MARKETING OF BANKING SERVICES OF COMMERCIAL BANKS IN MIZORAM

Thesis submitted in fulfillment for the Degree of
Doctor of Philosophy in Management

By:
H. ZOTHANTLUANGI
Regn. No.: MZU/PhD/367 of 08.6.11

Under the Supervision of:
PROF. L. S. SHARMA

DEPARTMENT OF MANAGEMENT
SCHOOL OF ECONOMICS MANAGEMENT AND INFORMATION SCIENCE
MIZORAM UNIVERSITY
AIZAWL, MIZORAM

2018

MIZORAM UNIVERSITY

Department of Management
School of EMIS
Aizawl-796004, India
Tel: 2330710/2330261/9862569024
Email : lsksharma@yahoo.co.in

Prof. L. S. Sharma
Head

CERTIFICATE

This is to certify that "Marketing of Banking Services of Commercial Banks in Mizoram" submitted by Ms. H. Zothantluangi is the outcome of a bonafide research work under my supervision. To the best of my knowledge and belief, this work has not been submitted previously to any other university or institution for any other degree.

She has complied with all the formalities laid down under the Ph.D. regulations of Mizoram University and I recommend that the thesis may be placed before the examiners for consideration of award of the degree of this University.

Dated: Aizawl,
The 14th of May, 2018

(**Prof. L. S. Sharma**)
Supervisor

DECLARATION

I, H. Zothantluangi, hereby declare that the subject matter of this thesis is the record of work done by me, that the contents of this thesis did not form basis on the award of any previous degree to me or to do the best of my knowledge to anybody else, and that the thesis has not been submitted by me for any research degree in any other University/Institute.

This is being submitted to the Mizoram University for the degree of Doctor of Philosophy in Management.

(**H. ZOTHANTLUANGI)**
Research Scholar
Ph.D. Regn. No.: MZU/PhD/367 of 08.6.11

(Prof. L. S. SHARMA)
Head and Supervisor

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Date: 05/03/2019
Place: Aizawl

H. Zothantluangi
Research Scholar

PREFACE

With the development of the banking sector, marketing of services has emerged out as an important function. The banks, being the service providers have to adapt to the changes and competition to survive in the market. Depending on the services of the banks, customers either felt satisfied or unsatisfied. Engaging in superior services makes the bank to stand out in the industry. The introduction of technology has improved the service quality of the banks which benefits the customers to a large extent. Over the last decade, banking has developed within the state of Mizoram and the services are now utilised even by the consumers in far flung areas. Though several studies have been made relating to banking services in the country, there has been few research work on marketing of banking services with respect to banks operating in the state.

The study has selected three banks viz., State Bank of India (SBI), Mizoram Rural Bank (MRB) and Mizoram Co-operative Apex Bank Limited (MCAB) from three select districts of the state viz., Lunglei District, Aizawl District and Kolasib District to study the marketing of banking services in Mizoram. The study collected primary data from the customers and employees of the select banks, and analyses have been made to come to findings and conclusions. The study tries to find an understanding of the services provided by the select banks; marketing process and perspectives of customers and employees regarding marketing of services. So, it is expected that the study will be relevant to review the gap in the marketing of banking services of the select banks of Mizoram.

Date:
Place:

H. Zothantluangi
Research Scholar

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LIST OF ABBREVIATIONS

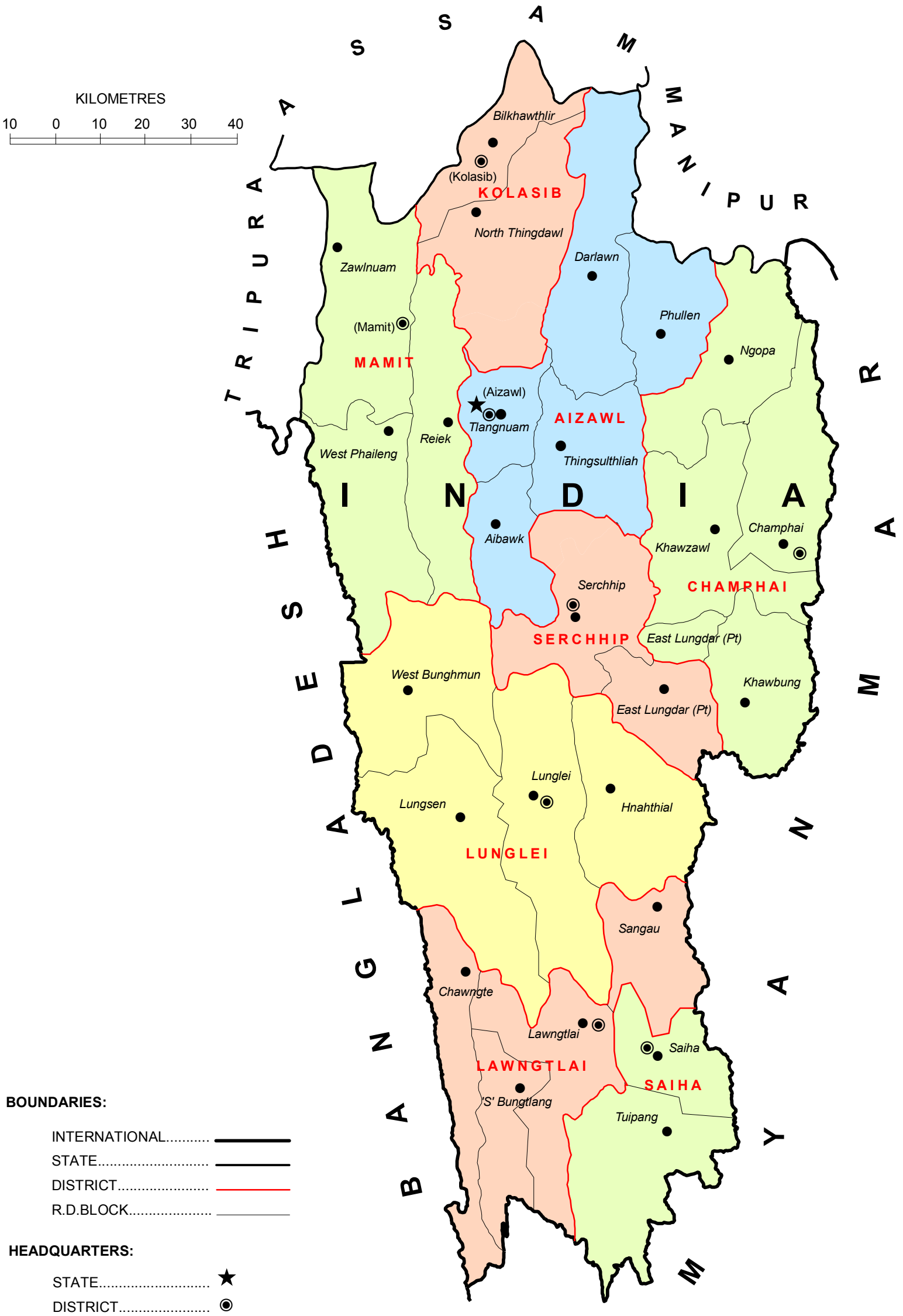
AG-I	Assistant Grade-I
AG-II	Assistant Grade-II
AGM	Assistant General Manager
AMA	American Marketing Association
ATMs	Automatic Teller Machines
BM	Branch Manager
BOB	Bank of Baroda
CBD	Central Business District
CBI	Central Bank of India
CD	Credit Deposit
CGTMSE	Credit Guarantee Fund Trust for Micro and Small Enterprises
CL	Church Loan
CRM	Customer Relationship Management
CRR	Cash Reserve Ratio
DEMAT	Dematerialization
DGM	Deputy General Manager
DICGC	Deposit Insurance and Credit Guarantee Corporation
EFTS	Electronic Fund Transfer Systems
GCC	General Credit Card
GDP	Gross Domestic Product
HDFC	Housing Development Finance Corporation Bank
ICICI	Industrial Credit and Investment Corporation of India
IDBI	Industrial Development Bank of India
JMG	Junior Management Grade
KCC	Kissan Credit Card

LPG	Liberalization, Privatization and Globalization
MCAB	Mizoram Co-operative Apex Bank Limited
MIDC	Mizoram Industrial Development Corporation
MIZOFED	Mizoram State Co-operative Marketing and Consumers' Federation Limited
MMG-I	Middle Management Grade-I
MMG-II	Middle Management Grade-II
MoU	Memorandum of Understanding
MRB	Mizoram Rural Bank
NBFIs	Non-Banking Financial Institutions
NEDFI	North Eastern Development Finance Corporation Limited
NHFDC	National Handicapped Finance and Development Corporation
NREGS	National Rural Employment Guarantee Schemes
OA	Office Assistant
PL	Personal Loan
PNB	Punjab National Bank
RBI	Reserve Bank of India
RRBs	Regional Rural Banks
SBI	State Bank of India
SCALE-I	Officer Scale-I
SCALE-II	Officer Scale-II
SCALE-III	Officer Scale-III
SCBs	Scheduled Commercial Banks
SG-I	Subordinate Group-I
SG-II	Subordinate Group-II
SG-III	Subordinate Group-III
SGSY	Swarnajayanti Gram Swarozgar Yojana
SHGs	Self-Help Groups

SIDBI	Small Industries Development Bank of India
SLR	Statutory Liquidity Ratio
SME	Small Medium Enterprises
SMS	Short Messaging Service
UBI	United Bank of India
UCO	United Commercial Bank
VAT	Value Added Tax
ZIDCO	Zoram Industrial Development Corporation Limited

MIZORAM

ADMINISTRATIVE DIVISIONS 2011



CHAPTER 1

INTRODUCTION

1.1. Introduction

The banking industry has been characterized by increasing competition from the early 1980s (Blankson et al., 2007). The prominent development of banking services was observed after the economic reforms in India since 1990s. India is currently having a developed banking system consisting of private sector banks, public sector banks and foreign banks along with new and old generation banks, co-operatives banks and regional rural banks functioning under the aegis of Reserve Bank of India as the central bank. The banking sector is the backbone of Indian economy which supports during the time of boom and recession. Banks are financial institutions which accept deposits and channelize these deposits to lending activities through capital markets and other forms. The economic reforms of 1992 have introduced a major change in the eco-systems of the financial sector and the functioning of commercial banks in India. The era of liberalization, privatization and globalization (LPG) has brought about a major transition in the service sector and quality of customer service in the service sector especially in commercial banks.

Bessom (1973) proposed that for the consumer, services are activities offered for sale that provide valuable benefits or satisfactions; activities that he cannot perform for himself or that he chooses not to perform for himself. Conceptually product marketing and service marketing are essentially similar in its core values. In other words, the basic task of marketing remains similar irrespective of the products or services involved in the process. But the nature and scope of service marketing, particularly that of financial services differs

from marketing of tangible products. The success of service marketing depends on the effectiveness of the services provided to the customers. Service marketing is complex due to the variability of the needs and wants of the customers. Several researchers and studies have pointed towards the needs for the understanding of the banking services and there is a need to study the customer-oriented service for the banking sector.

A commercial bank is an organisation which accepts deposits, provides loan facilities and offers other services. Commercial bank also functions as a reference bank for larger banks or some bank divisions that mostly deal with loans and deposits from large businesses or corporations. The Per Capita Deposits of Scheduled Commercial Banks (Rs.) has increased from Rs. 23,468/- (March, 2007) to Rs. 68,576/- (March, 2015) indicating a growth of 192.12% (RBI Bulletin 2016). This growth rate of deposits in commercial banks indicates the growth of the economy of the country.

Regional Rural Banks (RRBs), Scheduled Commercial Banks (SCBs), Co-operatives, Non-Banking Financial Institutions (NBFIs) and Self-help Groups (SHGs), etc. which are the formal institutions are involved in meeting the short and long-term needs of the consumers. Several initiatives have been taken to strengthen the institutional mechanism of credit system. The main objective of these initiatives was to improve consumer's access to institutional credit.

1.2. Role of Banking in Indian Economy

After Independence, the Government of India had focused on various areas like poverty alleviation, education, health, farming, industry, infrastructure development etc., among which economic development of the country was one of the important areas. In this regard, the Industrial Policy Resolution of 1948 concentrated purely on mixed economy

and played an active role for the development of banking and finance, among the different sectors. The nationalisation of banks in 1948 was one of the major roles for development of the banking sector. For the regulation, inspection and control of the banks in India, the Reserve Bank of India (RBI) was empowered by The Banking Regulation Act which was then enacted. In other words, under this act, all the banks in India fell under the jurisdiction of Reserve Bank of India.

The Government of India nationalized the existing private banks in 1969 and later in 1980 keeping in mind the end goal to have better control over this sector. The banking business in India is controlled by the Government of India which is observed to be around 91 percent. In mid 1990s, the then Prime Minister of India P. V. Narsimha Rao changed the part by offering licenses to few private banks, which came to be known as new generation tech-savvy banks. Some of these banks are Global Trust Bank (now assumed control by Oriental Bank of Commerce), UTI Bank (now re-named as Axis Bank), ICICI Bank and HDFC Bank.

Commercial banks in developing countries play an effective role in the economic development. Banks have always played an important role in the country's economy. Their policies and practices play a decisive role in the development of the industry and trade. They not only act as the custodian of the wealth of the country but also as resources of the country, which are necessary for the economic development of a nation. The contributions made by the banks for the economic development of the nation are as follows:

i). Formation of Capital: Banks play an important role in capital formation in the country by mobilising the small savings of the people scattered over a wide area through their

network of branches all over the country and make it available for productive purposes. Nowadays, banks offer exceptionally appealing scheme to attract the general population to spare their savings with them and convey the reserve funds activated to the money market. By playing out this capacity the savings are used for flow of funds in the economy.

ii). Credit Creation: Credit creation provides more funds for development projects in the country. Credit creation also leads to faster economic development by increased production, employment, sales and prices.

iii). Making the Funds to Investment which are Productive: Banks invest the savings mobilized by them for productive investments. Capital formation is not the only function of commercial banks. Pooled savings are conveyed to different areas of the economy with a view to expand the profitability of the country through balanced growth. Commercial Banks support the economic development of the nation through the capital formed by them. In our country, loan lending operation of commercial banks subject to the control of the RBI as the RBI acts as the custodian of the banks or banker of banks.

iv). Utilization of resources to maximum: Savings pooled by the banks are used based on the regions of the nation accordingly guaranteeing more full usage of assets.

v). Industries Encouragement: The banks provide loans to the individuals of the industrial sector which requires support by providing loans. The banks grant loans and advances to the manufacturers in the country, which in turn increase their production and raises the national income of the country.

vi). Bank Rate Policy: The changes in the bank rates affect the changes in the money supply of the country. In India, RBI regulates the rate of interest to be paid to the deposits

made by the customers and the rate of interest charged by the banks on the loans given by the banks is also fixed by the RBI.

vii). Bank Monetise Debt: Banks convert loans given to the customers after a period of time into cash, which can be used immediately for business. The manufacturers and wholesalers usually sell on credit basis but selling on credit may lock up the working capital, thus, reducing working production. The banks provide relief by discounting bills of exchange, and the firms are able to conduct their business without interruptions.

viii). Finance to Government: Government acts as a promoter of the industrial sector in a country and provides finances whichever sector requires it. Long term credit are given to the government sector by the banks by investing their assets in government securities and short term finance by purchasing treasury bills floated by the government.

ix). Bankers as Employers: The banks provide employment opportunities as banks are opened in all parts of the country. Recruitment of employees takes place through IBPS several times in a year for several statutory banks. By 2013, the employment in the banking sector had grown to 11,75,149 (RBI Bulletin, 2013).

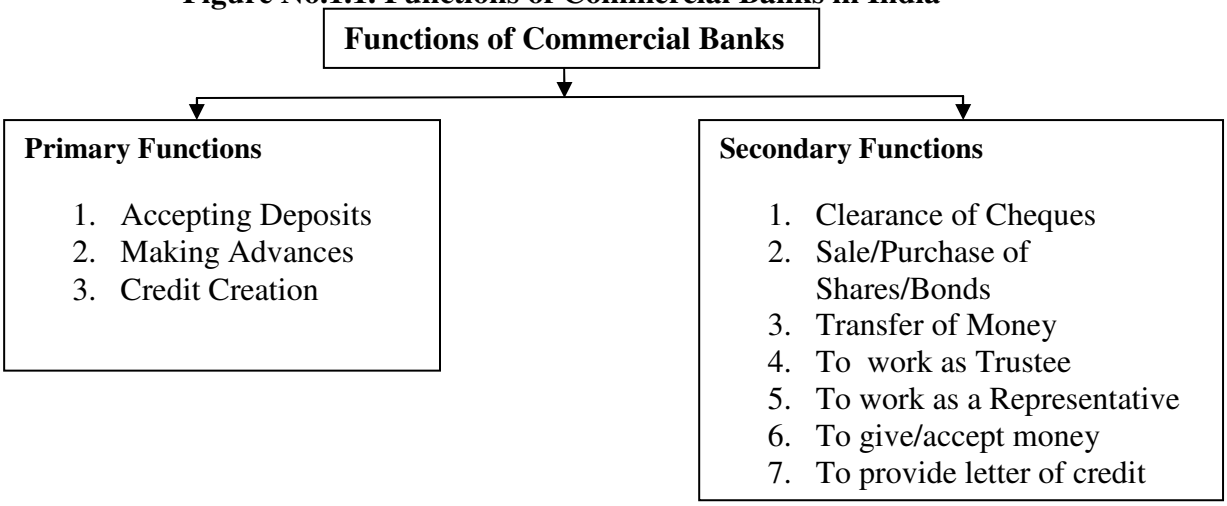
x). Banks as Entrepreneurs: In the recent years, the banks are promoting entrepreneurship development in the country. The banks are involved in the process of entrepreneurship development which includes activities like formation of project ideas, project identification, selection of entrepreneurs, provision of technical and managerial services etc. The banks provide credit facility to the suitable projects which are economically viable and technically sound. The commercial banks help in the development of entrepreneurship in the country.

1.2.1 Functions of Commercial Banks

The functions of commercial banks are to satisfy the financial needs of the sectors of the economy viz., agriculture, industry, trade, and so on. The functions performed by these banks are becoming broader and more focused to customer-orientation. Generally, the functions of commercial banks are divided into two categories: primary and secondary. The following chart explains the functions of commercial banks. Commercial banks perform various primary functions some of which are given below. Commercial banks accept various types of deposits from the public especially from the consumers, funds including saving account deposits, recurring deposits and fixed deposits. Some of these deposits are payable after a certain time period. Commercial banks provide loans and advances of various forms, including an overdraft facility, cash credit, bill discounting, call money etc. They likewise give demand and term loans to a wide range of customers against security. Credit creation is the most critical capacity of business banks. Endorsing of an advance to a client is through a deposit account from which the borrower can pull back in this manner, naturally making deposits, known as a credit creation from commercial banks. Alongside the essential capacity, commercial banks also perform secondary functions which can be separated into agency and utility functions. The agency functions are gathering and clearing cheques, profits and interest warrant, making payments of lease, insurance premium, and so forth and arrangement in foreign exchanges, to buy and sell securities, to go about as trustee, lawyer, journalist and executor and to acknowledge tax proceeds and tax return. The utility functions are giving security locker office to clients and to provide money transfer facility and issue traveler's cheque and to go about as arbitrators and to acknowledge different bills for payment: telephone charges,

gas charges, water bills, etc. and to give merchant banking facility and to give different cards like debit cards, credit cards and smart cards.

Figure No.1.1. Functions of Commercial Banks in India



1.3. Concept of Service Marketing and Marketing Mix

1.3.1. Service Marketing

Marketing is defined as "the sum of all activities that take you to sales. Marketing is all about creating a pull, sales is all about push and about managing the four P's – (i) product (ii) price (iii) place (iv) promotion" (Kotler, Keller, Koshy, Jha, 2012). The core idea of marketing depends on: wants, needs and demand. A need is a want or wish which might be as physiological, mental, security, regard and completion. Physiological necessities are fundamental needs to be specific sustenance, shield, attire, sex; security needs emerge as man's life is liable to a wide range of frailties both artificial and natural. Esteem needs are the consequence of rivalry and jealousy. Self-actualization needs are those that bring him strange, one of a kind status which is feasible for few individuals. A want is something emerging from an inadequacy. A want in marketing terminology implies need in addition with capacity to pay. At this point when needs emerge, wants manifest and thereafter

followed by demand. Demand is where the individual purchases an item and can pay for it. Therefore, demand is an expression of need backed by the power to purchase. It means a need, a want and a demand have different connotations. In brief, need is a simple wish, want is a chosen need in which the customer is extremely intrigued and demands an obvious commitment.

As a new philosophy of business management, in the 1950's modern marketing concept emerged. It advocates that a business association exists to fulfill the needs of its targeted customers and it approaches basic leadership from frameworks perspective of administration and tries to win an attractive profit for proprietor's interest in the firm. In any organization, customers are given top priority for all kinds of decision making and the functional areas are focused so as to satisfy the wants of the targeted customers. Customer's orientation is viewed by the marketing concept as a mean for achieving organizational goal.

Stanton et. al. (2007) defines marketing as "all activities designed to generate and facilitate any exchange intended to satisfy human needs or wants." According to him, for achieving the objectives of the organization, marketing is a sum up of business activities designed to promote, plan, price and distribute the products, ideas and services to satisfy the wants of the target market.

On the other hand, Kotler (1991) views marketing as a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others. From a societal point of view, marketing links a society's material requirement; and its economic patterns of response and requires that marketers strike a balance among (i) their targeted customer's wants (ii) their targeted

customers long-term best interests (iii) the society's long-run best interests and (iv) the firms long-run return on investment.

Although social orientation of marketing focuses on the social wellness of consumers, Kapoor (2014) gives the opinion that marketing strongly affects the people's beliefs and life-styles. Indeed marketing has been criticised as creating materialistic states of mind, crazes, item out of date quality, a dependence on gadgets, conspicuous consumption and shallow product differences and squandering resources. Marketers answer that they only react to the wants of individuals and make the best products and ventures they can at the prices the people will pay.

Rathmell (1977) defines a service as “an activity or benefit that one party can offer to another that is essentially intangible and does not result in the in ownership of anything”. Its production may or may not be tied to a physical product. Typically, service firms have four characteristics that distinguish them from marketing of goods. The higher level of intangibility, the greater degree of perishability, the inseparability of service from the service provider and the greater variability in quality differentiates the marketing efforts.

Marketing incorporates market intelligence, enables to focus on quality programmes which caters to the needs and requirements of the customers. Concepts like ‘service quality’, ‘customer service,’ ‘customer focus and orientation’, ‘customer retention and loyalty’ etc. are the basic tenets of marketing and market orientations. Effective implementation of these concepts lead to an effective sustainable management, increase customer loyalty and finally leads to effective organization.

Marketing of financial services differs from marketing in other industries in the involvement of marketing not only in the provision of services to customers but in the

procurement of raw material on which most of the services are based. In other words, bank marketing must perform two fundamentally different functions, i.e., attracting deposits and attracting borrower or users of funds. This double-sided nature of banking business adds a fascinating element of the complexity to the truly fascinating business of financial services.

The service marketing is different from the concept of product marketing due to its inherent characteristics. The five main characteristics of service marketing are:

i). Intangibility: Services are abstract and intangible in its form to a large extent.

ii). Heterogeneity: Services are non standard, not uniform and highly variable.

iii). Inseparability: Services are usually produced and consumed at the same time, and customer participation is a requirement in the process.

iv). Perishability: The services cannot be stored in the form of inventory.

v). Non-ownership: The services are offered and consumed but there is no transfer of ownership.

Bank marketing can be understood as the process of providing services to effectively and efficiently satisfy the needs and wants of the customers. Bank marketing is also the integrated efforts to discover, create, arouse and satisfy the customer's needs. The bank personnel tries to satisfy the customers and tries develop customer orientation in the bank. The Indian banks try to fulfill the dual goal of commercial objective and developmental role as a contributor for economic development.

The Indian banking industry is now dealing with challenges of certain factors such as climate change, competition, economic uncertainties, new technologies and rising of

demanding customers. From amongst the various industries, banking sector has continuously witnessed radical shift in regards to market power. The success of banking operations are measured in terms of its effectiveness and efficiency with respect to the services they provide to the customers. Service, being an intangible element is all-important from the person who provides it. The needs of the customers are identified by the effectiveness and efficiency of service. The commercial banking services are a customer-oriented service sector industry where the customer is in focus and the quality of customer service is the differentiating factor.

The provision of essential financial services is the prime activity of commercial banks which helps in the development of the country. There are prevalence of inter-regional disparities and unequal distribution of wealth. The commercial banks can work as catalytic agents in the growth by designing appropriate service products and services. The human perception keeps on changing from time to time and from individual to individual. It is therefore, necessary for banks to continuously assess and reassess how customers perceive the various services, what are the new and emerging customer expectations and how best they can be satisfied on an ongoing basis. This requires a continuous and consistent analysis and assessment of the customers' preferences. The present study attempts to analyze the customers' perceived and desired levels of service quality and the resultant service quality gap of the selected public and private sector banks in Mizoram.

1.3.2. Marketing Mix of Services

The marketing mix is the set of controllable, tactical marketing tools that a company uses to produce a desired response from its target market. It forms as a component of marketing strategy, whereby developing a marketing mix in order to satisfy the targeted customers'

needs and wants. McCarthy's marketing mix for a product consists of 4 Ps during 1960 which was further developed during 1980s Booms and Bitner extended the 4 principle Ps with 3 additional Ps. So, marketing mix for a service sector like bank involves the decisions in regards to promotion, process, physical evidence, product, price, place, and people.

i). Product

Decisions about product would mean about the design of the services offered by the bank to suit customer needs, the desirable hours for offering such services, the attractive names of such services and so on. There are various alternative ways to provide the basic services which might serve the needs of the various target groups e.g., Kisan Credit Cards. This product decision involves questions regarding types of needs to be covered, number of withdrawals and repayments to be permitted, basis of determination of limits, validity period of the cards, its re-scheduling, the name of the product, and so on.

ii). Price

Price decisions answer questions about right price for services offered, worked out by taking into consideration the cost of such services, competitor's charges and other factors. Price decision also answer questions on margins, collateral, interest rates to be charged for different slabs, and so on.

iii). Place

Decisions about place answer questions about location of the prospective customers and, therefore, location for offering such services. The place decision answer questions about

the location where the services can be obtained. This involved all branches engaged in various types of services.

iv). Promotion

Promotions are about communication with the customer. After disseminating information on needs and location of the prospective customer and after designing schemes to suit their needs, it is necessary to take decisions on making schemes known to the prospective customers through proper communication media and through proper words, so as to bring out the salient features of the scheme. Expectations of the customers in post-reforms period have changed very fast and customers have started shifting loyalty to better banks. Promotion methods may include radio and TV commercials and personal contacts by the employees of the bank apart from news paper insertions.

v). People

The people who are directly or indirectly involved in banking services are an important part of the marketing mix extension. Several attributes like employees, management, consumers and knowledge workers often contribute significant value to the total offering of service or product. Employees are the representatives of the bank to its customers sine they are the main contact personnel in a bank organization. Therefore, in service organization employees play an important role in the marketing operations. For an organization, employees are the first internal market and are the starting point in internal market. Developing employees who are motivated and customer conscious is the main objective of internal marketing. Separating the performance of service is usually difficult since service itself is a performance.

vi). Process

The flow of activities in providing services is process. Adherence to certain principles and rules of RBI has to be maintained. So, RBI guidelines are followed by all the major activities of banks. The activities are divided into various departments such as Customization, Simplicity, Standardization, Customer involvement etc.

vii). Physical Evidence

This is the environment where services are delivered and the customers and the firm interact and any commodities tangible which are facilitating communication or performance of the services.

The banking system forms the core of the financial sector of an economy. In the Indian banking structure, the Reserve Bank of India is the central bank. It regulates, directs and controls the banking and financial institutions in the country. The role of commercial and co-operative banks is particularly important in developing countries like India. They occupy a significant place in the economy of the country, through mobilization of resources and their better allocation; for the development of developing countries, commercial and co-operative banks play an important. With the rapid development of the economy in India, the importance and role of service sector has been rapidly increasing in recent years. As a result, tremendous responsibility has been placed on the banking system to meet variety of needs of vast and varied clientele. This clientele vary from the smallest and the weakest in the society to the corporate giants in the public or private sector or even the government.

1.4. Banking Services in Northeast India

Banking in India has been present in indigenous forms in the like of *shroffs, seths, sahukar, mahajans, chettis* etc. in different parts of India. With the establishment of central bank, the indigenous bankers were slowly transformed into western of system of accounting and managing the debt of banks. The Reserve Bank of India took the role of banker of the banks to take control of the short term credit market of the economy.

After the independence of the country, the government of India felt the need of financial institutions and their role in the development of industry and economy in the country. Indian banks have been closely associated with trade and commerce. Most of these financial institutions were concentrated only on the commercial areas of business. Prior to liberalisation of the economy, the scope of the banks were very narrow. The nationalisation of major commercial banks in July, 1969 and introduction of Lead Bank Schemes lead to the branch expansion in the country. With the reforms of the economy in 1990, several new private banks started operating in the country. A number of foreign banks also were permitted to operate in the country. At the end of March 2015, there were 1, 25,672 branches in all over India (RBI Bulletin, 2016).

The number of bank offices in the country increased from 71,839 in 2007 to 1,25,672 in 2015 witnessing a growth of 74.9 percent. But in north east India, banks maintained negligible expansion of branches during the same period by just 2.3 percent. The number of branches in the region stood 3,345 in 2015, as against 2,072 in 1999 (Table 1.1)

Table 1.1. Number of Bank Branch Offices in North East India

Year	Arunachal Pradesh	Assam	Manipur	Megha-laya	Mizoram	Nagaland	Tripura	North East (Total)
1999	98	1293	107	210	90	96	181	2072
2015	135	2103	138	294	151	145	379	3345

Source : RBI Bulletins of 2000 and 2016

Table 1.1 shows total numbers of scheduled commercial banks offices in the North East India in the year 1999 was 2072, which has risen to 3345, in the year 2015. In the last 16 years the total number has increased by 1273, showing a growth rate of 61.4 percent. This increased has been due to the initiatives taken up by the Reserve Bank of India.

