



International Journal of Marketing and Technology

(ISSN: 2249-1058)

CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
<u>1</u>	Threshold effects in the relationship between oil revenues and growth in oil exporting countries. Mohsen Mehrara and Seyed Mohammad Hossein Sadr	<u>1-19</u>
<u>2</u>	Management of E-Waste- Black to Green. Dr. D. Sudharani Ravindran, Hari Sundar. G. Ram and M. Sathish	<u>20-33</u>
<u>3</u>	Customer Retention In Nationalised Banks In Erode of Tamilnadu. Dr. S. M. Venkatachalam and Ms. R. Anuradha	<u>34-67</u>
<u>4</u>	The Use of Visual Cues and Metaphors in Advertising. Vikram Kapoor	<u>68-84</u>
<u>5</u>	Library Administration Vs Management. J. B. Parmar and A. B. Parmar	<u>85-98</u>
<u>6</u>	Crisis Management. Dr. (Mrs.) A. Kumudha and Mr. K. Prabakar	<u>99-110</u>
<u>7</u>	Organizational Competency Management: A Competence Performance Approach. Dr. A. Kumuudha, K. Prabakar and Benny J. Godwin	<u>111-121</u>
<u>8</u>	Impact of Just-In-Time Production Towards Global Competitiveness Through Competency Management. Dr. A. Kumuudha, Benny J. Godwin and K. Prabakar	<u>122-133</u>
<u>9</u>	Data Mining Issues and Key to Success. Deep Mala Sihint	<u>134-149</u>
<u>10</u>	Synthesis of MCM-41 via different routes. Ranajyoti Das and Bharat Modhera	<u>150-171</u>
<u>11</u>	Green Marketing – A Bridge Between Consumerism And Conservation. Richa Arora and Nitin R. Mahankale	<u>172-184</u>
<u>12</u>	An Empirical Study On The Effect of Payment Mechanism For Purchasing Intention – The Moderating Effect of Consumer Involvement in Selected Product Categories in Vadodara. CS. Ashutosh A. Sandhe, Dr. Amit R. Pandya and DR. Abhijeet Chatterjee	<u>185-213</u>
<u>13</u>	A New approach to Sensor less vector control of induction motors. G. Srinivas and Dr. S. Tarakalyani	<u>214-228</u>
<u>14</u>	Eyes Bamboozling the Mind: Use of Optical Illusion in Advertising. Vikram Kapoor	<u>229-247</u>
<u>15</u>	Perception Of Employees Towards Performance Appraisal In Insurance Sector. Rita Goyal	<u>248-276</u>
<u>16</u>	Process Improvement of an Organization Enhancing Better Quality System – Applying TQM. Bhupender Singh, O. P. Mishra and Surender Singh	<u>277-289</u>

Chief Patron

Dr. JOSE G. VARGAS-HERNANDEZ

Member of the National System of Researchers, Mexico

Research professor at University Center of Economic and Managerial Sciences,

University of Guadalajara

Director of Mass Media at Ayuntamiento de Cd. Guzman

Ex. director of Centro de Capacitacion y Adiestramiento

Patron

Dr. Mohammad Reza Noruzi

PhD: Public Administration, Public Sector Policy Making Management,

Tarbiat Modarres University, Tehran, Iran

Faculty of Economics and Management, Tarbiat Modarres University, Tehran, Iran

Young Researchers' Club Member, Islamic Azad University, Bonab, Iran

Chief Advisors

Dr. NAGENDRA. S.

Senior Asst. Professor,

Department of MBA, Mangalore Institute of Technology and Engineering, Moodabidri

Dr. SUNIL KUMAR MISHRA

Associate Professor,

Dronacharya College of Engineering, Gurgaon, INDIA

Mr. GARRY TAN WEI HAN

Lecturer and Chairperson (Centre for Business and Management),

Department of Marketing, University Tunku Abdul Rahman, MALAYSIA

MS. R. KAVITHA

Assistant Professor,

Aloysius Institute of Management and Information, Mangalore, INDIA

Dr. A. JUSTIN DIRAVIAM

Assistant Professor,

Dept. of Computer Science and Engineering, Sardar Raja College of Engineering,

Alangulam Tirunelveli, TAMIL NADU, INDIA

Editorial Board

Dr. CRAIG E. REESE

Professor, School of Business, St. Thomas University, Miami Gardens

Dr. S. N. TAKALIKAR

Principal, St. Johns Institute of Engineering, PALGHAR (M.S.)

Dr. RAMPRATAP SINGH

Professor, Bangalore Institute of International Management, KARNATAKA

Dr. P. MALYADRI

Principal, Government Degree College, Osmania University, TANDUR

Dr. Y. LOKESWARA CHOUDARY

Asst. Professor Cum, SRM B-School, SRM University, CHENNAI

Prof. Dr. TEKI SURAYYA

Professor, Adikavi Nannaya University, ANDHRA PRADESH, INDIA

Dr. T. DULABABU

Principal, The Oxford College of Business Management, BANGALORE

Dr. A. ARUL LAWRENCE SELVAKUMAR

Professor, Adhiparasakthi Engineering College, MELMARAVATHUR, TN

Dr. S. D. SURYAWANSHI

Lecturer, College of Engineering Pune, SHIVAJINAGAR

Dr. S. KALIYAMOORTHY

Professor & Director, Alagappa Institute of Management, KARAIKUDI

Prof S. R. BADRINARAYAN

Sinhgad Institute for Management & Computer Applications, PUNE

Mr. GURSEL ILIPINAR

ESADE Business School, Department of Marketing, SPAIN

Mr. ZEESHAN AHMED

Software Research Eng, Department of Bioinformatics, GERMANY

Mr. SANJAY ASATI

Dept of ME, M. Patel Institute of Engg. & Tech., GONDIA(M.S.)

Mr. G. Y. KUDALE

N.M.D. College of Management and Research, GONDIA(M.S.)

