ENHANCING THE VALUE PROPOSITION OF PRIORITY BANKING IN SRI LANKA

I.K.S.S. NAWARATHNE
MS24015912

A THESIS
SUBMITTED TO
SRI LANKA INSTITUTE OF INFORMATION TECHNOLOGY
IN PARTIAL FULFILMENT OF THE REQUIREMENTS
FOR THE DEGREE OF
MASTER OF SCIENCE IN INFORMATION SYSTEMS

October 2025

I certify that I have read this thesis and that in my opinion it is fully adequate, in scope and in quality, as a thesis for the degree of Master of Science.

Mr. Sanjeeva Perera

Approved for MSc. Research Project:

____

MSc in IS Programme Co-ordinator, SLIIT

Approved for MSc:

____

Head of Graduate Studies, FoC, SLIIT

DECLARATION

This is to certify that the work is entirely my own and not of any other person, unless explicitly acknowledged (including citation of published and unpublished sources). The work has not previously been submitted in any form to the Sri Lanka Institute of Information Technology or to any other institution for assessment for any other purpose.

Sanduni Nawarathne

Date: 14th October 2025

ABSTRACT

Enhancing the Value Proposition of Priority Banking in Sri Lanka

Sanduni Nawarathne
MSc. in Information Systems
Supervisor: Mr. Sanjeeva Perera
October 2025

Priority banking has become a vital strategic focus for banks and financial institutions aiming to retain and grow affluent, high-net-worth client segments. In Sri Lanka, despite significant investments in branded premium offerings, evidence suggests that the actual value perceived by customers often falls short of expectations. Past studies highlight key issues, including a lack of personalization, insufficient digital integration, reactive relationship management, and limited lifestyle benefits. Customer feedback reinforces this gap, with many clients perceiving "priority" services as symbolic rather than substantive.

This research investigates how Sri Lankan banks can enhance the value proposition of their priority banking services by aligning more closely with evolving elite customer expectations. Using a mixed-method approach, the study integrates surveys and interviews with relationship managers and priority clients in certain states and private banks in Sri Lanka, supported by secondary data from reports and academic studies. Findings reveal that while customers value exclusivity and trust, true loyalty is undermined by generic service delivery and limited proactive engagement.

To address these gaps, this study proposes the **P.E.A.K. Model,** a strategic framework emphasizing *Personalization* (tailored financial and lifestyle solutions), *Experience Integration* (seamless digital-physical journeys), *Anticipation* (proactive, predictive engagement), and *Knowledge Empowerment* (financial literacy and advisory tools). The model underscores the importance of leveraging AI-driven personalization, omnichannel CRM, and well-trained relationship managers to create a more differentiated and meaningful client experience.

Keywords: Priority Banking, Affluent Clients, Priority Customers, Customer Loyalty, CRM, Personalization, P.E.A.K. Model, Sri Lanka

ACKNOWLEDGEMENT

While at the Sri Lanka Institute of Information Technology, I have been fortunate to receive guidance and encouragement from many individuals who contributed to the completion of this research. I wish to express my deepest gratitude to my supervisor, Mr. Sanjeeva Perera, whose mentorship, constructive feedback, and constant encouragement helped shape both my ideas and writing.

This project could not have been completed without the cooperation of various professionals and participants in the banking sector who generously shared their time and perspectives. Their willingness to provide honest feedback and insights greatly enriched my findings.

Finally, I would like to extend heartfelt thanks to my family and friends for their patience, encouragement, and unwavering support throughout this journey.

TABLE OF CONTENTS