The products and services offered by the banks were limited prior to 1990's. With the banking reforms in 90's brought a drastic change in the producers and services offered by banks. The banks now offer a range of services like merchant banking, factoring, forfeiting, leasing, hire purchase, DEMAT, portfolio management, etc. The marketing activities also has been streamlined with technological developments such as branch automations, automatic teller machines, electronic fund transfer, anywhere and anytime banking, home banking, banking through internet, mobile banking etc.

Mizoram with its high rate of literacy, comparatively higher per capita income and standard of living, emerges as a state which requires an increasing knowledge on the importance of banking facilities. As the number of people using services rendered by the banks has increased over the last decade, there is a requirement of understanding the services offered by banks. Subsequently, total number of bank branches in Mizoram has grown to 168 in 2015 as per Economic Survey Mizoram 2015-16. Within the past decade, it has been observed that various banking institutions such as Industrial Development

Bank of India (IDBI), Industrial Credit and Investment Corporation of India (ICICI), AXIS, Punjab National Bank (PNB), Central Bank of India (CBI), Syndicate Bank, Bank of Baroda (BOB), Allahabad Bank, United Bank of India (UBI), HDFC Bank, YES Bank, South Indian Bank and Bandhan Bank have also entered the banking market which is an indication of the consciousness of banking among the population of the state. However, most of the newly established banks are concentrated in Aizawl (the capital city) where banking facility and services are still beyond the reach of the rural people which consist of around 30 percent of the total population (Census 2011).

In this aspect, it would be worthwhile mentioning that since independence, India faced an underdeveloped rural economy, high levels of indebtedness and lack of efficient financial services. After the independence (from 1950's onwards), the lack of rural development has been endorsed by a lack of access to credit to finance production assets. Banks providing credit access to rural areas were rare and other forms of credit through informal finance, moneylenders, friends, relatives and rotating chit funds, were inadequate. India's majority of the population (80 percent) lived in the rural areas; while 40 percent of gross domestic product (GDP) was contributed by agriculture; but only 2.2 percent of total credit go to agriculture-almost exclusive to medium and big farmers. No attempts were made to build on indigenous informal finance, despite the fact that, according to Reserve Bank of India findings, informal credit accounted in 1951 for 90 percent and in 1971 for 70 percent of rural indebtedness; there was no mentioning of savings. In order to alleviate the situation, the Government took up three measures in 1969: the nationalization of 14 private banks (followed another six in 1980); the requirement to open in two rural branches for every urban branch; and a mandatory system of priority sector lending. A stock-taking in 1975

revealed that 10,882 rural and semi-urban branches of large commercial banks, both private and public, are thus not the right answer to the institutional expansion policy. Hence, the government introduced a new network of government-owned Regional Rural Banks (RRBs), regulated and supervised banking institution with a low capital base of around $250,000; each covering with its branches in a designated service area of 1-3 districts. In 2005, altogether 196 RRBs consisting of 12,084 rural and 1,875 semi-urban branches were found. The problem has persisted despite RRBs and cooperative banks were created for farmers, the vast numbers of landless, migrant labourers and illiterate women have not been able to utilize the service of these banks.

The subsequent emergence of new banking institutions in the capital resulted in increasing competitions among the banks. This contributes to a great extend to the development and spreading of new bank branches in semi-rural and rural areas. One of the important features of the banking development in Mizoram is the spread of commercial banks and co-operative banks in the interior parts of the state. The numbers of these two sectors in Rural Mizoram have increased by 14. The credit deposit ratio as on 31st March 2015 decreased to 44.83 percent from 47.14 percent as on 31st March 2014 (Mizoram Economic Survey, 2015-16). Even in the remote areas of villages; branches, co-operative banks, regional rural banks or all of these are providing banking services.

1.5. Statement of the Problem

Competition has been the key factor in the growth of marketing all over the world, irrespective of the kind of product or market. The same is true with regard to marketing of financial services also. Because of the socio-political and economic situations prevailing

in India, the banks seldom thought of the necessity of applying marketing task in their day to day operations in the past. Indian banks were highly regulated by Reserve Bank of India in a variety of ways which made marketing a difficult task and more often challenging while Indian banks were accustomed to traditional business of their counter-parts in western countries are becoming financial supermarkets providing wide varieties of services.

Economic reforms initiated by the Government of India in the early nineties have brought a sea change in the operational environment of financial sector and functioning and outlook of Indian banks. The financial service organizations have to align themselves with the trends and developments in the global scenario of introducing new products and services for satisfying the emerging needs of customers.

The nature of banking has changed from "Social banking" to "Global banking". The banks which are unable to keep pace with changed times and respond quickly to fast changes would be left behind in the race or just vanish. They have to develop and sharpen their skills to scan constantly the environmental changes and in turn adjust their strategies with minimum time to keep their existence. Since people have a wide choice of services and they are more conscious of convenience and cost, safety and speed, respect and quality, courtesy and elegance, successful banks in India will be those that have rigorously defined strategic focus and total commitment to high quality customer service. Besides, the business relationship between a bank and its customer is not a one-time transitory relationship, but a relatively permanent and enduring one, which requires to be nurtured with good quality of service. This is of paramount importance in age old relationship banking.

The concept of customer service, which emanates from the larger concept of “marketing” has to accept the customer as the central element and the satisfaction of his needs as the super-ordinate goal. Despite so many measures initiated by the Government and Reserve Bank of India, the level of satisfaction perceived by various segments of customers has been low. Demand for improvement in customer service continues to be louder. So is the level of customer complaints regarding poor service, inordinate delay in routine transactions, indifferent employee attitudes, awful and archaic systems and procedures etc. were common complaints of customers. Tremendous growth in volume of business, expansion of branch network, and diversified activities like priority sector lending are all reasons stated against deterioration in service quality. The R. K. Talwar Committee (1975), Narasimham Committee (1991), Goiporia Committee (1990) and M. Damodaran Committee (2011) and many other study groups came up with recommendations for improvement in quality of customer service.

Under the chairmanship of Shri. R.K. Talwar, the Government designated a "Working Group on customer service in Banks" in the year, 1975, the Talwar Committee presented its interval reports to the Government in August 1975. Government gave a notice to all public Sector Banks to start prompt activity to actualize every one of the proposals in the report, notwithstanding a couple of which required further examination by the legislature. In March 1977, the advisory group presented its last report which is famously known as Talwar Committee proposals. The board made 176 proposals. The RBI, subsequent to contemplating it, nearly about 141 were suited for usage by banks. The significant suggestions of Talwar Committee were procedures standardization, customers service centre at circle office 1 Head

office level and arrangement for 'May I help you', to counter at branches and arrangement for time standard load up.

In August 1991, under previous RBI Governor M. Narasimham, the Narasimham Committee was formed to investigate all parts of the financial system in India. The committee report had far reaching proposals for financial sector reforms including capital markets and banking sector. To achieve more prominent proficiency in the operations of banking sector, the Narasimham board (1991) proposed considerable reduction in number of public sector banks through mergers and acquisition. As indicated by panel, the expansive example should comprise of three or four vast banks including SBI ought to wind up global in character, eight to ten banks should link with national banks with wide system of branches all through the nation, the rest ought to stay as local banks with tasks be limited to a particular district, RBI should allow the foundation of new banks in the private segment, if they fit in with the minimum start-up capital and different prerequisites. The administration should make assertion that no further banks be nationalized, foreign banks are permitted to open their branches in India either as subsidiaries or fully owned which would enhance effectiveness, foreign banks and Indian banks are permitted to set up joint ventures concerning investment banking and merchant, since the nation had as of now a system of rural and semi-urban branches, the arrangement of authorizing of branches with the target of spreading the banking habit ought to be ceased, banks ought to have flexibility to open branches and each bank ought to be free and self-governing.

The Goiporia Committee was set up in the light of the Talwar committee where various changes were made in the operations of banking. Sri. M N Goiporia was the chairperson of this committee. Notwithstanding, numerous more things were expected to enhance

customer service in banks. In this manner, the RBI setup another board of trustees to propose ways and intends to additionally enhance the customer service in banks. This committee has exhibited its report only in 1991. Recommendations such as improvement of customer service in banks, especially in the speed zone, effectiveness, accuracy and disposition of the staff. Some other portions of the recommendations are at least one teller counters, pay for delay in gathering of outstation cheques, facilities such as credit cards and ATMS, displaying business timings and infrastructure facilities at the branches.

To look into various banking services and provided to small customers as well as retailers, RBI came up with a decision to set up a committee under the chairmanship of M. Damodaran. This committee was also constituted to look into the grievance redressal mechanism which was prevailing in banks, the structure and viability and recommend measures for speedy determination of complaints. The references of the committee are such as, to survey the system of attending to customer service in banks - approach, state of mind and fair treatment to customers from retail, small and pensioners segment, to assess the current system of grievance redressal component predominant in banks, its structure and viability and suggest measures for quick determination of dissensions, the committee may also set out an appropriate time span for transfer of objections including last acceleration point inside that time span, council may analyze the working of Banking Ombudsman Scheme - its structure, legitimate system and recommend steps to make it more compelling and responsive. the Committee may analyze the conceivable methods of leveraging technology for better customer service with proper safeguards incorporating legal aspects in the light of expanding utilization of Internet and IT for bank items and benefits and prescribe measures to enhance consumer protection and inspecting the role of

the Board of Directors of banks and the role of Regulators in the matter of customer service.

These committees focused mainly on development in banking, keeping in mind the needs of banking sector in the country. Another focus of the committees is upgradation of bank performance quality. The Narasimham Committee had larger influence on the profit, strength and certain characters of Indian banks while. The R. K. Talwar Committee, The Goiporia Committee and The M. Damodaran Committee recommended more on improvement of the customer services in banks. But the committees have all directed towards the issues which are relevant to the perceptions and satisfaction of customers.

The 1972 to 1991 phase in the sphere of customer service in banks may thus be termed as "customer service compliance" phase during which banks were by and large merely complying with the recommendations of these committees rather than taking it as a felt need. Although the commercial banks and co-operative banks in Mizoram were able to mobilize substantial savings, the credit-deposit ratio of the state is far below the national average. Again, the non-fund based banking services have been underutilized by customers because of low awareness, which is in contrast to the high literacy ratio of the state. This calls for adoption of marketing approach towards promotion of banking services. Hence the present study is an attempt to evaluate the services of commercial banks in 3 districts of Mizoram and to identify the areas requiring vigorous marketing effort.

1.6. Objectives of the Study

i). To study the profile and development of the selected banks in Mizoram.

ii). To examine the socio-economic profiles of the customers and bank officials of the selected banks in Mizoram.

iii). To explore the marketing of services through perspectives of customers of select banks.

iv). To examine the marketing of services through perspectives of bank officials of select banks.

v). To analyze the problems and hindrances faced by bank employees in marketing of banking services.

1.7. Hypotheses

i). There is no significant relationship between demographic factors and the level of awareness of the new products and services offered by select banks.

ii). There is no significant difference in the service delivery system among the select banks.

iii). There is no significant relationship between the problems and hindrances faced by the bank employees in the select banks.

1.8. Significance of the Study

The marketing concept has evolved and taken a turn from satisfying customer to new focus on the welfare of society. Now, the emphasis is placed on how marketing affects the society as a whole in an age of scarce resources, environmental degradation and

worldwide competition. To be successful in the field of marketing, several strategic decisions are made by the producers.

Marketing mix is one of the important strategic decisions made by the producers relating to the marketing of products and services. In marketing, the producer first analyses and identifies the customer's needs and wants, then plans the products and services in order to provide satisfaction to the consumers. It is a fact that no two customers are alike; therefore, customer's expectations are different from one another. Therefore, it is essential for the banks to diversify and provide services in order to meet the requirements of their customers who are from different backgrounds, community and from different professions.

It is also a fact that there are few studies on the banking services especially in Mizoram. Few researches have conducted on marketing of commercial and co-operative banks, but focusing on the service aspects on the commercial banks has been few till date. This study attempts to make an effort to understand the issues related to banking services in a remotely located area in India viz., north east part of India.

While it is beyond doubt that the financial access to the masses has significantly improved in the last three and a half decades, the basic pertinent question regarding the impacts made on the various services rendered by the banks to the customers financially and economically needs to be ascertained.

Further, the RBI in its Annual Policy Statement for the year 2005-06, while recognizing the concerns in regard to the banking practices that tend to exclude rather than attract the vast sections of population, urged banks to review their existing practices to align them with the objective of financial inclusion. In the Mid Term Review of the Policy (2005-

2006), RBI urged the banks, with a view to accomplishing more financial inclusion, to make accessible a basic banking 'no frills' account either with nil or very minimum balances in addition charges that would make such accounts accessible to immense segments of the population. The nature and number of transactions in such accounts would be confined and made known to customers ahead of time in a transparent manner. All banks are encouraged to give wide publicity to facility of such no frills account in order to ensure greater financial inclusion or service. In this respect, a comprehensive study and research is required on how far this has influenced the villages, communities, households and individuals in rural areas.

The findings in the study will try to triangulate the benefits of the society as a whole with the importance of opening accounts and through the result of this study, will try to realize where changes and progress have to be made. Moreover, this study will be helpful to all the banking industries and trainers in the area of customer services, strategies and management and will also serve as future references for other researchers.

1.9. Limitations of the Study

The research is based on both primary and secondary data. Although the samples were collected from three different districts, the method of selection is purposive sampling. Therefore, its findings may not represent the findings for Mizoram state as a whole. Secondly**,** some of the respondents were quite hesitant to provide honest answers as the information seek mostly consist of personal finance and thereby not willing to give an honest answer. Although validations were carried out during data collection, it may not give a true answer. Lastly from the officials of the bank, some banks employees were

reluctant to release more information due to secrecy policy of the banks which could have hindered the study.

1.10. Conceptual Definitions

Marketing

The American Marketing Association (1948) defined marketing as "the performance of business activities that direct the flow of goods and services from producer to consumer or user". Marketing in its overall perspective is a philosophy, an attitude, an art as well as a science (Ghosh and Chittamitra, 1984). Marketing is the branch of knowledge where an orderly, constant and action-oriented involve and it is a study which relates the accomplishment of human aspirations. The marketing concept is the philosophy that firms should analyze the needs of their customers and then make decisions to satisfy those needs, better than the competitor. Kotler (1980) states "Marketing is a human activity directed at satisfying needs and wants through exchange processes." It composes of all the activities considered to produce and assist any exchange planned to satisfy the wants and needs of human. McCarthy (1993) states that “Micro-marketing is the performance of activities that seek to accomplish an organization’s objectives by anticipating customer or client needs and directing a flow of need-satisfying goods and services from producer to customer or client” He further defines “Macro-marketing as a social process that directs an economy’s flow of goods and services from producers to consumers in a way that effectively matches supply and demand and accomplishes the objectives of society”. In further defining the marketing concepts, the societal concept is brought by Kotler (1991): “Marketing is a social and managerial process by which individuals and groups obtain

what they need and want through creating, offering, and exchanging products of value with others."

Although, several definitions were developed in the forthcoming years, at the turn of the century, Pride and Ferrell (2003) defined marketing as a process in a dynamic environment as stated, "Marketing is the process of creating, distributing, promoting, and pricing goods, services, and ideas to facilitate satisfying exchange relationships with customers in a dynamic environment."

Further the concept of Customer Relationship Management was integrated in the definition as AMA (2004, in Keefe 2004) defined as "Marketing is an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders." It can be said that marketing concepts has transcended from various concepts from its inception. Starting from production concept into product concept and then moving towards sales concept, has evolved in various stages and philosophy. After the 1920s and 30s the sales concept shifted to consumer concept focusing on the needs and wants of the consumer. During the 1980s where environment awareness became more prolific the concept of societal marketing was infused. In the turn of the centuries during 1990s, relationship marketing were more focused on the philosophy of 'lifetime' value of the customer as per the definitions of AMA (2004). Relationship marketing intends to figure out who will (or who could be) the most loyal customer all through his or her life: marketers are in charge of building up and keeping up these relationships.

Commercial Banks

Commercial banks form an important part of financial institution system of the country. Commercial banks are those profit seeking institutions and accepting deposits from general public and advance money to individuals like household, entrepreneurs, businessmen etc. with the main aim of making profit in the form of commissions, interests, etc. Reserve Bank of India regulates the functioning of all these banks, as it is the central bank and the supreme financial authority in India. The contrast between the two rates which they charge to borrowers and pay to investors is the principle source of income of a commercial bank. It also derives revenues from banking products such as credit cards and also from products and services in regional markets which includes debit cards, savings, current and fixed accounts and is also driven by the interest rates, amount of deposits and quality of loans. It is further distinguished by risk from incompatible assets and liabilities. Commercial banks in this study includes only those banks viz., government owned commercial bank co-operative bank and rural bank.

Banking Services

The services which a bank provides to its customers in various ways such as making of transfers, operation of accounts, exchanging currencies and payment of standing orders. Banks offer a variety of other services in assisting individuals and business owners in management of their finances, which also includes savings accounts, checking accounts, insurance, debit and credit cards, wealth management, business loans etc. Banks also provide digital banking as part of their services which include mobile banking, online banking, mobile check deposit, short messaging service (SMS) alerts, e-statements, online payment of bill etc. Also, loans are the most common services offered by the banks.

Different types of loan include personal loan, business loan, church loan, small medium enterprise loan, agricultural loan, educational loan, etc.

Bank Official

A bank official is an employee of a bank who is provided with legal capacity to act on behalf of the institution, such as agreeing to and signing of documents. The duty of a bank official is prescribed by customary banking practices, contracts, by-laws, etc. A bank official also carries out the business of receiving money and other several transactions. In this study, bank officials are also termed as bank employees and bank personnel.

Bank Customer

A bank customer is any individual or organisation who avails the facilities offered by the banks in terms of loans and advances and deposits. A bank customer can be of any age, background, gender, etc. A customer can utilize one or more services offered by the bank. Through the bank customer, a bank gets the opportunity to earn profit in return to the services which it provides to the customer.

Customer Relationship

This is the practices or policies carried out for handling customers which includes inter-personal relationships, a one-on-one transaction with the employees, written form of communication or resolving any cases regarding complaints in a formal manner. The relationship between a bank customer and a bank is measured by the level of satisfaction and followed up services provided by the bank.

Financial Services

The services offered by the banks such as loans and advances, deposits and other ancillary services are known as financial services. The products and services offered by the commercial banks include savings deposits, fixed deposits, recurring deposits, loan and advances like term loans, overdrafts, etc. Financial services can be availed by anyone for the benefit of both the customers and financial institutions like banks.

Financial Institution

Institutions which are established and that emphasize on financial transactions, for example, loans and deposits, investments such as banks are termed as financial institutions. These institutions act as a channel between savers and borrowers of funds. Financial institution includes a very wide range of business operations within the financial sector. It also provides services as intermediaries of the financial markets.

1.11. Chapter Plan

The chapter plans of the study are as follows:-

1. Introduction
2. Review of Literature
3. Research Methodology
4. Profile of the Selected Banks in Mizoram
5. Socio-Economic Profile of Customers and Bank Officials
6. An Analysis of Service Marketing of Banks: Customers' Perspectives
7. An Analysis of Service Marketing of Banks: Bank Officials' Perspectives

8. Summary of Findings, Conclusions and Suggestions.

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Footnotes:

shroffs – a banker or money exchanger in India who also tests and evaluates coins

seths – moneylenders or bankers who were powerful during 18th century

sahukar – moneylender

mahajans – traders from several caste, also includes people involved in money lending

chettis- distinctive group of merchants and middle men who operated in south India during Chola empire

CHAPTER 2

REVIEW OF LITERATURE

2.1. Introduction

A literature review surveys resources which are relevant to a particular issue in scholarly articles, books, dissertations, area of research, or theory by identifying past research, providing context for a dissertation, etc. A literature review is a form of research report in many ways, where the 'data' are the readings that have been located and the major part of the report is analyzing the 'data' and thus getting into the heart of the matter – analytical insight. A review is a critical assessment of the literature. Thus, an effective and careful review analysis and synthesis of the published work on a topic and should summarize and evaluate the findings, compare and contrast the views of different authors to: a) group of authors who draw similar conclusions, b) note areas where authors are in disagreement, highlight the exemplary studies, note the gaps and knowledge gaps.

The study is focused on to study the banking services provided by the commercials banks in Mizoram. Mizoram became a state in 1987 and is the second least populated state in India. With the population of about 10 lakhs, Mizoram has 151 bank branches which is the third least after Arunachal Pradesh and Nagaland. The study tries to look into the banking services provided by commercial banks in Mizoram by looking into the perspectives of the customers and bank employees. Although several studies were conducted on several aspects of bank services, the study primarily focused on region specific especially in Mizoram has been few and it is believe that it will create additional knowledge in the financial behavior of customers in Mizoram.

2.2.Literature Review

Several studies have been conducted to analyse the banking services of commercial banks in India and abroad but few studies are available about banks in Mizoram. The available studies and literature are divided on the basis of related themes i.e., literature related to:

i). Review of Literature related to Banking Services

ii). Review of Literature related to Marketing of Services

iii). Review of Literature related to Technology in Marketing of Banking

iv). Review of Literature related to Marketing Strategies in the Service Sector

v). Review of Literature related to Bank Marketing

The literature have been reviewed from studies of doctoral thesis, books, journals related to marketing of services, banking services, consumer behavior, financial behavior, reports of RBI, committee reports, websites of financial institutions etc. The current study is based in the light of the methodology adopted and conclusions derived from the studies relating to the banking services and the behavior of the stakeholders viz., consumers and bank employees.

2.2.1. Literature Review related to Banking Services

Geiger's (1975) study was to find out the needs of the customers, their social structure, their opinion with the banks and the customers judgment regarding the services ranges which the banks offered. The study also comprised of the effectiveness of certain promotional campaigns made, including advertisements and also the will of the customers in regards to saving and other habits. The findings state that those who are satisfied are optimists and the critics are those who have negative mindset.

Kamath (1979), in his study on the branches of Syndicate Bank in Bombay city, he concentrated on the marketing of bank and customer services. The study concluded that the services offered by banks should not take time, it should be better and quick in order to attract and retain bank customers, which is also the most important variable. In the marketing mix of bank products and services, Price and Place are having lesser relevance comparing to the other marketing mix components.

Because of the intangible and inseparable characteristics of the bank services, every bank needs to locate these services and branches at locations which provide accessibility to the largest numbers of both private individuals and firms (i.e., corporate customers) and major categories of potential customers. Meidan's (1983) article presents the four main types of quantitative techniques which are available for decisions of bank branch location — economic, spatial, bivariate and multiple regression methods and the major channels of distribution for banking services and the article expresses distribution strategies of the leading bank—offensive, defensive and rationalization strategies—and attempts to assess new technology developments impact—particularly of Automatic Teller Machines (ATMs) and Electronic Fund Transfer Systems (EFTS) —on the future of distribution of bank services and branch location.

Radhakrishnan's (1987) study on the "Marketing of Banking Services, the Constraints, Challenges and Strategy" found that some of the impediments to bank marketing include bank charges, competition from companies that offer investor consciousness and alternatives offered. The branch manager can come up with an appropriate marketing strategy but only if they understand the customer needs and preferences.

Jain, Pinson and Malhotra (1987), in their study and observation in "Customer loyalty as a construct in the marketing of bank services" opine that customer loyalty is a very useful

construct. Their contentment is that the human aspect of banking must be given utmost importance by the loyal segment for the marketing of bank services.

Bowen and Schneider (1988) stated the presence of inseparability tends to imply that consumers themselves play a significant role in the production of services. In fact some commentators view customers as quasi or partial employees.

Bhattacharya, et. al. (1989) discussed the problems and aspects of marketing banking services in the decade of 1990-1999 and review the growth and diversification of commercial banking during the post nationalization period. The authors said that, in the light of the study, the dynamic process of diversification coupled with technological changes has brought Indian banking towards new banking or deregulated banking and the author expects a further diversification, which will expand the field of banking operations widely. Their conclusion was that the 90's will experience aggressive marketing approaches in the semi-urban and rural areas or sectors and thereby imposing the relationship of banker-customer.

According to Kaufmann (1989), a marketing programme for the financial services industry is presented and, specifically a model developed which could be used to market trust services in the banking industry which is best understood as trust referral programme. This programme provides financial institutions with the opportunity to direct personal selling efforts at customers who have made a previous commitment to the bank. A referral programme which is properly structured will not only benefit the trust department, but also provide a higher service level for the financial institution as a whole.

Nair (1992) stated that in India the financial services industry is expected to grow to accommodate the continuous rise in the number of customers who need financial services. Banks have developed a smart way of countering competition from other institutions dealing with

micro-finances. They provide a wide range of services. The findings of the study underline the need to change the attitude, especially among field staff, the marketing department and counter clerks.

Chidambaram (1994) made a study on the promotional mix which are available for the bankers for the marketing of various services. The conclusion of his study was that, a promotional mix is one a) reaches various customer segments very effectively, b) that takes the objectives of the bank into account and emphasized on those services which are having current significance c) creating the desires for seeking out the services which are offered, d) building a positive image for the bank, and e) striking a balance between cost and effectiveness.

Murugesan (1998) in his paper, "Role of Marketing in Banking Services" studied about the bank services offered prior to liberalization period. He suggested that bank effectively could provide diversified service without affecting profitability.

A study on the psychological ownership concept and applicability in bank services was carried out by Seth (1998) in 'Marketing of Banking Services'. A major aspect of his study is the psychological ownership concept and applicability in bank marketing and an approach for developing customer satisfaction, product packages and need for local touch.

Mishra (1999) has come up with a suggestion for marketing bank services, the internet banking is efficient. He has noted in his article, "Stress on the Need for Internet Banking" that internet banking will enable banks to extend their business with effective cost. He suggested that the internet marketing will help the banks to reduce the cost to customer and improve the capabilities and increase the profit & business of the banks. Also, it will give comfort to the customer and will save their valuable time as most of the transactions will be through just a click.

Jha (2000) emphasized on the bank marketing concept. He suggested that the banks should come up with market segmentation which is necessary. He presented different possible segments that banks need to recognize. Also, he explained the concept and the features of market mix for the marketing of banking services. He mentioned various issues which relate to Market Information System, Bank Marketing in Indian Environment, Market Research and Marketing Intelligence System.

Nair (2001) tried to examine the impact of government policies and the role of banking in the changing service sector scenario. The study pointed out those private banks witnessed an increase in the expenses incurred after the introduction and implementation of liberalization process by the government compared to the public sector banks. The study also revealed that in the performances of the private and public sector banks, there was significant change in the reform period. The performance of banks had been evaluated by using trend method and ratio method.

Akpan (2003) stated that trying to convince a market segment to buy something they don't want is extremely expensive and seldom successful. Marketers depend on insights from both formal and informal marketing research, to find out the wants of the consumers and what they are willing to pay for. The main goal of marketing of banking services is to build and maintain a preference for the bank and also increasing its profit within the target markets**.**

Prabha (2004) conducted a survey among corporate customers of banks to know the perceptions of clients about banks' service quality. There are six dimensions of service quality taken for the study such as, being customer-oriented, promptness of service, competence, modernization, convenience and communication. The results revealed that the service quality still has to be

improved and customers expect more monetary concessions in service charges. Customers would feel happier if any improvement in the service is made.

Bodla (2004), through his empirical study, tried to examine and measure the quality of services provided by commercial banks in India. The study sample consisted of the customers of four private sector banks and four public sector banks in Delhi, Chandigarh and Haryana. The study revealed the significant gap which existed between the expectations and perceptions in relation to service quality offered by the selected banks. It also found that service quality of the private sector banks is better than that of public sector banks on all dimensions except 'assurance'.

Saravanan (2004) conducted this study with an objective to know the role of 'service marketing' in the field of financial or banking sector and to analyze the impact of modern technology in the concept of bank marketing. The study underlined the significance of adopting modern technologies in the financial services sector. It expected some strategy in the new millennium in the financial services marketing sector like, diversification, armchair banking, web system among banks and internationalization of banking services.

Sachdev (2004) observed that because of increasing competition in Indian banking industry, customers now have a choice among the different service providers in the market by making a deal between relationship and economics, trust and products, or service and efficiency.

Dhananjayan (2005) states that the growing demand for service excellence also gives an opportunity to service providers to emerge as leaders in their chosen field. ICICI Bank has emerged as the leader in new-age banking, despite competition from the old and established banks, foreign banks and the emerging new banks in the private sector. This is due to their standard in banking service with a large distribution network achieved in short time, and impeccable delivery at all their touch points.

Debashish and Mishra (2005) analyzed and measured the customer satisfaction in branch services provided by nationalized banks in northern India. They found the customer satisfaction to be strongly influenced by computerization in banks, accuracy in transactions, and attitude of staff and availability of staff at respective bank counter. The least impacting factor was promotion and highest impacting factors were awareness of customers regarding bank charges, banks innovativeness in new services and efficiency, role of staff in rectifying errors quickly.

Kunju Kunju (2006) inspected how far the banks in Kerala are prevailing with regards to promoting their new banking services and to discover the explanations behind low level of awareness of customers on various products and services. The data were collected from 60 customers of four commercial banks in Kollam city. The results of the study revealed that most of the banks' customers in Kollam city are ignorant about the new services or products provided by the bank the public sector banks have only limited personal contact with its customers when compared to the new generation and private sector banks. Gan et al.(2006), argue that most banks in the financial service sector are opting to make use of service and not engaging in price as an effective competitive tool.

Singh (2010) observed that the internet banking services provided by private sector banks have been more customer-friendly as compared to public sector banks. It was suggested that the banks should increase the necessary awareness and convert the non-users to the user category. This will reduce the cost of banking transaction and provide comfort and faster customer access technique to their accounts for multiple purposes.

Nokandeh, et. al (2013), in their study of 'Marketing research and their services of banks and their impact on perception of service users', through banks customers views, bank services are evaluated to determine the impact on customers of Bank Services Marketing. In this study used a

sample of 50 people. Tool of this research was a questionnaire that finally analyzed information and the accuracy of the assumptions and finally suggest some recommendation.