Editorial Advisory Board

Dr. MANJIT DAS

Assistant Professor, Deptt. of Economics, M.C.College, ASSAM

Dr. ROLI PRADHAN

Maulana Azad National Institute of Technology, BHOPAL

Dr. N. KAVITHA

Assistant Professor, Department of Management, Mekelle University, ETHIOPIA

Prof C. M. MARAN

Assistant Professor (Senior), VIT Business School, TAMIL NADU

Dr. RAJIV KHOSLA

Associate Professor and Head, Chandigarh Business School, MOHALI

Dr. S. K. SINGH

Asst. Professor, R. D. Foundation Group of Institutions, MODINAGAR

Dr. (Mrs.) MANISHA N. PALIWAL

Associate Professor, Sinhgad Institute of Management, PUNE

Dr. (Mrs.) ARCHANA ARJUN GHATULE

Director, SPSPM, SKN Sinhgad Business School, MAHARASHTRA

Dr. NEELAM RANI DHANDA

Associate Professor, Department of Commerce, kuk, HARYANA

Dr. FARAH NAAZ GAURI

Associate Professor, Department of Commerce, Dr. Babasaheb Ambedkar Marathwada University, AURANGABAD

Prof. Dr. BADAR ALAM IQBAL

Associate Professor, Department of Commerce, Aligarh Muslim University, UP

Dr. CH. JAYASANKARAPRASAD

Assistant Professor, Dept. of Business Management, Krishna University, A. P., INDIA

Technical Advisors

Mr. Vishal Verma

Lecturer, Department of Computer Science, Ambala, INDIA

Mr. Ankit Jain

Department of Chemical Engineering, NIT Karnataka, Mangalore, INDIA

Associate Editors

Dr. SANJAY J. BHAYANI

Associate Professor, Department of Business Management, RAJKOT, INDIA

MOID UDDIN AHMAD

Assistant Professor, Jaipuria Institute of Management, NOIDA

Dr. SUNEEL ARORA

Assistant Professor, G D Goenka World Institute, Lancaster University, NEW DELHI

Mr. P. PRABHU

Assistant Professor, Alagappa University, KARAIKUDI

Mr. MANISH KUMAR

Assistant Professor, DBIT, Deptt. Of MBA, DEHRADUN

Mrs. BABITA VERMA

Assistant Professor, Bhilai Institute Of Technology, DURG

Ms. MONIKA BHATNAGAR

Assistant Professor, Technocrat Institute of Technology, BHOPAL

Ms. SUPRIYA RAHEJA

Assistant Professor, CSE Department of ITM University, GURGAON

Title

**CUSTOMER RETENTION IN NATIONALISED BANKS IN
ERODE OF TAMILNADU**

(WITH SPECIAL REFERENCE TO CURRENT ACCOUNT HOLDERS)

Author(s)

Dr. S.M.VENKATACHALAM

Principal,

Vidhya Arts and Science College

Ms. R.ANURADHA

Lecturer,

Vivekanandha College of Arts and Science

Abstract:

Problems related to customer services and customer satisfaction have been given high priority by even the high level of policy planners and this is one of the most important issues discussed at all levels. Based on these issues, it will be worth knowing to study the performance of Nationalized Banks in terms of their marketing strategies, its working technology, and user-friendly services to increase the market share by vis-a-vis image building.

1 INTRODUCTION:

India has got a well developed banking system. Most of the banks in India were founded by Indian entrepreneurs and visionaries in the pre-independence era to provide financial assistance to traders, agriculturists and budding Indian industrialists. Indian banks have played a significant role in the development of Indian economy by inculcating the habit of saving in Indians and by lending finance to Indian industry.

Banking means accepting for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise and withdrawable by cheques, draft, order or otherwise¹.

The commercial banking structure in India consists of: Scheduled Commercial Banks and Unscheduled Banks. Scheduled banks are those banks which are listed in the second schedule to the Reserve Bank of India Act, 1934. The Banks satisfying the following conditions are only included in the second schedule.

- a). that the Banks' paid up capital plus free reserves are not less than Rs.5.00 lakh, and
- b). that the affairs of the bank are not conducted to the detrimental interest of the depositors.

The Reserve Bank also has powers to de-schedule a bank, when the abovementioned conditions are not satisfied. Indian banks can be broadly classified into nationalized banks, public sector banks, private banks and foreign banks.

¹ Banking Regulation Act, 1949, Section 5(1)(b).

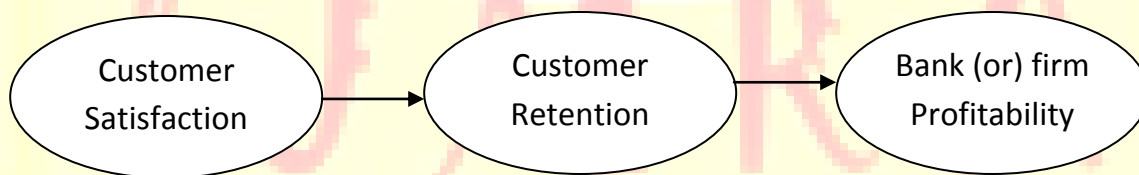
2. Nationalized Banks in India:

Banking System in India is dominated by nationalized banks. The nationalization of banks in India took place in 1969 by Mrs. Indira Gandhi the then prime minister of India. The major objective behind nationalization was to spread banking infrastructure in rural areas and make available cheap finance to Indian farmers. Fourteen banks were nationalized in 1969 each having deposits of more than Rs.50 crore. The fourteen banks are Central Bank of India, Bank of India, Punjab National Bank, Bank of Baroda, United Commercial Bank, Canara Bank, United Bank of India, Dena Bank, Syndicate Bank, Union Bank of India, Allahabad Bank, Indian Bank, Bank of Maharashtra, Indian Overseas Bank.

Before 1969, State Bank of India (SBI) was the only public sector bank in India. SBI was nationalized in 1955 under the SBI Act of 1955. The second phase of nationalization of Indian banks took place in the year 1980. Six more banks were nationalized viz., Andhra Bank, Punjab and Sind Bank, New Bank of India, Vijaya Bank, Corporation Bank, Oriental Bank of Commerce with deposits over 200 crores.

3. Customer Satisfaction Vs Customer Retention:

Sasser (1990)² describe the following model :



The above diagram clearly describes a bank's or firm's profitability should depend on the customer retention followed by customer satisfaction. A successful customer retention strategy for a company is to identify opportunities to meet the needs of the customer in a timely manner, i.e., to satisfy the customer needs. Customer retention is the effort carried out by a company to ensure that its customers do not switch over to the competitor products and services.

² Sasser, W., "Zero defections : "Quality comes to services", Harvard Business Review, September 1990, P.101-111.

