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COMPARATIVE ANALYSIS OF BANKERS' AND CUSTOMERS' PERCEPTION TOWARDS THE MARKETING OF BANKING SERVICES

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ARTICLE INFO	ABSTRACT
	The famous saying "Customer is the King" is the mantra for the modern bankers. It is order of the day for the bankers to develop new marketing strategies, such as deposits, loans, services, promotion, people and procedure strategies, in order to retain the customers. Hence, there was a need to measure these new marketing strategies to enhance the marketing of banking services. An attempt had made by the researcher to explore the views of bankers and customers about the marketing of banking services.

INTRODUCTION

At present, all service sectors are having intense competition. Banking sector has no exception. To win the competition in the market and make a place in the minds of customers, modern banks come forward with new marketing strategies according to the needs and wants of the customers. New Marketing strategies comprise deposits, credit schemes, services, promotion, people and procedure. These marketing strategies have intensified the marketing of banking services. The researcher has made an attempt to analyse the various marketing of banking services with the prospect of bankers and customers.

Review of Literature

Primal Vyas (2000), in his article "Measurement of Customer Satisfaction: A Study of Banking Service", attempted to study empirically, customers satisfaction from the services provided by different banks and also to analyze the response of customers towards the actual time taken by banks to complete the banking transactions.

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The findings of the study revealed that nationalized banks and co-operative banks need to improve on reducing the overall time taken to complete banking transactions comparatively the private and foreign sector banks taken much lesser time for completing their transactions. Nationalized banks and co-operative banks need to increase the use of information technology and CRM to deliver standard customer-specific banking services to its target customers. Hephzibah Priyadarshini (2002), in her study "A Comparative Study on Services Rendered by Traditional Banks (SBI) and New Generation Banks (NGB'S) in the Modern Banking –With Special reference to Coimbatore City", has concluded that adoptability of new technology will improve banking transaction and thereby improving customer service in banks. Archana Mathur (2003) in her article, "Customer Service in Public Sector Bank – A Comparative Study", revealed that customers face the problems of delayed service, lack of proper guidance and discrimination by the bank staff. She suggested the automation to reduce delay in the offering of the service. Savitha (2004) in her study, "Customer Perception Towards Service Quality in Commercial Banks" – A Study in Erode District" has suggested that high rating has been found with a higher percentage of the customers of Private Sector Banks when compared to that of Public Sector Banks.

Therefore Public Sector Banks should improve their service quality by providing better services. Vijaya Ratnam and Suguna Kumari (2005) in their article "Customer Service in Commercial Banks in the New Era" comes to the conclusion that to ensure their competitive edge in future, they have to fight with rivals in terms of quality of their service. The challenges that lie before the bankers are four fold. First, they need to satisfy customer needs that are complex and difficult to manage. Second, they need to face up to increased competition from within the sector and from new entrants coming into the financial sector market. Third, they need to address the demands based in supply chain. Finally, they must continually invent new products and services to attract and retain the customer.

Mittal and Pachauri (2013) in their study on promotional tools and techniques adopted for retail banking compared the public sector banks and private sector banks. Their finding is that the perception of customers with regard to the type of promotional tools and the techniques adopted significantly vary between public sector and private sector banks. Sujatha S. And Arumugam N. (2013) in their study "Customer satisfaction in Indian banking sector" view that before introducing various services to customers, banks should take care of their needs. To serve customers with different occupations and educational backgrounds banks should adopt strategies. There is a correlation between the satisfaction of the customer and the performance of the banks. So it is important for banks to consider satisfaction of the customer as a relationshipmarketing strategy. Gokilamani, and Natarajan (2014) in their study opine that customers of Indian commercial banks are positively responding to retail banking. It is important for banks to focus on service quality for strengthening their competitive edge and to allocate the limited resources to serve the personal banking division. They further views that the success of a retail bank will depend on product innovation, technological developments and strategies to retain the retail customers. The foregoing analysis of the available literature of the researches carried out by various scholars clearly shows that there is a research gap for the present study. None of the studies had made an effort to compare the view of bankers and customers towards the marketing of banking services. This research gap is filled up by the researcher through this study.

