

ABSTRACT

Business organizations operate in an unpredictable environment within constant changes in social, economic, technological, political and social spheres. This environment makes customer experience and expectation more complicated. Service quality is important to sustain and survive in the market. It is obvious that recent past rapid growth in modern trade and competition in the local supermarket sector is being raised while international chains are also entering Sri Lankan market. This situation made the customer more empowered person and without fulfilling his expectation, the supermarket cannot attract and retain customers.

The government established supermarket sector is also becoming popular in Sri Lanka. Although Lanka Sathosa has become a better serving entity, the organizations seems lack of not proper guidelines for effective service quality management. The culture within the organization seems not methodically concentrated to provide effective service. Clear evidence provided by the pilot survey for the existence of a service quality gap to be increased within Lanka Sathosa compete with the private sector.

The objectives of the study are to measure the present level of service quality and customers, satisfaction, explain the relationship between service quality and customer satisfaction and to suggest recommendations for raising service quality in the public sector modern trade in Colombo district. Defended variable identified as customer satisfaction and independent variable identified as service quality. Sub hypotheses were developed relationship between attributes of service quality and customer satisfaction.

The Mixed methodology has been used for this study. The population of the study was 2,309,809 in Colombo district and a sample of 384 customers was selected under the Non-Random Judgmental Sampling method. A structured questionnaire was designed and used to collect data from the selected sample whilst secondary data was collected through reliable websites, organization report and journal articles.

The research findings revealed that all developed hypotheses and showed a positive relationship between service quality and customer satisfaction. The service quality has a significant impact on customer satisfaction. Research findings indicate that Lanka Sathosa needs effective service quality management strategy. The findings recommended as effective service quality management: effective recruitment and training, standardize service throughout the organization and to ensure highest employee satisfaction in the organization.

Keywords: Service Quality, Customer Satisfaction, Tangibility, Reliability, Responsiveness, Assurance, Empathy