4. OBJECTIVES OF THE STUDY:

1. To study the performance of banking services in general and particular to nationalized Banks.
2. To study the current account holders' awareness on various services offered by the nationalized Banks.
3. To analyse the factors influencing the current account holders of utilization of the services of nationalized Banks for retention.
4. To identify the major problems faced by the current account holders of nationalized banks in the study area.
5. To suggest better ways and means to improve the performance of the nationalized Banks.

5. METHODOLOGY

The validity of any research is based on the systematic method of data collection and analysis. Both primary and secondary data were used for the present study. The primary data was collected from eight hundred sample respondents from Erode District.

5.a CHI-SQUARE TEST

$$\chi^2 = \sum \frac{(O-E)^2}{E}$$

with Degree of Freedom (D.F.) = (c-1) (r-1) where,

O = Observed frequency, E = Expected frequency,

C = Number of Columns, r = Number of Rows.

5.b MULTIPLE REGRESSION ANALYSIS

The regression is a statistical relationship between two or more variables. When there are two or more independent variables, the analysis that describes such relationship is called as the

multiple regression. This analysis is adopted where there is one dependent variable that is presumed to be a function of two or more independent variables. In Multiple Regression, a linear composite of explanatory variables is formed in such a way that it has maximum correlation with an active criterion variable. The main objective for using this technique is to predict the variability of the dependent variable based on its co-variance with all the independent variables. It is useful to predict the level of dependent phenomenon through Multiple Regression Analysis model, if the levels of independent variables were given. The Linear Multiple Regression problem is to estimate coefficients $\beta_1, \beta_2, \dots, \beta_j$ and β_0 such that the expression,

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_j X_k$$

provides a good estimate of an individual Y score based on the X scores.

5.c MULTI DISCRIMINANT ANALYSIS

The model is represented as;

$$Z_i = \beta_0 + \beta_1 X_{i1} + \dots + \beta_j X_{ik}$$

where X_{ik} is the i^{th} individual's value of the k^{th} independent variable, β_j is the multiple discriminant coefficient of the k^{th} variable. Z_i is the i^{th} individual's multiple discriminant score.

5.d HENRY GARRETT RANKING TECHNIQUE

This technique was used to rank the problems faced by the customers in utilizing the services of Nationalized Banks. In this method, the respondents were asked to rank the given problem according to the magnitude of the problem. The order of merit given by the respondents was converted into ranks by using the following formula.

$$\text{Percentage Position} = \frac{100 (R_{ij} - 0.5)}{N_j}$$

The percentage position of each rank thus obtained is converted into scores by referring to the table given by Henry Garrett. Then, for each factor, the scores of individual respondents were added together and divided by the total number of respondents for whom the scores were added. These mean scores for all the factors were arranged in order of ranks and inference was drawn.

6. LIMITATIONS OF THE STUDY:

The study suffers from the following limitations:

1. Time is the major constraint in collecting the data from the respondents. Most of the respondents are afraid to reveal the data like annual turnover, type of organization etc. In case of doubt, a cross checking was made in order to avoid bogus or biased information.
2. The study confined only fourteen nationalized banks which are nationalized in 1969.
3. The market survey was conducted only in Erode of Tamil Nadu State. Hence, the results arrived from the study may or may not be applied to other states. Further, the survey method which was adopted for collecting the data in this study has its own limitations.

Hence, the generalization of the findings of the study is subject to these limitations.

7. REVIEW OF LITERATURE:

Srinivasan, K. L. (2000)³ in his thesis, “A Project on Housing Finance – How SBI can establish Leadership”, has concluded that simplification of the documentation process, careful and friendly approach systems and procedures good customer service and non insistence in collateral securities are the most important variables in the marketing of housing loan schemes by banks.

Rajeshkumar Sood (2003)⁴ in his article entitled, “Housing Loan Portfolio of ASCBS Growth Drivers Associated Risk and Mitigation strategies”, has concluded that banks should review the housing loan portfolio at periodical intervals for capturing new markets and to avoid risk in the housing loan schemes.

Hasanbanu, S., and Jeya Shree, U., (2006)⁵ in their study entitled, “A Comparative Study on Factors Influencing Housing Loan Borrowers of Public and Private Sector Banks in

³ Srinivasan, K.L., “A Project on Housing Finance - How SBI can establish leadership”, SBI, STC Perambur, 2000.

⁴ Rajeshkumar Sood, “Housing Loan Portfolio of ASCB – Growth Drivers Associated Risks and Mitigation Strategies”, IBA Bulletin, June 2003.

⁵ Hasanbanu, S., and Jeya Shree, U., “A Comparative Study on Factors influencing Housing Loan Borrowers of Public and Private Sector Banks in Uthampalayam Taluk”, IBA Bulletin, June 2006.

Uthampalayam Taluk”, has concluded that Banks need to introduce more dynamic and innovative housing loan schemes and also need to focus on mass customization versus mass market.

Neeru Maheswari (2005)⁶ in her study entitled, “A Framework for evaluating E-Business Models and Productivity Analysis for Banking Sector in India”, highlighted that banks can use the savings to increase their market share, attracting customers by paying higher interest rates on deposits or charging lower interest rates on loans.

Kamakura, W.A., Ramaswami, S.N., and Srivastava, R.K., (1991)⁷ in their article entitled, “Applying latent trait analysis in the evaluation of prospects for cross-selling of financial services”, opined that the customers’ financial-need priorities and resource availability vary at different stages of his lifecycle, and as such influence the quantity and it sequence in which financial products and services are acquired.

Naval Bajpai and Depak Srivastava (2003)⁸ in his study entitled “Role of Work Centrality in Indian Banks : A Comparative study in public and private sector banks”, stated that centrality of work can be sometimes interchangeably expressed as work commitment; work salience; critical life interest; work motivation. Since work-centrality is one of the important aspects of work culture, several factors seem to determine work centrality.

8. FACTORS INFLUENCING THE UTILIZATION THE BANKING SERVICE:

8.a CHI-SQUARE ANALYSIS

8.1 AGE GROUP AND LEVEL OF SATISFACTION TOWARDS SERVICES OFFERED BY THE BANK

S. No.	Age	No. of Respondents	%	Ave rage	Range		S.D
					Min	Max	

⁶ Neeru Maheswari, “A Framework for evaluating E-Business Models and Productivity Analysis for Banking Sector in India”, Birla Institute of Technology & Science, Pilani, Paradigm, Vol.IX, No.1, Jan-June 2005.