Kumar and Raju (2014), in their study entitled 'A Study on Banking Services of New Generation Banking', explored the definition of new generation banking and how they operate in a sustainable manner. This paper enlightens the knowledge on new generation banking and its innovative products and channels. The sservices of E-Banking change the image of modern banking. Now, customers do not have to approach the branch in person for withdrawing or depositing cash, or for requesting accounts statement since banking is no longer confined to the branches.

Sharma (2016), in her paper, 'Study of the present scenario of E-Banking services in India', examines, E-Banking or other transactions are processed online without having to make references to the branch any time, which is also termed as anywhere banking. E-Banking have now became a service which is needed to be had by everyone, rather than nice to have. The net banking is now regarded as a norm in most of the developed countries than exception since it is the cheapest way to provide banking services.

Tucker and Jubb (2018) assessed the factors responsible for selection of banks in Australia among the students. They found that factors are the competencies of the banks, recommendations of other customers, costs of the banks, location and finally the influences from others. Students used various products and services such as savings account, phone banking, internet banking, debit cards and ATM.

Suki (2018) tried to find the criteria used by university students while choosing banking services. The researcher has used multiple discriminant analysis to uncover that bank services, individuals impacts, banking security and electronic services are the most significant factors of decisions

made by the students in choosing banking services and that female students append more significance to every one of these components than their male partners.

2.2.2. Literature Review related to Marketing of Services

Gronroos (1978) looks at the author's research among several companies in Sweden and Finland with regard to market-orientation of service as against physical goods. He found the main difference between them was the difficulty of establishing a concrete, tangible service offering. He also points out that many experts believe service marketing must differ from goods marketing, but, nevertheless, no profound effort to develop a marketing theory, or even some marketing concepts, for service firms aiming at solving their problems, seems to have been made. He discusses this related matter and suggests marketing mix planning to support a hypothetical framework. The paper presented two case studies — one inclusive tours marketing and the other barber's shop marketing. The study concluded that the models and concept for marketing mix planning do not seem to be applicable in service industries and suggested that further research is required for study.

Lovelock (1981), Gummesson (1979) and Berry (1980) observed that for services marketing efforts, a special management approach is essential. Intangibility isn't just the most widely recognized difference between services and goods yet in addition has been portrayed as the serious distinction from which every single other distinction turn out.

Quin, Baruch and Paquette (1987) characterized services for incorporating every single economic activity whose output is not a physical item or construction, is by and large expended at the time it is produced, and gives added value in forms that are basically intangible concerns of its first buyer. A service is in this manner a sort of economic activity that is intangible; it is not stored and does not result in possession. Services are one of the two key parts of economics

while products are the second part. The fundamental qualities of services are intangibility, inseparability of production and consumption, heterogeneity, and perishability.

Bal and Jena (1991) evaluated the performance of the banks regarding the marketing of services. They suggested that in the present environment, there is a great need of application of marketing approach to find the proper outlets for banking services. They emphasized on the development of marketing as an organizational philosophy that would enable banks to understand the customers and their needs in a better way and to respond to their needs.

Berry (1980), in his paper, 'Services Marketing is different', expresses that relationship marketing is an old thought yet another concentration now at the cutting edge of service marketing practice and scholastic research. The driving force for its improvement has originated from the developing of services marketing with the focus on quality, competitive advantage, the customers and technologies. Developing viewpoints investigated here incorporate focusing on profitable customers, utilizing the most grounded conceivable systems for customer bonding, marketing to stakeholders and representatives, and building trust as a tool for marketing. In spite of the fact that relationship marketing is growing, more research is required before it acquires maturity.

Gronroos (1998) stated that services are processes, and hence service firms do not offer products that are comparable to pre-produced bundles of physical resources and features that are provided by manufacturing companies. In the present article, the marketing consequences of the process characteristics of services are analyzed and compared with the marketing of physical goods, which is characterized by outcome consumption. The most important difference is the fact that service firms do not offer reproduced products but processes as solutions to the problems of their customers. Because of the process nature of

services, the fulfillment of promises given through external marketing is dependent on the attitudes and behavior of a large number of part-time marketers. Moreover, operational systems and physical resources in the service system have to be customer oriented.

According to Strydom (2004), services marketing concepts, structures and methodologies were produced as the after effect of interlinked powers of numerous industries, associations and people who have understood the essential part of services playing in the present world economy. At first, the development of services marketing concentrated on service industries. Be that as it may, manufacturing and

industries perceived services as a pre-essential to supplement their items keeping in mind the end goal to contend effectively in the commercial center. In this way, it can be concluded that in many industries, giving service is never again a choice however a need.

Bruhn, Vorfelder and Maier (2012), in their research, 'Examining the recent developments in services marketing research' efficiently analyzes the benefit related productions in the course of the most recent ten years to distinguish an arrangement of the most pertinent points in services research. This enquiry includes seeking after two focal research goals. The principal question is coordinated at breaking down the current advancement in hypothetical research action in this field and its degree and recognizing recurring research subjects and research methods. The second goal is to explore the worldwide dispersion in services research. With these targets, the researcher's audits 1,840 papers on themes particular to administrations promoting that were distributed in the vicinity of 2000 to 2009 in the 34 most applicable showcasing diaries. The discoveries of the principal question cover late advancements in administrations promoting research since 2000, finishing in its ebb and flow status as a set up trend inside marketing research. The study distinguishes the most sought research topics (i.e., 'service quality' and

'service customer') and demonstrates that quantitative empirical frameworks structures within services marketing research. Concentrating on the geographic development of services marketing research, it demonstrates that services marketing research is not yet embraced on a worldwide scale; related with the recognizable proof of geographic regions of focus, it moreover uncovers a relationship between editor's and an author's geographic area of action.

Berry (2016) in his study revisited a paper published in 1987 “Big Ideas in Services Marketing”, who had identified seven precepts fundamental to marketing. The study examines the relevance of these ideas and observes that the seven thoughts exhibited in the first paper have stood the trial of time albeit one of the seven "services branding" was not entirely created. Following 30 years, four additional thoughts should be included, for example contending on esteem, meeting and surpassing clients' desires, saving customers' time and exertion, and generosity.

Valos et.al. (2016) conducted depth interviews with eight senior services marketing executives to identify the impact of social media on marketing communications planning, implementation and measurement. The findings uncovered that the one of a kind attributes of service marketers, affect the structure of traditional marketing communications. These effects showed in 12 alterations explicit to services and service marketers to customary nonexclusive IMC structures enveloped by the themes of service channel, reach, word of mouth promotion, customer created messages, tuning in and behavioral measurement.

2.2.3. Literature review related to Technology in Marketing of Banking Sector

Chidambaram and Alameleu (1996) proposed that banks ought to gear up with innovation. By putting resources into technology, a bank can specialise itself. The study suggested that the banks premises need to be much outfitted to fulfill the goals of the customers and employees. All

around preparedness, professionalization and persuaded workers will enhance the marketability of a bank.

Uppal (2007), in his book entitled Indian Banking Industry and Information Technology explored the bank customers' satisfaction levels with the use of information technology in banking services provided by banks in Punjab. The study concluded that due to the adaptation of information technology, the efficiency of the banks had increased and had definitely affected the productivity and profitability of these banks.

Mittal and Dhingra (2007) had a study on technology and its part in banking area. They dissected investment in technology in Indian banks yet this investigation was identified with the era before the Information Technology Act and during those days, the technology applications in the Indian banks was very low. The researchers observed that private sector banks which took more information technology initiative were more efficient in terms of the productivity and profitability parameters than their counterpart banks under public ownership.

Padhy (2007) considered the effect of technology improvement in the system of banking and he likewise features the eventual fate of banking sector. The researcher concluded that center abilities will give relative advantages.

Ombati et. al. (2010), in their study state that 'Technology and service quality in the banking industry: Importance and Performance of Various Factors Considered In the Electronic Banking Services', state that self-service based on technology has significantly changed the way that service firms and consumers cooperate, and are raising a host of research and practice issues relating to the delivery of e-service. The purpose of this research paper was to establish a relationship between service quality and technology in Kenya's banking industry. The research was carried through across-sectional survey design which questioned respondents on e-banking

services. The population of study mainly constituted of customers of banks within the Central Business District (CBD), Nairobi. The respondents of the study were customers of banks using e-banking services (internet banking, mobile banking and ATM). The sample in this study consisted of 120 respondents who are users of the e-banking services. The data collected was analyzed by frequency of use, percentage, means and correlation analysis. The findings revealed that, secure services as the most essential dimension, trailed by advantageous ATM location, productivity (not need of waiting), capacity to set up accounts with the goal that the customers can perform exchanges promptly, exactness of records, easy to understand, convenience, objection fulfillment, precise exchanges and operation in 24 hours.

Tam and Oliveira (2017) reviewed papers relating to mobile banking and found that majority of research is dominated by the adoption of mobile banking and social aim, yet finds not many observations on post-adoption of mobile banking. The two most noteworthy drivers of expectations to receive mobile banking are seen as convenience and perceived utility. Considering a few mobile banking definitions, the researchers propose another, more extensive definition that considers the technological changes that have happened over time. Mobile banking is a product or service offered by financial institutions that makes utilizes technologies which are portable in nature.

Mbama et.al. (2018) found that the main factors which determine digital banking are service quality, perceived and functional qualities, commitment of the customers and employees, perceived risk and usability. There is a critical relationship among the experience, loyalty and satisfaction of the customers, which is related to financial performance.

Gupta et.al. (2018) studied on information technology and how it has transformed the various systems and the technologies in the banking sector. There is a lot of development in banks for

their business activities to be quicker and also which saves a lot of time. There is a question whether these innovations is resulting in better profit of the banks or not. They have found that there is profitable contradiction in the Indian banking sector.

2.2.4. Literature review related to Marketing Strategies in the Service Sector

Udel (1968) identified marketing promotions as the most important facet of marketing strategy leading to potency. The main aspect of promotional strategy is advertising. It is persuasive and also plays an informative role which can alter the customers perception in service.

Carol (1970) has outlined a set of Ten Commandments for bank marketing in his paper "Ten commandments for Bank Marketing", since it is very much obvious from the title itself. According to him incorporating functions of marketing within the marketing participation in main banking decisions, learning curve of chief marketing executives, product orientation, use of outside services, quality of marketing personnel and development of a record of accomplishment etc. are the main commandments for bank marketing to be a success.

Meidan (1976), in his study stated that about 90% of the respondents were banking with the banks which are nearer to their homes or workplace. Comfort, regarding area, was likewise observed to be the absolute most critical factor for choosing a branch.

Bapat (1981) emphasized on the need for marketing in banks. He suggested that the top level management should cover innovative ideas of new services to existing customers and new services to new customers to make marketing better. He also recommended some perspectives that have to be considered for better marketing in banks like market segmentation, product differentiation, market strategy and market research.

Rao (1982) made a study on the effect of different media types of individual offering like personal selling on the deposit mobilization in commercial banks both in urban and rural areas. The study prescribed that the impact of English daily newspapers is less in the urban domains and moderately general irrelevant in the rural areas, in this way there is no need to be used extensively. Individual offering or direct selling has been recommended as the best strategy, since it teaches the potential rural clients into the deal.

Watkins (1989), while examining the present condition of the financial services industry worldwide recognized four noteworthy patterns- (1) the pattern towards financial aggregation; (2) information technology in marketing of banking products (3) globalisation; and (4) new ways to deal with marketing of financial services. These patterns, it was concluded, will influence the promoting of banks and other money related financial services in the 1990s.

Kumar (1991) influenced an endeavor to audit to and evaluate the degree of utilization of marketing concepts and methods in banking sector. It was suggested that while defining the strategy for marketing, a bank should give careful consideration on purchasing power, on the state of mind, responsiveness and individual abilities of their staff, on re-engineering the marketing department, on investment of promoting work force in key bank decisions and support from the top management to the department of marketing. Endeavors ought to be made by the banks to gauge and observe the demeanor and view of their customers as precisely as could be expected under the circumstances, which is important in order to empower them to design the market segments and configured benefit offerings to suit their customer.

Bal (1992) suggested that growing competition, emergence of new range of banking services, need for innovative product development, compulsions in the area of profitability of business, coverage of new spatial areas, ensuring optimum use of vast banking infrastructure, need for

ensuring a better focus on customer satisfaction, improving the extent of professionalization in banking, and a better appreciation of long-term perspectives are some of the valid reasons that can be cited to bring home the need for total marketing orientation in the banks.

Zeithaml and Bitner (2000) stated that research holds the key for understanding customer's expectations and perceptions of services. Not knowing what customers expect is one of the root causes of not delivering up to the customers' expectations. Provider gap is the difference between customer expectations of service and the organizations understanding of these expectations.

Pai (2001) studied the customer's needs and wants of financial institutions. In his words, "Their commitment and concern for customer needs can make or mar the growth of the organization. This is where the banks have a very important role to play. It is necessary that you educate the customers on new products and services being offered by the bank. A personal touch is therefore vital to carry conviction. Further, in a highly competitive environment, retaining existing clients is as important as mobilizing new customers. The mere realization on your part that customer is just everything in a service industry like banking, will surely pave the way for customer delight in the months to come".

Sharma (2002) commented that the economic reforms in India have resulted into metamorphic changes in the economic framework. A number of developments took place in the financial markets, which increased the relevance of financial intermediaries and have also opened up the growth opportunity and development of various financial services. As a result, there has been a qualitative shift in the financial services being provided which results in evolution into highly competitive, complex and sophisticated services due to their continuous refinement. This in turn has led to the development of financial market which is market driven. In such a scenario, the

need for specialist institutions like a merchant bank has been realized, which provide specialized services more efficiently and effectively. Since liberalization, merchant banks have emerged as important intermediaries in the financial market. They provide specialist services to the corporate clients. With the opportunities for growth of the merchant banks, a large number of players have entered the market to exploit the opportunities both in the public as well as private sector. The present study focuses on evaluation of the marketing mix of the merchant banks both in public as well as the private sector to analyze their marketing effectiveness.

Mohan (2009) defines bank marketing as the act of examining the consumer market to come up with the most profitable segment. A bank marketer should assess the wants of the customers and their satisfaction level, setting up realistic goals and marketing strategies to make the bank more popular among customers. According to the needs and preferences of the consumers, the marketer introduces new services. One of the aspects of marketing that they examine is the business environment. It is important to note that the business environment purely dynamic and not static, it keeps on changing which forces the bank's management to adapt to the new changes.

Wasan (2018) used in-depth review of literature to identify the factors of customer expectation and confirmatory factor analysis was used to analyse the factors in Indian retail banking. The study highlights that the customer experience factors such as mechanic clues, humane clues and functional clues could be produced into potential advantages for banks. Banks can organize their interests in these components for enhanced financial execution.

2.2.5. Literature Review related to Bank Marketing

Beyond the stage of pronouncement making by top management, bank marketing in India has yet to progress This has been reflected in a study of 36 banks, showing that there is a lack of representation of the marketing function in banks' organizational structure; fragmentation of marketing activities, absence of marketing databases, and lack of trained marketing manpower. The pivot of banking lies in deposit mobilization in which India still offers wide opportunities as it has a large number of unbanked prospects; effective bank marketing can provide the answer, if an adequate infrastructure of organization and skills is built up.

In Berry, Kehoe and Lindgreen's (1980) study, it has been discovered that most disheartening parts of bank promoting were a) government intrusion b) advertising and media problems c) crisis management d) lack of management support e) lack of interdepartmental cooperation.

Kumcu et. al. (1985) found that Turkish banks are facing an increasing generally over-banked customers base, with changing investment funds and spending patterns, declining/slow-growing markets, extremely increasing costs, rivalry and deregulation. The bank's reaction has been sales-oriented (customarily promotion and branching) and the un-coordinated utilization of marketing mix tools has added to the common issues. Adopting and implementing a marketing philosophy aided by the new 1983 Banking Law which promises steady deregulation, the entrance of foreign banks to the domestic market, and restructuring of the banking industry could help solve the short-term, as well as the long-term problems.

Thunman (1992) describes the reasons for the increased importance of relevant marketing tools for banks. Deregulation, increased competition, and technological development in financial markets have added to the emergence of a new situation. In the recent years, the bank marketing theory has seen the development of the relationship concept. It outlines a model for relationships

between banks and their corporate customers. It divides the financial services into subgroups and also defines relationships as composed of particular bonds. They applied the model to two sets of empirical data on large and small scale companies in Sweden. The result shows the difference between small and large companies, and the content of the relationships in the different services.

Baker (1993), widespread dissatisfaction with the services provided by commercial banks suggests that they have been less than successful in adopting the marketing concept. This article examines the marketing concept's nature, its transferability to the realm of banking and its adoption by the AIB Group. However, this bank′s experience appears to be a typical, given numerous examples of dissatisfaction of customer. In both principle and practice in the UK banking system there is lack of marketing which can be seen clearly and one can only conclude that "Bank Marketing" is more myth than reality.

Kaynak and Whiteley (1999), in their paper, 'Retail Bank Marketing in Western Australia', reports the discoveries and ramifications of a retail bank marketing study which was directed in the City of Perth in Western Australia in 1995. All the more particularly, the investigation was intended to decide and assess the significance of chose support thought processes utilized by Australian retail bank clients in picking commercial banks. Additionally it embarks to decide the apparent helpfulness of the services offered by commercial banks to their customers and what these banks can do with a specific end goal to enhance their services to their customers to stay competitive. Utilizing the instance of one of the commercial banks referred to in the examination, an arrangement of center exercises (front stage and additionally back stage) for managing an account staff are portrayed and assessed and furthermore the requirement for commercial banks to think about progressively

and different marketing strategies, one of which would be internal marketing notwithstanding consumer-oriented external marketing activities.

Brun et.al. (2014) study features the significance of the simplicity and ease of the client's web understanding. Notwithstanding ensuring consumer loyalty, it is vital: that clients see the bank's investment in and responsibility to the e-relationship procedure; and, that clients appreciate an exceptionally positive web experience (for example perceived nature of site and usability).

Biodun (2015), in his paper, 'Marketing of banking services and consumer satisfaction in the Nigerian banking industry' examined the marketing of bank services in some selected banks in Nigeria. It also aimed at identifying the various marketing principles being applied, and which actually enhanced consumers' value and consumers' satisfaction. Hypotheses were propounded to assist in validating the objectives. The study was carried out among top ten banks that survived the re-capitalization and consolidation process carried out by the Central Bank of Nigeria. Data for the study were obtained from primary and secondary sources. Using random sampling 340 bank customers were selected from the ten banks. The primary data were collected through questionnaires and focus group discussions. The questionnaires were administered to 340 customers of the selected banks who were chosen from the traffic count and customer cycle per week. Secondary data were collected from banks' journals, annual reports, newsletters, official diaries, brochures, textbooks and academic journals. The data were analysed using both descriptive and inferential statistical methods such as percentages, frequency counts mean scores and, histogram. Finally, the result revealed that marketing practices explained 48% of changes in consumers' satisfaction ($F = 19.06$; $P < 0.05$).The study concluded that applying various marketing concepts enhanced consumers' satisfaction.

Bailey et. al. (2016) tried to assess the impact of a global measure of internal marketing on bank employee job satisfaction and employee commitment to the bank. Questionnaire method was used to collect data from employees of a bank in Saudi Arabia. The data was analysed using structural equation modeling. The study observed that internal marketing has huge positive outcome on the commitment of the employees and job satisfaction in a bank which in turn influence the employee bank identification. Internal marketing likewise has impact on the bank employee identification indirectly through its effect on commitment of the employees and their job satisfaction.

2.3. Research Gap

Following research gaps were identified after an extensive literature review in the field of banking services, marketing of services, technology in marketing of banking, marketing strategies for service sector and bank marketing specifically in the context of commercial banks in India and aboard. Most of the studies have been undertaken in the context of Indian organizations and foreign countries. There is very few research work carried out in the context of banking in Mizoram but primarily focused on the financial management perspective but not from the view of marketing of banking services. The consumers agree that there is a growing problem related to services provided by commercial banks and therefore this area merits serious research attention. Over past decades, development of new technology, introduction of new bank products and services has created a competitive environment. Although these products and services are readily available in other parts of India, Mizoram which is located in the remote north east India are behind in getting competitive products and services. There also has been several cases of fake banks offering dream products and services whereby customers has been duped. Therefore an in-depth in-depth study offering detailed consideration banking services in Mizoram is required.

2.4. Conclusion

The purpose of this literature review is to find out the trends in the studies of different factors of banking within the past years and also to find out the changes and the development in banking sector pertaining to different grounds like marketing, services, etc. The studies relating to both Indian and foreign based are considered here. Studies which are conducted in most parts of India indicate that the customers have shown interest in banking activities and its related services. these literature reviews are grouped into various sections such as, literature review on banking services, literature review on marketing of services, literature review on technology in marketing and banking sector, literature review on marketing strategies in the service sector and literature review on bank marketing. The studies and findings of the researchers have contributed widely in this study as well.

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Chapter 3

RESEARCH METHODOLOGY

3.1. Introduction

Research Methodology is a systematic way to solve the problems of research and includes the methods of research and also gives consideration on the logic used in the context for the study and also makes explanation for the reasons of application of certain methods or the reasons for not using some methods or techniques so that the results are capable to be evaluated by others or the researcher (Kothari, 2004). Several studies were conducted in the past have defined the various services of banks and other financial institutions. The changes in banks policies and regulations have brought about changes in the banks with attractive services and products.

Mizoram is one of the states which is small in area but has high GSDP but the number of bank branches in the region is one of the lowest (115 in 2015). The study tries to explore the banking services provided to the customers of commercial banks in Mizoram state. It also tries to explore the perspectives of banking services from the point of view of customers and bank employees viz., bank officials. The study also tries test the hypothesis relating to the objectives of the study.

3.2. Research Design

3.2.1. Type of Study

The exploratory and descriptive research design were found to be suitable for the study and were adopted due to the nature of the study. The exploratory study tries to provide insights into and comprehension of an issue or situation. Exploratory research is a type of

research conducted because a problem has not been clearly defined. Exploratory research helps to determine the best research design, data collection method and selection of subjects. While descriptive research, also known as statistical research, describes data and characteristics about the population or phenomenon being studied. Descriptive research answers the questions who, what, where, when and how. Thus, on the basis of the above, the two research designs also known as descripto-explanatory studies is appropriate for the present study as it was important to gauge the various issues that impact the banking services and also understand the dynamics of banking services of commercial banks in Mizoram. For the study, survey strategy is used for the present descripto-explanatory study. Surveys are popular method of data collection for large amount of data in a highly economical way. Usually data is obtained by using questionnaire administered to a sample. Survey allows to collect qualitative data which can be analyzed quantitatively using descriptive and inferential statistics.

3.2.2. Sampling Design:

Collecting data from a large population is impossible for the researcher; therefore, a representative portion of the population known as sample is collected for data collection and analysis. There has been studies which shows that more detailed information can be collected and errors could be controlled easily.

3.2.2.1. Population of the Study:

Target population can be defined as a group of respondents that a researcher is interested to study. The universe or population under this study defines all stakeholders (customers and bank employees) working in three selected commercial banks (i.e., State Bank of India, Mizoram Rural Bank and Mizoram Co-operative Apex Bank) in Mizoram, consisting altogether 151

branches in Mizoram state at the time of data collection. Indian commercial banking sector was chosen, as in practical experience and based on concept that commercial banks comprises of pure commercial bank, regional rural bank and co-operative. The banks selected for the study are State Bank of India (SBI), Mizoram Rural Bank (MRB) and Mizoram Co-operative Apex Bank Limited (MCAB). The State Bank of India is the largest commercial bank having 42 branches in Mizoram. Secondly Mizoram Rural Bank is selected because it mainly covers the rural area and is the only bank specifically focused on rural development. The third bank selected is MCAB which is a co-operative bank operating in 14 branches all over Mizoram and it caters to co-operatives and individuals relating to small scale industries development.

3.2.2.2. Sampling Frame:

It is a list of target population from which sample is selected. Though sampling frame is generated from target population only, there exists some difference between target population and sampling frame. In the current study, the sampling frame is obtained in the form of list of all branches located in three select areas representing urban, semi-urban and rural are represented by Aizawl, Lunglei and Kolasib respectively. The selected banks also operate in the area of Aizawl, Lunglei and Kolasib towns. The customer respondents selected are also chosen from the list of customers comes to the bank for transactions. The bank officials are directly approached to the banks located in the select town area.

3.2.2.3. Sampling Method:

From the list of 151 bank branches in Mizoram, 31 branches of SBI, 77 branches for MRB and 12 MCAB were included in the sample, constitute 79.4 percent of the total number of branches.

From these 121 branches, 500 customers were approached with self administered questionnaire and received usable questionnaires from 470 respondents.

Since the industry is service oriented in nature, the consumers are the primary focus of the study. The entire study was collected from 500 customers, but only 470 were found to be suitable for analysis. The employees of the organization viz., the bank staff are the ones who represent the organization and so 120 bank personnel (State Bank of India, Mizoram Rural Bank and Mizoram Co-operative Apex Bank Limited) were surveyed on the assumption of bank employees represented by 5percent of the bank employees in Mizoram. After data cleaning and verification, altogether 113 were found suitable for data analysis. The respondents selection method is purposive sampling. The projection details of the selection of the bank officials and respondents are as follows:

Table 3.2. Proposed sample size of the respondents

Districts	Officials			Total	Customers			Total
	SBI	MRB	MCAB		SBI	MRB	MCAB	
Aizawl	30	15	15	60	100	45	45	170
Kolasib	15	7	8	30	75	40	40	165
Lunglei	15	8	7	30	75	40	40	165
Total	60	30	30	120	250	125	125	500

The entire study was based considering the geographical location and the availability of the rural, urban and semi-urban population. Thus, Aizawl in the central, Lunglei in the south and Kolasib in the north representing the rural and urban set up of the data. Thus, 170 bank customers from Aizawl, 165 each from Kolasib and Lunglei were selected to make the total sample of the study, hence representing 500 customers. In the same manner, 120 bank personnel are selected by giving 60 officials from Aizawl and 30 each from Kolasib and Lunglei. Aizawl has been given more emphasis as it is the state capital and the largest town having head office of the select

banks. Thus altogether 120 officials representing bank officials of commercial banks in Mizoram were selected for the study.

The following are final selection of the bank officials and respondents as per convenience:

Table 3.3. Size of the respondents

Districts	Officials			Total	Customers			Total
	SBI	MRB	MCAB		SBI	MRB	MCAB	
Aizawl	25	15	19	59	67	26	36	129
Kolasib	12	5	6	23	70	63	37	170
Lunglei	15	8	8	31	86	66	19	171
Total	52	28	33	113	223	155	92	470

The above table 3.2. shows the final sample selected for study. In comparison to table 3.1., the data collected from the officials which were usable were 113 out of 120. Similarly it was found that out of 500 samples, only data of the 470 respondents were found to be suitable for analysis. The respondents from Mizoram Rural Bank turns out to be more than the allotted sample size by 30 respondents which is due to the large number of accounts holders in the Mizoram Rural Bank especially in rural areas as denoted by the number of respondents in Kolasib and in semi-urban area of Lunglei.

3.3. Data Collection

The study is based on primary data collected from customers and bank employees of selected commercial banks. Two separate structured questionnaires are used to collect the data from customers and bank officials. The structured questionnaire are based on the review of literature and adapted from the literature reviews. The primary data has been collected through two

separate questionnaires administered to the representative sample of the customers selected purposively from the commercial banks and bank officials employed in the banks taken up for the study.

The three selected banks had 121 branches in Mizoram at the time of initiation of data collection (December 2015). In the period of data collection i.e., December 2015 to August 2016, 500 customers and 120 bank officials were contacted with self-administered questionnaires in Aizawl, Lunglei and Kolasib. Every level of bank officials in that particular bank was approached to participate in the survey, after getting consent from the authorities. All questionnaire was administered along with a cover letter explaining the overall objectives of the study with the declaration that their answers will be strictly confidential and only be used for research purpose. Participation in the study was voluntary. Employees were invited to respond to the questionnaire during their working hours and no compensation or reward was offered for participation in the study. The customers were targeted when they came to the bank for some transaction consisting of monetary or non-monetary in nature. The primary condition was put forward that whether the respondent has account in the bank. To insure confidentiality, bank account numbers and their bank balance were avoided in the data collection. Of the 500 questionnaires that were administered to the customers only 470 were found to be useable while out of the 120 questionnaire administered to the bank officials only 113 were found to be suitable for use.

Secondary data were collected from publications of bank's Annual Credit Plans, records of commercial plans, journals, books, articles, research publications etc. History of the selected banks is collected from various sources including interviews both face to face and phone calls.

Most of the bank branches are visited to collect stored data and other information. Some of the customers are also visited in person to gather more information.

3.4. Data Processing and Data Analysis

3.4.1. Data Processing:

Raw data obtained in the form of questionnaire was edited and coded before further analysis. Editing was carried out to rectify any possible errors which may have crept in during data collection. Editing was done in two ways, either just after a questionnaire is collected or after all the questionnaires are collected. In the current study, it was edited just after questionnaires were collected from respondents; so that in case it had some unanswered items or answered in inaccurate way or contradictory answers were found, validations were made right away with the respondent. Editing was followed by coding, where categories were formed and symbol or number was given as codes to represent the item falling in that particular category. For gender, male was coded as 1 and female as 2. In marital status, single was coded as 1 and married was coded as 2. For number of dependents, first category i.e., nil was coded as 1, 1-3 number of dependents category was coded as 2, 4-6 number of dependents category was coded as 3 and category for 7 or more number of dependents was coded as 4. In case of qualification/education, graduation was coded as 1, post-graduation was coded as 2, technical/professional degree was coded as 3 and others as 4.

3.4.2. Data Analysis

The Statistical Package for Social Science 16.0 (SPSS 16.0) was used to analyze the data. Data were screened for missing data using expected maximization algorithm of the missing value

analysis, available in SPSS; considered the best method to substitute missing values in data sets with estimated values (Schafer and Graham 2002). Analysis was initiated with descriptive statistical analysis, followed by statistical tools like averages, percentages, cross-tabulation, chi-square etc., are used for data analysis and hypothesis testing. Statistics composed of tools which help the researchers to interpret and analyze data from their studies. The implementation of this statistical techniques make the researchers understand the data they have collected and come up with certain conclusions on their study. Researchers give scores on the responses of the sample in order to measure the various variables which are observed (Harris et. al. 1995).

