 Marketing mix in banking industry	30
3.3.3 Marketing segmentation	32
3.4 Operationalization	33
3.5 Summary	34

<b>CHAPTER- 04</b>	<b>35-40</b>
<b>METHODOLOGY</b>	<b>35</b>
4.1 Introduction	35
4.2 Study setting, study design and method of study	35
4.3 Unit of analysis	35
4.4 Research population	36
4.5 Research sample	36
4.6 Data collection technique	37
4.7 Method of data presentation	38
4.8 Method of data analysis	38
4.9 Method of data evaluation	39
4.10 Summary	40
 <b>CHAPTER- 05</b>	 <b>41-67</b>
<b>DATA PRESENTATION AND ANALYSIS</b>	<b>41</b>
5.1 Introduction	41
5.2 Reliability analysis	41
5.3 Level of customer's satisfaction in various market segments	42
5.4 Demographic factors for (various) market segmentations	47
5.5 Perception of market segmentation	51
5.6 Cross tabulation, Mean comparison and Chi-square among the variables	51
5.7 Summary	68

<b>CHAPTER- 06</b>	<b>69-79</b>
<b>DISCUSSION</b>	<b>69</b>
6.1 Introduction	69
6.2 Discussion of research information	69
6.2.1 Discussion of satisfaction	69
6.2.2 Discussion of segmentation	72
6.2.3 Discussion on effect of market segmentations (Demographic factors) on satisfaction.	73
6.3 Summary	79
<b>CHAPTER- 07</b>	<b>79-84</b>
<b>CONCLUSIONS</b>	
7.1 Introduction	79
7.2 Conclusions	79
7.3 Recommendations	82
7.4 Assumptions	83
7.5 Limitations	84
7.6 Summary	84
<b>REFERENCES</b>	<b>85</b>
<b>APPENDIX: QUASTIONNARE</b>	<b>89</b>