⁷ Kamakura, W.A., Ramaswami, S.N., and Srivastava, R.K., Applying latent trait analysis in the evaluation of prospects for cross-selling of financial services, International Journal of Research in Marketing, Vol.8(4), 1991, pp.329-349.

⁸ Naval Bajpai and Deepak Srivastava, “Role of Work Centrality in Indian Banks : A Comparative study in Public and Private Sector Banks”, ICFAI Journal of Organizational Behaviour, Vol.4, October 2003.

1.	Below 25 years	67	8.4	83.2	58.0	96.0	9.1
2.	26-40 years	414	51.8	86.1	63.0	105.0	8.5
3.	Above 40 years	319	39.9	90.6	62.0	105.0	10.3
	Total	800	100.0				

From the analysis, it is concluded that the above 40 years aged respondents have perceived the maximum level of satisfaction in utilizing the banking services offered by the commercial banks in the study area.

8.1.1 AGE GROUP AND LEVEL OF SATISFACTION TOWARDS

SERVICES OFFERED BY THE BANK (TWO-WAY TABLE)

S. No.	Age	Level of Satisfaction			Total
		Low	Medium	High	
1.	Below 25 years	24 (14.7)	24 (8.0)	19 (5.7)	67
2.	26-40 years	91 (55.8)	203 (67.4)	120 (35.7)	414
3.	Above 40 years	48 (29.4)	74 (24.6)	197 (58.6)	319
	Total	163	301	336	800

It is noted from the table that the percentage of high level of satisfaction towards banking services is at its highest (58.6) among the above 40 years aged respondents and the same is at its lowest (5.7) among the below 25 years aged respondents. On the other hand, the percentage of low level satisfaction towards banking services measures is at its highest (55.8) among the 26-40 years aged respondents and its lowest (14.7) is among the below 25 years aged respondents.

8.1.2 AGE GROUP AND LEVEL OF SATISFACTION TOWARDS SERVICES OFFERED BY THE BANK (CHI-SQUARE TEST)

Factor	Calculated Value	χ^2 Table Value	D.F	Remarks
Age	94.149	13.277	4	Significant at 1% level

From the analysis, it is concluded that there is close a relationship between age of the respondents and level of satisfaction towards services offered by the bank.

8.2 SEX AND LEVEL OF SATISFACTION TOWARDS SERVICES OFFERED BY THE BANK

S. No.	Gender	No. of Respondents	%	Average	Range		S.D
					Min	Max	
1.	Male	699	87.4	87.9	58.0	105.0	9.9
2.	Female	101	12.6	86.2	69.0	96.0	6.7
	Total	800	100.0				

From the analysis, it is concluded that the male respondents have perceived the maximum level of satisfaction in utilizing the banking services offered by the commercial banks in the study area.

8.2.1 SEX AND LEVEL OF SATISFACTION TOWARDS SERVICES

OFFERED BY THE BANK (TWO-WAY TABLE)

S. No.	Gender	Level of Satisfaction			Total
		Low	Medium	High	
1.	Male	148 (90.8)	243 (80.7)	308 (91.7)	699
2.	Female	15 (9.2)	58 (19.3)	28 (8.3)	101

	Total	163	301	336	800
--	--------------	------------	------------	------------	------------

It is observed from the table that the percentage of high level of satisfaction towards banking services is at its highest (91.7) among the male respondents and the same is at its lowest (8.3) among the female respondents. On the other hand, the percentage of low level of satisfaction towards banking services measures is at its highest (90.8) among the male respondents and its lowest (9.2) is among the female respondents.

8.2.2 SEX AND LEVEL OF SATISFACTION TOWARDS SERVICES OFFERED BY THE BANK (CHI-SQUARE TEST)

Factor	Calculated Value χ^2	Table Value	D.F	Remarks
Sex	19.386	9.210	2	Significant at 1% level

From the analysis, it is concluded that there is a close relationship between sex of the respondents and level of satisfaction towards services offered by the bank.

8.3 BUSINESS CHANNEL AND LEVEL OF SATISFACTION TOWARDS SERVICES OFFERED BY THE BANK

S. No.	Business Channel	No. of Respondents	%	Average	Range		S.D
					Min	Max	
1.	Wholesale	132	16.5	83.9	62.0	105.0	10.1
2.	Retail	203	25.4	84.6	58.0	101.0	7.9
3.	Both	465	58.1	90.1	64.0	105.0	9.4
	Total	800	100.0				

It is highlighted from Table the level of satisfaction perceived by the respondents who have wholesale business in utilizing the banking services offered by the commercial banks was ranged between 62 and 105 with an average of 83.9. The level of satisfaction perceived by the respondents who have retail business in utilizing the banking services by the commercial banks ranged between 58 and 101 with an average of 84.6. On the other hand, the level of satisfaction perceived by the respondents who have both wholesale and retail business in utilizing the banking services ranged 64 and 105 with an average of 90.1. From the analysis, it is concluded that the respondents who have both wholesale and retail business have perceived the maximum level of satisfaction in utilizing the banking services offered by the commercial banks in the study area.

8.3.1 BUSINESS CHANNEL AND LEVEL OF SATISFACTION TOWARDS SERVICES OFFERED BY THE BANK

(TWO-WAY TABLE)

S.No.	Business Channel	Level of Satisfaction			Total
		Low	Medium	High	
1.	Wholesale	38 (23.3)	61 (20.3)	33 (9.8)	132
2.	Retail	42 (25.8)	128 (42.5)	33 (9.8)	203
3.	Both	83 (50.9)	112 (37.2)	270 (80.4)	465
	Total	163	301	336	800

It is identified from the table the percentage of high level of satisfaction towards banking services is at its highest (80.4) among the respondents who are doing both wholesale and retail business and the same is at its lowest (9.8) among the respondents who are doing wholesale only. The percentage of medium level of satisfaction towards banking is at its highest (42.5) among

the respondents who are doing retail business only and its lowest (20.3) is among the respondents who are doing wholesale. On the other hand, the percentage of low level of satisfaction towards banking services measures is at its highest (50.9) among the respondents who are doing both wholesale and retail business and its lowest (23.3) is among the respondents who are doing wholesale business.