3.5. Summary and Conclusion

The chapter is about the plan followed to solve the research problem; begins with summary of statement of the problem, brief objectives of the study and hypothesis evolved from the objectives. The concerned study is descripto-explanatory with the main objective of describing the situation of marketing of banking services and explores variables relating to the issues of banking services. The population in the study is the customers and bank officials of commercial banks in Mizoram who are working in State Bank of India, Mizoram Rural Bank and Mizoram Co-operative Apex Bank. As it is not possible to go for census or the entire population, the study took a portion of the population i.e., sample, using convenient sampling. Foremost, a list of target population or sampling frame is prepared by the application of three stratification of rural, urban and semi-urban locations for the three select banks. Thereafter, 500 customers were approached and completed data from 470 consumers were found to be useable. Similarly from 120 bank officials only 113 were found to be suitable (response rate 94.17 percent). Data required for the study was collected from primary (using two self-administered questionnaires) as well as secondary sources. The data collected was processed (editing and coding) to get fit for

further analysis. The chapter is an overview of how the required sample was decided and how data from these samples was obtained. After obtaining the necessary data on select variables, it was analyzed using various statistical tools to get the desired results on marketing of banking services. A detailed discussion on each objective is discussed in the next few chapters of the research report.

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CHAPTER 4

PROFILE OF THE SELECTED BANKS IN MIZORAM

4.1. Introduction

From the early stage of human civilization, the history of banking and finance goes back to different cultures. With the process of exchange of commodities, the concept of banking and finance were born. The conceptualization of money were found in the regions of Middle East, Asia and Africa and are not surprising to find the concept short term finance in these regions. Egypt, Babylonia and Greece also played a very important role in the development of banks. It is said that the early form of banking was practiced in these regions as the temples of these regions were the places where gold and silver were deposited for safe keeping (Hoggson,1926).

With the development of concept of money and its application, the developments of banks came into the fore. It was said that the first banks were established in Europe in 14th Century. Establishment of banks was possible due to the development of accounting systems and legal systems which enables money tracking and overseer loopholes in the system. These banks enabled people to share their wealth in big dealings. The end of the 17th century began a shift in the paradigm of banking. During the phase prior to 17th century, most of these institutions used to work from homes or temples. In 1734, the first formal bank was established and since then, there has been a growth in the development of banking. Functions like looking after loans for the government and acceptance of gold and silver deposits were some of the development in banking during the above mentioned phase. As industrialization and trade progress world over, the banking sector also developed proportionately and the eighteenth and nineteenth century experienced the rapid growth in this sector.

4.1.1. History of Banking in India

From the ancient times, a home-grown banking system has prevailed in India. In ancient times, the businessmen were known as *Mahajans, Chettis, Shroffs, Seths, Sahukars,* etc. and had been carrying on the business of banking. These bankers included little cash moneylenders to *Shroffs* who carried on the extensive and specific business considerably more noteworthy than the matter of banks. Since the eighteenth century, the western kind commercial banking in India discovered its direction.

The modern banking started from Bank of Hindustan which was established in Calcutta under European companies in 1770. This was followed by the establishment of General Bank of India in 1786. During the period, Calcutta, being the capital of the British Empire became the most active port in trading in the whole of India and thus became an important banking center. In the next years, three Presidency banks were set up under sanctions from the British East India Company-Bank of Bombay, Bank of Calcutta and Bank of Madras. The Presidency banks commanded the banking business in India however there were likewise nearness of various Indian joint stock banks and some trade banks. These filled in as semi national banks in India for a long time. The Bank of Calcutta which was set up in 1806 progressed toward becoming Bank of Bengal in 1809. These 3 banks were merged in 1921 with each other to form the Imperial Bank of India which is now known as State Bank of India. After India's Independence in 1955, the name was changed. So, the oldest bank in India is State Bank of India.

The Indian merchants build up a bank called Union Bank in 1839, however bombed inside 10 years. From that point forward, the Allahabad Bank was built up in 1865 which presently as yet exists. Allahabad bank is the most established Public Sector Bank in India which has been serving the customers throughout the previous 145 years and is having branches all finished

India. Built up in 1863, Bank of Upper India is the most seasoned joint stock bank of India however it flopped in 1913 and therefore shut. The main bank in India with restricted risk to be overseen by Indian Board was Oudh Commercial Bank. It was built up in 1881 at Faizabad and a failure in 1958. Punjab National Bank is the principal bank managed purely by Indian citizens which were set up in Lahore in 1895. The Punjab National Bank has survived till date and is one of the biggest banks in India. The Central Bank of India was the primary Indian business bank which was owned and managed completely by the nationals of India and it was established in the year 1911 and this bank came to be known as India's first genuinely *swadeshi* bank.

India's central bank is the Reserve Bank of India (RBI) which was established on the 1st of April, 1935 with according to the Reserve Bank of India Act, 1934 provisions and serves as a banker to the government and other banks. The record of government's revenues and expenditures is maintained by the central bank under various heads and maintains deposit accounts of all the other banks and advances money to the other banks whenever needed. The issuance of currency notes, regulating their circulation in the country is another important function of the central bank. The bank uses different methods for these purposes. In India, banks are broadly classified as scheduled banks and non-scheduled banks.

4.1.2. History of Banking in Northeast India

Prior to 1949, there were only ten commercial banks branches in the entire Northeast. Northeast comprises of eight states viz., Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura. Sikkim was added to the list of states in the north east region for administrative purposes though not a congruent state. The oldest bank branches in the Northeast were the State Bank of India (SBI) which was established in Shillong and Dibrugarh in the year 1922 and 1923 respectively. In 1953, SBI's third branch was set up at Tezpur, Assam. The

financial system in India operates in two sets of institutions viz., formal and informal sectors. Though formal sector has adopted the multi-agency approach in North East India, the commercial banks and co-operative banks are the only two channels to intervene in the financial intermediation due to the absence of any other formal channels.

Since deregulation in 1992, Indian banks have responded to the challenges of globalization and deregulation of markets by restructuring, improving their products and services, and seeking alternative markets for them. But, looking briefly into the performance of banks operating in North Eastern states conveys that these banks perform much below the average performance of the banks at the national level (Das, et. al. 2009). Funds are mobilized by commercial banks in the form of deposits and a part thereof is then deployed in the form of advances and the remaining part is invested in other avenues. Thus, the interest on advances and returns from such investments are income generating sources. Accordingly the enthusiasm on advances and returns from such investments are sources of income generator. Credit Deposit (CD) proportion reveals to us the proportion of credit to total deposits whereas investment plus credit deposit ratio indicates the proportion of a bank's total fund deployment (both in advances and investment) to total fund mobilised and is along these lines a decent measure of bank execution.

In February 1996, a separate development bank was set up for the region called North Eastern Development Finance Corporation Ltd. (NEDFI) at Guwahati, Assam with a plan to promote, expand and modernize industrial enterprises in the area. Banking industry in the Northeast has come a long way in the last 50 years and has been experiencing moderate branch expansion and new branches, both in public and private sector banks. It can be seen from the table 4.1. that banks branches has increased from 2,155 in 2005 to 2,676 in 2012. During the year 2008 and

2009, there has been some banks which came into merger and consolidation of some regional rural banks.

Table 4.1. Number of Bank Branches in North East India

States	2005	2012
Arunachal Pradesh	89	98
Assam	1323	1647
Manipur	93	98
Meghalaya	229	240
Mizoram	93	116
Nagaland	93	108
Sikkim	NA	91
Tripura	226	278
NER	2155	2676
India		102377

Source: 1. Basic Statistics NER 2015
2. Report of the Committee on Financial Sector Plan for North Eastern Region, RBI, July 2006

Table 4.2. North East Region State-Wise Deposits of Scheduled Commercial Banks According to Type of Deposits as on March 2015

(No. of Accounts in Thousand, Amount in Rs. Million)

Region / State / Union Territory	Current		Savings		Term		Total	
	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount
	1	2	3	4	5	6	7	8
North-Eastern Region	**1002**	**2,10,714.3**	**33164**	**6,38,914.0**	**4266**	**7,05,173.7**	**38432**	**15,54,802.0**
Arunachal Pradesh	29	13,158.9	909	31,221.9	123	35,704.8	1062	80,085.6
Assam	716	1,14,019.1	23288	4,06,477.9	3152	4,53,317.4	27156	9,73,814.4
Manipur	43	14,417.8	1698	30,421.4	57	12,461.4	1798	5,7,300.7
Meghalaya	59	25,321.7	1715	59,555.5	258	81,562.2	2032	1,66,439.4
Mizoram	14	9,329.2	841	23,498.7	39	20,324.6	894	53,152.5
Nagaland	26	14,452.3	945	25,616.4	92	29,314.1	1063	69,382.7
Tripura	114	20,015.3	3770	62,122.2	545	72,489.2	4429	1,54,626.7
All-India	**52581**	**86,39,446.8**	**1170319**	**23,466,587.3**	**216992**	**5,71,15,078.0**	**1439892**	**8,92,21,112.1**

Source: RBI Bulletin

Table 4.2. shows that the number of account holders in terms of current accounts and savings accounts is the lowest among the north east states. The current account holders in Mizoram

stands for 14,000 only while the second lowest is Nagaland having 26,000. Similarly for savings accounts, Mizoram's total account holders were 8,41,000 while Nagaland has 9,45,000 account holders. In terms of Term deposits Mizoram is also the lowest with 39,000 while second lowest is Manipur with 57,000. These are the indications of not having a tendency to save the income and depositing into banks.

4.1.3. History of Banking in Mizoram

The history of banking in Mizoram is recent due to the remoteness of the location and its linkage with the mainland India in the pre-independence era. Among the credit institutions during that period, the cooperative credit societies formed an integral part of the credit structure in Mizoram. The co-operative movement started in Mizoram in 1947 and the first cooperative society was established in 1949. Since then, it increased steadily and the number of societies increased to 54 in 1964 then to 80 in 1966. During the period of insurgency (1960-80), all these societies became defunct, as their operations were disturbed, properties damaged, and members scattered. The only bank branch of the Assam Cooperative Apex Bank in Mizoram was closed down. The mobile branch of State Bank of India (SBI) handled government business only. It had not been possible for it to assist industry, agriculture, artisans or workers.

Modern banking was introduced in Mizoram with the establishment of first branch of State Bank of India (SBI) at Aizawl on 29th December, 1971. Ever since the business started growing in terms of both deposits and advances, which induced branch expansion. Upto mid 1976, there were only two branches of SBI in Mizoram, viz., at Aizawl and Lunglei. During that time, the biggest trading center (Bara Bazaar) in Aizawl had no branch of any other banks. Mizoram remained most poorly served area in the whole Northeastern region. Out of total 20,968 bank offices in the country as on 31st March 1976, Mizoram had only two (2). Later in 1976, SBI

established 4 branches in Mizoram, one each at Aizawl, Kolasib, Champhai and Serchhip. Thereafter, the United Commercial Bank (UCO) established a branch at Aizawl on 16th September 1976, and Vijaya Bank at Aizawl on 23rd September, 1977. Mizoram Cooperative Apex Bank (MCAB) was formed on 5th December, 1978 and became operational on 31st July, 1982; Mizoram Rural Bank (MRB) was established on 23rd September, 1983 which paved way for rural credit. With widening of branch network not only neglected sections of people but the primary sector and secondary sector received increased financial assistance from banks.

Other forms of financial institutions were also established afterwards. Mizoram Industrial Development Corporation (MIDC) also known as Zoram Industrial Development Corporation Ltd. (ZIDCO) was set up in 1978. In the cooperative sector, Mizoram Cooperative Apex Bank (MCAB) was set up on 5th December 1978 but became functional only on 31st July 1982 and Mizoram State Cooperative Marketing and Consumers' Federation Ltd. (MIZOFED) was set up on 9th December 1981. This provided a great fillip and support to trade and commerce in general and to the cooperative sector in particular. In 1987, when Mizoram was accorded statehood, there existed 51 bank branches in the state, 13 of SBI, 1 each of UCO, and Vijaya Bank, 2 of MCAB and 34 of MRB. An important aspect of the branch expansion was spread of banking in unbanked areas, particularly in rural areas.

As of December 2016, Mizoram is now home to quite a few nationalised and private sector banks. These banks offer various services like loans and deposits for the benefit of the citizens of the state. Currently, there are 45 banks branches in the state's capital, Aizawl. The nationalised banks alone have about 35 branches in Mizoram. Some of the banks are United Bank of India, Oriental Bank of Commerce, Andhra Bank, HDFC, IDBI, SBI, Central Bank of India, Dena Bank, Union Bank of India, Allahabad Bank, UCO Bank, etc. As per RBI Report, 2016, the total

bank branches functioning as on 31.03.2015 stood at 168 against 159 bank branches as on 30.09.2015 which is an increase of 5.66 percent.

4.2. Profile of the select Banks in Mizoram

In Mizoram, the total bank branches functioning as on 30.09.2016 stood at 171. Altogether, more than 25 banks operate in Mizoram. But these banks have different strategies according to their functions and allocations. As this study is mainly confined to three select banks, viz., State Bank of India, Mizoram Rural Bank and Mizoram Cooperative Apex Bank (MCAB) respectively, more concentration and survey have been put on these banks. Most of these banks provide services of accepting deposits, lending money to the public, transfer of money, trustee business (underwriting), safekeeping, government business, venture capital (providing startup capital to a new and risky business operations), automated teller machines (ATM), tele-banking, internet banking and so on.

4.2.1 State Bank of India (SBI)

The State Bank of India (SBI) is having second largest branch network in Mizoram not only handled government business, but, also sowed the seeds of credit expansion for the first time. SBI took several initiatives to capture the market in 2008. State Bank of India (SBI) is an Indian multinational, public sector banking and financial services company. It is a government-owned corporation with its base camp in Mumbai, Maharashtra. Starting at 2016-17, it had resources of Rs. 30.72 trillion (US$ 460 billion) and in excess of 14,000 branches, including 191 remote workplaces spread crosswise over 36 countries, making it the biggest saving money and budgetary administrations organization in India by resources.

The bank can be traced back to when India was British India and through Imperial Bank of India till when the Bank of Calcutta was found in 1806, which makes it the oldest commercial bank in

the whole of the subcontinent of India. Besides personal and corporate banking, SBI is also involved in NRI (Non Resident India) services through its network in India and overseas. SBI has 18,354 branches in India. In the financial year 2016, its revenue was Rs. 273,460.50 crore (US$ 42 billion), out of which domestic operations contributed to 95.35% of revenue. Additionally, domestic operations added to 88.37% of aggregate profits for the same financial year. Under the Pradhan Mantri Jan Dhan Yojana of financial inclusion launched by Government in August 2014, SBI held 11,300 camps and opened more than 3 million records by September, which included 2.1 million records in rural regions and 0.88 million records in urban regions, the bank had 191 overseas offices spread over 36 countries having the largest presence in foreign markets among Indian banks. It has opened up branches in Los Angeles, Male in the Maldives, Muscat, Dubai, New York, Osaka, Sydney, Singapore, Moscow, Colombo, Dhaka, Frankfurt, Hong Kong, Tehran, Johannesburg, London and Tokyo. It has offshore banking units in some places around the globe.

Business Overview

SBI offers the services of banking and as well as a whole array of financial services which include mutual funds, credit cards, life insurance, merchant banking, security trading and primary dealership in the money market. The bank, apart from its normal banking activity also involves actively in an activity called community services banking, which is a non-profit activity.

Associate banks

SBI now has no associate bank, down from the eight that it originally acquired in 1959. All of the banks use the SBI logo. The logo contains a blue circle and all are using the "State Bank of" name which is followed by the name of the regional headquarters. The banks are State Bank of

Mysore, State Bank of Bikaner & Jaipur, Bharatiya Mahila Bank, State Bank of Travancore, State Bank of Hyderabad, and State Bank of Patiala. State Bank of Saurashtra was merged in 2008 and State Bank of Indore was merged in 2010.

The arrangements for converging of 5 associate banks State Bank of Hyderabad, State Bank of Bikaner and Jaipur, State Bank of Patiala, State Bank of Travancore, State Bank of Mysore and Bharatiya Mahila Bank by getting their organizations incorporating resources and liabilities with "SBI Online" began in 2016. Merging of these six subsidiaries was endorsed by Union Cabinet on 15 June, 2016. The State Bank of India and all its partner banks are recognized by a similar blue keyhole logo. The State Bank of India word check as a rule has one standard typeface, yet in addition uses different typefaces.

SBI was ranked as the top bank in India based on tier 1 capital by The Banker magazine in a 2014 ranking. SBI was ranked 232nd in the Fortune Global 500 rankings of the world's biggest corporations for the year 2016. SBI was named the 29th most reputed company in the world according to Forbes 2009 rankings. SBI was 50th Most Trusted brand in India as per the Brand Trust Report 2013, an annual study conducted by Trust Research Advisory, a brand analytics company and subsequently, in the Brand Trust Report 2014, SBI finished as India's 19th Most Trusted Brand in India.

4.2.2. Mizoram Rural Bank

History

The Narasimha Committee on Rural Credit recommended establishing Regional Rural Banks. This committee felt that to meet the needs of the people in the rural areas, Regional Rural Banks (RRBs) would be much better than the Co-operative and the Commercial banks. The Central

government passed Regional Rural Banks Act in the year 1976, following the recommendations of the committee. In different parts of India, at the least, 25 RRBs were established in the following year. The RRBs were established with an aim for developing such type of banking institutions which could function as a commercial organization in rural areas. The Act provides for the incorporation, regulations and winding up procedures for RRBs. These banks were setup with an aim to develop the rural economy of the country. They provide assistance financially in certain fields like trade and commerce, agriculture, industries and other activities especially in the rural places. They extend and provide support to entrepreneurs, labourers in the field of agriculture and marginal farmers who are linked to the rural economy.

The objectives of setting up of RRBs has been to bridge the gaps in rural areas, to develop measures which can restrict the outflow of deposits to urban areas and finally to reduce the imbalance of regional development and provide employment in the rural areas. In order to achieve these, these banks provide services in the form of financial assistance and consultancy to different segments of the rural population.

The functional areas of RRBS are defined by the central government in consultation with NABARD and the state government as well as the Sponsored Bank. The banks operate in a limited area confined to few districts of the state. Therefore it is significant for RRBs to set up their Head Office in centrally located area for functioning as they are also authorized to open their branches offices or appoint agencies within their specified areas.

Each RRB is sponsored by a public sector bank as in Mizoram, SBI is the sponsored bank. The sponsored bank helps and assists the RRB in times of problems. The main functions of the sponsored bank are subscription of the share capital of the RRB, giving training to the personnel of RRB, and providing managerial and financial assistance to the bank. Rs. 5 crores is the

authorized capital of Regional Rural Banks contributed by the Central Government, State Government and the Sponsor Bank in ratio of 50:15:35.

RRBs carry business as a domestic bank like accepting deposits, providing credit, remittance services etc. Like other banks, RRBs can also invest in Government securities and deposit schemes of Banks and financial institutions. They may also seek refinance facilities provided by NABARD for the loans sanctioned and disbursed by them. All the rural banks are covered under Deposit Insurance and Credit Guarantee Corporation (DICGC) scheme and are also required to maintain the RBI requirements for Statutory Liquidity Ratio (SLR) and Cash Reserve Ratio (CRR).

Mizoram Rural Bank (MRB) was established on 27th September 1983 under the Regional Rural Bank Act 1975. It is the only RRB in the country which operates in all the districts and blocks of the state. It operates in the entire state comprising of 8 districts and 26 rural development blocks with a network of 85 branches which comprises of 19 in urban, 17 in semi and 49 in rural centers as per data given by the bank officials in 2019. MRB is the largest bank in terms of number of branches and second in terms of business, next to its sponsor bank, in the State. As a financial inclusion, the bank offers no-frills or zero balance accounts to the people and also offers loans and advances for the benefit of its customers.

Over the period of years, the bank has witnessed significant development in some key areas. The bank has become the 100thmember lending institution of the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) which was set up by Government of India and Small Industries Development Bank of India (SIDBI). The bank has signed an agreement with the SBI Life insurance for corporate agency and a target of Rs.150 lakhs as premium and Rs. 15 lakhs as commission has been allotted to the bank. For financing of physically challenged persons, MRB

has been given the responsibility as a channelizing agency for the National Handicapped Finance and Development Corporation (NHFDC).The bank, as state channelizing agency, borrowed Rs.1.89 crore from NHFDC for issuing loans to disabled persons. A memorandum of understanding (MoU) has been signed with the Mizoram State Social Welfare Department. With the opening of 75th branch at Bungkawn in Aizawl District on 27.03.2014, the bank has covered all blocks as well as districts in the entire state thus fulfilling its mandate of bringing more uncovered centres in the remote and rural areas. All the branches of the Mizoram Rural Bank are working on Core Banking Solution (CBS), as of December, 2016. In terms of technology, MRB provides internet banking to all the customers. The customers of the bank can view and download their transactions history or statements through internet banking.

Mizoram Rural Bank has performed well and surpassed its target in all the three key areas of performance such as deposits, advances and profit. Its performance under government sponsored schemes such as Kishan Credit Card (KCC), Swarnajayanti Gram Swarozgar Yojana (SGSY), General Credit Card (GCC) and opening of "no frills accounts" under the National Rural Employment Guarantee Schemes (NREGS) has been accounting for more than 50% of the aggregate revenues of all banks operating in the state. During the financial year 2011-12, the bank has also clear its accumulated loss with significant improvement in its assets block and has improved management of assets and liability. The bank has now joined the elite group of the "Sustainable Viable" regional rural banks.

Performance highlights of MRB during the year (2017):

The bank's total business has reached Rs.2778.87 crores comparing to Rs.2382.48 crores in the year 2016, placing the bank in the Category II of RRB, as per human resource policy approved by the Govt. of India. It registered a growth of 16.64% in total business. The bank participated

in IBPC with our sponsor bank. The bank lent our standard agriculture outstanding of Rs.14.00 crores to State Bank of India and get interest margin of 2% from our participation. It posted gross profit of Rs. 30.41 crores bringing its reserves to Rs.92.50 crores. The bank achieved by 120.29% in profit against MoU target of Rs.25.28 crores. Business per employee increased from Rs 7.01cr. to Rs.8.15cr. Business per branch improved from Rs.30.54 cr to Rs.33.08 cr. during the year. 172 villages have been 100% covered under financial inclusion by way of opening basic savings banks. We have opened 6 new branches with CBS compliant during the financial year. The bank has a Capital of Rs. 31.04 cr. as at March 2017. The State Government Flagship rural development programme known as New Land Use Policy (NLUP) has been implemented through the bank. The programme envisages a project cost of Rs.2700.00 crores spread over a period of 5 years. Business premium achievement on SBI General comes up to Rs. 113.93 lakhs and earned commission of Rs. 10.16 lakhs in this account during the year.

The bank won "Excellence in Performance during financial year 2013-14" trophy from SBI Life Insurance. The bank also has received Gold Award in the "Livelihood Promotion" category and Order of Merit Certificate for Financial Inclusion & Deepening Awards 2014 at the 36th SKOCH Summit held at New Delhi on 20th & 21st June 2014, becoming the first organization from the state to receive an award in this category. This award was given on the basis of the bank's financing and support of Champhai and Hnahlan Wineries during the past 5 years.

4.2.3. Mizoram Co-operative Apex Bank Limited (MCAB)

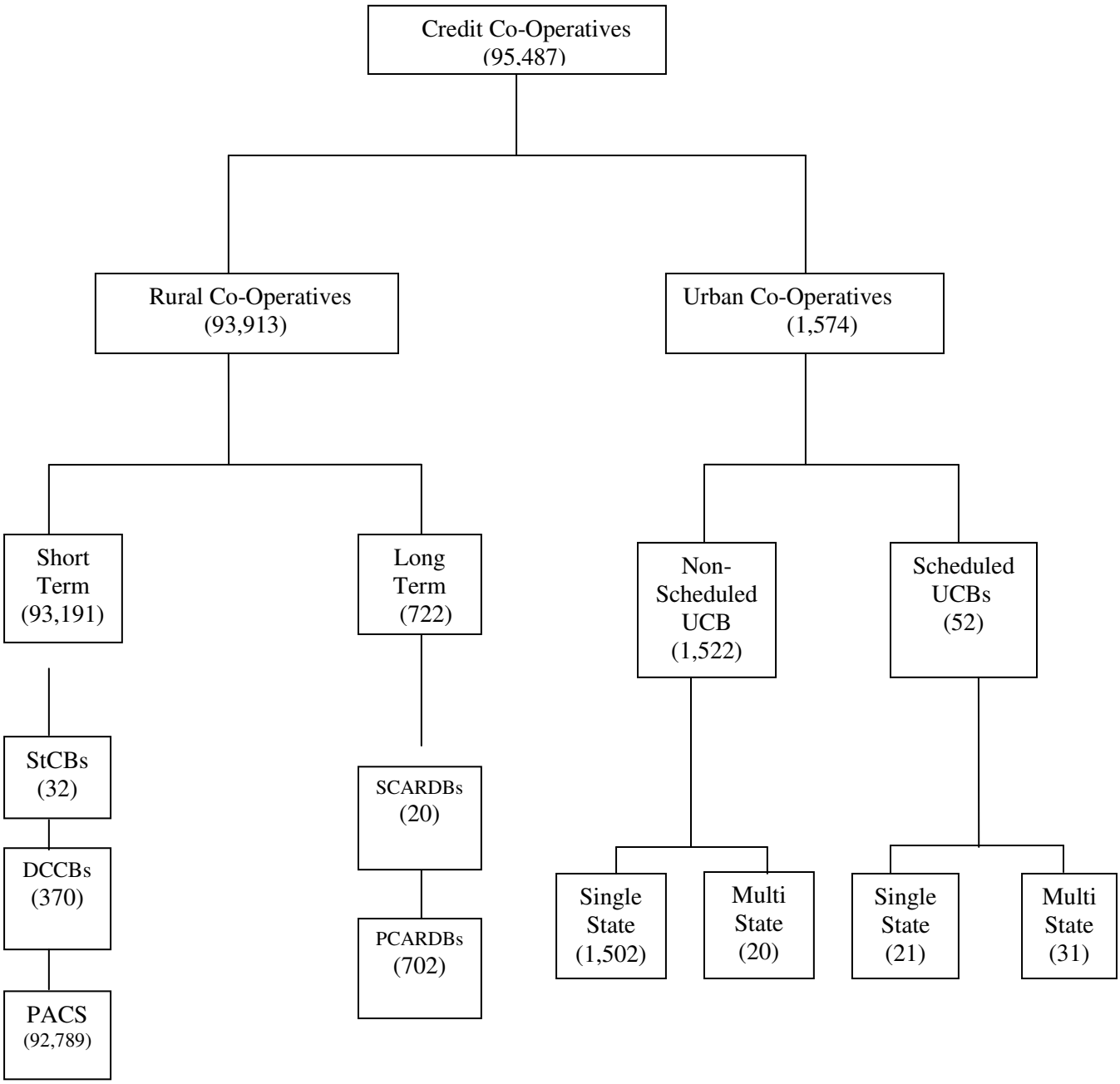
History

The co-operative banking system consists of urban and rural co-operative banks. Co-operative banks help the efforts of commercial banks in meeting the credit needs of the consumers and savings mobilization. The co-operative banks were established with the acceptance of the Co-

operative Societies Act 1904, to encourage self help, thrift and co-operation among artisans, agriculturists and persons of limited means. Under this Act, certain co-operative credit societies were set up. The Co-operative Societies Act 1912 recognized the need for establishing new organizations for supervision, auditing and supply of co-operative credit. The Organizational Structure of Co-operative credit institutions in India is presented in figure 3.1

The figure shows that there are 95,487 credit co-operatives in India as on 31st March 2016. Out of these credit co-operatives, 93,913 belong to rural co-operatives and 1,574 belongs to urban co-operatives. The figure also shows that the rural co-operatives are further divided into short term and long term. Short term consist of 93,191 co-operatives consisting of State Co-operative Banks (32), District Central Co-operative Banks (370) and Primary Agricultural Credit Societies (92,789).The long term co-operatives consist of State Co-operative Agriculture and Rural Development Banks (20) and Primary Co-operative Agriculture and Rural Development Banks (702).

Figure No. 4.1. Structure of Co-operative Credit Institutions in India (as on Mar. 31, 2016)



Source: RBI Bulletin

StCBs: State Co-operative Banks: DCCBs: District Central Co-operative Banks:
PACS: Primary Agricultural Credit Societies: SCARDBs: State Co-operative Agriculture and Rural Development Banks: PCARDBs: Primary Co-operative Agriculture and Rural Development Banks.

Notes: 1. Figures In parenthesis Indicate the number of Institutions at March end 2016 for UCBs and at March End 2015 for rural co-operatives.
2. For rural co-operatives, the number of co-operatives refers to reporting co-operatives.

The figure delineates that Rural Co-operative Banking Sector is characterised by a more widespread and extended network system as compared to the Urban Co-operative banking sector. Primary Co-operative banks have been set up with the objective of promoting banking habit among lower and middle-income strata of the population as shown by the above figure.

Table 4.3. Deposit Mobilisation of Co-operative banks

Co-operative banks	2006 -07	2007 -08	2008 -09	2009 -10	2010 -11	2011 -12	2012 -13	2013 -14	2014 -15	2015 -16
UCB	1,813	1,770	1,721	1,645	1,645	1,618	1,606	1,589	1,579	1,574
RCB	107,497	98,343	96,061	96,751	95,765	94,531	93,550	94,178	93,913	93,913
Total	109,310	100,113	97,782	98,396	97,410	96,149	95,156	95,767	95,492	95,487

Source : RBI Bulletins 2007 to 2016

The table 4.3 disclosed that in the field of deposit mobilization of the Co-operative banks were providing a marginal down trend of deposits. Actually due to the limitation of Co-operative banks in providing financial services to rural people, Government of India introduced multi-institutional setup. Co-operative banks are competing with Commercial banks where the resources of Commercial banks in management and technology are highly advanced. Furthermore, this achievement is in the midst of ongoing financial reforms. This gives a clear indication that even though organisational structure of Co-operative banks and Commercial banks are entirely different, Co-operatives secured this remarkable achievement by adopting similar type of strategies adopted by Commercial banks. In other words, the marketing strategies of Co-operative banks and Commercial banks are the same.

