



ISSN: 0976-3031

Available Online at <http://www.recentscientific.com>

CODEN: IJRSFP (USA)

International Journal of Recent Scientific Research
Vol. 8, Issue, 10, pp. 20929-20934, October, 2017

**International Journal of
Recent Scientific
Research**

DOI: 10.24327/IJRSR

Research Article

SAVINGS BANK ACCOUNT HOLDERS EXPECTATION ON BANKING PRODUCTS -A STUDY AT PRIVATE SECTOR BANKS IN TRICHY

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DOI: <http://dx.doi.org/10.24327/ijrsr.2017.0810.0986>

ARTICLE INFO

Article History:

Received 17th July, 2017
Received in revised form 21st
August, 2017
Accepted 05th September, 2017
Published online 28th October, 2017

Key Words:

Product mix, Customer Delight,
Private Banks

ABSTRACT

Nowadays banks are blending all the Ps of service marketing mix in their marketing activities to retain the existing customer base and also to attract the potential customers. This study has put efforts to examine the demographic profile, usage pattern of products and analyse the demographic factors on the customer delight and to investigate the impact of usage pattern of banking products on customer delight. Target population of the study was the customers of private banks at Tiruchirappalli city. Sample size was 100 and simple random sample was applied to collect data from the respondents with a structured questionnaire. Five point likert scale was used to develop the survey questionnaire. Chi-square test was used to identify the association and strength of relationship between the elements of one of the Ps (Product) and customer delight. The result shows age, sex, education, origin of residence and annual income were found to have statistically no significant relationship with customer delight and type of account is found to have statistically significant relationship with customer delight.

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INTRODUCTION

With the introduction of new economic policies in 1991, the Reserve Bank of India issued guidelines in 1993 and 2001 to give license to new private banks with a capital investment of rupees 300 crores. Ten banks were set up after 1993 and two after 2001 guidelines. Of these 12, due to various reasons including lack of financial strength and bad governance, a lot of mergers took place. The role of private sector banks in Indian economy is commendable and they provide high degree of professional management, create healthy competition, encourage foreign investment, help to access foreign capital markets and help to develop innovation and achieve expertise. Private sector banks are competing with each other in order to prove their efficiency and be on the top spot. This is an attempt to understand how customers are making use of the situation to avail the best services from the banks(10).

The services sector which has contributed to the process of national economic transformation is a boon. The opportunities are in abundance in India for service marketers for the development of services sector and so the professional quality should be of global standard which is also applicable to banking sector.

The bank marketers have to evolve strategy for the development of traditional services and untapped areas. The marketing professionals have to develop their skills to deliver the promised services to the customers of the bank at the promised time. The private sector banks managers with their skills should change the negatives into positives favourable to them.

Management of marketing activities occupy a place of outstanding significance. In the changing global economic order, banking sector bound to have a number of potential customers. The service marketers need to test their innovative efforts with leadership in service as the motive and prosperity as the target. It is known that there are a number of services generating organizations but only a few of them are successful in offering world class services.

In order to capture the market share the banks have to concentrate on professional excellence while developing the marketing resources as the market is very competitive and the user's expectations are dynamic. It is against this background, the bank marketers should give due weight age to the marketing mix. In almost all the organizations either producing goods or generating services, the formulation of product mix occupies an important place.

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Hence this paper concentrates on the product mix among the various marketing mixes.

Product

A product is the bundle of utilities consisting of various product features and accompanying services. Bank services are viewed in terms of the satisfaction they deliver and not just things that are created with a value(9). For instance a bank account is seen in terms of flexibility in operating the account, variety of features available for enjoying the benefits, suitability of one's needs, services obtained when one goes to the branch for collecting demand draft or availing cash management advice and while facing difficulties in opening and maintaining account and ATM card services etc.

Instead of just classifying the services on the basis of its customer's needs the bankers need to identify their core and supplementary product services as it has more marketing implications. The banker should offer an optimum mix of the core and augmented products(9).

