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# BANK LOCATIONAL SPREAD – A REVIEW

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**ABSTRACT** The location of a service provider and the channels adopted to meet the target customers are the two decisions involved in service marketing management. These decisions have pointed relevance to services, as very often they cannot be stored and have to be performed and consumed at the same point. The place of service provider is also important as the environment at which the service is delivered and how it is delivered is part of the perceived values of the service. The study observes that there is positive relationship between number of branches and population in the specific area. The analysis reveals that there is a negative relationship between population and number of villages in a specified block. It can be said that the population is not evenly spread in villages in the selected blocks. It can be safely concluded that branch expansion in the study area depends on the population and total area of the blocks. Lesser preference is given for the variables such as number of industries, villages and cropping area.

**KEYWORDS** : Spread, Cropped Area, Blocks

## INTRODUCTION

The location of a service provider and the channels adopted to meet the target customers are the two decisions involved in service marketing management. These decisions have pointed relevance to services, as very often they cannot be stored and have to be performed and consumed at the same point. The place of service provider is also important as the environment at which the service is delivered and how it is delivered is part of the perceived values of the service.

It is difficult to generalize the place strategies as there is diversity in the nature of services. This issue involves considering the various factors like nature of contract between the service provider and the customer and the decision whether the service organization needs single or multi-site location. The service providers should seek to develop appropriate service delivery approaches that yield competitive advantages.

### Geographical demarcation of the branches

The geographical demarcation of branches in the Dindigul district is studied. The data relating to number of branches, population served per branch, villages served, area covered, industries covered and cropped area are analyzed with tools such as correlation and regression analysis.

The correlation coefficient for branches similarly correlation coefficient are computed for villages, area, cropping area and industry. In these cases the value of 'r' ranges between (-1) and (+1). The values also show the direction of relationship and the intermediate degree of relationship between number of branches and other factors.

| BRANCH | BR & PO | PO & VILL | VILL & ARE | ARE & CR | CR & IND |
|---|---|---|---|---|---|
| CORRELATION | 0.355 | -0.033 | -0.367 | 0.274 | 0.007 |
| | BR & PO | BR& VIL | BR & ARE | BR & CR | BR & IND |
| CORRELATION | 0.466 | 0.016 | 0.487 | -0.048 | 0.064 |
| | BR & PO | BR& VIL | BR & ARE | BR & CR | BR & IND |
| LINEAR REGRESSION | 0.022 | 0.002 | 0.016 | -0.002 | 0.001 |
| | BR & PO | BR& VIL | BR & ARE | BR & CR | BR & IND |
| VARIANCE | 3909.701 | 836.658 | 35279.36 | 5738.999 | 636071.6 |

BR　- Number of branches
PO　-Population

VILL-Number of Villages
ARE -Area
CR　-Cropped Area
IND -Industries

(i) Computed value of 'r' for number of branches and population: in a specific block is 0.355.
The study observes that there is positive relationship between number of branches and population in the specific area.

(ii) Computed value of 'r' for population and number of villages in a specified block is - 0.033.
The analysis reveals that there is a negative relationship between population and number of villages in a specified block. It can be said that the population is not evenly spread in villages in the selected blocks.

(iii) Computed value of 'r' for number of villages and area in specified blocks is - 0.367
It is observed that there is negative relationship between number of villages and area in specified blocks. It can be said that there is a significant difference among the villages in the study block.

(iv) Computed value of 'r' for area in block and cropping area in specific blocks of study is 0.274.
There is a positive relationship between the total area and cropping area in the study blocks in this district.

(v) Computed value of 'r' for cropping area and industries in specified blocks is 0.007.
Keeping the variable number of branches as constant, other variables are compared and their relationship with number of branches is studied. 'r' value is computed and the results are given below for analysis.

(I) Number of branches and
(i) Population r= +0.355
(ii) Villages r= +0.016
(iii) Area r= +0.487
(iv) Cropping Area r= -0.048
(v) Industries r= +0.064

### Analysis reveals that

1. All the factors except cropping area have positive relationship with number of branches.
2. Positive correlation coefficient is maximum in the case of area.

This shows that number of branches has significant positive relationship with area.

3. Relationship between number of branches and villages, number of branches and industries are studied and it is found that there is positive slope between these variables. However the positive relationship is very less in these cases.

4. Relationship between number of branches and cropping area is negative. This shows that banks give least preference to cropping area.

It can be safely concluded that branch expansion in the study area depends on the population and total area of the blocks. Lesser preference is given for the variables such as number of industries, villages and cropping area.

## Linear Regression
Linear regression analysis is done to find out 'b' for number of branches and variables such as population, villages, area, cropping area and industries.

$$b = \frac{n(\Sigma xy) - (\Sigma x)(\Sigma y)}{n(\Sigma x^2) - (\Sigma x)^2}$$

## Linear regression of 'y' – number of branches and

(I) Population b = 0.022
(ii) Villages b = 0.002
(iii) Area b = 0.016
(iv) Cropping area b = -0.002
(v) Industries b = 0.001

It can be said that regression b is highest in the case of population and area covered. It is least in the case of villages and industries. It is negative in the case of cropping area.

## Rank correlation Analysis – Variables
Ranks are given for the variables as per the frequencies for all the blocks in the study area to find out the similarly between variables especially with reference to number of branches. The results computed may differ from the earlier table as the data given are the ranks in this case. The Rank Correlation for all the variables are given below.

i) Branches and population :- 0.245
ii) Population and villages:+0.121
iii) Villages and Area:0.512
iv) Area and cropping Area:0.610
v) Cropping area and industries:+0.104

## This shows that
1. Branch expansion is not uniform with regard to population in various blocks of the study district.
2. The relationship in rank is also positive in the case of population and number of villages in block level.
3. There is high degree of association in rank between number of villages and total area in blocks in this district
4. The rank assigned relationship between total area and cropping area is highly positive in the blocks in this district.
5. The relationship between cropping area and industries is positive while analyzing with ranks in the blocks in this district.

## CONCLUSION
In this chapter an in-depth analysis is done with reference to the factors. The factors considered are the population, villages, total area, cropping area and industries. These variables are compared and relationship as to the various factors is analyzed.

It is inferred that Kodaikkanal block, Thoppampatti block and Athoor block are in favourable position with regard to industries served per branch. Unfavourable position is noticed in Vedasadur, Natham, Shanarpatti blocks.

The study observes that there is positive relationship between number of branches and population in the specific area. The analysis reveals that there is a negative relationship between population and number of villages in a specified block. It can be said that the population is not evenly spread in villages in the selected blocks. It can be safely concluded that branch expansion in the study area depends on the population and total area of the blocks. Lesser preference is given for the variables such as number of industries, villages and cropping area.

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