Table 4.4. Distribution of Banking Centres According to State and Population Group (As At the end of March 2014 and 2015)

Population Group	Rural		Semi-Urban		Urban		Metropolitan		All Centres	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Region/ State/ Union Territory	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
Northern Region	**5,830**	**6,466**	**646**	**655**	**54**	**55**	**5**	**5**	**6,535**	**7,181**
Haryana	1,023	1,199	152	155	19	19	1	1	1,195	1,374
Himachal Pradesh	704	749	14	14	1	1	-	-	719	764
Jammu & Kashmir	591	624	40	41	2	2	-	-	633	667
Punjab	1,482	1,670	133	135	12	13	2	2	1,629	1,820
Rajasthan	1,940	2,129	275	276	18	18	1	1	2,234	2,424
Chandigarh	10	11	-	-	1	1	-	-	11	12
Delhi	80	84	32	34	1	1	1	1	114	120
North-eastern Region	**1,197**	**1,270**	**154**	**154**	**10**	**10**	**-**	**-**	**1,361**	**1,434**
Arunachal Pradesh	51	57	10	10	-	-	-	-	61	67
Assam	750	809	72	72	5	5	-	-	827	886
Manipur	47	43	14	14	1	1	-	-	62	58
Meghalaya	123	123	13	13	2	2	-	-	138	138
Mizoram	54	60	8	8	1	1	-	-	63	69
Nagaland	43	44	12	12	-	-	-	-	55	56
Tripura	129	134	25	25	1	1	-	-	155	160
Eastern Region	**7,671**	**8,190**	**989**	**1,082**	**90**	**89**	**4**	**4**	**8,754**	**9,365**
Bihar	2,538	2,771	472	539	18	18	1	1	3,029	3,329
Jharkhand	987	1,034	88	90	6	6	1	1	1,082	1,131
Odisha	1,715	1,837	105	106	8	8	-	-	1,828	1,951
Sikkim	39	41	2	2	-	-	-	-	41	43
West Bengal	2,374	2,489	320	343	58	57	2	2	2,754	2,891
Andaman & Nicobar Islands	18	18	2	2	-	-	-	-	20	20
Central Region	**8,716**	**9,374**	**1,094**	**1,107**	**81**	**82**	**8**	**8**	**9,899**	**10,571**
Chhattisgarh	702	748	76	77	7	7	-	-	785	832
Madhya Pradesh	1,740	1,818	280	282	23	23	2	2	2,045	2,125
Uttar Pradesh	5,681	6,174	694	703	48	49	6	6	6,429	6,932
Uttarakhand	593	634	44	45	3	3	-	-	640	682
Western Region	**4,383**	**4,713**	**812**	**822**	**54**	**54**	**11**	**11**	**5,260**	**5,600**
Goa	144	151	25	25	-	-	-	-	169	176
Gujarat	1,828	1,976	285	287	21	21	4	4	2,138	2,288
Maharashtra	2,400	2,572	496	504	33	33	7	7	2,936	3,116
Dadra&nagar Haveli	9	11	2	2	-	-	-	-	11	13
Daman & Diu	2	3	4	4	-	-	-	-	6	7
Southern Region	**7,598**	**8,267**	**2,591**	**2,655**	**95**	**98**	**5**	**4**	**10,289**	**11,024**
Andhra Pradesh	2,715	1,773	575	394	38	28	3	1	3,331	2,196
Karnataka	2,501	2,714	309	311	23	24	1	1	2,834	3,050
Kerala	308	343	1,093	1,127	10	11	-	-	1,411	1,481
Tamil Nadu	2,036	2,206	605	623	22	23	1	1	2,664	2,853

Lakshadweep	7	7	2	2	-	-	-	-	9	9
Puducherry	31	35	7	7	2	2	-	-	40	44
Telangana	-	1,189	-	191	-	10	-	1	-	1,391
All India	***35,395***	***38,280***	***6,286***	***6,475***	***384***	***388***	***33***	***32***	***42,098***	***45,175***

Source: RBI Bulletin 2016

The above table 4.4 shows the distribution of banking centres according to the states and population group. Although banking centres are high in other regional sectors, north east sector remains low. The state of Mizoram has increased banking sectors form 63 in 2014 to 69 only in 2015. This is 4th lowest among the small states in north east sector.

Mizoram Co-operative Apex Bank Limited (MCAB)

Mizoram Co-operative Apex Bank Limited (MCAB) was registered under Registrar of Cooperative Societies (RCS), Government of Mizoram on 5th December, 1978 for which Rs. 13 lakh were provided towards share capital contribution, loan subsidy for purchase of furniture and fixtures, administrative charges etc. The functioning of the bank started in Aizawl, from 31st, July 1982 after it has been accepted to function under the rules and regulations of Reserve Bank of India's Bank Regulation Act 1949. As of December 2016, MCAB has 13branches spread out in every district of Mizoram and also within Aizawl city along with an extension counter at Aizawl Capital Complex and an evening branch at Dawrpui for Government employees and businessmen. Co-operative credit structure in Mizoram is divided into levels viz., Mizoram Co-operative Apex Bank limited at state level and Primary Co-operative societies in district levels. Since there is no separate land development bank in Mizoram, the MCAB disburses medium and long term loans to farmers and co-operative societies. There are more than 1300 co-operative societies in Mizoram out of which 956 co-operative societies are bank members. MCAB is a leader of Cooperative credit structure within the state therefore plays an important role in the development and growth of the society.

MCAB offers different kinds services to the customers viz., accepting deposits, giving of loans and advances such as small medium enterprises (SME) loans, personal loans for government employees etc. Due to being the only bank in Mizoram that can give loans to churches, it provides loans primarily to the construction of churches of various denominations in the state.

As a part of financial inclusion, MCAB is having more than a thousand co-operative societies from every corner of the state and these societies are the shareholders. Even if the people from far flung areas do not maintain an individual account, they can rely on the societies who are having an account. Even before Financial Inclusion was introduced, MCAB has started working for the benefits of the Lower section of the society. MCAB offers different kinds of Loans and advances such as Small Medium Enterprises (SME) Loans, Personal Loans (PL) for Government employees and most importantly, it is the only Bank which offers Church Loan (CL) within the State.

4.3. Profile of Study Area in Mizoram

Mizoram is one of the Seven Sister States in the North Eastern part of India and is bordered by three states which are Manipur, Assam and Tripura. The neighboring countries are Bangladesh and the Chin State of Myanmar. On 20 February 1987, Mizoram was declared as the 23rd State. According to the 2011 census, total population of Mizoram was 10, 97,206. The density of population in the State according to 2011 Census was 52 per sq km. The number of females per 1000 males according to 2011 Census was 976. Next to Lakshadweep and Kerala, the literacy rate of the state which stands at 91.58 percent is one of the highest in India. The economy of Mizoram is largely dependent on agriculture. The agricultural economy serves the livelihood of more than 70 percent of the population of the state. The rocky hilly terrains are not favorable to cultivation of crops. However, regular rainfall for almost the whole year and the temperate soils

which are very has resulted in the leaping up of dense forests encircled in luxurious vegetation. In spite of the craggy terrains, extensive jhum cultivation has been practiced in the state due to the favorable climatic conditions and the rich soil. Horticultural crops are also grown for economic purposes. Agriculture forms the primary sector in the economy of Mizoram. Thus all subsidiary industries also happen to be agro-based. Food processing units are expanding all over the state and the government is hopeful that the growth in the production of fruits, vegetables and spices and cultivation of cash crops as well in the coming years will lead to a increasing food processing industry within the state. Mizoram has a small repository of minerals. Thus mining also contributes to a small part of the economy. A large number of small scale industries that sell exquisite bamboo works as well as handloom made apparels also contribute to the state's economy. Another core sector of the economy, tourism contributes largely to the state's revenue. The state is also starting to exploit the unexploited hydro electric power potential and is also attempting to discover the medicinal worth of the numerous herbs that are found in plenty in the state's forest.

Forest covers 66 percent of the geographical area and also the state is declared as the greenest state in the country. Agriculture is the main occupation and almost 80 percent of the total population is engaged in agricultural activity. Mizoram is enriched with good scope for animal husbandry, horticulture, fisheries, etc. development as during monsoon period, it is blessed with abundant rainfall. The infrastructural insufficiencies, however, tailback the abilities from being fully exploited which still leaves a lot of work for the Government, financial / banking institutions.

Aizawl District

Aizawl is the largest city in the state of Mizoram and is also the state capital. Aizawl district has the largest number of population within the state. The district of Aizawl is bounded by Kolasib District on the north, Mamit district on the west, Serchhip district on the south and Champhai District on the east. It occupies an area of 3,577 sq.kms. The population of the district according to 2011 census is 400,309, comprising of 199,270 males and 201,039 females. There are 106 bank branches within the district, comprising of 44 private banks, 19 State Bank of India, 9 Mizoram Co-operative Apex Bank Ltd. and 34 branches of Mizoram Rural Bank.

Figure No. 4.2. Aizawl District (Study Area-I)

Lunglei District

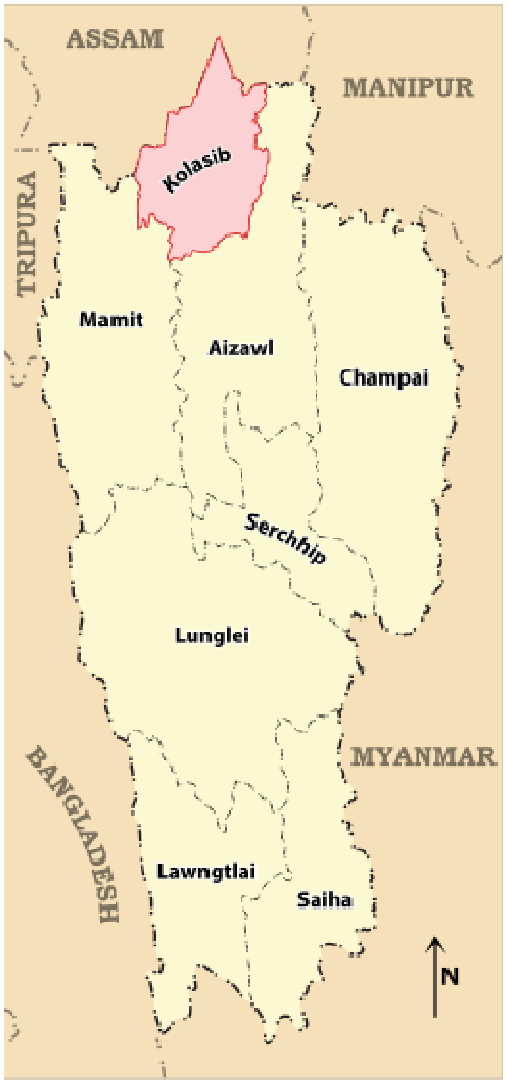
The largest in area and the second most populous district in Mizoram is Lunglei District, which is named after its headquarter, Lunglei. It is bounded by Mamit and Serchhip Districts on the north and Lawngtlai and Saiha Districts on the south. And on the East, it is bounded by Myanmar and on the west, by Bangladesh. The area of the district is 4,536 sq.kms and with a population of 161,428 (2011 census) with 82,891 males and 78,537 females. There are 186 villages within the district. The district is having 2 government hospitals which are located at Lunglei and Tlabung. Currently there are 7 private banks within the district. State Bank of India is having 5 branches, 9 branches of Mizoram Rural Bank and 2 branches of Mizoram Co-operative Apex Bank Ltd., which are in Lunglei and Zobawk respectively.

Kolasib District

Kolasib District is the smallest district in the study area. This district is bounded by Hailakandi District of Assam on the north and northwest, Mamit district on the west, Aizawl district on the south and east and by Cachar district of Assam on the northeast. The area of the district is 1382.51 sq. kms. The administrative headquarter of the district is Kolasib. According to 2011 census, the population of the district is 83,955 which comprises of 42,918 males and 42,918 females. Within the district, there are 13 bank branches consisting of 3 private banks, 1 branch of Mizoram Co-operative Apex Bank Ltd, 3 State Bank of India branches and 6 Mizoram Rural Bank branches.

Figure No. 4.3. Lunglei District (Study Area-II)

Figure No. 4.4. Kolasib District (Study Area-III)



4.4. Conclusion

This chapter analysed the profile of three select banks in Mizoram. The selected banks were State Bank of India (SBI), Mizoram Co-operative APEX Bank Limited (MCAB) and Mizoram Rural Bank (MRB) representing one pure commercial bank, one co-operative bank and one rural bank. It is found that SBI has the largest number of branches in comparison to MCAB and MRB. It also can be concluded that SBI was an extension of branch from Guwahati and Silchar, Assam and was established as one of the first few banks. In terms of services provided, SBI is an

established bank in comparison to MCAB and MRB and therefore has more services to offer to the customers. In terms of number of ATMs available, the number of branch banking, as well as models likes BC arrangements, Kiosk banking, etc. are offered by SBI in comparison to MCAB and MRB. The main role of MCAB and MRB are to cater to the needs of entrepreneurs and rural consumers. The products offered are variants of savings, tern deposits and loan products along with special products like Kissan Credit Card (KCC), Rupay Debit and Credit Cards, etc. The banks have installed core-banking services and have started offering services of ATM from within a bank or from other ATMs but the banks are still yet to develop internet banking as well as mobile banking. Some of the developmental programs like New Land Use Policy (NLUP) is implemented through SBI. It can be summarized that although SBI is advanced in comparison to MCAB and MRB, both the banks are trying a lot to provide more services to the customers and competing with SBI.

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Footnotes:

Swadeshi- that spirit or movement which encourages the use of local made products and the exclusion of the foreign products

CHAPTER 5

SOCIO-ECONOMIC PROFILE OF CUSTOMERS AND BANK OFFICIALS

5.1. Introduction

The socio-economic profile of the 470 customers (respondents) as well as 113 officials (bank officials) is presented in this chapter. The socio-economic profile of the respondents provides an insight into the characteristics of consumers experiencing banking services as well as the characteristics of bank officials who provides the banking services. The following parameters of socio economic profile are recorded in terms of district wise as well as bank category. They are:

- Gender based information
- Occupation
- Educational status
- Age group

5.2. Data Analysis

5.2.1. Gender profile of the respondents (customers)

The study covered 470 respondents of the select banks (MCAB, MRB and SBI) of Mizoram in the study areas of three districts viz. Aizawl, Lunglei and Kolasib.

Table 5.1. Distribution of respondents (customers) by gender and select districts

Gender		District			Total
		Aizawl	Kolasib	Lunglei	
Male	Count	65	118	94	277
	% within District	50.39%	69.41%	54.97%	58.94%
Female	Count	64	52	77	193
	% within District	49.61%	30.59%	45.03%	41.06%
Total	Count	129	170	171	470

Source: Field survey

While analyzing gender wise distribution of bank customers, it is found that males dominate more than female account holders. In the study of Bharathi and Nagaraja (2014), they have also found that male account holders constitute the larger percentage than the females. Table 5.2 shows that in MCAB, 55 respondents consisting of male account holders (59.78%) are higher than the female respondents (40.22%). In MRB also, male respondents are 99 while females are 56 showing a higher number of customers of male account holders. In SBI, while female are 100 respondents, males again dominate (123 respondents) showing a 55.16 percent. So, it can be seen that in all the three select banks male respondents are more than female respondents. So, it is found in both the tables that males dominate the number of account holders in select banks as well as in select districts.

Table 5.2. Distribution of respondents (customers) by gender and select banks

Gender		Bank			Total
		MCAB	MRB	SBI	
Male	Count	55	99	123	277
	% within Bank	59.78%	63.87%	55.16%	58.94%
Female	Count	37	56	100	193
	% within Bank	40.22%	36.13%	44.84%	41.06%
Total	Count	92	155	223	470

Source: Field survey

5.2.2. Occupation profile of the respondents

The largest numbers of customers are Government employees consisting of 46.38 percent of the total respondents. However, pensioners, home-makers and students consist of the smaller percentage. The occupation of 33.33 percent is self-employed and 15.11 percent are engaged in the private sector.

Table 5.3. Distribution of respondents (customers) by occupation and select districts

Occupation	Aizawl	Kolasib	Lunglei	Total
Self Employed	29	71	57	157
(% within Districts)	22.48%	41.76%	33.33%	33.40%
Government Employees	51	75	92	218
(% within Districts)	39.53%	44.12%	53.80%	46.38%
Private Sector	31	20	20	71
(% within Districts)	24.03%	11.76%	11.70%	15.11%
Others				
Pensioners	1	0	1	2
(% within Districts)	0.78%	0.00%	0.58%	0.43%
Home-makers	4	3	0	7
(% within Districts)	3.10%	1.76%	0.00%	1.49%
Students	13	1	1	15
(% within Districts)	10.08%	0.59%	0.58%	3.19%
Total	129	170	171	470
(% within Districts)	100.00%	100.00%	100.00%	100.00%

Source: Field survey

SBI has the largest number of respondents who are Government employees with 128 in numbers. Since most of the MRB offices are found in the rural areas, it has the largest number of respondents who are self-employed with 49.03 percent. Other categories such as home-makers, students and pensioners are represented by smaller percentages. Among the select banks, in the category of government employees, SBI has the largest number of account holders consisting of 57.4 percent. The net income is influenced by the occupations of the respondents.

Table 5.4. Distribution of respondents (customers) by occupation and select banks

Occupation	Bank			Total
	MCAB	MRB	SBI	
Self Employed	36	76	47	159
(% within Banks)	39.13%	49.03%	21.08%	33.83%
Government Employees	31	58	128	217
(% within Banks)	33.70%	37.42%	57.40%	46.17%
Private Sector	23	15	32	70
(% within Banks)	25.00%	9.68%	14.35%	14.89%
Others				
Pensioners	0	0	2	2
((% within Banks)	0.00%	0.00%	0.90%	0.43%
Home-makers	2	1	4	7
(% within Banks)	2.17%	0.65%	1.79%	1.49%
Students	0	5	10	15
(% within Banks)	0.00%	3.23%	4.48%	3.19%
Total	92	155	223	470
(% within Banks)	100.00%	100.00%	100.00%	100.00%

Source: Field survey

5.2.3. Educational profile of the respondents

The educational qualifications of the 470 respondents of the three select districts of the three types of banks indicates that majority of the respondents are have educational qualification ranging between high school to higher secondary school. The maximum number of the respondents in each district has Class X level education, comprising of respondents in Aizawl district, 85 respondents in Kolasib district and 66 respondents in Lunglei district respectively. Lunglei district has the highest number of Class XII level education with 71 respondents. Depending on the level of education, the respondents awareness level of banking services and products also differ. Kumbhar (2011) also recommended that banks should develop their features and services of e-banking service in accordance to the needs of the customers who belong to

different age-groups, having different income, occupations and educational level. A study made by Ghazizadeh, Besheli and Talebi (2010) also revealed that factors like level of satisfaction and demographic profile of customers such as age and education has affected the decision of the customers to stay with their associate banks.

Table 5.5. Distribution of respondents (customers) by educational qualification and select districts

Education Level		District			Total
		Aizawl	Kolasib	Lunglei	
Class VIII	Count	12	35	24	71
	% within district	9.30%	20.59%	14.04%	15.11
Class X	Count	48	85	66	199
	% within district	37.21%	50.00%	38.60%	42.34%
Class XII	Count	44	39	71	154
	% within district	34.11%	22.94%	41.52%	32.77%
Undergraduate	Count	0	2	2	4
	% within district	0.00%	1.18%	1.17%	0.85%
Postgraduate	Count	21	9	8	38
	% within district	16.28%	5.29%	4.68%	8.09%
Doctor of Philosophy	Count	4	0	0	4
	% within district	3.10%	0.00%	0.00%	0.85%
Total	Count	129	170	171	470
	% within district	100.00	100.00	100.00	100.00

Source: Field survey

The level of education varies depending on the respondent's social status and other factors. SBI has the largest number of respondents with Class XII level of education (40.36 percent), followed by MRB with 30.32 percent and lastly by MCAB with 18.48 percent respectively. In the highest category, each bank has the most of the respondents who are of Class X level with 199 respondents out of 470. Other categories level like Class VIII and Postgraduate do not have many respondents with 71 and 38 in numbers respectively. The highest category, Doctor of Philosophy (Ph.D.) comprises of 3 respondents in SBI and 1 respondent in MRB. This states that

the account holders are generally educated. Similar findings that the respondents are educated and young was also observed by Bharathi and Nagaraja (2014).

Table 5.6. Distribution of respondents (customers) by educational qualification and select banks

Education Level		Name of the Bank			Total
		MCAB	MRB	SBI	
Class VIII	Count	19	25	27	71
	% within Bank	20.65%	16.13%	12.11%	15.11%
Class X	Count	50	70	79	199
	% within Bank	54.35%	45.16%	35.43%	42.34%
Class XII	Count	17	47	90	154
	% within Bank	18.48%	30.32%	40.36%	32.77%
Undergraduate	Count	0	2	2	4
	% within Bank	0.00%	1.29%	0.90%	0.85%
Postgraduate	Count	6	10	22	38
	% within Bank	6.52%	6.45%	9.87%	8.09%
Doctor of Philosophy	Count	0	1	3	4
	% within Bank	0.0%	.6%	1.3%	.9%
Total	Count	92	155	223	470
	% within Bank	100.00%	100.00%	100.00%	100.00%

Source: Field survey

5.2.4. Gender profile of bank officials

From each district viz. Aizawl, Lunglei and Kolasib, the total number of bank officials interviewed and questioned during the survey is 113 in number, where 39 are females and 74 are males which can be inferred that males are majority employees in select banks. Aizawl district has the most respondents (62.70 percent male and 37.30 percent female), followed by Lunglei district (64.50 percent Male and 35.50 percent Female) and in the last, presented by Kolasib district having 73.90 percent male and 26.10 female.

Table 5.7. Distribution of respondents (bank officials) by gender and select districts

Gender		DISTRICT			Total
		Aizawl	Kolasib	Lunglei	
Female	Count	22	6	11	39
	% within District	37.30%	26.10%	35.50%	34.50%
Male	Count	37	17	20	74
	% within District	62.70%	73.90%	64.50%	65.50%
Total	Count	59	23	31	113
	% within District	100.00%	100.00%	100.00%	100.00%

Source: Field survey

Out of the total 113 respondents, 52 bank officials belong to SBI, 33 belong to MCAB and 28 belong to MRB. Since SBI has the largest number of employees in the state, the respondents are also larger in number. While comparing the male-female ratios, it is found that the male-female ratio in MRB is in the range of 1:1 while the other banks viz SBI and MCAB are in the range of 2:1.

Table 5.8. Distribution of respondents (bank officials) by gender and select banks

Gender		BANK			Total
		MCAB	MRB	SBI	
Female	Count	10	12	17	39
	% within Bank	30.30%	42.90%	32.70%	34.50%
Male	Count	23	16	35	74
	% within Bank	69.70%	57.10%	67.30%	65.50%
Total	Count	33	28	52	113
	% within Bank	100.00%	100.00%	100.00%	100.00%

Source: Field survey

5.2.5. Educational profile of bank officials

The bank officials who were interviewed have been found to be graduates and post-graduates holding different posts and responsibilities. Out of the total 113 respondents, 92 are graduates where 49 are from Aizawl district, 21 from Kolasib district and 22 are from Lunglei district.

There are 21 respondents who have completed their post graduate degree comprising of 10 from Aizawl district, 2 from Kolasib district and 9 from Lunglei district.

Table 5.9. Distribution of respondents (bank officials) by educational qualification and select districts

Educational qualification		DISTRICT			Total
		Aizawl	Kolasib	Lunglei	
Graduate	Count	49	21	22	92
	% within District	83.10%	91.30%	71.00%	81.40%
Post-Graduate	Count	10	2	9	21
	% within District	16.90%	8.70%	29.00%	18.60%
Total	Count	59	23	31	113
	% within District	100.00%	100.00%	100.00%	100.00%

Source: Field survey

SBI has the highest number of post graduates (28.80 percent) where MCAB and MRB comprise 9.10 percent and 10.70 percent respectively. There are 37 respondents who are graduates in SBI, 25 respondents in MRB and 30 respondents in MCAB. All the respondents of the banks are educated as per the mandatory requirement qualifications of employee. Sumitha and Padmaja (2015) also finds that maximum highly satisfied employee respondents are Post-graduates and those who are unsatisfied have lower level of education. This states that in the finding, the higher the level of education, the more satisfied is the employees putting several benefits into consideration.

Table 5.10. Distribution of respondents (bank officials) by educational qualification and select banks

Educational qualification		BANK			Total
		MCAB	MRB	SBI	
Graduate	Count	30	25	37	92
	% within Bank	90.90%	89.30%	71.20%	81.40%
Post-Graduate	Count	3	3	15	21
	% within Bank	9.10%	10.70%	28.80%	18.60%
Total	Count	33	28	52	113
	% within Bank	100.00%	100.00%	100.00%	100.00%

Source: Field survey

5.2.6. Age-group distribution of bank officials

The age-group distribution of respondents among bank officials in each district indicates that 2 respondents are within the age groups 25-30, 16 respondents are in the age groups of 31-35, 27 respondents belong to the age groups of 36-40, 11 respondents in the age-groups of 41-45, 28 respondents are in the age groups of 46-50, 19 respondents in the age-groups 51-55 and 10 respondents belonging to the age groups 56 and above. The data shows that largest groups are in the age group of 36-40 and 46-50 which means that either there are large number of new entrants and employees who have worked for some time and has come to middle level management. In Kumar and Singh (2017) study, they have found that there is a moderately positive relationship between age diversity and employees performance.

Table 5.11. Age-group distribution of bank officials by District Group

Age-group		DISTRICT			Total
		Aizawl	Kolasib	Lunglei	
25-30	Count	2	0	0	2
	% within District	3.40%	0.00%	0.00%	1.80%
31-35	Count	8	2	6	16
	% within District	13.60%	8.70%	19.40%	14.20%
36-40	Count	14	6	7	27
	% within District	23.70%	26.10%	22.60%	23.90%
41-45	Count	5	3	3	11
	% within District	8.50%	13.00%	9.70%	9.70%
46-50	Count	14	8	6	28
	% within District	23.70%	34.80%	19.40%	24.80%
51-55	Count	10	3	6	19
	% within District	16.90%	13.00%	19.40%	16.80%
56 & Above	Count	6	1	3	10
	% within District	10.20%	4.30%	9.70%	8.80%
Total	Count	59	23	31	113
	% within District	100.00%	100.00%	100.00%	100.00%

Source: Field survey

In SBI, respondents belonging to the age group 36-40 are highest in percentage (26.90 percent), MCAB has the highest percentage of officials in the age groups 36-40 and 56 and above with both 24.20 percentages respectively whereas in MRB, the highest number of officials are in the age groups 46-50 (35.70 percent) which represents that the larger number of bank officials respondents are in the age group of 36-40. The study finds that majority of the workers are in middle level management. Age is a very important factor contributing to the hierarchy of any organization. This finding is similar to the findings of Abdulla et. al., (2011)

Table 5.12. Age-wise distribution of bank officials by Bank Group

Age-group		BANK			Total
		MCAB	MRB	SBI	
25-30	Count	0	0	2	2
	% within Bank	0.00%	0.00%	3.80%	1.80%
31-35	Count	2	3	11	16
	% within Bank	6.10%	10.70%	21.20%	14.20%
36-40	Count	8	5	14	27
	% within Bank	24.20%	17.90%	26.90%	23.90%
41-45	Count	1	4	6	11
	% within Bank	3.00%	14.30%	11.50%	9.70%
46-50	Count	7	10	11	28
	% within Bank	21.20%	35.70%	21.20%	24.80%
51-55	Count	7	5	7	19
	% within Bank	21.20%	17.90%	13.50%	16.80%
56 & Above	Count	8	1	1	10
	% within Bank	24.20%	3.60%	1.90%	8.80%
Total	Count	33	28	52	113
	% within Bank	100.00%	100.00%	100.00%	100.00%

Source: Field survey

5.2.7. Annual salary profile of bank officials

The data which was obtained through the field survey of 113 bank officials revealed some significant trends about their annual income. Salary is one of the most significant factor of employee satisfaction. Sharma and Khanna (2014) and Chahal, et. al. (2013) have also observed that Variables such as salary, promotions, performance appraisal, relationships in the workplace are discovered imperative for enhancing work fulfillment of bank workers in banks. Increment in level of these components enhances general satisfaction of employees. The maximum number of 71 bank officials has annual income ranging from Rs.2 lakhs to Rs.5 lakhs where. 10 officials within the range of less than Rs. 2 lakhs annually and 20 officials' salaries range between Rs.5 lakhs to Rs. 8 lakhs annually. There are 11 bank official respondents whose annual income range from Rs. 8 lakhs to 10 lakhs and 1 bank official whose annual salary is more than Rs.10 lakhs. Aizawl district has the highest percent (70 percent) of bank officials who annual salaries ranging between Rs.5 lakhs to Rs. 8 lakhs while Lunglei district has the highest percent (50 percent) with officials whose annual income are less than Rs.2 lakhs, as shown in table 5.13.

Table 5.13. Distribution of respondents (bank officials) by annual salary and select districts

Salary Category		DISTRICT			Total
		Aizawl	Kolasib	Lunglei	
Less than Rs. 2 lakhs	Count	3	2	5	10
	% within Salary Category	30.0%	20.0%	50.0%	100.0%
Rs. 2-5 lakhs	Count	36	17	18	71
	% within Salary Category	50.7%	23.9%	25.4%	100.0%
Rs. 5-8 lakhs	Count	14	3	3	20
	% within Salary Category	70.0%	15.0%	15.0%	100.0%
Rs. 8-10lakhs	Count	5	1	5	11
	% within Salary Category	45.5%	9.1%	45.5%	100.0%
More than Rs. 10 lakhs	Count	1	0	0	1
	% within Salary Category	100.0%	.0%	.0%	100.0%
Total	Count	59	23	31	113
	% within Salary Category	52.2%	20.4%	27.4%	100.0%

Source: Field survey

In the following table, the bank wise annual salary of bank officials is revealed. SBI has the largest number of respondents (47.9 percent) in the category of employees whose annual salary ranges between Rs.2 lakhs to Rs.5 lakhs. In MCAB, the highest percent of bank officials belongs to those annual salaries ranging between Rs.5 lakhs and Rs. 8 lakhs and in MRB, the highest annual salary of the respondents, consisting of 4 bank officials lies in the category of those getting between Rs.8 lakhs to Rs. 10 lakhs. It is also found that there is 1 respondent in SBI whose annual salary crosses Rs.10 lakhs.

