

The Application of a Relationship Marketing Perspective in Public and Private Licensed Commercial Banks in Sri Lanka

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Abstract: During the past years, the traditional transaction approach to marketing has been challenged and relationship marketing is suggested as a better option. Relationship marketing has changed the focus of marketing to a new direction from short term orientation to a long term perspective. Because of the increasing competition, practitioners have again changed the business philosophy from relationship marketing to relationship marketing orientation to compete effectively giving to their customers a little bit higher than expected. In that manner, they found, branding as a powerful tool that can be used to differentiate their products and services from their competitors. Normally service organizations, especially the banking sectors are relationship oriented and mainly focus on customer retention and long term relationship with buyer-seller. Because of the high competition, organizations are seeking to have the relationship marketing as a competitive advantage perspective. In order to enjoy competitive advantage, organizations are concentrating on developing competencies that help firms to satisfy their customer wants and needs more effectively and efficiently than competitors. The general objectives of this research is to identify the impact of relationship marketing orientation (RMO) on brand equity and to examine the existing Relationship Marketing Orientation (RMO) in both public and private licensed commercial banks, Sri Lanka. A conceptual model has been developed to link RMO and brand equity. Questionnaire was used to collect data from 1000 household customers, that they have been selected from 100 licensed commercial banks that comprised of public and private based on non probability sampling method (quota sampling method). Multiple regression, one sample t-test and independent sample t-test has been used for the analysis. Findings revealed that there is a positive and significant impact of RMO on brand equity in Sri Lankan licensed commercial banks in Sri Lanka.

Keywords: Brand equity, Licensed Commercial Banks, Relationship Marketing, Relationship Marketing Orientation