Core Product: It is the fundamental benefit the customer buys from the bank. They define what kind of business the firm does, like, the business of commercial bank. But customers do not buy the core product, they only buy the benefit. The bank marketer is to convert the core products into a generic product, which satisfies the needs of a customer. Almost all commercial banks offer similar kind of services to their customer groups. Differentiation has to be done at the augmented level(9).

Augmented Product: This is the basic product with some ancillary benefit attached to it. When a customer comes to a bank his needs are varied complex and multi-dimensional. The bank marketer must offer a multi-dimensional product or what is called a product package. They need to add more innovative services to their product to differentiate them from the competitors(9).

Banks are having different types of products and they are trying to serve better to each of the customer segments. The customers are demanding most from the banks. The attitude and expectations vary from customer to customer. The banks identify the needs of the customer and try to satisfy them. Due to competition among the banks just satisfying is not enough to retain the customers and so the banks have to innovate novel ideas in serving the customers and try to delight the customers so as to achieve the market share and gain profits year after year. Though most of the customers are not aware of the products and details, the customers who are aware of the products and details demand more and if not satisfied they wish to switch over to other banks where their demands are met. To meet the demands of the customers, segmenting the customers with age, sex, education, type of account, annual income and place of residence and evolving a strategy based on it would be a tactical solution.

This study is with respect to normal and regular savings bank account holders only.

REVIEW OF LITERATURE

Islam F and Rahman M (2015) aimed to study the service marketing mix elements especially 7Ps to attract customers and to achieve the competitive advantage and their relationship as

well as their impact on bank marketing performance. The results demonstrate that most of the variables have at least minimal relationship with bank marketing performance. It is observed in the study that among the seven services of marketing mix elements, products and services were found to have more positive relationship and effects on bank marketing performance.

Silvia Belling Krodt, Carl Marcus Wallenburg (2015) addresses insights into commonalities and differences of service innovation across industries. They compared sectors of logistic service providers and IT service providers. The study found that both types of service providers benefit from close customer relations in terms of innovativeness and customer satisfaction. However, IT service provider rely more on a large number of customers to be innovative than logistics service providers. Further logistic service providers can provoke a higher level of customer satisfaction when being innovative. The results of the study help managers with regard to their strategic decisions. The differentiating effect influencing innovativeness and customer satisfaction have been revealed.

Edwin N. Torres XiaoXiaoFun .XinrantLehto (2014) in their study aimed to understand how male and female hotel guests become delighted customers. It aims to present the similarities and differences along with respective implications for theory and application. The results suggested that universal set of criteria will tend to delight all guests and a more specific set of criteria will potentially delight guests of a certain gender.

Johan Fuller, Kurmatzler (2008) investigated the different roles of basic performance and excitement factors in different market segmentation. The result clearly showed that significant differences can be found among lifestyle segments.

Prince Dubey, Naval Bajpai, SannjayGuha (2016) in the study tested a model containing surprise and ten antecedents creating customer delight. The study was conducted with a motivation to find out an avenue of creating surprises leading to a variety of delight customers. Store environment and product appearance were found to be relatively important predictor on the basis of magnitude calculation. The study would be useful for the markets in taking decisions in relation to products and promotions for creating customer delight.

Maria Luiza Sonia (2014) in her paper aims to provide a clear image of the difference between customer satisfaction and customer delight. It is the degree and intensity of the affective response they provide to the consumption experience even though one cannot be reached without the other. It emphasises both the differences between them and the common elements, which in turn can be used in the creation of better measurement scales for more adequate research instruments.

Christer Strandberg *et.al.* (2012) explored the possible usefulness of a combined multi attribute and kano model in analysing how service quality is perceived by mass affluent bank customers. The combined model seems to provide guidance and the finding of only one delighter item reveals that mass affluent customers are difficult to please.