Table 5.14. Distribution of respondents (bank officials) by annual salary and select banks

Salary Category		BANK			Total
		MCAB	MRB	SBI	
Less than Rs. 2 lakhs	Count	1	0	9	10
	% within Salary Category	10.0%	.0%	90.0%	100.0%
Rs. 2-5 lakhs	Count	18	19	34	71
	% within Salary Category	25.4%	26.8%	47.9%	100.0%
Rs. 5-8 lakhs	Count	10	5	5	20
	% within Salary Category	50.0%	25.0%	25.0%	100.0%
Rs. 8-10lakhs	Count	4	4	3	11
	% within Salary Category	36.4%	36.4%	27.3%	100.0%
More than Rs. 10 lakhs	Count	0	0	1	1
	% within Salary Category	.0%	.0%	100.0%	100.0%
Total	Count	33	28	52	113
	% within Salary Category	29.2%	24.8%	46.0%	100.0%

Source: Field survey

5.2.8. Designations of respondents (bank officials)

The number of bank official respondents is 113 in total. These officials have different designations depending on their entry level and criteria. Since the three select banks have different designations which are given different names, the three tables below reveal the designation of the bank officials (respondents) which are grouped into bank and district.

In MCAB, there are 4 respondents in Aizawl district and 1 respondent in Kolasib district who are in the Assistant Grade-I (AG-I). In Assistant Grade-II, there are 3 respondents in Aizawl district and 1 each of Kolasib and Lunglei districts. Aizawl and Lunglei districts have 1 Assistant General Manager (AGM) respondent and 1 Deputy General Manager (DGM) respondent each. There is 1 Junior Management Group (JMG) respondent and 4 Middle Management Group (MMG-I) respondents in Aizawl district. In the Middle Management Group (MMG-II), there are 3 respondents in Aizawl district and 1 respondent each of Kolasib and Lunglei districts. Aizawl and Kolasib districts have 1 respondent each who belong to the Subordinate Group-I (SG-I) category. There are 4 respondents in Lunglei district and 1 respondent in Aizawl district who are in the Subordinate Group-II (SG-II) category. There is 1 respondent each in Aizawl and Kolasib districts who are in the category of Subordinate Group-III (SG-III) as given in the table below.

Table 5.15. Crosstab relation of bank official respondents designations of MCAB with District Groups

Designation		DISTRICT			Total
		Aizawl	Kolasib	Lunglei	
AG-I	Count	4	1	0	5
	% within Designation	80%	20%	0%	100%
AG-II	Count	3	1	1	5
	% within Designation	60%	20%	20%	100%
AGM	Count	1	0	1	2
	% within Designation	50%	0%	50%	100%
DGM	Count	1	0	1	2
	% within Designation	50%	0%	50%	100%
JMG	Count	1	0	0	1
	% within Designation	100%	0%	0%	100%
MMG-I	Count	4	0	0	4
	% within Designation	100%	0%	0%	100%
MMG-II	Count	3	1	1	5
	% within Designation	60%	20%	20%	100%
SG-I	Count	1	1	0	2
	% within Designation	50%	50%	0%	100%
SG-II	Count	0	1	4	5

	% within Designation	0%	20%	80%	100%
SG-III	Count	1	1	0	2
	% within Designation	50%	50%	0%	100%
Total	Count	19	6	8	33
	% within Designation	58%	18%	24%	100%

Source: Field Survey

In MRB, looking at the following table, it is shown that there are 4 respondents in Aizawl district and 2 respondents in Lunglei district who are Branch Managers. In the Office Assistant (OA) category, there are 3 respondents in Aizawl district and 2 respondents in Lunglei district. There are 3 Scale-I officer respondents in Aizawl district and 2 in Lunglei district. Aizawl and Kolasib districts have 3 respondents each who belong to Scale-II officer category and 1 respondent in Lunglei district. In Scale-III officer category, there are 2 respondents each of Aizawl and Kolasib districts and 1 respondent in Lunglei district.

Table 5.16. Crosstab relation of bank official respondents designations of MRB with District Groups

Designation		DISTRICT			Total
		Aizawl	Kolasib	Lunglei	
Branch Manager	Count	4	0	2	6
	% within Designation	67%	0%	33%	100%
Office Assistant (OA)	Count	3	0	2	5
	% within Designation	60%	0%	40%	100%
Scale-I	Count	3	0	2	5
	% within Designation	60%	0%	40%	100%
Scale-II	Count	3	3	1	7
	% within Designation	43%	43%	14%	100%
Scale-III	Count	2	2	1	5
	% within Designation	40%	40%	20%	100%
Total	Count	15	5	8	28
	% within Designation	54%	18%	29%	100%

Source: Field Survey

The table below gives the designations of bank officials (respondents) in SBI. In Aizawl district,

there are 3 Accountant respondents and none from the other two districts. In the Assistant category, there is 1 respondent in Aizawl district, 2 respondents in Kolasib district and 5 respondents in Lunglei district. There are 4 Assistant Manager respondents in Aizawl district and 3 Assistant Manager respondents in Kolasib district. Kolasib and Lunglei districts have 1 respondent each who are in the category of Branch Manager. It is also shown that there are 3 Cashier respondents each in Aizawl and Lunglei districts and 2 respondents in Kolasib district. There are 5 respondents in Aizawl district, 2 respondents in Kolasib district and 3 respondents in Lunglei district who are designated as Clerks. In Customer Relationship Manager category, there is only 1 respondent who belongs to Kolasib district. It is found that out of the total 52 respondents of SBI, only 1 respondent in Aizawl district belongs to the category of Deputy Manager. There is 1 Operations Manager respondent in Aizawl district and 2 in Lunglei district. There are 4 Probationary officer respondents in Aizawl district and 1 each in Kolasib and Lunglei districts. Other districts remaining Nil, among the respondents, there are 2 Senior Assistants and 1 Senior Manager in Aizawl district.

Table 5.17. Crosstab relation of bank official respondents designations of SBI with District Groups

Designation		DISTRICT			Total
		Aizawl	Kolasib	Lunglei	
Accountant	Count	3	0	0	3
	% within Designation	100%	0%	0%	100%
Assistant	Count	1	2	5	8
	% within Designation	13%	25%	63%	100%
Assistant Manager	Count	4	3	0	7
	% within Designation	57%	43%	0%	100%
Branch Manager	Count	0	1	1	2
	% within Designation	0%	50%	50%	100%
Cashier	Count	3	2	3	8
	% within Designation	38%	25%	38%	100%
Clerk	Count	5	2	3	10
	% within Designation	50%	20%	30%	100%
Customer Relationship Officer	Count	0	1	0	1
	% within Designation	0%	100%	0%	100%
Deputy Manager	Count	1	0	0	1
	% within Designation	100%	0%	0%	100%
Operations Manager	Count	1	0	2	3
	% within Designation	33%	0%	67%	100%
Probationary Officer	Count	4	1	1	6
	% within Designation	67%	17%	17%	100%
Senior Assistant	Count	2	0	0	2
	% within Designation	100%	0%	0%	100%
Senior Manager	Count	1	0	0	1
	% within Designation	100%	0%	0%	100%
Total	Count	25	12	15	52
	% within Designation	48%	23%	29%	100%

Source: Field Survey

5.3. Conclusion

In this chapter, the socio-economic profile of both the customers and the bank officials are analysed. There are 470 customer respondents and 113 bank official respondents. It is found that from the study, males dominate the females amongst the customers which can be due to the fact that males are more exclusive for a list of characteristics such as income, education, employment

status, age, etc. The chapter also finds that most of the respondents are government employees, employees in private sector and self-employed businessmen and those engaged in other sectors. The pattern is found to be the same in the select three districts. In terms of education qualification of the account holders, it was found that majority of the respondent are higher secondary and high school.

The socio economic profile of the bank officials are studied by analyzing the demographic variables as well as income of the respondents. In terms of gender wise, male bank officials are more than female bank officials in the three select banks. In terms of age-group, the range of 46-50 are found to be the largest group meaning that the bank officials are middle aged and have been working in this profession for some time. In terms of income of the bank officials, it was found that the largest group belongs to the category of income 2 lakhs to 5 lakhs. It was also found that the bank officials were getting benefits in terms of procuring loans for house constructions, vehicle loans and student loans. It can be concluded that the socio economic profile of the customers and the bank officials are well educated and has contributed to the development of these banks.

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CHAPTER 6

AN ANALYSIS OF SERVICE MARKETING OF BANKS: CUSTOMERS' PERSPECTIVES

6.1. Introduction

This chapter studies the service marketing of banks in terms of perspectives of the consumers. The perspectives are further analysed through the concepts of perception, experiences and attitudes of the customers. Various aspects of customers banking operations and their emotive issues for perception, experience and attitudes are presented in this chapter from data collected through a pre-tested and well structured questionnaire collected from altogether 470 respondents (bank customers). These responses are analysed on the basis of questions relating to perceptions, experiences and attitudes of the customers to assess their views and experiences about their relationship with the bank. The major aspects of the area covered are products and services of the banks, promotional aspects of the bank services, pricing of different bank services, opinions of service, credit related services, infrastructure and opinions about bank officials and others.

Perception is the process of recognising and interpreting the information or the environment by the sensory stimuli consisting of the five sense organs. It is also the process of translating the impressions received by a person into a unified view of the world and interpreting it into a unified view of the world around them. Kunst and Lemmink (2000), in their study revealed that customers can perceive contrasts in the nature of service. Banks have understood the significance of focusing on service quality as an approach to increase consumer loyalty and dependability and to enhance their center ability and business execution. The experience here is connected with customer experience. It is the entirety of the interactions a customer has with the company. For an

efficient CRM, understanding the customers experience is very important and an integral part of customer relationship management. Zairi (2000) observed that customers who are satisfied conceivably share their encounters with five or six individuals while disappointed customers might advise another ten. It costs 25 for each penny more to enlist new customers than to keep up existing ones Perception is to a great extent considered as the observation of what the customers subliminally exclude or add from crude inputs contributions to deliver a picture of the world in private. Physical stimulus is a kind of contribution from the external environment, the other sort of information is given by the people themselves as specific inclinations, for example, desires, motives and learning in light of experiences from the past. The blend or utilization of the two distinct types of inputs produces for every one of us, an exceptionally private, individual picture of the world.

Attitude can be explained as a tendency to react negatively or positively to a person or situations. Thus the two main elements of attitude are this tendency or predisposition and the direction of this predisposition. It is also defined as a state of mental preparedness, sort out to through experience which applies a mandate or dynamic impact on the reactions on a person to all objects and circumstances with which the individual is related.. Structure of attitudes can be best described in terms of three components which are called ABC models.

- **Affective component**: This encompasses a person's emotions or feelings about the attitude object. For example: "I am scared of snakes".
- **Behavioral component**: Our behavior or actions are affected by the attitude we possess. For example: "I will avoid snakes and run if I see one".
- **Cognitive component:** A person's belief or awareness about an attitude object involves here. For example: "I believe snakes are dangerous".

Attitudes of customers are a composite of three components: intellectual data, emotional data and data concerning a customer's past conduct and future goals. At the end of the day, disposition comprises of contemplations or convictions, sentiments, and practices or goals towards a specific thing, which for this situation is normally a service or good. For instance, an individual may have an extremely positive perspective of a specific video game (e.g., the individual trust it performs better than most), it influences the individual to rest easy, and plans to get it.

Experience implies an experimental contact with and perception of certainties or events and occasions which leave an impact on somebody. It additionally implies an experience or undergoing an event. Garg et al (2014), they made an examination on the 14 variables of customer experience and also made identification on their impact on customer satisfaction. Psychometric scale development procedure was used for the study and the findings introduced a 41-item 14 factor solid and legitimate customer experience scale among which "convenience" shows up as the most critical among every one of the components. The financial services industry has been affected by the expanding utilization of technology from cell phones to wearables. This change in strategies of transacting has empowered more engagement which is personalized, enabling customers to take part in consistent banking across channels. This has additionally expanded both the potential and complexity of making a positive experience of the customer. (Marous, 2017).

6.2 Data Analysis

6.2.1. Types of accounts owned by customers

Data collected and analysed shows that some of the respondents have opened more than one type of bank account indicated by their responses in the select study area. The type of accounts operated by the customers consists of savings account, current account, recurring deposit account,

fixed deposit account and loan account. Table 6.1 shows the types of accounts held by the respondents and it has been observed that the total number of respondents holding savings account (98.72 percent) outstand the other respondents who are holding current, fixed and joint account respectively which implies that most of the bank's services are related to savings accounts with their respective banks in every district.

Table 6.1. Types of accounts held by the respondents

Account Type		District			Total
		Aizawl	Kolasib	Lunglei	
Current	Count	1	0	1	2
	% within District	0.78%	0.00%	0.58%	0.43%
Fixed	Count	0	0	1	1
	% within District	0.00%	0.00%	0.58%	0.21%
Joint	Count	0	0	3	3
	% within District	0.00%	0.00%	1.75%	0.64%
Savings	Count	128	170	166	464
	% within District	99.22%	100.00%	97.08%	98.72%
Total	Count	129	170	171	470
	% within District	100.00%	100.00%	100.00%	100.00%

Source: Field survey

6.2.2. Period of association with select banks

The analyzed data from the customers of the select districts of Mizoram also reveals some trends about the duration of association of the select banks. In table 6.2, it denotes the period of association of the respondents with their banks. In Aizawl district, highest percentage with 45 percent responded that they have associated with their banks for more than 5 years. The second highest category belongs to those with association of 1 to 5 years (41.9 percent) and the third category belongs to more than 6 months and less than one year (7 percent). The fourth category is in 1 to 6 months period and new account holders (3.1 percent each). In Kolasib district, the highest category belongs to respondents having account from 1 to 5 years (50.6 percent). The

second category comprises of respondents who have been maintaining accounts for more than 5 years (29.4 percent). The third category is denoted by 1 to 6 Months (8.2 percent) and fourth category by respondents who have associated with the bank for more Than 6 months and less than 1 year (7.1 percent) and in the last there is New Account holder category (4.7 percent). In Lunglei district, the highest percentage falls in the category of having association between 1 to 5 years (40.9 percent). The second highest category falls under association with the bank for More than 5 years (32.7 percent). The third falls the category of More Than 6 months and less than 1 year (12.3 percent) while the fourth falls under the category of New Account holder (9.4 percent). The fifth and the last falls under the category of 1 to 6 months (4.7 percent). Every respondent in each district has different type of association with the banks depending on the demographic factors. Overall, it can be observed that most of the respondents (79.6 percent) have been associated with the bank for more than at least one year.

Table 6.2. Types of accounts held by the respondents

Period of Association with the Banks		District			Total
		Aizawl	Kolasib	Lunglei	
New Account Holder	Count	4	8	16	28
	% within District	3.10%	4.70%	9.40%	6.00%
1 to 6 months	Count	4	14	8	26
	% within District	3.10%	8.20%	4.70%	5.50%
More Than 6 months and less than 1 year	Count	9	12	21	42
	% within District	7.00%	7.10%	12.30%	8.90%
1 to 5 years	Count	54	86	70	210
	% within District	41.90%	50.60%	40.90%	44.70%
More than 5 years	Count	58	50	56	164
	% within District	45.00%	29.40%	32.70%	34.90%
Total	Count	129	170	171	470
	% within District	100.00%	100.00%	100.00%	100.00%

Source: Field survey

The period of association of customers with the banks is classified into bank wise which can be seen in table 6.3. The highest number of respondents with 210 has been holding their account for 1 to 5 years; comprising of 93 in SBI, 58 in MRB and 59 in MCAB. The second highest number with 164 respondents lies under the category of those who have been holding their accounts for more than 5 years which consists of 99 in SBI, 42 in MRB and 23 in MCAB. The third highest category belongs to the category of those who have associated with the respective banks for more than 6 months with 42 respondents comprising of 11 in SBI, 26 in MRB and 5 in MCAB. The next category consists of 28 respondents who are New account holders with 8 in SBI, 16 in MRB and 4 in MCAB. The lowest number of respondents with 26 lies under the category of those who are associated with the banks for 1 to 6 Months; 12 in SBI, 13 in MRB and 1 in MCAB. It may be seen that SBI and MCAB have the highest number of respondents being associated with their respective banks for more than 1 year. This is shown by 89.1 percent in MCAB and 86.1 percent in SBI. In the category of having account for more than 5 years, MRB has only 64.5 percent which may be promotion of MRB as a mandatory bank for disbursing government loans schemes while SBI and MCAB are not used much in Mizoram.

Table 6.3. Period of Association with the Banks by the respondents (District wise)

Period of Association with the Banks		District			Total
		Aizawl	Kolasib	Lunglei	
New Account Holder	Count	4	8	16	28
	% within District	3.10%	4.70%	9.40%	6.00%
1 to 6 months	Count	4	14	8	26
	% within District	3.10%	8.20%	4.70%	5.50%
More Than 6 months and less than 1 year	Count	9	12	21	42
	% within District	7.00%	7.10%	12.30%	8.90%
1 to 5 years	Count	54	86	70	210
	% within District	41.90%	50.60%	40.90%	44.70%
More than 5 years	Count	58	50	56	164
	% within District	45.00%	29.40%	32.70%	34.90%
Total	Count	129	170	171	470
	% within District	100.00%	100.00%	100.00%	100.00%

Source: Field survey

6.2.3. Choice of services used by customers

Table 6.4 shows the association of respondents with the banks in terms of services or products. Out of the total 470 respondents, the highest 57.70 percent has association with the banks for regular banking services. The second highest 24.30 percent has associated with their banks for loans while 11.50 percent for investing and 4.90 percent for business purposes. In the smallest category of associations, there are respondents who are dealing with their banks for credit card purposes only. It may be observed that majority of the customers viz., 57.70 percent are mainly using for regular banking purpose which may be the reason for investing as well as availing loan facility and to some extent for credit purposes. In Aizawl district, 61.20 percent of the total respondents are associated with their respective banks particularly for Banking, followed by 21.70 percent for Loans, 17.4 percent solely for Business and 12.40 percent for Investing. In Kolasib district also, largest 54.70 percent associate with their banks for Banking, followed by 24.10 percent for Loans and 10.60 percent purely for investing. The same trend is shown in Lunglei district also, as represented by 57.90 percent of the respondents deal for Banking, followed by 26.30 percent for Loans, and 11.70 percent for Investing. This shows that the respondents are using the banks for different purposes. The users of credit cards are very low as credit card were not earlier issued in North East India and recently has started marketing the services of credit cards in last two years.

Table 6.4. Association of respondents in terms of services or products (District-wise)

Associations		District			Total
		Aizawl	Kolasib	Lunglei	
Banking	Count	79	93	99	271
	% within District	61.20%	54.70%	57.90%	57.70%
Credit Card	Count	2	5	1	8
	% within District	1.60%	2.90%	0.60%	1.70%
Loans	Count	28	41	45	114
	% within District	21.70%	24.10%	26.30%	24.30%
Investing	Count	16	18	20	54
	% within District	12.40%	10.60%	11.70%	11.50%
Business	Count	4	13	6	23
	% within District	3.10%	7.60%	3.50%	4.90%
Total	Count	129	170	171	470
	% within District	100.00%	100.00%	100.00%	100.00%

Source: Field survey

The association of respondents in terms of services or products and the three select banks is given in table 6.5. The highest number with 271 respondents out of the total 470 respondents falls under the category of regular Banking comprising of 147 respondents in SBI, 69 in MRB and 55 in MCAB. The second highest number of respondents with 144 respondents comes under the category of those who are associating with the banks solely for Loans comprising of 40 in SBI, 53 in MRB and 21 in MCAB. One major observation is that in MRB, 34.20 percent of the respondents are using banks services for availing loan. The third highest comes under the category of Investing with 54 respondents which comprises of 22 in SBI, 25 in MRB and 7 in MCAB. Business category shows 23 respondents who are associated with the bank are 11 in SBI, 5 in MRB and 7 in MCAB. In the lowest category, there are 8 respondents who are dealing with their banks for Credit Card comprising of 3 in SBI, 3 in MRB and 2 in MCAB. It can be seen that all the banks are used by the respondents primarily for banking services.. The Loan category is

high in MRB and MCAB (22.50% and 34.20% respectively) which may be again due to the State government's policies for providing loan through regional banks.

Table 6.5. Association of respondents in terms of services or products (Bank-wise)

Associations		Bank			Total
		MCAB	MRB	SBI	
Regular Banking	Count	55	69	147	271
	% within Bank	59.80%	44.50%	65.90%	57.70%
Credit Card	Count	2	3	3	8
	% within Bank	2.20%	1.90%	1.30%	1.70%
Loans	Count	21	53	40	114
	% within Bank	22.80%	34.20%	17.90%	24.30%
Investing	Count	7	25	22	54
	% within Bank	7.60%	16.10%	9.90%	11.50%
Business	Count	7	5	11	23
	% within Bank	7.60%	3.20%	4.90%	4.90%
Total	Count	92	155	223	470

Source: Field survey

6.2.4. Problems faced by customers while opening accounts

The respondents were asked whether they found any difficulty in the procedure of opening an account. In Aizawl district, 79.80 percent responded that they did not find any difficulty in the procedure of opening their accounts while 20.20 percent have found some difficulties in the procedures. In Kolasib district, 77.1 percent found no difficulty and 22.90 percent found had some difficulty. In Lunglei district, 73.1 percent responded of having no difficulty while 26.9 percent responded of having some difficulty. Overall, it can be found that 76.40 percent of the respondents found no difficulty in the procedure of opening an account while the remaining 23.6 percent found some difficulties. So, it can be observed that opening an account in the select banks is not so difficult.

Table 6.6. Difficulty in the procedure of opening an account(District-wise)

Difficulty to open an account		District			Total
		Aizawl	Kolasib	Lunglei	
Yes	Count	26	39	46	111
	% within District	20.20%	22.90%	26.90%	23.60%
No	Count	103	131	125	359
	% within District	79.80%	77.10%	73.10%	76.40%
Total	Count	129	170	171	470
	% within District	100.00%	100.00%	100.00%	100.00%

Source: Field survey

In table 6.7, the respondents were asked whether they found any difficulty in the procedure of opening an account and the responses are categorized into bank wise. The larger number of respondents with 359 out of 470 which comprises of 148 respondents in SBI, 139 in MRB and 72 in MCAB, indicated that they did not find any difficulty in opening an account with their respective banks while the lesser number, 111 respondents gave a response which proves that banks still need to cope with their process of opening new accounts. This also shows that all the three select banks are not that difficult to open an account. The degree of difficulty seems to be more difficult for SBI (33.60%) in comparison to MCAB (21.70%) and MRB (10.30%).

Table 6.7. Difficulty in the procedure of opening an account (Bank-wise)

Difficulty to open an account		Bank			Total
		MCAB	MRB	SBI	
Yes	Count	85	146	200	431
	% within Bank	92.40%	94.20%	89.70%	91.70%
No	Count	7	9	23	39
	% within Bank	7.60%	5.80%	10.30%	8.30%
Total	Count	92	155	223	470
	% within Bank	100.00%	100.00%	100.00%	100.00%

Source: Field survey

6.2.5. Holding multiple accounts

Table 6.8 tries to explore the multiple account holders among the respondents and it is observed that in Aizawl district, there are 40.30 percent of respondents who do not have any other account with other banks except with the banks they are associated with, 50.60 percent in Kolasib district and 58.50 percent in Lunglei district while on the other hand 59.70 percent in Aizawl district, 49.40 in Kolasib district and 41.50 percent in Lunglei district are holding different accounts with other banks other than the respective banks. It can be observed that among the districts, only Aizawl district respondents have more secondary accounts as denoted by 59.70 percent.

Table 6.8. Holding more than one account in other banks (District-wise)

Holds multiple accounts in other banks		District			Total
		Aizawl	Kolasib	Lunglei	
Yes	Count	77	84	71	232
	% within District	59.70%	49.40%	41.50%	49.40%
No	Count	52	86	100	238
	% within District	40.30%	50.60%	58.50%	50.60%
Total	Count	129	170	171	470
	% within District	100.00%	100.00%	100.00%	100.00%

Source: Field survey

Table 6.9 shows account holders having more than one account where 238 respondents with 105 in SBI, 90 in MRB and 43 in MCAB responded they are holding more than one account which denotes that they have another account with other banks apart from the ones they have with the select banks. While 232 respondents which comprises of 118 respondents in SBI, 65 in MRB and 49 in MCAB responded that they are not holding any other accounts than their prevailing accounts with the select banks. It is observed that out of the total respondents, almost 50 percent are holding other accounts with other banks where MRB has the lowest percentage (41.90) who hold more than one account. It can be observed that most of the account holders have secondary

bank accounts which shows that most of the respondents are aware of the benefits of services or products banks are providing.

Table 6.9. Holding more than one account in other banks(Bank-wise)

Holds multiple accounts in other banks		Bank			Total
		MCAB	MRB	SBI	
Yes	Count	49	65	118	232
	% within Bank	53.30%	41.90%	52.90%	49.40%
No	Count	43	90	105	238
	% within Bank	46.70%	58.10%	47.10%	50.60%
Total	Count	92	155	223	470
	% within Bank	100.00%	100.00%	100.00%	100.00%

Source: Field survey

6.2.6. Level of satisfaction regarding services related to opening of accounts

The respondents were asked whether opening of an account with the respective banks that they are dealing with is worthwhile or not is shown in the table. 124 respondents in Aizawl district have responded that it is worth opening their accounts while 5 respondents found it is not worth opening their accounts with their respective banks. In Kolasib district, 149 respondents think it is worthwhile 21 respondents do not do not seem to find the worth of opening their accounts. While in Lunglei district, 158 respondents said it is worth opening their accounts and 13 respondents do not think it is worth, which makes it clear that the larger number of respondents is satisfied with their respective banks in maintaining their accounts.

Table 6.10. Customer Satisfaction with opening of Bank accounts (District-wise)

Worth Opening an account in this bank		District			Total
		Aizawl	Kolasib	Lunglei	
Yes	Count	124	149	158	431
	% within district	28.80%	34.60%	36.70%	100.00%
No	Count	5	21	13	39
	% within district	12.80%	53.80%	33.30%	100.00%
Total	Count	129	170	171	470
	% within district	27.40%	36.20%	36.40%	100.00%

Source: Field survey

The table 6.11 represents the responses of the customers when asked whether it is worth opening their accounts with the banks they are dealing with and are categorized in bank wise. 431 respondents from 470 have said that it is worth opening their accounts with their respective banks which comprises of 200 in SBI, 146 in MRB and 85 in MCAB while 39 respondents with 23 in SBI, 9 in MRB and 7 in MCAB do not find the worth, which states that the higher number of customers feel the worth of opening their accounts with their respective banks.

Table 6.11. Customer Satisfaction with opening of Bank accounts (Bank-wise)

Worth Opening an account in this bank		Bank			Total
		MCAB	MRB	SBI	
Yes	Count	85	146	200	431
	% within Bank	92.40%	94.20%	89.70%	91.70%
No	Count	7	9	23	39
	% within Bank	7.60%	5.80%	10.30%	8.30%
Total	Count	92	155	223	470
	% within Bank	100.00%	100.00%	100.00%	100.00%

Source: Field survey

6.2.7. Recommendation of the bank's services to other friends/person

The respondents were asked whether they will give recommendation of the banks that they are dealing with to others, in which 124 respondents in Aizawl district responded they would recommend the bank to others while 2 percent said they would not. In Kolasib district 35.9 percent answered they would recommend while 40.9 percent said they are not recommending.

In Lunglei district, the same percentage of respondents which is 36.4 percent each gave positive and negative answers. This shows that the higher percentage of the respondents is happy with their respective banks and is willing to give recommendation to others. Recommendation has been found to be very effective for the bank since the recommendations of loyal customers attract more customers to the bank. Noman et al. (2007) also made a study on Banking conduct of Islamic customers in Bangladesh and found that the imperative bank choice criteria as indicated

by mean scores among Islamic bank clients in Bangladesh, are Islamic standards, location, friends recommendations and rates of return.

Table 6.12. Recommendation of the Bank to others(District-wise)

Recommend to open account in this bank		District			Total
		Aizawl	Kolasib	Lunglei	
Yes	Count	124	161	163	448
	% within Recommendation	27.70%	35.90%	36.40%	100.00%
No	Count	5	9	8	22
	% within Recommendation	22.70%	40.90%	36.40%	100.00%
Total	Count	129	170	171	470
	% within Recommendation	27.40%	36.20%	36.40%	100.00%

Source: Field survey

Table 6.13 represents the responses in bank wise category when the respondents were asked whether they will give recommendation on the banks they are dealing with to others, in which 448 respondents responded they would recommend the banks to others consisting of 208 in SBI, 149 in MRB and 91 in MCAB while 15 respondents; 15 in SBI, 6 in MRB and 1 in MCAB did not respond favorably which indicates they will not recommend the bank to others which shows some customers are still not satisfied and would not recommend to use the bank they are using. Zineldin (1996) also made a study on some potential components which customers consider as critical in the choice of a bank in Sweden. These elements incorporate reputation, attractive advertisements, good location, opening hours, technology and recommendations made by friends or relatives.

Table 6.13. Recommendation of the Bank to others (Bank-wise)

Recommend to open account in this bank		Bank			Total
		MCAB	MRB	SBI	
Yes	Count	91	149	208	448
	% within Bank	98.90%	96.10%	93.30%	95.30%
No	Count	1	6	15	22
	% within Bank	1.10%	3.90%	6.70%	4.70%
Total	Count	92	155	223	470
	% within Bank	100.00%	100.00%	100.00%	100.00%

Source: Field survey

6.2.8. Requirement of multiple accounts at other banks

The respondents were queried whether they feel the need of opening more than one account in their respective banks. In Aizawl district, 28.70 percent comprising of 37 respondents feel the need of opening more than one account while the larger percent (71.30%) comprising of 92 respondents are satisfied with just one account. In Kolasib district, 27.60 percent which comprises of 47 respondents feel they need to open more accounts when 123 respondents (72.40 %) are contented. In Lunglei district, the lesser number of respondents which is 30.40 percent, comprising of 52 respondents feel the need of opening more accounts while the higher percent (69.60%) comprising of 119 respondents are satisfied. This shows that the larger number of respondents do not feel the need of opening more than one accounts.

