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**How does service quality impact on customer satisfaction? A case with LOLC Finance PLC –
Sri Lanka**

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This research was conducted to find the impact on customer satisfaction when delivering a quality service by the staff of LOLC Finance PLC by measuring variables such as responsiveness, assurance, tangibility, empathy, and reliability. The objectives of the research were to find the willingness and the responsiveness of the staff to help the customers, to find out how knowledgeable and courteous the staff are in convincing and building trust among customers, to find out how the organizational appearance, personnel, and communication affects customers in decision making, to find out whether the customers gets personalised attention from the staff members, and to find out how reliable the staff are to deliver the promised service dependably and accurately. The report further elaborates on the background and the importance of carrying out such research. Under the literature review, theories related to service quality and perceived service quality were discussed, while looking at the similar studies done in different contexts relating to perceived service quality. The SERVQUAL model was identified as the analytical framework to measure service quality. Perceived service quality was identified as the dependent variable while responsiveness, assurance, tangibility, empathy and reliability was identified as the independent variables. A quantitative research project was conducted by adopting a positivist, deductive approach. A questionnaire was used as the data collection instrument and data was gathered from SME (small to medium enterprise) customers of Metro branches of LOLC Finance PLC. 154 responses were received from the selected sample. Data gathered were analysed using descriptive analysis, descriptive statistics, correlation analysis and regression analysis. It was revealed from the findings that assurance and tangibility was more significant than the other independent variables.

Keywords: service quality, customer expectations and perceptions, perceived service quality, SERVQUAL

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