

## SERVICE MARKETING MIX IN COMMERCIAL BANKS OF SRI LANKA

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### ABSTRACT

*Service Industry dominates other industries almost all over the World. Service industry includes finance, education, health and many other service industries. Financial services are important banking services. Different studies have different findings with respect to service marketing mix. Thus, this study aimed at knowing the factors of service marketing mix. This study collects data from 100 bank customers in two branches of bank of Ceylon in Batticaloa District. Data were collected from primary source i.e. questionnaire with 5 point - likert scale method. Results of the correlation values for service marketing mix elements such as product, place, promotion, price, people, process & physical evidence are 0.729, 0.663, 0.717, 0.681, 0.711, 0.491 and 0.666 respectively. These values explain higher strength of association between service marketing mix elements. Study concludes that 7 service marketing mix such as product, price, place, promotion, people, process and physical evidence was used for initial factor analysis that revealed a total variance of 44.989%. However, final factor analysis that was conducted using promotion, people and physical evidence that explained around 65%.*

**Keywords:** Commercial banks, Service marketing mix, Sri Lanka

### 1. INTRODUCTION

Kotler (2003) defined that service industries pay higher attention on service marketing mix. Service marketing mix focuses on the banking sector. Service marketing mix incorporates product, price, place, promotion, people, process, and physical evidence. Service Industry dominates other industries almost all over the World. Service industry includes finance, education, health and many more. Financial services include banking services. Banking services incorporates state banks and private banks. Of state banks, Bank of Ceylon occupies

predominant place than other banks. There are number of studies in banks and marketing mix. Ismail and Safrana (2015) found that the marketing mix such as product, price, place and promotion explain around 73% of variation on customer retention. Ismail and Velnampy (2014) found that product mix and distribution mix affect/ influences positively business performance. Ismail (2014) found that product mix of a variety of rice brands has relationship with sales maximization. Ismail (2014) found that there is influence of consumer promotional budget on sales in