Table 6.14. Need for opening more bank accounts at other banks (District-wise)

Need to open more accounts		District			Total
		Aizawl	Kolasib	Lunglei	
Yes	Count	37	47	52	136
	% within District	28.70%	27.60%	30.40%	28.90%
No	Count	92	123	119	334
	% within District	71.30%	72.40%	69.60%	71.10%
Total	Count	129	170	171	470
	% within District	100.00%	100.00%	100.00%	100.00%

Source: Field survey

The respondents answer in bank wise category is shown below when they were asked whether they feel the need of opening more than one account in their respective banks. In SBI, 59 respondents feels the need of opening more than one account while the larger percent (73.50%) with 164 respondents are satisfied with just one account. In MRB, 54 respondents feel they need to open more accounts when 101 respondents (65.20%) are happy and in MCAB, 69 respondents are contented with their present account while 23 feel the need of opening more accounts. The table finds that one third of the account holders in MRB and SBI feel there is a need to open a secondary account while in MCAB account holders do not feel so.

Table 6.15. Need for opening more bank accounts at other banks (Bank-wise)

Need to open more accounts		Bank			Total
		MCAB	MRB	SBI	
Yes	Count	23	54	59	136
	% within Bank	25.00%	34.80%	26.50%	28.90%
No	Count	69	101	164	334
	% within Bank	75.00%	65.20%	73.50%	71.10%
Total	Count	92	155	223	470
	% within Bank	100.00%	100.00%	100.00%	100.00%

Source: Field survey

6.2.9. Customer Satisfaction level with current service offerings of the Bank

The table 6.16 shows the satisfaction level of the customers with the current service offerings of the banks they are dealing with and in Aizawl district, 91.50 percent comprising of 118 respondents are satisfied while 11 respondents are not. In Kolasib district, 82.40 percent are contented while 17.60 percent are not satisfied with the current service offerings of the bank they are dealing with. In Lunglei district, 81.90 percent, which comprises of the higher number of respondents are satisfied while the lesser number with 18.10 percent comprising of 31

respondents are not contented, which means that the service offerings of the banks are accepted by most of the customers as of now.

Table 6.16. Customer Satisfaction level with current service offerings of the Bank (District-wise)

Satisfied with current services		District			Total
		Aizawl	Kolasib	Lunglei	
Yes	Count	118	140	140	398
	% within District	91.50%	82.40%	81.90%	84.70%
No	Count	11	30	31	72
	% within District	8.50%	17.60%	18.10%	15.30%
Total	Count	129	170	171	470
	% within District	100.00%	100.00%	100.00%	100.00%

Source: Field survey

The levels of satisfaction of customers with the current services in each bank are shown in the table 6.17. In MCAB, out of the total 470 respondents, 86 respondents comprising of the higher percentage (93.50%) are satisfied with the bank's services while 6 respondents are not satisfied. In MRB, the higher percent (90.30%) with 140 respondents are satisfied and 15 are not and in SBI, 172 respondents (77.10%) are satisfied while 51 respondents are not. Though the majority of the respondents are satisfied, banks still need to look into their current service offerings especially SBI. The quality and types of services offered by the banks directly influence the decisions of the customers to a great extent. Kaufman (1967) also explored the determinant factors utilized in bank determination choices by customers and firms in America. He found that the most powerful factors revealed by families were helpful area to home or place of business, length of relationships of the customers and the banks and the services qualities which are offered by the banks.

Table 6.17. Customer Satisfaction level with current service offerings of the Bank (Bank-wise)

Satisfied with current services		Bank			Total
		MCAB	MRB	SBI	
Yes	Count	86	140	172	398
	% within Bank	93.50%	90.30%	77.10%	84.70%
No	Count	6	15	51	72
	% within Bank	6.50%	9.70%	22.90%	15.30%
Total	Count	92	155	223	470
	% within Bank	100.00%	100.00%	100.00%	100.00%

Source: Field survey

6.2.10. Accessibility of banking services online

The respondents were asked whether they could access the banking services online, in Aizawl, the higher percent which is 63.60 percent comprising of 82 respondents said they could not avail the banking services online where 36.40 percent with 47 respondents said they use the online services. In Kolasib district, 24.70 percent which comprises of 42 respondents said they have availed of the banking services online while the larger number of respondents which is 75.30 are not able to access the banking services online. In Lunglei district, 34.50 percent of the total respondents could access the banking services online when the higher percentage (65.50%) comprising of 112 respondents percent gave a negative remark, which clearly indicates that online banking awareness has not yet been taken into proper account by the banks. Though the banks services are available online, some customer imports have not yet used the online services offered by the banks. Awareness campaigns and online banking services should be given major importance. Banks who do not entertain online banking are found to be slower in services which eventually do not attract customers as expected. Hafeezur and Saima (2008) have also made a research on customers of different banks viz, nationalized, privatized and private in Pakistan to

discover the determinants of bank choice. The discoveries of their examination uncovered that the most imperative factors affecting the decisions of the customers include online banking facilities.

Table 6.18. Accessibility of banking services online(District-wise)

Able to use banking services online		District			Total
		Aizawl	Kolasib	Lunglei	
Yes	Count	47	42	59	148
	% within District	36.40%	24.70%	34.50%	31.50%
No	Count	82	128	112	322
	% within District	63.60%	75.30%	65.50%	68.50%
Total	Count	129	170	171	470
	% within District	100.00%	100.00%	100.00%	100.00%

Source: Field survey

The respondents of the three selected banks were asked if they could avail the banks services online, out of the total 470 respondents, 85 respondents of SBI said they are using the banks services online while the larger percent (61.90%) with 138 respondents they have not yet availed to the online services. In MRB, 50 respondents are using online services while 105 respondents (67.70%) are not yet using it and in MCAB, 13 respondents use banking services online while 79 do not. The larger numbers of respondents (68.50%) are yet to be educated about online banking services since it is much easier and customer friendly. Online banking specially for the select banks are in nascent stage and still has to take off yet.

Table 6.19. Accessibility of banking services online (Bank-wise)

Able to use banking services online		Bank			Total
		MCAB	MRB	SBI	
Yes	Count	13	50	85	148
	% within Bank	14.10%	32.30%	38.10%	31.50%
No	Count	79	105	138	322
	% within Bank	85.90%	67.70%	61.90%	68.50%
Total	Count	92	155	223	470
	% within Bank	100.00%	100.00%	100.00%	100.00%

Source: Field survey

6.2.11. Customer satisfaction level with the overall services of the Bank

Table 6.20 shows the level of satisfaction with the respondents regarding the bank's services. The respondents were asked if they are satisfied with the bank's services. Out of the total 470 respondents, 16 respondents which is only 3.40 percent are Very satisfied with the banks services, 56.50 percent comprising of 265 respondents which is more than half of the total respondents are Satisfied, 179 are Somewhat satisfied, 8 are Dissatisfied and 2 are Very dissatisfied. This states that the more customers are satisfied with the bank services they are offered.

Table 6.20. Customer satisfaction level with the services of the Bank (District-wise)

Satisfaction with services of bank		District			Total
		Aizawl	Kolasib	Lunglei	
Very satisfied	Count	6	6	4	16
	% within District	4.70%	3.50%	2.30%	3.40%
Satisfied	Count	82	87	96	265
	% within District	63.60%	51.20%	56.10%	56.40%
Somewhat satisfied	Count	39	73	67	179
	% within District	30.20%	42.90%	39.20%	38.10%
Dissatisfied	Count	0	4	4	8
	% within District	0.00%	2.40%	2.30%	1.70%
Very dissatisfied	Count	2	0	0	2
	% within District	1.60%	0.00%	0.00%	0.40%
Total	Count	129	170	171	470
	% within District	100.00%	100.00%	100.00%	100.00%

Source: Field survey

The table below indicates the level of satisfaction of each bank's respondents regarding the bank's services. The respondents were asked if they are satisfied with the services provided by the banks. From the total 470 respondents, among SBI customers, 6 respondents are Very satisfied, 89 are Satisfied, 123 are Somewhat satisfied 5 are dissatisfied and none who is Very dissatisfied. Among MRB customers, 6 respondents are Very satisfied, 112 are Satisfied, 32 are Somewhat satisfied 3 are dissatisfied and there are 2 respondents who are Very dissatisfied. In MCAB, 4 respondents are Very satisfied, 64 are Satisfied, 24 are Somewhat satisfied none who is

dissatisfied and none who is Very dissatisfied. More than half of the total respondents with 56.40 percent said they are satisfied, which shows that more customers are satisfied with their banks' services.

Table 6.21. Customer satisfaction level with the services of the Bank (Bank-wise)

Satisfaction with services of bank		Bank			Total
		MCAB	MRB	SBI	
Very satisfied	Count	4	6	6	16
	% within Bank	4.30%	3.90%	2.70%	3.40%
Satisfied	Count	64	112	89	265
	% within Bank	69.60%	72.30%	39.90%	56.40%
Somewhat satisfied	Count	24	32	123	179
	% within Bank	26.10%	20.60%	55.20%	38.10%
Dissatisfied	Count	0	3	5	8
	% within Bank	0.00%	1.90%	2.20%	1.70%
Very dissatisfied	Count	0	2	0	2
	% within Bank	0.00%	1.30%	0.00%	0.40%
Total	Count	92	155	223	470
	% within Bank	100.00%	100.00%	100.00%	100.00%

Source: Field survey

6.2.12. Service delivery

Table 21 highlights the respondents' perception of whether prompt service is carried out or not. The respondents were asked whether they have been receiving prompt services when visiting these particular banks, In Aizawl district, 6.20 percent said always, 58.90 percent said often, 25.60 percent said sometimes, 7.00 percent said rarely and 13.6percent said never. In Kolasib district, 4.10 percent said always, 55.30 percent said often, 29.30 percent said sometimes, 6.50 percent said rarely and 4.70 percent said never while in Lunglei district, 4.70 percent said always, 54.40 percent said often, 30.40 percent said sometimes, 4.10 percent said rarely and 6.40 percent from the total respondents said never, which proves that banks should look into the promptness of their services to satisfy their customers.

Table 6.22. Indication of prompt services (District-wise)

Provided Prompt Service		District			Total
		Aizawl	Kolasib	Lunglei	
Always	Count	8	7	8	23
	% within District	6.20%	4.10%	4.70%	4.90%
Often	Count	76	94	93	263
	% within District	58.90%	55.30%	54.40%	56.00%
Sometimes	Count	33	50	52	135
	% within District	25.60%	29.40%	30.40%	28.70%
Rarely	Count	9	11	7	27
	% within District	7.00%	6.50%	4.10%	5.70%
Never	Count	3	8	11	22
	% within District	2.30%	4.70%	6.40%	4.70%
Total	Count	129	170	171	470
	% within District	100.00%	100.00%	100.00%	100.00%

Source: Field survey

The table 6.23 shows the responses of bank wise customers when they were asked whether they have encountered prompt services with the banks they are dealing with. From the total 470 respondents, referring to MCAB customers, 7 said they have always encountered prompt services, 57 said they have often encountered prompt services, 24 said they encountered prompt services only sometimes, 4 said Rarely and there are none who said never. Among MRB customers, there are 11 respondents who said Always, 105 who said Often, 28 who said Sometimes, 5 who said Rarely and 6 who said Never. Among SBI respondents, there are 5 who said Always, 201 who said Often, 83 who said Sometimes, 18 who said Rarely and 16 who said Never. The highest percent (56.00%) with 263 respondents said often which means that banks are not too efficient in taking care of customers' needs.

Table 6.23. Indication of prompt services (Bank-wise)

Provided Prompt Service		Bank			Total
		MCAB	MRB	SBI	
Always	Count	7	11	5	23
	% within Bank	7.60%	7.10%	2.20%	4.90%
Often	Count	57	105	101	263
	% within Bank	62.00%	67.70%	45.30%	56.00%
Sometimes	Count	24	28	83	135
	% within Bank	26.10%	18.10%	37.20%	28.70%
Rarely	Count	4	5	18	27
	% within Bank	4.30%	3.20%	8.10%	5.70%
Never	Count	0	6	16	22
	% within Bank	0.00%	3.90%	7.20%	4.70%
Total	Count	92	155	223	470
	% within Bank	100.00%	100.00%	100.00%	100.00%

Source: Field survey

6.2.13. Maintenance if minimum balance

When the respondents were asked if the minimum account balance offered by the banks are not high and easy to maintain or not, In Aizawl district, 33.3percent strongly agreed which states they are satisfied with the minimum balance offered by the banks, 34.6 percent agreed, 23.9percent somewhat agreed, 26.8percent disagreed and there are none who strongly disagreed. In Kolasib district, 33.3percent strongly agreed, 30.8percent agreed, 50.7percent somewhat agreed, 28.6percent disagreed and 66.7percent strongly disagreed, while in Lunglei district, 33.3percent strongly agreed, 34.6percent agreed, 25.4percent somewhat agreed, 44.6percent disagreed and 33.3percent strongly disagreed. The highest percent (45.30%) with almost half of the total respondents (213) disagreed which means banks are still having a lot to see on their minimum balances. Kazeh and Decker (1993) have also made a study relating to that. The opinions of Maryland State of USA college students were taken to acquire data about the determinants of bank choices by customers. By and large, the most astounding positioning determinant

characteristics were: benefit charges, reputation, loan charges, quickness level of approving loans and friendliness of the tellers.

Table 6.24. Satisfaction regarding minimum balance (District-wise)

Minimum balance easy to maintain		District			Total
		Aizawl	Kolasib	Lunglei	
Strongly Agree	Count	2	2	2	6
	% within District	1.60%	1.20%	1.20%	1.30%
Agree	Count	37	33	37	107
	% within District	28.70%	19.40%	21.60%	22.80%
Somewhat Agree	Count	33	70	35	138
	% within District	25.60%	41.20%	20.50%	29.40%
Disagree	Count	57	61	95	213
	% within District	44.20%	35.90%	55.60%	45.30%
Strongly disagree	Count	0	4	2	6
	% within District	0.00%	2.40%	1.20%	1.30%
Total	Count	129	170	171	470
	% within District	100.00%	100.00%	100.00%	100.00%

Source: Field survey

The respondents were asked whether the minimum balances of the banks are easy to maintain or not. In the above table, we can see the responses of the customers according to bank wise. In MCAB, there are 2 respondents who Strongly Agree with the minimum balance of the bank, 21 who Agree, 28 who Somewhat Agree, 40 who Disagree and 1 who Strongly Agree. From MRB respondents, there are 2 respondents who Strongly Agree, 25 who Agree, 42 who Somewhat Agree, 83 who Disagree and 3 who Strongly disagree while among SBI respondents there are 2 respondents who Strongly Agree, 61 who Agree, 68 who Somewhat Agree, 90 who Disagree and 2 who Strongly disagree. In each bank, respondents who disagree are the highest in percent, 43.50 percent in MCAB, 53.30 percent in MRB and 40.40 percent in SBI which clearly shows that customers are finding it hard to maintain the minimum balances since customers differ in backgrounds, occupations and status.

Table 6.25. Satisfaction regarding minimum balance (Bank-wise)

Minimum balance easy to maintain		Bank			Total
		MCAB	MRB	SBI	
Strongly Agree	Count	2	2	2	6
	% within Bank	2.20%	1.30%	0.90%	1.30%
Agree	Count	21	25	61	107
	% within Bank	22.80%	16.10%	27.40%	22.80%
Somewhat Agree	Count	28	42	68	138
	% within Bank	30.40%	27.10%	30.50%	29.40%
Disagree	Count	40	83	90	213
	% within Bank	43.50%	53.50%	40.40%	45.30%
Strongly Agree	Count	1	3	2	6
	% within Bank	1.10%	1.90%	0.90%	1.30%
Total	Count	92	155	223	470
	% within Bank	100.00%	100.00%	100.00%	100.00%

Source: Field survey

6.2.14. Satisfaction regarding the service quality of financial transactions

The respondents were asked whether they are satisfied with the financial transactions of the banks they are dealing with, in Aizawl district, it has been found that 11.60 percent are very satisfied with the financial transactions of the banks they deal with, 64.30 percent, which is more than half of the respondents of the bank with 83 respondents are satisfied, 22.50 percent are somewhat satisfied and 1.60 percent are dissatisfied. In Kolasib district, it has been found that 5.90 percent are very satisfied, 52.90 percent are satisfied, 35.90 percent are somewhat satisfied and 5.30 percent are dissatisfied while in Lunglei district, 3.50 percent are very satisfied, 67.30 percent are satisfied, 25.10 percent are somewhat satisfied and 4.10 percent are dissatisfied. Overall, out of the total 470 respondents, 288 respondents are contented with the financial transactions of the bank, there are still some who are not which proves banks should take proper care with the various financial transactions of their customers.

Table 6.26. Satisfaction with the financial transactions of the Bank (District-wise)

Satisfaction with Financial Transaction		District			Total
		Aizawl	Kolasib	Lunglei	
Very satisfied	Count	15	10	6	31
	% within District	11.60%	5.90%	3.50%	6.60%
Satisfied	Count	83	90	115	288
	% within District	64.30%	52.90%	67.30%	61.30%
Somewhat satisfied	Count	29	61	43	133
	% within District	22.50%	35.90%	25.10%	28.30%
Dissatisfied	Count	2	9	7	18
	% within District	1.60%	5.30%	4.10%	3.80%
Total	Count	129	170	171	470
	% within District	100.00%	100.00%	100.00%	100.00%

Source: Field survey

In table 6.27, the customers were questioned whether they are satisfied with the financial transaction of the banks they are dealing with. Among MCAB customers, 11 are Very Satisfied with the financial transactions of the bank, 56 are Satisfied, 24 are Somewhat Satisfied and 1 is Dissatisfied. From MRB respondents, there are 13 respondents who are Very Satisfied with the financial transactions of the bank, 109 are Satisfied, 27 are Somewhat Satisfied and 6 are Dissatisfied while among SBI respondents, 7 are Very Satisfied, 123 are Satisfied, 82 are Somewhat Satisfied and 11 are Dissatisfied. Though 6.60 percent are very satisfied and 61.30 percent are satisfied, the respective banks have customers who are not very contented with their financial transactions which should be taken into account for customers satisfaction.

Table 6.27. Satisfaction with the financial transactions of the Bank (Bank-wise)

Satisfaction with Financial Transaction		Bank			Total
		MCAB	MRB	SBI	
Very satisfied	Count	11	13	7	31
	% within Bank	12.00%	8.40%	3.10%	6.60%
Satisfied	Count	56	109	123	288
	% within Bank	60.90%	70.30%	55.20%	61.30%
Somewhat satisfied	Count	24	27	82	133
	% within Bank	26.10%	17.40%	36.80%	28.30%
Dissatisfied	Count	1	6	11	18
	% within Bank	1.10%	3.90%	4.90%	3.80%
Total	Count	92	155	223	470
	% within Bank	100.00%	100.00%	100.00%	100.00%

Source: Field survey

6.2.15. Satisfaction with the responses regarding answering calls quickly by the Customer relationship management

When the respondents were asked whether the Customer relationship management (CRM) answer their calls quickly, in Aizawl district, the higher number which is 88.4 percent comprising of 114 respondents said the calls are answered quickly while 15 respondents (11.60%) still gave a negative answer saying their calls are not quickly attended to. In Kolasib district, 72.9 percent comprising of 124 respondents said the calls are answered quickly while the lower percentage which is 27.1 with 46 respondents said their calls are not answered quickly. In the third district which is Lunglei, 73.1 percent with 125 respondents responded the CRM answered calls quickly while 26.9 percent which comprises of 46 respondents gave a negative answer indicating their calls are put in pending, which obviously states that the CRM should be more efficient in taking calls.

Table 6.28. Satisfaction with the responses regarding answering calls quickly by the Customer relationship management (District-wise)

Answers calls quickly		District			Total
		Aizawl	Kolasib	Lunglei	
Yes	Count	114	124	125	363
	% within District	88.40%	72.90%	73.10%	77.20%
No	Count	15	46	46	107
	% within District	11.60%	27.10%	26.90%	22.80%
Total	Count	129	170	171	470
	% within District	100.00%	100.00%	100.00%	100.00%

Source: Field survey

The table 6.29 represents the responses of bank-wise respondents when they were asked whether the Customer relationship management answer calls quickly or not. Among MCAB respondents, 76 said their calls are answered quickly while 16 said that they have encountered calls which are not attended quickly. 128 respondents of MRB said they are happy with the CRM regarding phone calls while 27 are not and from the total SBI respondents, 159 are contented while 64 said they do not receive proper customer service relating to phone calls. Out of the total respondents, almost one fourth (22.80 percent) said their calls are not answered quickly. This proves that CRM should be given proper training when dealing with the customers. Responding to customers call efficiently is a very important factor for retaining customers. Munusamy et al. (2010) have also made a study on the quality of service and its delivery and how its effect on consumer loyalty in the managing an account division. Among their findings, the responsiveness and understanding are very important for customers satisfaction as these variables have a positive association with consumer loyalty.

Table 6.29. Satisfaction with the responses regarding answering calls quickly by the Customer relationship management (Bank-wise)

Answers calls quickly		Bank			Total
		MCAB	MRB	SBI	
Yes	Count	76	128	159	363
	% within Bank	82.60%	82.60%	71.30%	77.20%
No	Count	16	27	64	107
	% within Bank	17.40%	17.40%	28.70%	22.80%
Total	Count	92	155	223	470
	% within Bank	100.00%	100.00%	100.00%	100.00%

Source: Field survey

6.2.16. Customers waiting time management

When the respondents were asked whether the Customer relationship management (CRM) make them wait for long time, among the respondents in Aizawl district, 31.3 percent said they are put on hold for long time when dealing with the CRM while the lesser percent which is 19.7percent said they have not encountered such problems. In Kolasib district, 35.5 percent responded they had to wait for long time while 37.6 percent responded they were never put to wait for long time. In Lunglei district, 33.2 percent said that they had to wait for longer tie when dealing with the CRM and 42.7 percent responded stating they never had to wait. Out of the total 470 respondents, 157 respondents said they are put on hold for a long time when dealing with the CRM when making transactions or any other formalities, which clearly states that the CRM are not very efficient in dealing with their customers which means that some steps have to be taken up by the banks they work with.

Table 6.30. Satisfaction with the responses regarding making the respondent wait by the Customer relationship management (District-wise)

Does not put on hold for long		District			Total
		Aizawl	Kolasib	Lunglei	
Yes	Count	98	111	104	313
	% within District	76.00%	65.30%	60.80%	66.60%
No	Count	31	59	67	157
	% within District	24.00%	34.70%	39.20%	33.40%
Total	Count	129	170	171	470
	% within District	100.00%	100.00%	100.00%	100.00%

Source: Field survey

Table 6.31 represents the respondents' responses when they were asked whether the Customer relationship management (CRM) put them hold for long. 20 respondents of MCAB said they had to wait for longer time when dealing with the CRM and 72 said they have not yet experienced the problem. 34 respondents of MRB said they were put on wait while 121 have not yet encountered that issue. 103 respondents of SBI were made to wait while 120 said they were never made to wait for long time. From 470 respondents, 33.40 percent of the respondents responded that they had to wait for longer time. This shows that CRM are not very efficient when dealing with the customers' issues or problems.

Table 6.31. Satisfaction with the responses regarding making the respondent wait by the Customer relationship management (Bank-wise)

Does not put on hold for long		Bank			Total
		MCAB	MRB	SBI	
Yes	Count	72	121	120	313
	% within Bank	78.30%	78.10%	53.80%	66.60%
No	Count	20	34	103	157
	% within Bank	21.70%	21.90%	46.20%	33.40%
Total	Count	92	155	223	470
	% within Bank	100.00%	100.00%	100.00%	100.00%

Source: Field survey

6.2.17. Knowledge about bank products

When the respondents were asked whether the Customer relationship management (CRM) have knowledge on banking products, in Aizawl district, 25.50 percent comprising of 88 respondents said CRM are well equipped with the knowledge of banking products number respondents which is 32.8 percent said that they do not have much knowledge about banking products. In the second district which is Kolasib, the higher percentage which is 39.4 said the CRM have good knowledge about the products of the banks while 27.2 percent of respondents are not yet satisfied with the CRM knowledge on the products of the respective banks. In Lunglei district, 35.1 percent are satisfied while 40.0 percent are not, which means that the CRM should be given training on the products of the banks. It can also be seen that in Kolasib district, the CRM are more efficient in equipping themselves with the knowledge of banking products as compared to the other two districts.

Table 6.32. Satisfaction level with Customer relationship management knowledge of banking products (District-wise)

Has knowledge about bank products		District			Total
		Aizawl	Kolasib	Lunglei	
Yes	Count	88	136	121	345
	% within district	25.50%	39.40%	35.10%	100.00%
No	Count	41	34	50	125
	% within district	32.80%	27.20%	40.00%	100.00%
Total	Count	129	170	171	470
	% within district	27.40%	36.20%	36.40%	100.00%

Source: Field survey

In table 6.33, it is seen that the respondents have different opinions when they were asked whether the Customer relationship management (CRM) have knowledge about bank products. Among MCAB respondents, 72 said the bank's CRM have knowledge on banking products while 20 feel they do not have the knowledge, 114 of MRB respondents are happy with the CRM

knowledge on the products of the bank while 41 are not satisfied. Among SBI respondents, 159 responded they are contented with the CRM knowledge on the products of the bank while 64 are still not satisfied. Overall, though the higher percent (73.40%) gave a positive answer, 22.60 percent of the respondents still said that CRM are lacking knowledge on banking products. This proves that some CRM of the respective banks lack knowledge about banking products and need to put some effort in equipping themselves with the concerned knowledge.

Table 6.33. Satisfaction level with Customer relationship management knowledge of banking products (Bank-wise)

Has knowledge about bank products		Bank			Total
		MCAB	MRB	SBI	
Yes	Count	72	114	159	345
	% within Bank	78.30%	73.50%	71.30%	73.40%
No	Count	20	41	64	125
	% within Bank	21.70%	26.50%	28.70%	26.60%
Total	Count	92	155	223	470
	% within Bank	100.00%	100.00%	100.00%	100.00%

Source: Field survey

6.2.18. Problem solving

The table 6.34 highlights bank-wise responses of the respondents when they were asked whether their banking issues are handled quickly by the Customer relationship management or not. 78 respondents of MCAB responded their issues are attended to quickly while 14 responded negatively saying their issues are often kept in pending, 121 respondents of MRB are happy with how the CRM handle their issues while 34 have faced problems in handling the same. Among SBI respondents, 129 are satisfied with the CRM regarding how their issues are handled and 94 are not satisfied. There are many respondents who are not satisfied with how their issues are handled. Out of the three select banks, SBI has the largest percent (42.20%) of respondents who

are not satisfied which comprises of almost half of its respondents. This states that CRM should put more effort in dealing with the customers issues and grieves more quickly.

Table 6.34. Satisfaction with the responses regarding taking care of banking issues by the Customer relationship management (District-wise)

Banking issues handled quickly		District			Total
		Aizawl	Kolasib	Lunglei	
Yes	Count	98	121	109	328
	% within District	76.00%	71.20%	63.70%	69.80%
No	Count	31	49	62	142
	% within District	24.00%	28.80%	36.30%	30.20%
Total	Count	129	170	171	470
	% within District	100.00%	100.00%	100.00%	100.00%

Source: Field survey

The table shows bank-wise responses of the respondents when they were asked whether their banking issues are handled quickly by the Customer relationship management or not. 78 respondents of MCAB responded their issues are attended to quickly while 14 responded negatively saying their issues are often kept in pending, 121 respondents of MRB are happy with how the CRM handle their issues while 34 have faced problems in handling the same. Among SBI respondents, 129 are satisfied with the CRM regarding how their issues are handled and 94 are not satisfied. There are many respondents who are not satisfied with how their issues are handled. Out of the three select banks, SBI has the largest percent (42.20%) of respondents who are not satisfied which comprises of almost half of its respondents. This states that CRM should put more effort in dealing with the customers issues and grievances more quickly.

Table 6.35. Satisfaction with the responses regarding taking care of banking issues by the Customer relationship management (Bank-wise)

Banking issues handled quickly		Bank			Total
		MCAB	MRB	SBI	
Yes	Count	78	121	129	328
	% within Bank	84.80%	78.10%	57.80%	69.80%
No	Count	14	34	94	142
	% within Bank	15.20%	21.90%	42.20%	30.20%
Total	Count	92	155	223	470
	% within Bank	100.00%	100.00%	100.00%	100.00%

Source: Field survey

6.2.19. Follow-up process after handling situations

When the respondents were asked whether the Customer relationship management (CRM) engaged in regular follow-up relating to banking, in Aizawl district 74.4 percent comprising of 94 respondents of the total 470 respondents said the banks executives are making regular follow-ups while 25.6 percent with 33 respondents said they are not followed up regularly by banks executives. In Kolasib district, 67.1 percent which comprises of 114 respondents have claimed that the banks executives are making regular follow-ups while 32.9 percent with 56 respondents are not followed up regularly. In Lunglei district, 62.0 percent with 106 respondents are followed up regularly and 38.0 percent comprising of 65 respondents are not being followed up being followed up by the banks. Here too, we can see that since CRM are responsible in making follow-up plans with their customers, they should give more concern regarding the same.

Table 6.36. Satisfaction with the responses regarding Regular follow-up by the Customer relationship management (District-wise)

Regular follow-up by bank executives		District			Total
		Aizawl	Kolasib	Lunglei	
Yes	Count	96	114	106	316
	% within District	74.40%	67.10%	62.00%	67.20%
No	Count	33	56	65	154
	% within District	25.60%	32.90%	38.00%	32.80%
Total	Count	129	170	171	470
	% within District	100.00%	100.00%	100.00%	100.00%

Source: Field survey

The customers were asked whether the Customer relationship management (CRM) engaged in regular follow up relating to banking and the above table shows their responses. From MCAB respondents 75 are being followed up regularly by the bank's executives while 17 gave a negative answer stating they have not received the same service. 126 respondents of MRB stated the executives make regular follow up positive and 29 are not given regular follow up. Among SBI respondents, 115 are satisfied with the executives while 108 are not given equal treatment. It can be seen that about one third of the total respondents with 32.80 percent are not followed up by the banks' CRM. The whole response shows that customers are given different treatments by the executives regarding their services, which should be taken into account seriously as it can hamper the feelings of the customers towards the banks and the executives in person.