Stephen Denning (2012) in his article argued that the goal of maximising shareholder value produces less value than a sharp focus on delighting the customer. The study highlighted that

executives need to adopt radical management-an approach with a different role for the managers, a different way of coordinating work, a different set of values and a different way of communicating. It is the process and product innovations that add genuine value for the customer which have to be empowered. Delighting the customer is not just profitable; it is hugely profitable.

This kind of research has not been attempted in this type of tier-2 city previously. Almost 13 private sector banks are competing with each other. The bankers and marketing professionals have to identify the level of satisfaction and fill the gap in order to capitalize the situation.

Objectives

1. To study the demographic profile of the respondents.
2. To analyse the usage pattern of banking products by the respondents.
3. To analyse the impact of demographic factors on the customer delight.
4. To investigate the impact of usage pattern of banking products on customer delight.

Scope

The level of customer satisfaction as of now is dissatisfied, satisfied and more satisfied. There is still a gap between the expectations of all class of customers in the services received from the bank and the services offered by the bank. This study is to find the gap and provide a suggestion which when implemented could improve the customer satisfaction level to the next higher level and they could be delighted and so the northern march in bank’s business graph.

Hypothesis

- NH1. There is no significant relationship between age and customer delight.
- NH2. There is no significant relationship between sex and customer delight.
- NH3. There is no significant relationship between education and customer delight.
- NH4. There is no significant relationship between residence and customer delight.
- NH5. There is no significant relationship between type of account and customer delight.
- NH6. There is no significant relationship between annual income and customer delight.

METHODOLOGY

A study was conducted with 100 respondents from 13 private sector banks at Tiruchirappalli city. The respondents were selected on the basis of Simple random sampling. The judgment criteria included a requirement that respondents need to have a bank account in a private sector bank in Tiruchirappalli city and must be using branch banking. The overall reliability is 0.749. The time period of the research work is May 2017.

Limitations

- The study is limited to Tiruchirappalli city only and therefore the findings of the study cannot be extended to other areas.

- The study is conducted only among normal and regular savings bank account holders of private banks.

Analysis and Interpretation

Table 1 Demographic characteristics of Savings Bank Account Holders at Trichy District

Demographic characteristics	Category	Frequency	Percentage
Gender	Male	64	64
	Female	36	36
	Total	100	100
Age	Below 30 years	23	23
	31 – 40 years	36	36
	41 – 50 years	31	31
	Above 50 years	10	10
	Total	100	100
	SSLC/HSC	10	10
Education	UG	46	46
	PG	37	37
	Diploma	2	2
	Professional	3	3
	Others	2	2
	Total	100	100
Annual Income	Upto 3L	72	72
	3L - 5L	13	13
	5L-10L	10	10
	>10L	5	5
	Total	100	100
Residence	Rural	26	26
	Urban	58	58
	Semi urban	16	16
	Total	100	100

Source: Primary data

To find out the level of independent variables across the demographic profile of the savings Bank account holders, cross tabulation is used. The levels of opinion on banking product were categorized into three viz. Low, Medium and High. The categorization has been done on the basis of range. The range was calculated on the basis of the scores under each dimension. Further one third of the range called length of the interval was obtained. Based on the length the scores the variables were categorized as Low, Moderate and High.

Table 2 Chi-square test for Association between Age of the Respondents and Customer Delight

NH1. There is no significant relationship between the age of the respondents and customer delight relating to bank products

Age * Product		Crosstab			Total	Chi square value
		Low	Moderate	High		
Age	< = 30	Count 9	9	5	23	9.839
	% within Age	39.10%	39.10%	21.70%	100.00%	
	31 - 40	Count 13	9	14	36	
	% within Age	36.10%	25.00%	38.90%	100.00%	
	41 - 50	Count 10	13	8	31	
	% within Age	32.30%	41.90%	25.80%	100.00%	
> 50	Count 0	7	3	10		
% within Age	0.00%	70.00%	30.00%	100.00%		
Total	Count 32	38	30	100		
% within Age	32.00%	38.00%	30.00%	100.00%		

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	9.839a	6	0.132

**Significant at 5% level Source: Primary data

The above Table 2 reveals the chi-square result showing the association between the age of the respondents and three levels of customer delight relating to bank products. The chi-squared value is significant at 5% level. Hence the null hypothesis is accepted. Thus it can be concluded that the age has no influence on the levels of customer delight.

