



Service Marketing in Banking Industry- Present Concern of Evolving India

KEYWORDS

marketing, services, price, promotion, advertising, internal marketing, network marketing, relationship marketing

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AGENDA- the study is intended to reconnoiter the proportion of service marketing in Indian banking industry, which is the substantial element of current banking system. For this purpose data was collected from leading banks in Agra city. I.e. Punjab National Bank, Bank of Baroda & State Bank of India. The study is an appraisal between thrice of their services. This shows the current status of the banking services and the level of approval of their customers. The research analytically dignified the service marketing theory in new Indian Banking market to recognize the issues for upcoming research.

OBJECTIVE: -the central objective of the study is to identify the service marketing in banking industry and to know the satisfaction level of the customers' from their banks & their services.

PRACTICAL INFERENCES: - The growth of literature in the field of service marketing seems to have developed sequentially, providing a continuous updating and learning from the findings/observations of predecessors. This paper provides new directions to service marketing researchers.

INTRODUCTION

Banking Industry is one of the most important service industries which touch the lives of billions of people. Earlier the attitude of banking service was that it was not professional to sell one's services and was unnecessary in the sense that traditional relationships and quality of products were sufficient to carry forward the tasks.

The bankers even eliminated the word 'selling' and they called the function of customer contact 'business development function'. The idea of customer convenience began in the late fifties and it flourished in the 1960's. Bankers were beginning to understand the concept of market segmentation in the late 1960's. The bank marketing profession changed dramatically in the 1970's.

The first major step initiated by the State Bank of India in 1972, on the basis of major market segments. They are commercial and institutional segment, small industries and small business segment, agriculture segment and personal and services banking segment. The new organizational framework embodied the principle that the existence of an organization primarily depends on the satisfaction of customer needs.

EXPLANATION OF THE STUDY

Service marketing is not just a concept of new Indian Banking Industry but also a triumph of glorious movement of this sector. If we talking about the highest further moving sectors than banking would be one of them.

So researcher need to justify this perception by comparing three major banks and their services. The research would definitely be helpful for future course of actions. Thus the study is an attempt to clarify the theory of service marketing. The main focus of the study is to compare three largest

services providers, i.e. Punjab National Bank, Bank of Baroda and State bank of India.

SUMMARY OF PREVIOUS STUDIES

To formulate the problem scientifically, and to point out the importance of undertaking this study, it is essential to present a brief review of Researches undertaking in this area. Although the review involved a large number of studies only a few studies which has direct and indirect bearing in the present study has been summarized:

CHANKA JAYAWERDEHNA (2000) said that the internet is gaining popularity as a delivery channel in the banking sector. At the same time, customer needs are changing. A total of 12 Internet banking operations in the UK are analyzed under customer empowerment functions and Internet banking Web attributes. Internet banking renders location and time irrelevant, and empowers customers with greater control of their accounts. **MATHEW JOSEPH, CINDY MCCLURE, BEATRIZ JOSEPH, (1999)** finds that the use of technology in the delivery of banking services is becoming increasingly prevalent as it is being employed to reduce costs and eliminate uncertainties. This research investigates the role that technology plays in Australian banking and its impact on the delivery of perceived service quality. **HARRY SCARBROUGH & RONNIE LANNON (2010)** discussed the structural and technological change in the UK financial services sector is creating a need for a strategic approach to IT-based innovation. The case study indicates the development of specialist, technical forms of expertise may pose a particular problem for the management of innovation—leading to narrowly bounded decision-making perspectives which neglect the strategic and competitive dimensions of IT. **IVANA ADAMSON, KOKMUN CHAN, DONNA HANDFORD, (2003)** examines the dimension of the relationship marketing paradigm in the Hong Kong's corporate banking sector. The findings show that the Hong Kong banks' marketing strategy and a long-term orientation were positively correlated with customer commitment and trust; communications and relational norms were positively correlated with trust; relationship benefits were positively correlated with customer commitment; and the banks' reputation was negatively correlated with trust and commitment. **ESSAM E. IBRAHIM, MATTHEW JOSEPH, KEVIN I.N. IBEH, (2006)** an attempt has been made to describes the key factors of the electronic service quality (e-SQ) perceptions of UK banking customers and to evaluate the customers' perceptions of their banks' actual performance on the identified e-SQ dimensions. Further analysis using importance-performance analysis revealed that the UK customers' perceptions of their bank actual performance on these revealed that e-SQ dimensions were largely modest.

