

**THE IMPACT OF RELATIONSHIP MARKETING PRACTICES  
ON DEPOSIT MOBILIZATION OF COMMERCIAL BANKS IN  
BATTICALOA DISTRICT**



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## Abstract

Banking sector is one of the largest sectors dealing with individual customers directly and in fact the success and profitability of banks is also based on the number of customer base and their level of transactions. This study aims to investigate impact of relationship marketing (employee competence, customer focus and marketing communication) on deposit mobilization among the employees of commercial bank categories in Batticaloa district. This study is a descriptive in nature, data was obtained from employees of 119 commercial bank including managers, assistant managers, banking assistant and the other front line employees who dealt with customers (Peoples' bank, BOC, Sampath bank and Commercial Bank) in Batticaloa district branches under the stratified random sampling using structured questionnaire. The SPSS software has been used to tabulate and analyze the data. The descriptive statistics, correlation, and regression analysis were used to analyze the data. Results found that relationship marketing practices of commercial category bank employees in Batticaloa district are having high level of attribute toward relationship marketing and all relationship marketing practices were linearly correlated with customer satisfaction. Regression analysis found that, deposit mobilization variance was explained by 52.6% of the relationship marketing practices. In addition to the above, the study offers suggestions and recommendation to the banks to increase the deposit through adopting effective relationship marketing practices; since deposit money is the key working capital fund for financial organization. Further banks were earning profit through the interest income from the loans they lent. And also customers who maintaining long term relationship are the profitable customers rather than attracting new customers. The implication of this study recommends that the issue of job security that has bedeviled banking sector as a result of indiscriminate retrenchment must be looked into by the banks' helmsmen. This will lead to organisation commitment among the employees that seems to be lacking among the employees Banks. This will enhance the bank performance. Therefore, they demanding with respect to service recovery when failure points.

**Key words-** Relationship Marketing, Deposit mobilization, competence, customer focus, Marketing communication

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