8.3.2 BUSINESS CHANNEL AND LEVEL OF SATISFACTION TOWARDS SERVICES OFFERED BY THE BANK

(CHI-SQUARE TEST)

Factor	Calculated χ^2 Value	Table Value	D.F	Remarks
Business Channel	135.868	13.277	4	Significant at 1% level

It is observed from the above table that the calculated chi-square value is greater than the table value and the result is significant at 1% level. Hence, the hypothesis, “Business channel of the respondents and level of satisfaction towards services offered by the bank are not associated”, does not hold good. From the analysis, it is concluded that there is a close relationship between Business channel of the respondents and level of satisfaction towards services offered by the bank.

8.4 ANNUAL TURNOVER AND LEVEL OF SATISFACTION TOWARDS SERVICES OFFERED BY THE BANK

S. No.	Annual Turnover	No. of Respondents	%	Ave rage	Range		S.D
					Min	Max	
1.	Below 10 lakhs	227	28.4	82.3	58.0	103.0	9.2
2.	10-20 lakhs	142	17.8	85.9	63.0	103.0	9.5
3.	21-30 lakhs	202	25.3	91.9	71.0	105.0	6.9
4.	Above 30 lakhs	229	28.6	90.4	67.0	104.0	9.4
	Total	800	100.0				

It is observed from Table the level of satisfaction perceived by the respondents who belongs to the range of below 10 lakhs of annual turnover in utilizing the banking services offered by the commercial banks was ranged between 58 and 103 with an average of 82.3. The level of satisfaction perceived by the respondents who belongs to the range of 10 to 20 lakhs of annual turnover in utilizing the banking services by the commercial banks ranged between 63 and 103 with an average of 85.9. The level of satisfaction perceived by the respondents who belongs to the range of 21 to 30 lakhs of annual turnover in utilizing the banking services by the commercial banks ranged between 71 and 105 with an average of 91.9. On the other hand, the level of satisfaction perceived by the respondents who belongs to the range of above 30 lakhs of annual turnover in utilizing the banking services ranged 67 and 104 with an average of 90.4. From the analysis, it is concluded that the respondents who belongs to the range of 21 to 30 lakhs of annual turnover have perceived the maximum level of satisfaction in utilizing the banking services offered by the commercial banks in the study area.

8.4.1 ANNUAL TURNOVER AND LEVEL OF SATISFACTION TOWARDS SERVICES OFFERED BY THE BANK

(TWO-WAY TABLE)

S.No.	Annual Turnover	Level of Satisfaction			Total
		Low	Medium	High	
1.	Below 10 lakhs	73 (44.8)	123 (40.9)	31 (9.2)	227
2.	10-20 lakhs	35 (21.5)	64 (21.3)	43 (12.8)	142
3.	21-30 lakhs	11 (6.7)	66 (21.9)	125 (37.2)	202
4.	Above 30 lakhs	44 (27.0)	48 (15.9)	137 (40.8)	229
	Total	163	301	336	800

It could be noted from the table the percentage of high level of satisfaction towards banking services is at its highest (40.8) among the respondents whose annual turnover is above 30 lakhs and the same is at its lowest (9.2) among the respondents whose annual turnover is below 10 lakhs. The percentage of medium level of satisfaction towards banking is at its highest (40.9) among the respondents whose annual turnover is below 10 lakhs and its lowest (21.3) is among the respondents whose annual turnover is in between of 10 to 20 lakhs. On the other hand, the percentage of low level of satisfaction towards banking services measures is at its highest (44.8) among the respondents whose annual turnover is below 10 lakhs and its lowest (6.7) is among the respondents whose annual turnover is in between of 21 to 30 lakhs.

8.4.2 ANNUAL TURNOVER AND LEVEL OF SATISFACTION TOWARDS SERVICES OFFERED BY THE BANK

(CHI-SQUARE TEST)

Factor	Calculated χ^2 Value	Table Value	D.F	Remarks
Annual Turnover	160.244	16.811	6	Significant at 1% level

It could be identified from the above table that the calculated chi-square value is greater than the table value and the result is significant at 1% level. Hence, the hypothesis, "Annual turnover of the respondents and level of satisfaction towards services offered by the bank are not associated", does not hold good. From the analysis, it is concluded that there is a close relationship between Annual turnover of the respondents and level of satisfaction towards services offered by the bank.

8.b PERCENTAGE ANALYSIS

8.5 TYPE OF BUSINESS

S.No.	Type of business	No. of Respondents	Percentage
1.	Textile	224	28.0

2.	Turmeric	99	12.4
3.	Oil	69	8.6
4.	Hotels & Restaurants	57	7.1
5.	Educational institution	42	5.3
6.	Automobiles	134	16.8
7.	Hardware sales & service	78	9.8
8.	Software development	15	1.9
9.	Others specify	82	10.3
	Total	800	100.0

It is identified from the above analysis that 28.0 percentage of the respondents are engaged in textile business, 12.4 percentage of the respondents are engaged in turmeric business, 8.6 percentage of the respondents are engaged in oil business, 7.1 percentage of the respondents are having hotels and restaurants business, 5.3 percentage of the respondents are running educational institution, 16.8 percentage of the respondents are having automobile shops, 9.8 percentage of the respondents are doing hardware sales and service, 1.9 percentage of the respondents are concentrated software development and 10.3 percentage of the respondents are doing some other business. It could be identified from the above analysis that majority of the respondents are engaged in textile business.

8.6 PERIOD OF AWARENESS

S.No.	Opinion	No. of Respondents	Percentage
1.	Below 10 years	276	34.5
2.	10-20 years	367	45.9
3.	Above 20 years	157	19.6
	Total	800	100.0

It is cleared from the above analysis that 34.5 percentage of the respondents aware about the nationalized banking service for below ten years, 45.9 percentage of the respondents aware about the nationalized banking service for ten to twenty years and remaining 19.6 percentage of the respondents aware about the nationalized banking service for above twenty years. It could be identified from the above analysis that majority of the respondents aware about the nationalized banking service for ten to twenty years.