Scope of the Study

The study has been undertaken to highlight the perception of customers towards the banking services of public sector banks. The present study covers the public sector operating in the study area. The foreign banks and the co-operative banks are not covered by this study.

Objectives of the Study

The following are the major objectives of the study:

- To compare the perception of the bankers and customers towards the marketing of banking services provided by public sector banks
- To offer suitable suggestions on the basis of the findings of the present study.

Hypothesis

The following is the hypothesis framed for the present study keeping in mind the specific objectives of the study:

There is no significant association between the observation of bankers and customers about the each service of public sector banks.

Methodology and Tools for Data Collection

The study is a blend of both primary and secondary data. The primary data relating to the study were collected with the help of the specially prepared interview schedule. Separate schedules were used for the employees and the customers.

Sampling technique

The study area selected for this research work is Virudhunagar District. Of the different public sector banks operating in the study area, only the State Bank of India and Indian Overseas Bank were selected purposely for the present study since SBI happens to be the biggest commercial bank in the country and Indian Overseas Bank is lead bank in the study area. Moreover, these two banks are found to be having more branches covering almost all places of the study area. All the branches of these two banks were selected using Census method. However, the stratified random sampling technique was used to select the employees of the branches as shown in the Table 1. These altogether 500 employees were selected using stratified random sampling at the rate of 250 from each bank. The researcher had selected 500 sample customers, 250 customers from each bank by adopting judgement sampling method for the study in order to ascertain the perception of customers towards various banking services.

Table 1. Total Employees and Sample Design

Type of Employees	SBI		IOB	
	Total Number of Employees	Sample Selected	Total Number of Employees	Sample Selected
Top-level Manager	48	36	68	48
Middle Level – Officer	112	83	136	95
Lower level – Clerks	176	131	153	107
Total	336	250	357	250

Table 2. Product strategy – deposit schemes - rank

Sl.No.	Components	Rank			
		SBI		Customer	
		Banker	Customer	Banker	Customer
1.	Current Account	4	3	4	3
2.	Savings Bank	2	2	2	2
3.	Fixed Deposit	1	1	1	1
4.	Recurring Deposit	3	4	3	4
5.	Daily Savings Scheme	5	5	5	5
6.	Marriage/Educational Plan	7	8	7	8
7.	Housing Deposit Schemes	6	6	6	6
8.	Minors Savings Schemes	8	7	8	7
9.	Stock Invest	9	9	9	9
10.	Other Deposit Scheme	10	10	10	10

Source: Computed data.

Secondary data

The secondary data were collected from Journals, Books, Reports, RBI Bulletins, Indian Overseas Bank's Annual Credit Plan and reports and articles from Indian Banker's Association Bulletin.

Collection of Primary data

The data required for this study had obtained from primary and secondary sources.

Primary data were collected through personal interview method with a pre-tested schedule. Interviews schedule was prepared for customers. The selected customers were contacted in person and the objectives of the study were clearly explained to them and their co-operation was secured.

Period of Study

The primary data for the study were collected during the period 2016-2017.

Tools of Analysis

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The processing of data was done by the researcher with the help of a computer. In order to quantify the qualitative statements relating to banking services, scoring technique was adopted for the present study. To examine the significant difference in views of employees and customers towards banking services, t-test was employed. Spearman's Rank Correlation coefficient was used to find the relationship between the observations of the employees and customers about different components of services.

