



Implementation of Competitive Intelligence System Using Customer Preference as a Market Research Tool With Special Reference to Top Rated Five Nationalized Indian Banks

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ABSTRACT

The research paper is prior in indicating the positive outcomes for the firms in adopting a competitive intelligence system and forming strategy, for attaining competitive advantage by acquiring and implementing those strategies to compete with the competitors successfully covering aspects of DIFFERENTIATION STRATEGY, INNOVATIVE STRATEGY, LEADERSHIP STRATEGY, AND OPERATIONAL EFFECTIVENESS STRATEGY. The paper investigates competitive strategy formulation for banking firms and institutions producing various added valued banking products and service for sustaining in the market as a MARKET LEADER in the competitive business landscape. The paper also helps to identify the current level of competition among the top rated ten nationalized banks of India which compete with each other. It also analyzes the efforts taken by these banks to satisfy the customers by a systematic formulation of strong strategies. The researcher also suggests in general to all the banking firms to be competitive intelligent by an appropriate setup of an competitive intelligence system

KEYWORDS : competitive intelligence system, strategy, competitor analyses, customer Preference, Indian nationalized banks

INTRODUCTION:

Marketing philosophy in any context refers to the " need satisfaction of customers more than what they expect in this present competitive era, thus the basic concept is to identify the customer need and produce products and service to compete with heavy competition existing in the industry .Survival of an organization depends on the strong strategies formulated to defend its competitors and with stand in the market as a market leader. Globalization has paved way for the banking institutions to attract the customers using new innovative technology and perform easy banking better than their competitors. Technological advancement in the banking land scape has helped to market the banking products to the customers in an easy way rather than following the traditional time consuming methods. Customers have defined what they expect and have thrown open challenges to the banking community, thus it is the prime duty of the banks to be a watchdog and grab the opportunities to scale the pinnacles of success. The hypothetical market structure says that 40 % of the market is in the hands of market leaders, 30 % of the market in hands of market challengers, 20% of the market in hands of market followers and remaining 20% in hands of market nichers. Thus a competitive intelligence system is important to create a positive remark in the banking industry.

COMPETITIVE INTELLIGENCE

Competitive intelligence is a process of marketing research and strategic analysis that ultimately seeks to provide companies with valuable analyzed information to formulate strong strategies. Competitive intelligence is the process of collection of data- analysis of data-and distribution of the data to the top management for an effective formulation of strong strategies and perfect business decision. The in-depth essence of this concept is to understand the competitor's position, take precautions to compete with the competitors. Competitive intelligence has become a necessity for the firms to improve its product and services based on the latest market expectations and new competitor strategies.

KOTLER WORDS "POOR FIRMS IGNORE THEIR COMPETITORS; AVERAGE FIRMS COPY THEIR COMPETITORS; WINNING FIRMS LEAD THEIR COMPETITORS. Thus competitive intelligence is vital for every organization and every industry in which it suits in.

BENEFITS OF COMPETITIVE INTELLIGENCE SYSTEM

- Decision making becomes easy in today's dynamic business landscape and throws light on the market opportunities.
- Helps the firm to deliver added values to its customers by re-structuring the existing one and also helps to understand the warning signs of the competitors
- Close touch with the external environment to gather an array of information in multidimensional view to build sustained competitive advantage.

CUSTOMER SATISFACTION IN BANKING INDUSTRY

Customer satisfaction in the field of banking has become prime importance due to large competition in the banking industry. Customer satisfaction in the banking industry is an impact of service quality, transaction cost and pricing of banking products, timely service, technological advancement, friendly relationship, convenience, and information freely accessibility.

CONSUMER PREFERENCE

Consumer preferences are defined as the subjective (individual) tastes, as measured by utility, of various bundles of goods. They permit the consumer to rank these bundles of goods according to the levels of utility they give the consumer. Note that preferences are independent of income and prices. Ability to purchase goods does not determine a consumer's likes or dislikes

REVIEW OF LITERATURE:

The ISO 1002 (2004) indicates that satisfaction is the extent to which the requirements of the customers have been met where (ISO 9000 2005) requirements means stated needs or expectations whether implied or Obligatory. According to Oliva et al (1992) satisfaction is whereby the service provider meets the expectations and norms of customers. This view is shared by Anderson et al (1994). Westbrook and Oliver, (1991) postulate that satisfaction is when a consumer cognitively compares actual performance with expected performance.

FACTORS INFLUENCING CUSTOMER PREFERENCE

The 15 different factors that could influence customer preference in selecting a particular bank are (1) Safety of Deposits, (2) Size and Strength, (3) Accuracy, (4) General Service Quality, (5) Speed of Delivery, (6) Proximity, (7) Security of Environment, (8) Cordiality of Staff, (9) Price and Service Charges, (10) Product Packaging, (11) General Public Impression, (12) Peer Group Impression, (13) Face Lift (Structural), (14) Friendship with Staff and (15) Advertisement and Publicity.