8.7 RESPONDENTS OPINION TOWARDS FACILITIES OFFERED BY THE BANK

S.No.	Opinion	Weighted Score	Rank
1.	Parking facility	3191	IX
2.	Arrangements of seat	3304	IV
3.	Distance of bank from ground floor	3366	II
4.	Water facility	3282	V
5.	A/C and fan facility	3313	III
6.	Identification of processing of work	3031	XIII
7.	Building appearance	3264	VI
8.	Interior decoration	3263	VII
9.	Location of the bank	3259	VIII
10.	Availability of staff assistance	3158	XI
11.	Customer relation strategy	3158	X
12.	Provision of information	3078	XII
13.	Safety & security	3467	I

The above table reveals the facilities offered by the banks in the study area. It could be found from the analysis that the respondents are satisfied the facility “Safety and Security” which ranked first by the sample respondents and scored as 3467 points. It is followed by the second

and third facilities offered by the banks are “Distance of bank from ground floor” and “A/C and fan facility” which scored as 3366 and 3313 points. The respondents ranked as fourth and fifth facilities are “Arrangements of seat” and “Water facility” which scored as 3304 and 3282 points. Further the sixth and seventh rank are occupied by the factors “Building appearance” and “Interior decoration” which scored as 3264 and 3263 points. The facilities “Location of the bank”, “Parking facility” and “Customer relation strategy” are ranked as eighth, ninth and tenth respectively by the selected sample respondents which scored as 3259, 3191 and 3158 points. The factors “Availability of staff assistance” and “Provision of information” are ranked as eleventh and twelfth position which scored as 3158 and 3078 points. Finally, the respondents opined the factor “Identification of processing of work” which scored as 3031 points. It is found from the analysis that the facilities are “Safety and Security” and “Distance of bank from ground floor” occupied as top ranks and “Identification of processing of work” got last rank.

8.c I.HENRY GARRETT RANKING TECHNIQUE

8.8 REASONS FOR SELECTING THE SERVICES

OFFERED BY THE PARTICULAR BANK

S.No.	Reasons	Total score	Mean score	Rank
1.	Fast and Better service	40633	50.8	V
2.	Bank image	53189	66.5	I
3.	Easy Accessibility	43999	55.0	III
4.	Hi-Tech service	35056	43.8	VII
5.	Facilities i.e OD and CC	36165	45.2	VI
6.	Nearness of us	44751	55.9	II
7.	Convenient timing	31935	39.9	IX
8.	Safety & security	42910	53.6	IV
9.	Friendly staff	32203	40.3	VIII

It could be observed that the current account holders who are maintaining their current account in this particular bank for the reason of “Bank image” with Garrett score of 53189 points were recorded for bank. It is followed by the second and third rank occupied by the reasons “Nearness of them” and “Easy Accessibility” with Garrett scored as 44751 and 43999 points. The fourth and fifth reasons are “Safety & security” and “Fast and better service” with Garrett scored as 42910 and 40633 points. The sixth and seventh reasons are “OD and CC facilities” and “Hi-tech service” with Garrett scored as 36165 and 35056 points. The eighth and ninth problems are “Friendly staff” and “Convenient timing” with Garrett scored as 32203 and 31935 points. From this analysis, it is inferred that the current account holders who preferred nationalized banks by the major reasons are “Bank image” and “Nearness of them”.

8.c .II PROBLEMS FACED BY THE RESPONDENTS

The common problems faced by the selected sample respondents in the study area was studied. For purpose of this study, the problems such as Charges are high, Minimum balance is high, Interest rates are high, Poor service, Inconvenient timing, Processing time is long, Accessibility problem, Staff negligence are chosen. Henry Garrett ranking method was employed to ascertain the ranking of the problems. The details are furnished in the following table no. 5.45.

8.9 PROBLEMS FACED BY THE RESPONDENTS

S.No.	Problems	Total Score	Mean score	Rank
1.	Charges are high	6860	54.0	III
2.	Minimum balance is high	6351	50.0	VII
3.	Interest rates are high	6737	53.0	V
4.	Poor service	7709	60.7	I
5.	Inconvenient timing	6685	52.6	VI
6.	Processing time is long	6825	53.7	IV
7.	Accessibility problem	5995	47.2	VIII
8.	Staff negligence	7575	59.6	II

It could be observed from the above table that the problem “Poor service” was ranked first by the respondents with a Garrett score of 7709 points. It is followed by the problem of “Staff negligence” with the Garrett score of 7575 points. The problem “Charges are high” and “Processing time is long” was ranked in the third and fourth place with a Garrett score of 6860 and 6825 points. The respondents faced the fifth and sixth problems are “Interest rates are high” and “Inconvenient timing” with the Garrett score of 6737 and 6685 points. The respondents faced the seventh and eighth problems “Minimum balance is high” and “Accessibility problem” with the Garrett score of 6351 and 5995 points. From the analysis it is inferred that poor service and staff negligence are the prime issues highlighted by the respondents.

8.d MULTIPLE REGRESSION ANALYSIS

In order to measure the interdependence of independent factors and their level of satisfaction towards services, the results were subjected to multiple regression analysis. The results of multiple regression analysis are shown in below table.

8.10 MULTIPLE REGRESSION ANALYSIS

Sl. No.	Variables	Un-standardized coefficients		Standardized coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	1.091	0.120		9.086	
1	Age	0.097	0.024	0.119	4.029	1%
2	Sex	0.073	0.033	0.100	2.243	5%
3	Educational Qualification	0.077	0.028	0.076	2.782	1%
4	Business Channel	0.085	0.028	0.089	3.050	1%
5	Annual Turnover	0.327	0.023	0.556	13.996	1%
6	Business Experience	-0.032	0.022	-0.060	-1.458	NS

7	Type of organization	-0.070	0.027	-0.085	-2.592	1%
8	Level of awareness	-0.013	0.013	-0.029	-1.030	NS
9	Period of using	-0.066	0.054	-0.036	-1.222	NS

R-Value	R ² Value	Degree of freedom – V ₁	Degree of freedom – V ₂	F Value	Significance
0.946	0.894	9	790	743.558	1% Level

* Significant at 5% Level

** Significant at 1% Level

Thus from the above analysis the following observation could be made. The level of satisfaction towards services offered by the nationalized banks is positively associated with their Age, Sex, Educational qualification, Business channel, Annual turnover, and Business experience, Type of organization and Level of awareness in the study area.