COMPARATIVE ANALYSIS

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This study deals with analysis of relationship between the observation of the bankers and customers on various elements of the marketing of banking services using Spearman' Rank Correlation Co-efficient and 't' test. In order to compute the extent of association between the two sets of ranking, Spearman's Rank Correlation coefficient has been computed using the following formula:

$$r_s = 1 - \frac{6\sum d^2}{n(n^2 - 1)}$$

Where,

r_s = Rank Correlation coefficient
d = Difference in ranks assigned to the different components by bankers and customers
n = Number of paired items

Product Strategy – Deposit Schemes

The scoring pattern of each component of deposit schemes have been calculated from the interview schedule. Based on the scores, ranks have been allotted. The ranks secured by each component are given in Table 2. From the Table 2 it has been observed that in order to determine the extent of association between the two sets of ranking, Spearman Rank Correlation Coefficient has been computed. In case of SBI, the computed 'r_s' value 0.9859 indicates that there is a high degree of correlation between the observation of the bankers and customers about the deposit scheme. In case of IOB, the computed 'r_s' value of 0.9734 indicates that there is a high degree of correlation between the observation of the bankers and customers about the deposit scheme.

Hypothesis

In order to test the relationship between the observations of bankers and the customers about deposits scheme, the null hypothesis is framed:

"There is no relationship between the observations of bankers and customers about the deposit schemes". To test the above null hypothesis, 't' test has also been employed and the computed results are given in Table 3. It is clearly evident from the Table 3 that calculated 't' value is greater than the Table value. Hence, the null hypothesis is rejected. Therefore, it could be inferred that the relationship between the observation of bankers and customers is significant for both the banks

Credit Scheme

From the aggregate scores secured by each component of the credit scheme, ranks have been allotted for each component for the bankers and the customers. The ranks secured by the components of the credit schemes are shown in Table 4. The degree of association between the observation of the bankers and customers about the credit schemes have been determined by computing Spearman Rank Correlation coefficient.

Table 3. Deposit scheme – 't' test

Groups	SBI				IOB		
	't'	Table 't' Value at 5% level	Inference	't'	Table 't' Value at 5% level	Inference	
Bankers and Customers	12.610	2.306	Significant	10.120	2.306	Significant	

Source: Computed data.

Table 5. Credit schemes – 'T' test

Groups	SBI			IOB		
	't'	Table 't' Value at 5% level	Inference	't'	Table 't' Value at 5% level	Inference
Bankers and Customers	4.910	2.306	Significant	4.240	2.306	Significant

Source: Computed data.

Table 6. Services – Rank

Sl.No.	Components	Rank			
		SBI		IOB	
		Banker	Customer	Banker	Customer
1.	Collection of negotiable instruments	1	1	1	1
2.	Carrying out standing instruction	4	3	4	3
3.	Safe deposit lockers	3	2	3	2
4.	Collection of dividend interest etc.	6	4	6	4
5.	Remittance of funds	2	5	2	5
6.	Credit cards	5	6	5	6
7.	Travellers Cheques	8	7	8	7
8.	Gift Cheques	9	10	9	10
9.	Port folio management	7	8	7	8
10.	Acting as trustee executor and administrator	10	9	10	9

Source: Computed data.

With regard to SBI, it is found from the 'r_s' value 0.8769 that, the views of the bankers and customers about the credit scheme have high degree of correlation. In case of IOB, it is found from the 'r_s' value of 0.8678 that the views of the bankers and customers about the credit scheme have high degree of correlation. With a view to test the relationship between the observations of bankers and customers, the null hypothesis is formulated :

Hypothesis

In order to examine the null hypothesis that "There is no significant relationship between the views of the bankers and customers about the credit schemes", 't' test has been applied. The computed results are given in Table 5. Since the calculated value is greater than the table value at 5 per cent level, the established hypothesis has been rejected. Hence, it is inferred that there is a significant relationship between the views of the bankers and customers about the credit schemes in case of SBI as well as IOB.

In case of IOB, it is inferred from the 'r_s' value of 0.8798 that the views of bankers and customers about the banking services have high degree of correlation.