Table 3 Chi-square test for Association between Sex of the Respondents and Customer Delight

NH2. There is no significant relationship between the sex of the respondents and customer delight relating to bank products

Crosstab						
Sex * Product		Product			Total	Chi square value
		Low	Moderate	High		
Male	Count	25	20	19	64	4.908
	% within SEX	39.10%	31.30%	29.70%	100.00%	
Female	Count	7	18	11	36	
	% within SEX	19.40%	50.00%	30.60%	100.00%	
Total	Count	32	38	30	100	
	% within SEX	32.00%	38.00%	30.00%	100.00%	
Chi-Square Tests						
		Value	df	Asymptotic Significance (2-sided)		
Pearson Chi-Square		4.908 ^a	2	0.086		

^aSignificant at 5% level Source: Primary data

The Table 3 reveals the chi-square result showing the association between the sex of the respondents and three levels of customer delight relating to bank products. The chi-square value is significant at 5% level. Hence the null hypothesis is accepted. Thus it can be concluded that sex has no influence on the levels of customer delight.

Table 4 Chi-square test for Association between Education of the Respondents and Customer Delight

NH3. There is no significant relationship between the education of the respondents and customer delight relating to bank products

Crosstab						
Education * Product		Product			Total	Chi square value
		Low	Moderate	High		
SSLC/HSC	Count	6	2	2	10	17.619
	% within Education	60.00%	20.00%	20.00%	100.00%	
UG	Count	15	15	16	46	
	% within Education	32.60%	32.60%	34.80%	100.00%	
PG	Count	11	18	8	37	
	% within Education	29.70%	48.60%	21.60%	100.00%	
Diploma	Count	0	2	0	2	
	% within Education	0.00%	100.00%	0.00%	100.00%	
Professional	Count	0	0	3	3	
	% within Education	0.00%	0.00%	100.00%	100.00%	
Others	Count	0	1	1	2	
	% within Education	0.00%	50.00%	50.00%	100.00%	
Total	Count	32	38	30	100	
	% within Education	32.00%	38.00%	30.00%	100.00%	
Chi-Square Tests						
		Value	Df	Asymptotic Significance (2-sided)		
Pearson Chi-Square		17.619 ^a	10	0.062		

^aSignificant at 5% level Source: Primary data

The above table 4 reveals the chi-square result showing the association between education of the respondents and three levels of customer delight relating to bank products. The chi-squared value is significant at 5% level. Hence the null

hypothesis is accepted. Thus it can be concluded that the education has no influence on the levels of customer delight.

The above table 5 reveals the chi-square result showing the association between the place of residence of the respondents and three levels of customer delight relating to banking product. The chi-squared value is significant at 5% level. Hence the null hypothesis is accepted. Thus it can be concluded that the place of residence and banking product has no influence on the levels of customer delight.

The above Table 6 reveals the chi-square result showing the association between the type of account of the respondents and product features. The chi-squared value is significant at 5% level. Hence the null hypothesis is rejected. Thus it can be concluded that the type of account has influence on the levels of customer delight. The above table 7 reveals the chi-square result showing the association between the annual income of the respondents and three levels of customer delight relating to products bank. The chi-squared value is significant at 5% level. Hence the null hypothesis is accepted. Thus it can be concluded that the annual income and product of the bank has no influence on the levels of customer delight.

