

**IMPACT OF PRODUCT RELATED STRATEGIES ON  
PROFITABILITY OF COMMERCIAL BANKS  
IN ANURADHAPURA DISTRICT**



**EMIL SURANGA RAJAPAKSHA**



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## ABSTRACT

A good banking sector with good banking habit can accelerate the pace of development of a country. In the organization perspective, banking industry consider the product related strategies for increase their effectiveness of organizational performance and profitability. When the banks consider these strategies they can increase the customer satisfaction and gain profitability. As such, this effort is to identify the impact of product related strategies on profitability in Commercial Banks.

The univariate Analysis was made to find out the Mean and Standard Deviation for the each and every variable. Cross Tabulation Analysis examining relationship between two categorical variables by cross tabulating its set of values with other variables. And also Anova test and t test was used to analyze difference between variables with product related strategies and profitability. Bivariate Analysis included the correlation and simple regression analysis, which were made to find out the relationship between each and every independent variable and the dependent variable separately.

In this survey three variables are addressed under the independent variable (Fee based strategies, Interest based strategies and Technology based strategies) and two variables discussed under the financial performance such as growth and business volume.

The empirical results obtained through this investigation provided several interesting points that necessitate further discussion. As was expected, given the widespread empirical support shown for this relationship in other contexts, a higher level of product related strategies were found to be positively correlated with profitability. The overall measure of product related strategies showed a significant, positive correlation with profitability. And also positively impact product related strategies on the profitability of Commercial banks.

The findings of this research study shall be important on the theoretical as well as on the practical level. The findings of this study were important to improve implementation of product related strategies to increase the profitability of commercial banking sector.

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