Hypothesis

With a view to test the null hypothesis, namely "There is no significant relationship of observation between bankers and customers about the services", 't' test has been applied and the computed results are shown in Table 7. In case of SBI, as the calculated value of 't' is greater than the table value, the null hypothesis is rejected.

Hence there is significant relationship of observation between bankers and customers about the services. In case of IOB, it has been inferred from the Table 7 that the calculated value of 't' is greater than the table value. So the hypothesis is rejected. Thus, the observations of the bankers and customers about the bankers' services are significant relationship.

Table 7. Bank services – 't' test

Groups	SBI			IOB		
	't'	Table 't' Value at 5% level	Inference	't'	Table 't' Value at 5% level	Inference
Bankers and Customers	5.210	2.306	Significant	6.207	2.306	Significant

Source: Computed data.

Table 8. Promotion strategy – rank

Sl.No.	Components	Rank			
		SBI		IOB	
		Banker	Customer	Banker	Customer
1.	Personal canvassing	1	1	1	1
2.	Mass media advertisements	3	3	3	2
3.	Distribution of booklets and pamphlets	5	5	5	5
4.	Customers' meet	2	2	2	3
5.	Awareness Camp for potential customers	4	4	4	4

Source: Computed data.

Table 9. Promotion Strategy – 't' test

Groups	SBI			IOB		
	't'	Table 't' Value at 5% level	Inference	't'	Table 't' Value at 5% level	Inference
Bankers and Customers	3.580	3.182	Significant	4.810	3.182	Significant

Source: Computed data.

Table 10. Procedure strategy – rank

Sl.No.	Components	Rank			
		SBI		IOB	
		Banker	Customer	Banker	Customer
1.	Mechanisation of operations	1	1	1	1
2.	Appointing more staff to reduce delay in operations	3	4	3	4
3.	Simplifying the procedures	2	2	2	2
4.	Changing the banking hours	5	5	5	5
5.	Operating more extension counters	4	3	4	3

Source: Computed data.

Services

Based on the aggregate scores of each component, ranks have been allotted to the various services for the bankers and customers. The details of them are given in Table 6. Table 6 shows the degree of association between the observations of bankers and customers. The various services of the banks have been studied by computing Spearman's Rank Correlation coefficient. In case of SBI, it is inferred from the 'r_s' value 0.8691 that the views of bankers and customers about the banking services go in the same direction.

Promotion Strategy

The scores of the components of promotion strategy have been obtained and based on the scores, the components have been ranked and are presented in Table 8. Table 8 reveals the extent of association between the observation of the bankers and customers towards the promotion mix of the marketing strategy has also calculated using 'Spearman's Rank Correlation coefficient. The computed 'r_s' value of 0.92 indicates that the observations of the bankers and customers about the promotion strategy are highly strong relationship

with respect to SBI. In case of IOB, the computed 'T_s' value of 0.9024 indicates that the observations of the bankers and customers about the promotion strategy are also highly strong relationship.

Hypothesis

In order to test the relationship between the observations of bankers and customers about promotion strategy, the following null hypothesis is framed : "There is no significant association between bankers and customers about promotion strategy". 't' test is applied and the computed results are shown in Table 9
In case of SBI, it is clearly evident from the Table 9 that since the calculated 't' value is greater than the Table value, the hypothesis is rejected. So, it could be inferred that there is an association between the observation of the banker and customer about the promotion strategy. In case of IOB, it has been observed from the table 9 that the calculated 't' value is greater than the table value. Hence, the hypothesis is rejected. Therefore, it is inferred that there is an association between the observation of the banker and customer about the promotion strategy.