8.e DISCRIMINANT FUNCTION ANALYSIS

I. GROUP MEANS (BETWEEN LOW & HIGH USER GROUPS)

S. No.	Factor	LOW		HIGH		TOTAL	
		Mean	SD	Mean	SD	Mean	SD
1	Age	1.615	0.768	2.409	0.796	2.114	0.867
2	Sex	2.462	0.877	2.091	0.868	2.229	0.877
3	Educational Qualification	2.538	1.854	4.000	1.345	3.457	1.686
4	Business Channel	2.538	0.877	1.864	0.889	2.114	0.932
5	Annual Turnover	1.692	0.480	1.909	0.684	1.829	0.618
6	Business Experience	1.846	0.689	1.864	0.351	1.857	0.494
7	Type of organization	1.231	0.439	1.591	0.503	1.457	0.505

8	Level of awareness	3.615	0.768	4.000	0.816	3.857	0.810
9	Period of using	1.462	0.519	1.773	0.429	1.657	0.482

The overall step wise D.F.A. results after all significant discriminators have been included in the estimation of discriminated function is given in the following table.

II. SUMMARY TABLE BETWEEN LOW USER AND HIGH USER GROUPS

<i>Step</i>	<i>Variable entered</i>	<i>Wilk's lambda</i>	<i>Minimum D²</i>	<i>Significance</i>
1.	Age	0.798	1.620	*
2.	Annual turnover	0.693	1.742	*
3.	Business experience	0.603	1.789	*

* *Significant at 1% level*

** *Significant at 5% level*

The summary table indicates that the variable age entered in step 1, Annual turnover entered in step 2 and variable business experience entered in the step 3. The variables age, occupation and Income are significant at 1% level. All the variables are significant discriminator's based on their Wilk's Lambda and D² value. The multivariate aspect of the model is given in the following table.

III. CANONICAL DISCRIMINANT FUNCTION

(BETWEEN LOW USER AND HIGH USER GROUPS)

<i>Canonical correlation</i>	<i>Wilks Lambda</i>	<i>Chi-square</i>	<i>D.F.</i>	<i>Sig</i>
0.743	0.713	18.267	3	Significant at 1% level

The canonical correlation is 0.743 when squared is 0.552 that is 55% of the variance in the discriminant group can be accounted for by this model, Wilk's Lambda and chi-square value suggest that D.F. is significant at 5% level.

The variables given above are identified finally by the D.F.A. as the eligible discriminating variables. Based on the selected variables the corresponding D.F. coefficients are calculated. They are given in the following table.

IV. DISCRIMINANT FUNCTION COEFFICIENTS

(BETWEEN LOW USER AND HIGH USER GROUPS)

Age	0.799
Annual Turnover	0.381
Business Experience	-0.651
Constant	-1.832

$$\begin{aligned}
 Z &= -1.832 \\
 &+ 0.799 \quad (\text{Age}) \\
 &+ 0.381 \quad (\text{Annual turnover}) \\
 &- 0.651 \quad (\text{Business experience})
 \end{aligned}$$

V. RELATIVE DISCRIMINATING INDEX

(BETWEEN LOW USER AND HIGH USER GROUPS)

	<i>Group 1 Mean X₁</i>	<i>Group 2 Mean X₂</i>	<i>Unstandardized dic. Coeff. (kj)</i>	<i>I_j = ABS (K_j) Mean (X_{jo} - x_{ji})</i>	<i>R_j = I_j / sum I_j *100</i>
Age	1.615	2.409	0.794	0.395	75.19

Annual Turnover	1.692	1.909	0.217	0.121	22.96
Business Experience	1.846	1.864	0.018	0.010	1.85
Total				0.526	100.0

VI. CLASSIFICATION RESULTS

(BETWEEN LOW LEVEL AND HIGH LEVEL GROUP)

<i>Actual group</i>	<i>No. of cases</i>	<i>Predicted group membership</i>	
		<i>Group I</i>	<i>Group II</i>
Group I (Low level)	358	247 69.0%	111 31.0%
Group 2 (High level)	442	139 31.4%	303 68.6%

Percent of grouped cases correctly classified : 74.1%.

The above table gives the results of the reclassification. The function, using the variables selected in the analysis classified 74.1% of the cases correctly in the respective groups.

It is found from the Discriminate Function Analysis was applied to the respondents based on the low user and high user. The following factors significantly discriminate the two user groups. They are

1. Age (at 1% level)
2. Annual turnover (at 1% level)
3. Business experience (at 1% level)

9. SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION:

9.1 FINDINGS

From the analysis the researcher found the following findings :-

- ❖ It's find that above 40 years respondents have perceived the maximum level (58.6) of satisfaction in utilizing the bank services and chi-square are prescribed close relationship between age of respondents and level of satisfaction towards serviced offered by the bank.
- ❖ Maximum level of satisfaction (87.9) is perceived by the male respondents for utilizing the banking services and chi-square also concluded close relationship between sex of respondents and level of satisfaction.
- ❖ Mostly both wholesalers and retail business persons are highly satisfied (80.4) in utilizing banking services and chi-square are concluded that close relationship between business channel and level of satisfaction towards service offered by the nationalized banks.
- ❖ Annual turnover range 21 – 30 are maximum level of satisfaction (71) in utilizing the banking services and chi- square is given the close relationship between annual turnover of the respondents and level of satisfaction towards services offered by the nationalized banks.
- ❖ It informed that most of the respondents (28 %) are engaged in textile business and it is found that five to ten no. of employees are working in companies.
- ❖ It identified that majority of respondents (5.9%) are aware about the nationalized banking service for ten to twenty years and it informs that most of the respondents (53.6%) are says that the bank maintaining its branch office at various places. It's find that most of the respondents (58.7 %) are says bank have run maximum two branches.
- ❖ It's found that majority of the respondents (75.8%) opinioned that they can easily open a current account in the bank and it is found that most of the respondents (38.7%) are in opinion that they faced problem of need to produce more document while opening a current account in bank.

