



INSTITUTE OF HUMAN RESOURCE ADVANCEMENT

University of Colombo

MASTER OF SCIENCE IN SERVICE MANAGEMENT

MSM 6600 - THESIS

**IMPACT OF INTERNET BANKING ON
CUSTOMER SATISFACTION: A CASE
STUDY OF SELECTED GOVERNMENT
COMMERCIAL BANK & PRIVATE
COMMERCIAL BANK**

**THIS THESIS IS SUBMITTED AS A PARTIAL FULFILMENT OF THE
MASTER OF SCIENCE IN SERVICE MANAGEMENT
IN THE
INSTITUTE OF HUMAN RESOURCE ADVANCEMENT
*University of Colombo***

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REGISTRAION NO : IHRA/MSc/SM/E/06/25
INDEX NO : MSM/E/513
DATE OF SUBMISSION :22.11.2022

ABSTRACT

In today's banking industry is become more and more competitive and as a result the net interest margins and fee-based incomes are diminishing. It is evidenced that an organization gains more from the loyal existing customers, as its frequency of using digital banking is more frequent, less cost and highly convenient for customers while handling their busy life schedules. And the customer experiences of digital banking in a bank is occur to attracting new customers and become existing customers loyalty. Thus, accomplishing customer satisfaction and retaining its clientele is becoming a major factor effecting customer satisfaction and customer loyalty enables banks to strategize accordingly, to gain competitive advantages over the other players in the banking industry.

There are many factors which impact the customer satisfaction in a significant way, under the literature review of the study the author studied four factors, which were security and trust, ease of use, value creation and environment and social concern. The main objective of this study was to investigate the factors affecting utilization of internet banking differ among government commercial banks and private commercial banks. In this study researcher selected ABC government commercial bank for instead of all government commercial bank in Sri Lanka and XYZ private commercial bank instead of all privet commercial banks in Sri Lanka. These two banks are in the top highest position in Flitch ratings of their banking categories and belongs highest customer base in Sri Lanka.

This is a descriptive research. In this research, the author applied sample survey technique which is known as questionnaire. 386 Gampaha district customers of ABC bank and XYZ banks have chosen for response of the survey. The sampling procedure of this research was non random sampling method.

The questionnaire consists of two main parts containing demographic factors and variables

exploring. The questionnaire has included 32 questions and 7 demographic questions and 25 questions regarding of five Likert scale. Questionnaire was analyzed using Statistical Package for the Social Scientists (SPSS) 22.0 for Windows. Further it was applied Mahalanobos distance statistic for dropping unnecessary outliers, using reliability analysis for explore the distribution of data, applied correlation analysis for correlation analysis for exploring the nature of variables, tested linear regression analysis and regression ANOVA for determined the significance of the variables and independent sample t test for tested strength of association between variables. After data analysis three hypothesis were confirmed and supported and one was rejected.

According to the results, the researcher identified “Environmental and social concern” is the most influencing factor on customer satisfaction and “Ease of use” is the least influencing factor among four utilization of internet banking dimensions. Furthermore, private commercial banks customers are more influenced than government commercial bank customers using internet banking as well.

Keywords- Customer Satisfaction, Security and Trust, Ease of Use, Value Creation, Environmental and Social Concern, Internet Banking

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