OBJECTIVES OF THE STUDY

In this research work, the following specific objectives have been tried to achieve:

- To identify the service marketing in banking industry.

- To know the satisfaction level of the customers' from their banks & their services.

HYPOTHESIS

- Ho: There is no significance difference in the service provided by PNB, BOB & SBI.
- Ha: There is a significance difference in the service provided by PNB, BOB & SBI.

RESEARCH METHODOLOGY

The study is questioning in nature so to know the perception of the customer's questionnaire would be filled by customers. And Likert Scale has been adopted to measure the services at different dimensions. Convenient sampling method has been adopted for administering the questionnaires. On the basis of weighted mean the two companies have been ranked.

METHODS OF DATA COLLECTION

Primary Data have been collected with the help of a structured Questionnaire administered to total 300 Respondents in Agra city. Secondary Data have been collected from reputed journals, websites and magazines. (European Management Journal, Volume 15, Issue 2, April 1997, Pages 158-166, Journal of Retailing, Volume 84, Issue 3, September 2008, Pages 243-255Berry, L., Marketing Services: Competing Through Quality, the Free Press, New York, NY, Journal of Consumer Psychology, Volume 4, Issue 3, 1995, Pa(1991),www.snap.com, www.answer.com).

SCOPE OF RESEARCH STUDY

The data have been collected from Sanjay Palace, Bhagwan Talkies, Sikandra, Kamla Nagar, Agra Cant, Dayalbagh and Trans Yamuna the Major localities of City of Taj.

TOOLS FOR THE ANALYSIS

For the Analysis purpose Weighted mean, SD, t-test & Spearman Rank Correlation have been used in the study.

➤ **ANALYSISMENT OF DATA**

The table no.1 is presenting the profile of respondents

Basis	Category of Respondent	Number	Percentage
Gender	Male	117	2.3
	Female	123	2.4
	Total	160	100
Age (Year)	20-30	50	31.25
	30-40	40	25
	40-50	20	12.5
	50-60	50	31.25
	Total	160	100
Income (Annually) in Rs.	Less than 1,00,000	40	25
	1,00,001-2,00,000	20	12.5
	2,00,001-3,00,000	50	31.25
	Above 3,00,000	50	31.25
	Total	160	100
Occupation	Business	50	31.25
	Professional	40	25
	Private service	50	31.25
	Govt. Service	20	12.5
	Total	160	100

(Source – Survey Analysis)

The Table No-2 shows Reasons for choosing of PNB, BOB & SBI

Parameters	PNB	BOB	SBI
Goodwill	38.75%	13.25%	51%
Availability of branches	27.25%	31.25%	42.5%
Economical	22.8%	20.2%	22.5%
Recommendation	17.40%	38.30%	54.20%
Any other reason	23%	35%	42%

(Source – Survey Analysis)

The table 2 reveals that In front of goodwill and branch availability of the SBI has edge over others but in its marketing strategies the BOB proves itself economical/Price effective than to SBI. The goodwill is the top most concern for the customers regarding the SBI which shows the reputation of the company. After that the marketing strategy of the reliance company plays its role. From the table no. 2 one thing is also clear that on selected parameters the company is fulfilling the expectations of its customers on economical & Friend/Relative Recommendation.

The Table No- 3 shows relationship with these selected banking industries

Parameters	PNB	BOB	SBI
Less than 1 year	39%	41%	20%
1-2 years	48%	34%	18%
2-3 years	35%	41%	24%
3-5 years	19%	59%	22%
More than 5 years	29%	27%	44%

(Source – Survey Analysis)

The table 3 reveals that the entire are failed to carry the bunch of customers for longer period of time. The table reveals that the PNB has only 23% of customers who are associated with company more than 5 years it's a very challenging issue in Era of service marketing. The position of SBI in this front is looking little bit better than others. It's carrying 12.5% customers who are with banks more than 5 years.