- ❖ It is found from the analysis that the facilities are “Safety and Security” and “Distance of bank from ground floor” occupied as top ranks and “Identification of processing of work” got last rank.
- ❖ It could be identified from the analysis majority of the respondents are utilizing the services Cheque book facility and fast cheque clearance service.
- ❖ It's informed that the current account holders who preferred the nationalized banks by major reason and also get first two ranks are “Bank image” and “Nearness of them”
- ❖ It's clearly indicated that poor service and staff negligence are prime issues highlighted by the respondents and get first two ranks in problems faced by them.
- ❖ The regression analysis stated that the level of satisfaction towards service offered by the bank is positively associated with their Age, sex, Educational qualification, Business channel, Annual turnover, Business experience, type of organization and Level of awareness mostly related in that area.
- ❖ Discriminant function analysis classified the variables as 74.1% from the selected cases correctly in the respective groups. It's found from Discriminant function analysis applied to the respondents based on the low user and high user. The following factors significantly discriminate the two user groups.
 - Age (at 1% level)
 - Annual Turnover (at 1% level)
 - Business experience (at 1% level)

9.2 **SUGGESTIONS:**

- ❖ Bank will reduce the interest rate for Overdrafts facilities to their clients and it will be more helpful for business activities.
- ❖ Nationalized banks reduces the interest rates in all loan for accessing the more clients and also more helpful to the customers.

- ❖ Bank will change the working timings for the satisfaction of the customers and the service of the bank is very helpful for them.
- ❖ Nationalized banks introduced more schemes like pass sheets by mail, SMS services etc., and it will be more helpful for growth and competing the private banks.
- ❖ Bank should allocate long service process in short form; this is more useful and also attracts the retaining customer in an easy manner.
- ❖ Bank should provide more training to their employees for the purpose of customer relationship for retaining the customers.
- ❖ It is recommended to the bank that they provide loan for current account holders with minimum formalities and it will increase the satisfactory level among the account holders.
- ❖ All nationalized banks follow the same procedure in opening an account and all other services.
- ❖ Bank will provide comfortable parking place to their customer and it will reach customer satisfaction in an effective manner.
- ❖ Bank should change the suitable location in cities for saving the timing of the customers.
- ❖ Bank should arrange meetings between staff members and customers in regular intervals and it will be more useful to collect their difficulties of customers and change the services of the bank in future.
- ❖ Bank should update the recent technology, then only it can compete the private and foreign bank in the modern globalization era

9.3 **CONCLUSION:**

Customers are the valuable asset for service organization particularly in banking sector, customer retention is a strategy to keep the bank on their customers through better services and to retain their revenue contribution, it will prevent the customers from their competitors. Customer retention is achieved only through effective services and schemes. This study state that

most of the customers are satisfied with bank image, safety and security procedures, cheque book facilities, staff negligence and processing time are the prime issues highlighted by customer is mostly dissatisfied and also lack of guidance about new schemes and services.

In the global competitive era, most of the foreign bank and private banks introduce new innovative schemes and services for retaining their customer's and also to attract new customers. So, nationalized bank must create the new retention strategies and new schemes and services for retaining their own customers, training programmes provide better service to their employees, nationalized bank are used advanced technologies for introduce new innovative strategy and techniques in their services to minimize the gap between staff's and customers for providing better services to retain them. So, bank has to provide the services in an effective and efficient manner. The services of the bank will retrieve the customers to reach their highest peak of their goal.

BIBLIOGRAPHY:

BOOKS

- Gordon, Natrajan, Banking Theory : Law and Practice, Himalaya Publishing House, 20th Revised Edition, New Delhi, 2002.
- Varshney, P.N., Banking Law Practice, Sultan Chand and Sons, New Delhi, Nineteenth Thoroughly Revised Edition, 2003
- Sundharam, K.P.M., and Sundharam, E.R., Modern Banking, Sultan Chand and Sons, New Delhi, 12th Edition, 2000.
- Malhotra, D., Electronic Banking and Information Technology in banks, Sultan Chand and Sons, 1st Edition, New Delhi, 2000.
- Parameswaran, R., and Natarajan, S., Indian Banking, Sultan Chand and Sons, New Delhi, 1st Edition, 2002.
- Jha, S.M., Services Marketing, Himalaya Publishing Company, Mumbai, 1998.
- Ravishankar, Services Marketing : Indian Experiences, South Asia Publication, 1998, New Delhi.

MAGAZINES AND JOURNALS

- Adarsh and D.P.Goyal, “The Effect of Information and Communication Technology on the Efficiency of Banking Industry in India”, Vol.12, Institute of Management Technology, Ghaziabad, 2006.
- Alfred E Kuehan (1962) “Repeat buying”. New York, American Elsevier Publisher Coy, Inc 1962.
- Amat Taap Manshor, Mukesh Kumar, Fong Tat Kee, Ali Khatibi, “Globalisation and service Quality”, M-Infiniti Journal of Management – Vol.2, Issue 1, Sep 07.
- Amutha, R., and Vijaya Banu, C., “Service quality in banking with special ref to ICICI Bank”. Asia-Pacific Business Review, Vol.111, No. 2, July-December 2007.
- Bhattacharya, B.N., and Ghose, B.K., “Marketing of Banking Services in the 1990s : Problems and Perspectives”, Economic and Political Weekly, Feb.25, 1989.
- Bleeke, Joel, A., “Deregulation: Riding the Rapids,” Business Horizons, May-June 1983, P.19.
- Deepall Singh, “Consumer Behaviour & Banking Retail Products an Analysis”, Banking Finance, May 2001.
- Dhruv Kumar Phitkariwala, “Cheque Truncation : An Innovative Way to Improve Customer Service in Banks, VINIMAYA, Vol.XXVII, April-June, 2006.
- Dilip Kumar Chanda, “Universal Banking in India Retrospect and Prospect”, Finance India, Vol. XXII, No. 3, September 2008.
- Ganti Subrahmanyam, “Banking in Search of Better Prospects”, VINIMAYA, Vol.XXII, April-June 2001.
- Ghosy Roy, D., “Team Work in Bank Branch Management”, VINIMAYA, Vol.XIX, Oct-Dec, 1998.
- Tapan K. Panda, “Creating customer life time value”, Journal Services Research, Vol. 2, No. 2, October 2002 – March 2003.

- Wichman, William, J. "A Packaged Goods Approach to Marketing", Bank Marketing, February, 1988, pp.16-18.

WEBSITES

- www.canarabank.in
- www.centralbankofindia.co.in
- www.bankofbaroda.com
- www.unitedbankofindia.com
- www.unionbankofindia.com
- www.bankofmaharashtra.in
- www.denabank.com
- www.ucobank.com
- www.allahabadbank.com
- www.iob.com
- www.pnbindia.com
- www.syndicatebank.in
- www.indian-bank.com
- www.bankofindia.com
- www.citeseer.com