Comparative study on the service quality of Sanasa development bank and Regional development bank in Puttalam district

(A special reference to Puttalam district)

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ABSTRACT

Banking and financial services are a demand driven industry, which constitute an important part of the services industry. Many regulatory, structural and technological changes have taken place within the world banking industry, in line with the trend towards a more integrated global banking environment .The banking sector in Sri Lanka has been growing rapidly in the recent years. Services sector accounts 56.2% of Gross Domestic Product in Sri Lankan economy which is the highest in all sectors where as the financial services which includes banking industry contribute 9.7% to total Gross Domestic Product .Further in Sri Lanka, financial system of the country mainly depends on banking system because banking sector represents a share of 70.8% of total financial system of the economy. The rapidly changing and highly competitive environment which banks are forced to operate within are pushing them to rethink about their attitude towards optimization of service quality.

Conceptual framework of this research was built by looking at the dimensions of tangibility, reliability, assurance, responsiveness and empathy. Based on the convenience sampling technique 150 consumers were selected as the sample and the questionnaires were divided into two parts. The first part of the questionnaire is for the collection of the personal information about the person who fills the questionnaire. Personal information consists of customer's gender, age, income, marital status, education level and income. The second part is to get identifying service quality level provides to customers from SDB and RDB using those five variables of reliability, responsiveness, assurances, tangibility and empathy with five point Likert scale. The scope of the study was banking consumers of Sanasa Development Bank (SDB) and Regional Development Bank (RDB) situated in the Puttalam district, who have been dealing with those particular banks. Survey method used to gather primary data and it was developed on SERVQUAL model of service quality. The gathered data were analyzed using pie charts, bar chats and frequency table were used to present the demographic factors of customers. Frequency tables mean and standard deviation were used to summarize the level of perceived service quality and its dimensions. Independent sample t-test and ANOVA were used to evaluate for objectives formed in chapter one.

Independent sample t test showed that there is a significance difference of perceived service quality in terms of tangibility, reliability, assurance, empathy and overall service quality and there is no significance difference of service quality in terms of responsiveness between both Sanasa Development Bank (SDB) and Regional Development Bank (RDB) in Puttalam district. ANOVA showed that there is no difference among the consumer groups based on their demographic factors in terms of evaluation of service quality provided by both SDB and RDB.

CONTENTS

Certification.....I
Acknowledgement.....II
Abstract.....III-IV
List of tables.....V-VI
List of figures VII

CHAPTER ONE: INTRODUCTION

1.1 Introduction.....1
1.2 Banking industry in Sri Lanka.....2
1.3 Service quality of banking industry in Sri Lanka.....3
1.4 Importance of service quality.....4
1.5Problem statement.....5
1.6 Research questions.....6
1.7 Research objectives.....7
1.8 Significance of the study.....8
1.9 Scope of the research.....8
1.10 Overview of the research.....9

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction..... 10
2.2 Conceptual roots of service quality..... 10
2.2.1 Definition of service quality.....11
2.2.2 Service quality model..... 12
2.2.3 Service quality dimensions..... 13
2.2.4 SERVQUAL dimensions in relation to banking.....14-17
2.3 Chapter summery.....18

CHAPTER THREE: CONCEPTUALIZATION AND OPERATIONALIZATION

3.1 Introduction....19

3.2 Conceptualization....19

3.2.1 Definition of service quality....20

3.2.2 Tangibility....20

3.2.2.1 Modern equipment....20

3.2.2.2 Visually appealing....20

3.2.2.3 Neat and professional appearance....20

3.2.2.4 Visually appealing materials associated with the service....20

3.2.3 Reliability....20

3.2.3.1 Keep service promise....20

3.2.3.2 Dependability in handling customer service problems....21

3.2.3.3 Performing service right the first time....21

3.2.3.4 Keep promise as advertised....21

3.2.3.5 Maintaining error-free records....21

3.2.4 Responsiveness....21

3.2.4.1 Keeping customers informed when services will be performed.......21

3.2.4.2 Prompt services....21

3.2.4.3 Helpfulness of employees....21

3.2.4.4 Readiness to respond to customers request....22

3.2.5 Assurance....22

3.2.5.1 Employees who instill confidence in customers....22

3.2.5.2 Making customers feel safe in their transaction....22

3.2.5.3 Employees who are consistently courteous....22

3.2.5.4 Employees who have the knowledge to answer customer questions.22

3.2.6 Empathy....22

3.2.6.1 Individual attention.. 22
3.2.6.2 Employees who deal with customers in a caring fashion..................23
3.2.6.3 Having the customer's best interest at heart..23
3.2.6.4 Understand the needs..23
3.2.6.5 Convenient business hours...23
3.3 Operationalization...23-26
3.4 Chapter summery...26

