



Digital Banking Practices on Customer Satisfaction: A Study of Digital Banking Practices in Bank of Ceylon in Southern Province in Sri Lanka



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Abstract

This paper aims to investigate the impact of digital banking practices on customer satisfaction in the Bank of Ceylon (BOC) in Southern Province, Sri Lanka., due to the lack of empirical consensus in the causal ordering of either antecedent or mediating variables. Additionally, the literature provides mixed results for the effects of some antecedent and mediating variables on customer satisfaction. Such empirical disagreement points to a need for further research in some areas. The data were collected through a convenient sampling technique by distributing 150 structured questionnaires among BOC customers in Southern Province, Sri Lanka. Both multiple regression and factor analysis were performed to explore the impact of four independent variables on customer satisfaction and to explore the significance of digital banking dimensions. Data collected from the questionnaire was analysed quantitatively using hypotheses testing methods with Smart PLS software. Meanwhile, demographic data was analysed using SPSS

23.0 software. The results of the regression analysis indicated that all digital banking variables have a positive impact on customer satisfaction. Meanwhile, trust fully mediates the mediating variable of banking customers in Sri Lanka. Moreover, it suggested that the speed of transaction variable was the most significant digital variable, while the adaptability and the exterior atmospheric variable were the less significant variables towards patronage intentions. This study did not address the legal and security aspects of digital banking that will significantly impact customer satisfaction and the Trust of the customer. The study unveiled that the management of the Bank determines the most appropriate digital Banking strategy, thereby encouraging customers to access BOC as the most trustworthy bank, as well as adopt and afford to use digital banking as a more convenient and innovative channel for digital transactions.

Keywords: Customer Satisfaction, Bank of Ceylon, Digital Banking, Regression analysis, and Trust

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