Table No. 4 showing the Mean values, SD and calculated t- value

SN	PARAM-ETERS	PNB		BOB		SBI		T	Ho
		Mean	SD	Mean	SD	Mean	SD		
A.	Goodwill	3.9	1.03	2.7	1	3.6	1.24	3.57	R
B.	Availability of braches	3.3	1.2	2.5	1.6	3.9	1.3	2.86	R
C.	Economically	3.5	1	3.7	1.3	3.8	1.2	3.90	R
D.	Customer Care	3.1	1.9	3.9	1.4	2.3	1.1	1.74	R
E.	Employees behavior	3.5	1.4	3.3	1.8	3	1.5	-1.44	A
F.	Suggested by others	3.8	1.1	2	1	3.1	1.7	-1.32	A
G.	ATM facility	4	1.7	2.2	1	3.7	1.8	-3.49	R
H.	Overall customers Perception	2.8	1.8	3.1	1.8	3.6	1.9	4.11	R

(Sources- Survey Analysis)

The table 4 is showing the mean, SD and calculated t- value (which has been compared to 1.96) of Customer Service marketing of PNB, BOB and SBI. This table shows the results of test of hypothesis of different Parameters wise. Here "A" indicates that 'Ho is accepted' and "R" indicates that 'Ho is rejected'.

Table No- 5 showing the Position of Two companies at different parameters

SN	PARAMETERS	PNB		BOB		SBI	
		Mean	Rank	Mean	Rank	Mean	Rank
A.	Goodwill	4	3	3	2	3.55	1
B.	Availability of braches	3.4	6	3.9	3	2.86	7
C.	Economically	3.7	1	3.23	5	2.96	6
D.	Customer Care	3.3	7	2.86	7	2.9	8
E.	Employees behavior	3.5	4	2.19	4	3.14	5
F.	Suggested by others	3.5	8	4	1	3.19	3
G.	ATM facility	3.8	2	4	6	3.1	4
H.	Overall customers Perception	2.8	5	2.4	8	3.64	1

(Source- Analysis work)

It is concluded from Table No- 5 Position of banks at different Parameters on the basis of weighted mean of PNB, BOB and SBI which has been used for calculating the Spearman's rank correlation i.e. + 0.10. There is very low degree of correlation between PNB, BOB and SBI regarding the service marketing.

FINDINGS-

The major findings of this study are:

- According to the survey, 38.75%, 26.80% & 34.45% trust on PNB, BOB and SBI due to goodwill of the bank whereas 21.25% and 11.25% & 28.37% prefer these because of availability of branches and 15%, 11% and 17.5% respondent these due to any other reasons.
- Survey reveals, 17.5%, 36.25% & 42% are connected with PNB, BOB & SBI last 1 year whereas 23.75%, 22% and 25% are in touch since 2-3 years
- Regarding the employee behavior, the customers of all banks are showing their dissatisfaction.
- The customer care facility of PNB, BOB & SBI are good and satisfying to customers.
- It is very discouraging to the banks that their customers are not ready to recommend 'this company' to their friends and relatives.

- In case of overall customer perception, BOB is better than PNB while SBI edge over all.
- Regarding the goodwill, ATM facility and customer care, all the banks are almost at same platform.
- There is very low degree of correlation among all regarding the quality of service marketing.
- According to the survey, 60% individuals are suggesting improvement in CUSTOMER CARE FACILITY in banking industry. Whereas 20% individuals are looking for home delivery services and remaining 20% are suggesting more promotional offers to be launched

SUGGESTIONS-

On the basis of the study following suggestions can be made:

- ❖ If any service provider has to get edge over others, should come with non- traditional promotional strategies such as Group facilities.
- ❖ Over load on the one employees should be reduced that the transactions done easily and smoothly.
- ❖ More staff should be appoint who have proper knowledge of using the computer
- ❖ Maximum numbers of ATM are not working properly this is a Luke point of service marketing.
- ❖ Banks should be focus on customer satisfaction not on profit motive.
- ❖ More customer care centers should be opened.
- ❖ Start a helpdesk for their customers for uninterrupted workforce.

CONCLUSION-

The aspect of customer service is embedded in all sence.it is just like a do or die situation for the banks if "they serve better they gain better". The service marketing concept is too big to understand due to the many features in this context.

The approach of banks to customer service is a matter of close public scrutiny these days. In recent years, banks in India have not been able to mobilize surplus funds owing to the rapid emergence of compete non-banking financial institutions. Non-fund based banking services have been underutilized by customers because of low awareness and this has affected banks' profitability. In this article, researcher presents a marketing approach to promoting banking services and to be familiar with this concept.

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