

**THE IMPACT OF MARKETING STRATEGIES ON FINANCIAL
PERFORMANCE OF COMMERCIAL BANKS IN SRI LANKA**



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ABSTRACT

Marketing strategies, in any form of business, is an integral part to the policies that determine the performance of that business. In this case, need to sell loans, accounts, and some banks insurance and even mortgages. The determinants of the financial performance are directly linked to marketing. Therefore, to make more profit, one needs to have very strategic marketing plans. The objective of this study is to determine the effects of marketing strategies on financial performance of Commercial Banks in Sri Lanka. The study was carried out in Kegalle district. The target population was the 25 Commercial Banks registered by the Central Bank of Sri Lanka. The top 10 Commercial Banks and 100 managers of that banks have been selected as the sample of the study. The researcher collected data using semi structured questionnaires. The quantitative data generated was analyzed with the help of Statistical Package for Social Sciences. (SPSS 19).

The study revealed that marketing has become a major function in the banking industry as a result of increased competition brought about by bank consolidation and reforms. The research revealed that the level of Marketing Strategies among Commercial Banks in the Kegalle District is moderate and there is a strong positive relationship between Marketing Strategies and Financial Performance in Commercial Banks. And also, this research revealed that the Marketing Strategies are positively and significantly impact on the Financial Performance of Commercial Banks in Sri Lanka in relation to the Product, Pricing, Place, Promotional, People, Process and Physical Evidence Strategies. This helps to conclude that the marketing strategies techniques must be adequately combined in order to bring about improved performance. For example, if a bank should engage in promotional activities without adequate knowledge of the market, the aim of marketing will be defeated. It was intended that the study would benefit various stakeholders in the banking industry in Sri Lanka and beyond; the government and especially the Ministry of Finance for making policy decision, contribute to the existing literature in the field of marketing and sales performance, the firms in the banking industry in formulating marketing strategies that improve their effectiveness at national and international levels.

Keywords: Marketing Strategies, Financial Performance, Commercial Banks

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