Hypothesis

In order to examine the relationship of observation between the bankers and customers about the procedure strategy of banks, the following null hypothesis is formulated. "There is no significant relationship between the views of the bankers and customers about the procedure strategy of banks". To test the above hypothesis, 't' test has been applied and the computed results are given in Table 11. It is evident from the Table 11 that the calculated 't' value is greater than the table value. Therefore, the hypothesis is rejected. Hence it could be inferred that there is an association between the views of the bankers and customers about the procedure strategy for SBI. Table 11 reveals that the calculated 't' value is greater than the table value. Hence, the hypothesis is rejected. Therefore, it is inferred that there is an association between the views of the bankers and customers about the procedure strategy for IOB.

People Strategy

The components of people strategy of banks along with their scores have been computed and ranks have been allotted, based on the aggregate score of each component.

Table 11. Procedure strategy – 't' test

Groups	SBI			IOB		
	't'	Table 't' Value at 5% level	Inference	't'	Table 't' Value at 5% level	Inference
Bankers and Customers	3.380	3.182	Significant	5.820	3.182	Significant

Source: Computed data.

Table 12. People strategy – rank

Sl.No.	Components	Rank			
		SBI		IOB	
		Banker	Customer	Banker	Customer
1.	Customer attention irrespective customer status	3	1	3	1
2.	Well trained in bank operations	4	4	4	4
3.	Promptness in rendering	1	3	1	3
4.	Kindness and courtesy	2	2	2	2
5.	Good interpersonal communication	5	7	5	7
6.	Discipline among bank employees	6	5	6	5
7.	Proper guidance as to all services of the bank	8	8	8	8
8.	Personal relations and involvement of bank employees with customers	7	6	7	6

Source: Computed data.

Table 13. People strategy – 't' test

Groups	SBI			IOB		
	't'	Table 't' Value at 5% level	Inference	't'	Table 't' Value at 5% level	Inference
Bankers and Customers	3.704	2.447	Significant	3.004	2.447	Significant

Source: Computed data.

Procedure Strategy

The scoring pattern of the component of the procedure has been calculated and based on the scores the components have been ranked. Table 10 shows the ranks obtained by the components of the procedure strategy for SBI. In order to study the extent of association between the observation of bankers and customers, Spearman's Rank Correlation coefficient has been calculated. It is found from the table the 'T_s' value 0.91 that there is high association between the observation of bankers and customers regarding the procedure strategy. Table 10 also shows the ranks obtained by the components of the procedure strategy for IOB. In order to study the extent of association between the observation of bankers and customers, Spearman's Rank Correlation coefficient has been calculated. It is found from the table the 'T_s' value 0.9014 that there is strong association between the observation of bankers and customers regarding the procedure strategy.

The rankings are shown in Table 12. Table 12 infers the relationship between the observations of the bankers and customers, by applying Spearman's Rank Correlation coefficient for SBI. It is understood from 'T_s' value of 0.8441 that there is a positive relationship between the observation of bankers and customers about the services of banks. Table 12 also infers the relationship between the observations of the bankers and customers, by applying Spearman's Rank Correlation coefficient for IOB. It is understood from 'T_s' value 0.8363 that the high perfect relationship exists between observation of bankers and customers about the services of banks.

Hypothesis

For finding out the relationship between the observation of the bankers and customers about the people strategy, the following null hypothesis is formulated.

"There is no significant relationship between the observation of the bankers and customers about the people strategy". To test the above hypothesis, 't' test has been employed. The computed results are given in Table 13. In case of SBI, Table 13 shows that the calculated 't' value is greater than the table value. So, the hypothesis is rejected. It could be inferred that there is significant relationship between the observations of the bankers and customers. It is clearly evident from the Table 13 that the calculated 't' value is greater than the table value. Hence, the hypothesis is rejected. It indicates that the relationship between the observations of the bankers and customers is significant with respect to IOB.

Conclusion

In this study, the relationship between the observation of the bankers and customers about the marketing strategy has been tested using Spearman's Rank Correlation Coefficient and 't' test. It has been found that there is perfect association with respect to all elements such as deposit, credit, service, promotion, procedure and people strategies.

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