DISPARITY IN THE SERVICE QUALITY OF BANKING BETWEEN STATE BANKS AND PRIVATE BANKS IN AMPARA DISTRICT

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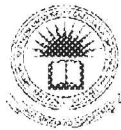
PATHTHINIGE KASNERU DULASHANI VIHANGA FERNANDO

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ABSTRACT

Banks are key players in financial market operations and play and important role in maintain a country economy. In today's highly competitive corporate environment, the quality of service is an essential factor in enhancing customer satisfaction and customer loyalty. These are important factors to improve performance of banks and determined their success. This study examined the Disparity in the service quality banking between state banks and private banks in Ampara District. Therefore main aim of the study is to evaluate the level of service quality banking between state and private banks in Ampara District.

A structured questionnaire was used as the method of data collection and the sample of this study selected as 200 customers in both state and private banks in Ampara District. Convenience sampling method used to make the sampling frame and quantitative research approach used for this study. Mainly researcher used frequency distribution, mean and standard deviation are used to measure the level of study and Independent sample t- test was used to test the hypothesis.

Findings indicate that, these five dimensions in service quality (trust, reliability, convenience, responsiveness and security) have significant different level between state banks and private banks in Ampara District. When considering the level of each dimensions of service quality, private banks' customers showed high level for reliability, convenience, and responsiveness where, state banks' customers showed moderate level. State banks' customers showed high level in service quality for trust & security and private bank's customers showed moderate level. According to that, both banks should be adopted quickly to new technology facilities to face competition successfully and they should be developed their responding skills to attract and retain the more customers.

Keywords: *Service Quality, Trust, Reliability, Convenience, Responsiveness, Security, Private Banks, State Banks*

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