

SERVICE QUALITY OF BANKS ON LENDING HOUSING LOANS

(A SPECIAL REFERENCE TO BANDARAWELA)

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ABSTRACT

In recent years, banks have had to present more various services with higher quality due to the increase in competition and keeping the durability and their profitability. Indeed in these years the increasing trend of competitive environment in the banking industry of the country attracted banks to the field of offering banking services expected by the customers more than before. The aim of this research was to examine the level of service quality as perceived by housing loans customers of Commercial banks.

The literature review was supported to measure the service quality of banks on lending housing loans. Service quality measure is based on modified version of SERVPERF model developed by Cronin & Taylor, (1992), was derived from the SERVQUAL model which involve five dimensions of Service quality, namely Reliability, Responsiveness, Assurance, Empathy and Tangibles. Service quality of banks on lending housing loans measured above five dimensions through questionnaire. Under these five dimensions there were twenty indicators.

A sample of 100 banks customers was drawn from the well-known five Commercial banks in Bandarawela secretary. The questionnaire developed for this study was based on a SERVPERF model that identified the influence of five dimensions. The collected data were analyzed by using Univariate analysis (descriptive measures).

The results indicate that Service quality of banks on lending housing loans is at moderate level. Among five service quality dimensions Reliability and Tangibles is at high level of service quality others at moderate level. Therefore it was known from the conclusion, lending housing loan practices in commercial banks have to upgrade their service delivery to satisfy the customers. Eventually this study recommends some actions that help to improve the service quality of the banking sector.

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