CHAPTER FOUR: METHODOLOGY

4.1 Introduction.. 27
4.2 Population and sample..27
4.3 Time horizon...27
4.4 Unit of analysis...27
4.5 Method of data collection... 27
4.6 Method of data presentation and analysis...28
4.7 Chapter summery.. 29

CHAPTER FIVE: DATA PRESENTATION AND ANALYSIS

5.1 Introduction...30
5.2 Cronbach's alpha Reliability Test...30
5.3 Frequency distribution of personal characteristics of customers......... 31
5.3.1 Gender of the customers.. 31
5.3.2 Age of the customers.. 32
5.3.3 Education of the customers..33
5.3.4 Marital status of the customers..34
5.3.5 Income of the customers..35
5.4 Frequency distribution analysis of research information...........................36
5.4.1 Frequency distribution of tangibility of RDB.. 36
5.4.2 Frequency distribution of tangibility of SDB... 37

5.4.3 Average perception level of tangibility in both banks..........................38
5.4.4 Frequency distribution of reliability of RDB.......................................39
5.4.5 Frequency distribution of reliability of SDB..40
5.4.6 Average perception level of reliability in both bank...................41
5.4.7Frequency distribution of responsiveness of RDB............................. 42
5.4.8 Frequency distribution of responsiveness of SDB............................. 43
5.4.9 Average perception level of responsiveness in both bank............... 44
5.4.10 Frequency distribution of assurance of RDB......................................45
5.4.11 Frequency distribution of assurance of SDB...................................... 46
5.4.12 Average perception level of assurance in both banks....................47
5.4.13 Frequency distribution of empathy of RDB.......................................48
5.4.14 Frequency distribution of empathy of SDB.......................................49
5.4.15 Average perception level of empathy in both bank.....................50
5.5 t distribution..51
5.5.1 Normality distribution..51
5.5.1.1 Test of normality...51
5.5.1.2 Histogram.. 51
5.6 Comparer the service quality between demographic factors...................52
5.6.1 Gender and service quality of SDB and RDB...................................... 52
5.6.2 Age and service quality of SDB and RDB... 53
5.6.3 Education and service quality of SDB and RDB.................................. 54
5.6.4 Marital status and service quality of SDB and RDB............................ 55
5.6.5 Income and service quality of SDB and RDB...................................... 56
5.7 Hypothesis testing...57
5.7.1 Compare the tangibility of RDB and SDB... 57
5.7.2 Compare the reliability of RDB and SDB... 58
5.7.3 Compare the responsiveness of RDB and SDB......................................59

5.7.4 Compare the assurance of RDB and SDB..60
5.7.5 Compare the empathy of RDB and SDB.. 61
5.7.6 Compare the overall service quality of RDB and SDB........................62
5.8 Summery of the findings..62

CHAPTER SIX: DISCUSSIONS.

6.1 Introduction...63
6.2 Discussions on personal information...63
6.2.1 Gender of the customers.. 63
6.2.2 Age of the customers.. 63
6.2.3 Education of the customers.. 64
6.2.4 Marital status of the customers... 64
6.2.5 Income of the customers.. 64
6.3 Discussion Research Information... 65
6.3.1 Discussion on objective one and two..65
6.3.1.1 Level of agreement of tangibility.. 66
6.3.1.2 Level of agreement of reliability... 68
6.3.1.3 Level of agreement of responsiveness...................................... 70
6.3.1.4 Level of agreement of assurance... 72
6.3.1.5 Level of agreement of empathy... 74
6.4 Discussion of objective three and four,...76
6.5 Chapter summery... 77

CHAPTER SEVEN: CONCLUSION AND RECOMMENDATION

7.1 Introduction...78
7.2 Conclusion.. 78-80
7.3 Recommendation... 80-81
7.4 Chapter summery..81

References.....83-86

Appendix.....87-98