OBJECTIVES OF THE STUDY

- To study the competitive intelligence system using customer preference as a market research tool with special reference to top rated five nationalized Indian banks
- To analyse consumer's preference towards the top rated five public sector banks in India and determine the factors influencing them to choose a particular bank
- To determine the level of competition among the top five PSB and to agree on the various pros and cons existing in each bank
- To put forward competitive intelligence system to the banking industry

STATEMENT OF THE PROBLEM

A Customer satisfaction is an ambiguous abstract concept which is given prime importance in the industry in order to sustain in the mar-

ket as "LEADER". Satisfaction is a crucial concern for all the industries including banks being the major service provider and mobilization of financial resource. The efficiency of banking sector depends upon how best it can deliver services to its customer's not just products and service but added values to defend its competitors. In the present day, in India, in order to survive in the banking industry, banks are required to continually improve the quality of services and form strong strategies to compete in the competitive banking landscape. In this study an attempt is made to evaluate customer preference which leads to Customer's satisfaction towards banking products and services among the top five rated PSB in India and suggest the banks to use competitive intelligence system as a tool to set strong strategies to be a market leader.

RESEARCH METHODOLOGY
METHODS OF DATA COLLECTION

Interview scheduling method was adopted to collect data from the respondents

SAMPLE SIZE

Totally 100 respondents have been interviewed and the data have been collected.

SOURCE OF DATA

Data was obtained from both primary and secondary sources

RESEARCH DESIGN

Research design is an exploratory research design based on a survey of the concerning literature.

SAMPLE AREA

Sample was taken from the city of Chennai

TOOLS USED

Simple percentage analysis

LIMITATIONS OF THE STUDY

- The survey has been conducted only taking 100 respondents as sample size
- The accuracy of the findings of study depends upon the correctness of the responses provided by the respondents.
- Unwillingness of some respondents to provide information is another limitation.
- Only the top rated five PSB has been considered for the study

Top 5 PSBs with the highest Net Profit per Employee

NAME OF THE BANK	NP per employee	YTD returns
BANK OF BARODA	1039417.28	-44.63
IDBI BANK	1,228,297.05	-46.33
CORPORATION BANK	901,857.37	-41.84
INDIAN BANK	837,909.91	-65.24
ANDHRA BANK	780,205.29	-51.23

FINDINGS, SUGGESTIONS AND CONCLUSION

MAJOR FINDINGS

1. It is observed that 36% of the respondents belong to age group of 28- 40
2. It is observed that 56% of the respondents are male & 44% of the

respondents are female.

3. It is observed that all the 53% of the respondents prefer Andhra Bank
4. It is observed that 66% of the respondents prefer Andhra Bank due to its timely service to the customers.
5. It is observed that 35% of the respondents are businessmen, 5 % belong to housewife category, 18 % belong to professionals, 19% are students and 6% belong to other category.
6. It is observed that out of 38 respondents have preferred Indian Bank for its wide range of product schemes and prompt ATM facilities in and around the cities.
7. It is observed that Indian Bank is preferred by most of the senior citizen
8. It is observed that most preferred banks by students is Andhra Bank
9. It is observed that out the urban and the agriculturist prefer the corporation banks due to its simple transactions.
10. It is observed that corporation bank is not preferred by business class people.
11. It is observed that out of 50 of the respondents belonging to business class prefer IDBI for its industrial credit facilities.
12. It is observed that most of the women respondents prefer Andhra Bank for its customer friendly move.
13. It is observed that Loans and Advances are easily approachable in Bank of Baroda when compared with other banks.
14. It is observed that 42 % of the respondents have stated that the technical defaults with regard to ATM are comparatively more in Bank of Baroda when compared with other three banks and customers suggest increasing the ATM centres.
15. AB Jeevan Abhaya -Savings Bank Account launched by Andhra bank in association with M/s LIC of India, provides Group Life Insurance Cover with Accident Death Benefit is well preferred by the customers

SUGGESTIONS

From the above study it is clear that the most preferred Bank is Andhra bank by majority of the respondents, Andhra bank can still make efforts to exist in the top position where other banks have to take efforts to rectify the lacking services. Channel innovation, multi-channel banking, Wide range of products and services, keeping timely delivery commitments, responding to enquiry and adequate amenities are the most expected needs from majority of the customers which must be rectified to keep them satisfied.

CONCLUSION

Though each of the above listed top five PSB are performing well with various schemes and products for the benefit of its customers they still have some lacking factors which must be rectified. Banks being put on a competitive edge has to take great efforts to leverage vast information about its competitors' in order to achieve strategic competitive advantage. Competitive intelligence system being a simple tool to gain various information about competitors can be made the best use to make wonders and form better strategic decisions. Marketing is all about attracting customers and retaining them where customer preference is the strongest tool to know what they really require, thus institutions working in service industry must gather information and rectify the lacking services and provide the best to the customers.

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