

The impact of Relationship Marketing Practices on Customer Loyalty - Specific reference to Licensed Commercial Banks in Sri Lankan context.

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Abstract

The strong rivalry characterizing today's business environment has resulted to the building of stronger firm-customer relationships.. By building relationship with customers, an organization can also gain quality sources of marketing intelligence for better planning of marketing strategy. Although past studies provide knowledge regarding the nature and importance of banking relationships with a customer. Retaining the profitable customers has become increasingly difficult in a competitive environment where other financial institutions specialize in offering attractive services and prices to this lucrative segment. In the highly competitive, complex and dynamic environment of the banking industry, the very slight differences which exist in financial services and products together with an increasingly demanding customer have led to a great transformation in the industry. The traditional product-oriented bank is becoming increasingly customer-oriented in accordance with the basic principles of relational marketing, which focuses on customer loyalty as its main goal. Therefore, the examine the actual impact of the underpinnings of relationship marketing on customer loyalty. Conversely, in common with most service industries, customer loyalty is an important aspect of stability and growth within the banking sector because maintaining an existing customer provides several economical benefits. This research was carried out with the objective to identify the impact of relationship marketing on customer loyalty in commercial banks in Sri Lanka. Quantitative methodology has been applied and questionnaire was used to collect data from 600 household customers selected based on non-probability sampling method.

Keywords : Commercial bank, customer loyalty, marketing practice,