Findings

Of the respondents 64% were male and 36% were female. Of the respondents 23% were below 30 years, 36% were in the age group of 31 to 40, 31% in the age group 41 to 50 and 10% were more than 50. of the age group 31 to 40. Of the respondents 46% were under graduates. 72% of the respondents were in the annual income group of below three lakhs. Around 58% of the respondents were urban residents

Suggestions

The banks must take measures to lure more female customers and the processing at the banks should be more friendly to them to make them comfortable coming to the bank.

Table 5 Chi-square Test for Association between Place of Residence of the Respondents and Customer Delight

NH4. There is no significant relationship between the place of residence of the respondents and customer delight relating to bank products

Crosstab						
Residence * Product			Product		Total	Chi square value
		Count	Low	High		
RESIDENCE	RURAL	Count	11	9	26	5.791
		% within RESIDENCE	42.30%	34.60%	100.00%	
	URBAN	Count	14	18	58	
		% within RESIDENCE	24.10%	31.00%	100.00%	
Total	SEMI	Count	7	3	16	
	URBAN	% within RESIDENCE	43.80%	18.80%	100.00%	
Total			Count	32	30	100
			% within RESIDENCE	32.00%	30.00%	100.00%

Chi-Square Tests			
	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	5.791a	4	0.215

**Significant at 5% level Source: Primary data

Table 6 Chi-square Test for Association between Type of Account of the Respondents and Customer Delight

NH5. There is no significant relationship between the type of account of the respondents and customer delight relating to bank products

Crosstab						
Type of Account * Product			Product		Total	Chi square value
		Count	Low	High		
TYPE OF ACCOUNT	SINGLE	Count	27	25	85	12.713
		% within TYPE OF ACCOUNT	31.80%	29.40%	100.00%	
	JOINT	Count	0	5	6	
		% within TYPE OF ACCOUNT	0.00%	83.30%	100.00%	
Total	EITHER/OR	Count	5	0	9	
		% within TYPE OF ACCOUNT	55.60%	0.00%	100.00%	
Total			Count	32	30	100
			% within TYPE OF ACCOUNT	32.00%	30.00%	100.00%

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	12.713a	4	0.013

**Significant at 5% level Source: Primary data

Table 7 Chi-square Test for Association between Annual Income of the Respondents and Customer Delight

NH6. There is no significant relationship between the annual income of the respondents and customer delight relating to bank products

Crosstab						
Annual Income * Product			Product		Total	Chi square value
		Count	Low	High		
ANNUAL INCOME	UPTO 3 LAKHS	Count	25	21	72	10.410
		% within ANNUAL INCOME	34.70%	29.20%	100.00%	
	3L - 5L	Count	3	6	13	
		% within ANNUAL INCOME	23.10%	46.20%	100.00%	
	5L-10L	Count	4	3	10	
		% within ANNUAL INCOME	40.00%	30.00%	100.00%	
Total	>10L	Count	0	0	5	
		% within ANNUAL INCOME	0.00%	0.00%	100.00%	
Total			Count	32	30	100
			% within ANNUAL INCOME	32.00%	30.00%	100.00%

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	10.410a	6	0.108

**Significant at 5% level Source: Primary data

The nearby rural people are regularly coming to the city and so steps could be taken to give a congenial atmosphere for them to bank at the city. Banks should also consider attracting more students in order to create saving habit in their student life.

CONCLUSION

To facilitate banking sector expansion the government and RBI has simplified the KYC norms, accounts with no frills and providing more licenses to private sector. The increase of banking sector penetration and technological innovation has

paved way for improvement of banking products and services and also has reached the masses cost effectively. By improving the service quality the customers could be delighted which will attract more customers and contributing the GDP growth.

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How to cite this article:

Mathangi R and Latasri O.T.V.2017, Savings Bank Account Holders Expectation On Banking Products-A Study At Private Sector Banks In Trichy. *Int J Recent Sci Res*. 8(10), pp. 20929-20934. DOI: <http://dx.doi.org/10.24327/ijrsr.2017.0810.0986>