Table 6.37. Satisfaction with the responses regarding Regular follow-up by the Customer relationship management (Bank-wise)

Regular follow-up by bank executives		Bank			Total
		MCAB	MRB	SBI	
Yes	Count	75	126	115	316
	% within Bank	81.50%	81.30%	51.60%	67.20%
No	Count	17	29	108	154
	% within Bank	18.50%	18.70%	48.40%	32.80%
Total	Count	92	155	223	470
	% within Bank	100.00%	100.00%	100.00%	100.00%

Source: Field survey

6.2.20. Good etiquettes of bank officials

Good etiquettes of the bank officials are the primary perceptual representation of the banks image and service. When the respondents were asked whether the Customer relationship management (CRM) are following good etiquettes, in Aizawl district 68.20 percent with 88 respondents said that CRM practice good etiquettes while the lesser percentage which is 31.8 but almost 50 percent comprising of 41 respondents responded that CRM are lacking good etiquettes which is a very

serious situation. In Kolasib district, 26.5 percent which comprises of 45 respondents claimed that they are not satisfied with the etiquettes possessed by the CRM while 73.5 percent are satisfied. In Lunglei district, 68.4 percent with 117 respondents are happy with the CRM when 31.6 percent which comprises of 54 respondents said they do not show good etiquettes. This states that the CRM should take steps relating to the behavior and manners they should possess in workplaces.

Table 6.38. Satisfaction level with Customer relationship management regarding good etiquettes (District-wise)

CRM have good etiquettes		District			Total
		Aizawl	Kolasib	Lunglei	
Yes	Count	88	125	117	330
	% within District	68.20%	73.50%	68.40%	70.20%
No	Count	41	45	54	140
	% within District	31.80%	26.50%	31.60%	29.80%
Total	Count	129	170	171	470
	% within District	100.00%	100.00%	100.00%	100.00%

Source: Field survey

Table 6.39 represents bank-wise customers responses on whether Customer relationship management (CRM) have good etiquettes or not. 81 respondents of MCAB are happy with the etiquettes of the CRM and 11 are not satisfied, 132 respondents of MRB are satisfied while 23 said the CRM lack good etiquettes. Among SBI customers, 117 respondents are happy with the CRM and 106 are not contented with the etiquettes of the CRM. Among both MRB and MCAB respondents, the satisfaction is seen to be much higher than those who are not satisfied with the CRM etiquettes. But among SBI respondents, those who are satisfied and who are not satisfied are almost the same, which is 52.50 percent and 47.50 percent respectively. In this regard, it is clear that CRM should be given awareness on how to treat customers in every state of matter.

Table 6.39. Satisfaction level with Customer relationship management regarding good etiquettes. (Bank-wise)

CRM have good etiquettes		Bank			Total
		MCAB	MRB	SBI	
Yes	Count	81	132	117	330
	% within Bank	88.00%	85.20%	52.50%	70.20%
No	Count	11	23	106	140
	% within Bank	12.00%	14.80%	47.50%	29.80%
Total	Count	92	155	223	470
	% within Bank	100.00%	100.00%	100.00%	100.00%

Source: Field survey

6.2.21. Friendly service of the bank

When the respondents were asked whether the Customer relationship management (CRM) are delivering friendly services, out of the total 470 respondents, 78.3 percent in Aizawl district consisting of 101 respondents said they are given friendly services by the CRM 21.70 percent with 28 respondents said they have not received friendly services. In Kolasib district, 76.50 percent comprising of 130 respondents received friendly services while 23.50 percent with 40 respondents have not experienced the same services from the CRM. In Lunglei district, 71.9 percent which composed of 123 respondents are happy with the services and 48 respondents (28.10%) are dissatisfied with the CRM regarding friendly services, which clearly indicate that CRM should be friendlier with their customers in order to retain them. Laroche et al. (1986) led a review in Canada and has additionally discovered that speed of administrations, level of friendliness of bank employees, comfort of area, hours of activities, and productivity of staff were the central point which customers saw as essential in their choice of a bank.

Table 6.40. Satisfaction with the responses regarding friendly service by the Customer relationship management (District-wise)

Have friendly service from CRM		District			Total
		Aizawl	Kolasib	Lunglei	
Yes	Count	101	130	123	354
	% within District	78.30%	76.50%	71.90%	75.30%
No	Count	28	40	48	116
	% within District	21.70%	23.50%	28.10%	24.70%
Total	Count	129	170	171	470
	% within District	100.00%	100.00%	100.00%	100.00%

Source: Field survey

In table 6.41, responses of bank-wise customers are given when they were asked whether Customer relationship management (CRM) have friendly services or not. Among MCAB respondents, 81 respondents which is 88 percent of the total bank's respondents are given friendly services and 11 have not received friendly services and among MRB respondents, 135 which is 87.10 percent of the total bank's respondents said they are given friendly services by the CRM while 20 are not treated the same, 138 respondents of SBI which composed of 61.90 percent of the total bank's respondents are satisfied with the services of the CRM relating to friendliness and 85 are not. This shows that customers are not treated equally which should not be taken into consideration.

Table 6.41. Satisfaction with the responses regarding friendly service by the Customer relationship management (Bank-wise)

Have friendly service		Bank			Total
		MCAB	MRB	SBI	
Yes	Count	81	135	138	354
	% within Bank	88.00%	87.10%	61.90%	75.30%
No	Count	11	20	85	116
	% within Bank	12.00%	12.90%	38.10%	24.70%
Total	Count	92	155	223	470
	% within Bank	100.00%	100.00%	100.00%	100.00%

Source: Field survey

6.2.22. Indication of problem faced relating to Bank account/s in the last 1 year.(District-wise)

The table below indicates the problems faced by the customers relating to their accounts during the last one year and it has been observed that from the total 470 respondents, in Aizawl district, more than half of its respondents, 75.2 percent which comprises of 97 respondents have never faced any problem with their bank accounts while 0.8 percent of the respondents have faced some problems more than 10 times, 4.7 percent for more than 5 or 10 times, 10.9 percent for 1 to 5 times and 8.5 percent have faced once. In Kolasib district, 64.10 percent comprising of 109 respondents have never faced any problem with their bank accounts while 2.9 percent of the respondents have faced some problems 4.1 percent for more than 5 or 10 times, 14.7 percent for 1 to 5 times and 14.1 percent have faced once. In Lunglei district, 73.7 percent which comprises of 126 respondents have never faced any problem with their bank accounts while 1.8 percent of the respondents have faced some problems 0.6 percent for more than 5 or 10 times, 9.9 percent for 1 to 5 times and 14 percent have faced once. Here, though 76.60 percent said they have never faced any problem, it is observed that Banks still need to see to the problems which are continuously faced by some of their customers regarding their accounts and take proper action in handling these problems or issues since about one-third have faced problems once to several times.

Table 6.42. Indication of problem faced by customers relating to Bank accounts in the last 1 year.(District-wise)

Times faced a problem during last year		District			Total
		Aizawl	Kolasib	Lunglei	
Once	Count	11	24	24	59
	% within District	8.50%	14.10%	14.00%	12.60%
1 to 5 times	Count	14	25	17	56
	% within District	10.90%	14.70%	9.90%	11.90%
5 to 10 times	Count	6	7	1	14
	% within District	4.70%	4.10%	0.60%	3.00%
More than 10 times	Count	1	5	3	9
	% within District	0.80%	2.90%	1.80%	1.90%
Never	Count	97	109	126	332
	% within District	75.20%	64.10%	73.70%	70.60%
Total	Count	129	170	171	470
	% within District	100.00%	100.00%	100.00%	100.00%

Source: Field survey

Table 6.43 shows the number of times the respondents encountered problems during the last one year and it is given in terms of bank-wise. From the total 470 respondents, 5 customers of MCAB have faced problem Once, 4 respondents said they have faced1 to 5 times, 3 respondents said 5 to 10 times, there are none who have encountered the problem more than 10 times and there are 80 respondents which composed of a high 87 percent of the total bank's respondents who said they have never faced any problem. From MRB respondents, there are 14 respondents who have faced problem Once, 5 respondents have faced 1 to 5 times, 5 respondents faced 5 to 10 times, 4 respondents have faced more than 10 times and 127 respondents which is 81.90 percent of the total bank's respondents said they have never faced any problem during the last one year and from SBI respondents, there are 40 respondents who have encountered problem once , 47 respondents for 1 to 5 times, 6 respondents from 5 to 10 times, 5 respondents have faced more than 10 times while 125 respondents composing of 56.10 percent which is only about half of the total bank's respondents said they never had any problem during the last one year, This states that

SBI customers have faced more problems during the last one year comparing to the other two banks, MCAB and MRB respectively.

Table 6.43. Indication of problem faced by customers relating to Bank accounts in the last 1 year (Bank-wise)

Times faced a problem during last year		Bank			Total
		MCAB	MRB	SBI	
Once	Count	5	14	40	59
	% within Bank	5.40%	9.00%	17.90%	12.60%
1 to 5 times	Count	4	5	47	56
	% within Bank	4.30%	3.20%	21.10%	11.90%
5 to 10 times	Count	3	5	6	14
	% within Bank	3.30%	3.20%	2.70%	3.00%
More than 10 times	Count	0	4	5	9
	% within Bank	0.00%	2.60%	2.20%	1.90%
Never	Count	80	127	125	332
	% within Bank	87.00%	81.90%	56.10%	70.60%
Total	Count	92	155	223	470
	% within Bank	100.00%	100.00%	100.00%	100.00%

Source: Field survey

6.2.23. Time taken to solve problems by the bank

In table 6.44, we can see the responses of the customers regarding the time taken to solve problems by the banks. In Aizawl district, 62 percent comprising of 80 respondents said the banks solve their problems immediately while the other 49 respondents of the district said either banks have taken more time to solve their problems or some are still pending. In Kolasib district, 31.8 percent of the total 170 respondents' problems are solved immediately, while the rest comprising of a high 116 respondents said their problems are not solved immediately and some are still pending. In Lunglei district, the problems of 38 percent of the total respondents which comprises of 65 respondents are solved immediately the banks and 106 respondents stated that their problems are either pending or held for a long time. The responses clearly indicate that banks

should take several measures in solving the problems of their customers more quickly, where efficiency is a very important step. Likewise, Holstius et al. (1995), in their investigation also referred that efficiency as well as courtesy as the most essential characteristics in determining general consumer loyalty, while other imperative traits were scope of services, accessibility of advancements and reputation.

Table 6.44. Time taken to solve problems by the bank(District-wise)

How quickly problems were solved		District			Total
		Aizawl	Kolasib	Lunglei	
Immediately	Count	80	54	65	199
	% within District	62.00%	31.80%	38.00%	42.30%
Within 24 hours	Count	20	64	56	140
	% within District	15.50%	37.60%	32.70%	29.80%
Within 48 hours	Count	2	10	7	19
	% within District	1.60%	5.90%	4.10%	4.00%
Within 3 to 5 business days	Count	9	13	9	31
	% within District	7.00%	7.60%	5.30%	6.60%
More than a week	Count	6	7	7	20
	% within District	4.70%	4.10%	4.10%	4.30%
Some issues are still pending	Count	12	22	27	61
	% within District	9.30%	12.90%	15.80%	13.00%
Total	Count	129	170	171	470
	% within District	100.00%	100.00%	100.00%	100.00%

Source: Field survey

In the table 6.45, it shows how quickly banks solve the problems of the customers and it is represented in bank-wise. 47 respondents of MCAB which comprises of more than half of its respondents said the bank solved their problems immediately while the other 45 respondents said that the problems are either pending or the bank have taken some time in solving their problems From MRB respondents, there are 57 respondents whose problems are solved immediately, while the other 98 respondents which comprises of 63.2 percent of the total bank's respondents stated that their problems are kept either in pending or the bank took 24 hours to more than a week in

handling the problems. From SBI respondents, 95 said the bank solve their problems immediately and more than half which comprises of 57.4 percent of the total bank's respondents said that their problems are kept in pending, either short or longer time. It is observed that MCAB has the highest percent (51.10%) of respondents who are satisfied in how the bank responded to their problems. The time used in delivering services and responding to customer's problems at the earliest are very important factors in determining the satisfaction of customers. Erol et al. (1990) study was also intended to decide the bank choice criteria utilized by customers of traditional and Islamic banks in Jordan. For the most part, factors scored were: quick and effective administrations, bank's reputation and picture, friendliness of the bankers and privacy of bank.

Table 6.45. Time taken to solve problems by the bank (Bank-wise)

How quickly problems were solved		Bank			Total
		MCAB	MRB	SBI	
Immediately	Count	47	57	95	199
	% within Bank	51.10%	36.80%	42.60%	42.30%
Within 24 hours	Count	30	65	45	140
	% within Bank	32.60%	41.90%	20.20%	29.80%
Within 48 hours	Count	4	7	8	19
	% within Bank	4.30%	4.50%	3.60%	4.00%
Within 3 to 5 business days	Count	2	6	23	31
	% within Bank	2.20%	3.90%	10.30%	6.60%
More than a week	Count	2	7	11	20
	% within Bank	2.20%	4.50%	4.90%	4.30%
Some issues are still pending	Count	7	13	41	61
	% within Bank	7.60%	8.40%	18.40%	13.00%
Total	Count	92	155	223	470
	% within Bank	100.00%	100.00%	100.00%	100.00%

Source: Field survey

6.2.24. Rating of the overall satisfaction of the services of the bank

It is observed from the table below that after the respondents were asked to rate the banks, there are few who are not yet satisfied with the products and services offered by the banks they are

dealing with. The scales were being given as 1 least satisfied and 10 as most satisfied. So, the banks still have to take certain measures in ensuring their customers, quality, products and services.

Table 6.46. Overall satisfactory scale of the bank's services (District-wise)

Rating quality of the bank (Scale 1 to 10)		District			Total
		Aizawl	Kolasib	Lunglei	
2	Count	0	1	1	2
	% within district	0.00%	50.00%	50.00%	100.00%
3	Count	1	1	0	2
	% within district	50.00%	50.00%	0.00%	100.00%
4	Count	6	16	17	39
	% within district	15.40%	41.00%	43.60%	100.00%
5	Count	19	25	36	80
	% within district	23.80%	31.20%	45.00%	100.00%
6	Count	20	28	30	78
	% within district	25.60%	35.90%	38.50%	100.00%
7	Count	24	34	45	103
	% within district	23.30%	33.00%	43.70%	100.00%
8	Count	32	32	28	92
	% within district	34.80%	34.80%	30.40%	100.00%
9	Count	14	22	7	43
	% within district	32.60%	51.20%	16.30%	100.00%
10	Count	13	11	7	31
	% within district	41.90%	35.50%	22.60%	100.00%
Total	Count	129	170	171	470
	% within district	27.40%	36.20%	36.40%	100.00%

Source: Field survey

Table 6.47 represents the rating of the bank-wise respondents of the banks they are dealing with which is given on a scale of 1 to 10. From MCAB respondents, there are 18 respondents who rate at 10, 12 respondents at 9, 16 respondents at 8, 23 respondents at 7, 12 respondents at 6, 6 respondents at 5, 4 respondents at 4, 1 respondents at 3, and None at 2 and 1. From MRB respondents, there are 6 respondents who rate at 10, 21 respondents at 9, 30 respondents at 8, 44 respondents at 7, 23 respondents at 6, 19 respondents at 5, 12 respondents at 4, and Nil at 2 and 1.

Among SBI respondents, there are 7 respondents who have given a rating of 10, 10 respondents at 9, 46 respondents at 8, 36 respondents at 7, 43 respondents at 6, 55 respondents at 5, 23 respondents at 4, 1 respondent at 3, and 2 respondents at 2 and Nil at 1.

Table 6.47. Overall satisfactory scale of the bank's services (Bank-wise)

Rating quality of the bank (Scale 1 to 10)		Bank			Total
		MCAB	MRB	SBI	
2	Count	0	0	2	2
	% within Bank	0.00%	0.00%	0.90%	0.40%
3	Count	1	0	1	2
	% within Bank	1.10%	0.00%	0.40%	0.40%
4	Count	4	12	23	39
	% within Bank	4.30%	7.70%	10.30%	8.30%
5	Count	6	19	55	80
	% within Bank	6.50%	12.30%	24.70%	17.00%
6	Count	12	23	43	78
	% within Bank	13.00%	14.80%	19.30%	16.60%
7	Count	23	44	36	103
	% within Bank	25.00%	28.40%	16.10%	21.90%
8	Count	16	30	46	92
	% within Bank	17.40%	19.40%	20.60%	19.60%
9	Count	12	21	10	43
	% within Bank	13.00%	13.50%	4.50%	9.10%
10	Count	18	6	7	31
	% within Bank	19.60%	3.90%	3.10%	6.60%
Total	Count	92	155	223	470
	% within Bank	100.00%	100.00%	100.00%	100.00%

Source: Field survey

6.3. Conclusion

It is found that the customers of financial services are changing regarding their needs, wants, desires and issues and the providers of financial services need to get who their customers are, what they incline towards, why they purchase, who settles on the choice and how the customer utilizes the services and products. In congruity with these progressions, there ought to be changes in the

services of the banks, preparing, states of mind and pictures, marketing strategies and examples of association and control. Banks should know the importance of customer's satisfaction regarding the services and products available to them and how they are taken care of and how they are rendered to these customers. Products which are mixed together with the old ones and services which are customized will eventually empower banks to expand its services and will also pave a way for introducing better products and services. It is also found that technology has great influence on the customers by motivating them to bank in the most innovative way. The customers have good awareness on ATMs though a bit backward in internet or mobile banking.

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CHAPTER 7

AN ANALYSIS OF SERVICE MARKETING OF BANKS: BANK OFFICIALS' PERSPECTIVES

7.1. Introduction

This chapter gives an analysis of the service marketing of banks by the bank officials. The bank official's perspectives is also analysed through the conceptualisation of perception, experiences and attitudes of the bank officials selected for the study. The analysis is focused on the following aspects of marketing of banking services:

- Satisfaction relating to working environment, employee benefits, and services offered.
- Preference for switching jobs, recommendation of the bank to friends and family members.
- Service issues like loan portfolios, interest rates, services offered, CBS, etc.
- Open-ended questions regarding suggestion for changing the service structure, strongest strength of the bank, new developments and the basis of recommending the bank to others.

7.2. Perceptions, Experiences and Attitudes of Bank Officials

Bank officials play an important role in the service marketing of banks because they are the service providers. Their perceptions and attitudes are reflected on the way the services are provided to the customers. Perception is the procedure by which an employee composes and deciphers his/her impressions in order to offer importance to his/her environment and therefore, it impacts fundamentally his/her working environment conduct (Langton & Robbins, 2006). In order to understand their perceptions, experiences and attitudes, the questionnaire to the bank officials

consist of awareness of services provided, their satisfaction level of the work environment and open-ended questions on suggestions to improve the banking services as well as their perception of the bank they are working with. Bank officials are the interior clients of the banks and they expect and see the bank services inside the structure of their duties towards their banks. So, the components like persuading the customers, consumer loyalty, customer relationship administration and work culture of the bank officials impact them from a perspective that is not at all like the outside customers. The work culture of bank officials also has significant impact on the perceptions of the customers.

7.2.1. Satisfaction of being associated with the bank

The following table shows that satisfaction of being associated with the current bank is not the same for all the respondents. This varies from district to district as well. Out of the total 58 respondents, 53 bank officials in Aizawl district are satisfied while 5 bank officials are dissatisfied with their current associated banks. Cent percent are satisfied in Kolasib district while in Lunglei district, 30 bank officials are satisfied with their current banks and 1 respondent who is not happy with the bank. These dissatisfactions could be due to several reasons where Sharma (1979) in his study on the determinants of Job Satisfaction among Bank Employees, also recognized four factors. To be specific training, month to month remittances, work innovation and sort of supervision having impact on work job satisfaction. The study discovered that innovation and education were observed to be the critical determinants of job satisfaction.

Table 7.1. Satisfaction of being associated with the bank (District-wise)

Response		DISTRICT			Total
		Aizawl	Kolasib	Lunglei	
Yes	Count	53	23	30	106
	% within District	50.0%	21.7%	28.3%	100.0%
No	Count	5	0	1	6
	% within District	83.3%	.0%	16.7%	100.0%
Total	Count	58	23	31	112
	% within District	51.8%	20.5%	27.7%	100.0%

Source: Field survey

The dissatisfaction of the bank officials could be due to several reasons. This can depend on the banks they are working with as well. In the table below, it is found that there are none amongst the respondents of MRB who are not satisfied and only one respondent amongst MCAB employees who is dissatisfied. In SBI, amongst the total 51 respondents, there are 5 respondents who are not satisfied with the bank they are associated with.

Table 7.2. Satisfaction of being associated with the bank (Bank-wise)

Response		BANK			Total
		MCAB	MRB	SBI	
Yes	Count	32	28	46	106
	% within Bank	30.2%	26.4%	43.4%	100.0%
No	Count	1	0	5	6
	% within Bank	16.7%	.0%	83.3%	100.0%
Total	Count	33	28	51	112
	% within Bank	29.5%	25.0%	45.5%	100.0%

Source: Field survey

7.2.2. Satisfaction of the bank officials regarding the employee benefits

Responses of the bank officials indicate that though banks offer various benefits for employees, there are some respondents who are not satisfied with these benefits. Various employee benefits consist of low interest rate for housing, personal loans, vehicle loans, medical reimbursement for

family, group insurance, etc. From the total 113 respondents, there are 92 bank officials who are happy with certain services and benefits offered by their respective banks and there are 21 respondents who seem to expect upgradation of these benefits. Out of these 21 dissatisfied respondents, 16 respondents are from Aizawl district which shows that bank officials living in the urban area needs more utility and benefits.

Table 7.3. Satisfied with the benefits of the bank (District-wise)

Response		DISTRICT			Total
		Aizawl	Kolasib	Lunglei	
Yes	Count	43	20	29	92
	% within District	72.90%	87.00%	93.50%	81.40%
No	Count	16	3	2	21
	% within District	27.10%	13.00%	6.50%	18.60%
Total	Count	59	23	31	113
	% within District	100.00%	100.00%	100.00%	100.00%

Source: Field survey

Amongst the total 113 bank official respondents, there are none in MRB who are dissatisfied and 100 percent are contented with the benefits offered by the bank. 69.20 percent among SBI respondents are satisfied while a still larger percent (30.80 percent) are expecting better benefits from the bank. MCAB has 84.80 percent who do not have any issue on the benefits provided by the bank but 15.20 percent consisting of 5 respondents do not seem to be contented. To a large extent, it can be concluded that majority of the bank employees are satisfied with the employee benefits provided by their banks.

Table 7.4. Satisfied with the benefits of the bank (Bank-wise)

Response		BANK			Total
		MCAB	MRB	SBI	
Yes	Count	28	28	36	92
	% within Bank	84.80%	100.00%	69.20%	81.40%
No	Count	5	0	16	21
	% within Bank	15.20%	0.00%	30.80%	18.60%
Total	Count	33	28	52	113
	% within Bank	100.00%	100.00%	100.00%	100.00%

Source: Field survey

7.2.3. Intention to switch jobs by Bank Officials

Larger number of bank official respondents which represent Aizawl district (61 percent), Kolasib district (65.20 percent) and Lunglei district (87.10 percent) affirmed that they will not opt for any other profession other than the profession they are holding now while the other officials comprising of 31 percent of the total respondents have claimed that they would prefer other professions. This indicates that a minority of the employees are not satisfied and wants to shift jobs.

Table 7.5. Intention to switch jobs by bank employees (District-wise)

Response		DISTRICT			Total
		Aizawl	Kolasib	Lunglei	
Yes	Count	23	8	4	35
	% within District	39.00%	34.80%	12.90%	31.00%
No	Count	36	15	27	78
	% within District	61.00%	65.20%	87.10%	69.00%
Total	Count	59	23	31	113
	% within District	100.00%	100.00%	100.00%	100.00%

Source: Field survey

There are large degrees of satisfaction with their current profession amongst MCAB and SBI bank official respondents (72.70 percent and 73.10 percent respectively) while MRB respondents almost

split into halves when making responses. Among 28 MRB respondents, 16 bank officials said they do not prefer any other profession while 12 respondents indicated their negative attitudes towards the bank claiming they would prefer another profession. This represents 42.90 percent out of the total. This may be due to the organizational culture of the bank not being conducive enough in comparison to MCAB and SBI.

Table 7.6. Intention to switch jobs by bank employees (Bank-wise)

Response		BANK			Total
		MCAB	MRB	SBI	
Yes	Count	9	12	14	35
	% within Bank	27.30%	42.90%	26.90%	31.00%
No	Count	24	16	38	78
	% within Bank	72.70%	57.10%	73.10%	69.00%
Total	Count	33	28	52	113
	% within Bank	100.00%	100.00%	100.00%	100.00%

Source: Field survey

7.2.4. Satisfaction with the customer services provided by the Bank

The following table shows satisfaction of the bank officials in respect to customer services provided by the bank. Most of the bank officials are contented with the services except in Aizawl district where 5 officials are not happy with the services they provide to the customers. The responses may be skewed because it is asking to rate themselves with the kind of work they do and therefore more positive answers might have been given by the respondents. The customer services of the banks are very significant in determining the customer's level of satisfaction. Ndubisi (2006) also found that in his study, the pointers of consumer loyalty were fulfillment of responsibility, trust correspondence, quality of services, satisfaction of the service offered and handling of conflicts. Here, bank officials play very important role.

Table7.6.7. Satisfaction with the customer services provided by the Bank (District-wise)

Response		DISTRICT			Total
		Aizawl	Kolasib	Lunglei	
Yes	Count	53	23	31	107
	% within District	91.40%	100.00%	100.00%	95.50%
No	Count	5	0	0	5
	% within District	8.60%	0.00%	0.00%	4.50%
Total	Count	58	23	31	112
	% within District	100.00%	100.00%	100.00%	100.00%

Source: Field survey

Out of the total 51 SBI respondents, 49 officials are satisfied with the services offered to the customers while the lesser percentage (3.90 percent) consisting of only 2 respondents have found the services not good enough. All the MRB official respondents are happy with the services given by the bank while 90.90 percent of MCAB officials have claimed that the services are sufficient and 9.10 percent which comprises of 3 respondents have found the services not adequate for the customers.

Table 7.8. Satisfaction with the customer services provided by the Bank (Bank-wise)

Response		BANK			Total
		MCAB	MRB	SBI	
Yes	Count	30	28	49	107
	% within Bank	90.90%	100.00%	96.10%	95.50%
No	Count	3	0	2	5
	% within Bank	9.10%	0.00%	3.90%	4.50%
Total	Count	33	28	51	112
	% within Bank	100.00%	100.00%	100.00%	100.00%

Source: Field survey

7.2.5. Recommending the bank to others

The larger number of bank officials which consists of 102 respondents out of 113 in total have affirmed that they would make recommendations of the bank they are working with regarding bank services, while 11 respondents have concluded that they would not recommend the banks they work with to others, which can be due to certain grounds.

Table 7.9. Recommending the Bank to others (District-wise)

Recommend to others		DISTRICT			Total
		Aizawl	Kolasib	Lunglei	
Yes	Count	49	23	30	102
	% within District	83.10%	100.00%	96.80%	90.30%
No	Count	10	0	1	11
	% within District	16.90%	0.00%	3.20%	9.70%
Total	Count	59	23	31	113
	% within District	100.00%	100.00%	100.00%	100.00%

Source: Field survey

The table below reveals the number and percentage of officials from each bank who would recommend the bank to others. 32 officials of 33 respondents of MCAB said they would give recommendations of the bank to others while 1 respondent is hesitant to recommend. Out of 28 respondents in MRB, 100 percent officials claimed that they would recommend the bank to others, which shows their commitment to the bank. In SBI, there are 52 respondents and in which 42 officials agree with giving recommendations while 10 officials said they will not recommend the bank to others.

Table 7.10. Recommending the Bank to others (Bank-wise)

Recommend to others		BANK			Total
		APEX	MRB	SBI	
Yes	Count	32	28	42	102
	% within Bank	31.4%	27.5%	41.2%	100.0%
No	Count	1	0	10	11
	% within Bank	9.1%	.0%	90.9%	100.0%
Total	Count	33	28	52	113
	% within Bank	29.2%	24.8%	46.0%	100.0%

Source: Field survey

7.2.6. Core Banking Services (CBS)

Core Banking Services are services offered by the banks for their account holders where these account holders or customers can access to their accounts and are able to perform various transactions from any of the bank branch offices they are associated with. The table below is the representation of an open-ended question regarding views on the core banking services. Altogether, 113 respondents commented on the views of core banking. 100 respondents have said that they have benefitted from some time and now have lost its charm consisting of 53 officials in Aizawl district, 20 officials in Kolasib district and 27 officials in Lunglei district. It is also found that though core banking has been introduced in some banks lately, ATM has not been put up as yet for MRB and only 6 for MCAB, although both the banks can use other ATMs. There are 7 bank official respondents who said they are satisfied with the core banking facility of the banks since it has made banking easier and faster which benefits the customers. These are banks which are dealing with real time transactions and green channels. Wide network coverage by core banking has benefitted the customers and also has made the bank to have better and efficient services. There is 1 respondent from Aizawl district who says that CBS is beneficial for customers but there is no proper administration of the services. CBS is the fastest link between a bank and its customer, in relation to that, Sachidanada (2006) has also delineated Core Banking System as the main core of all the frameworks in a bank. Among other functionalities, it deals with the

management of customer information and the functions of transaction processing which are every bank's most fundamental processes. Brande (2009) has also explained Core banking System as the relationship between the execution of banks and the reality whether they have effectively actualized new technology of core banking software.

Table 7.11. Comments on Core-banking Services (District-wise)

Comments on CBS		DISTRICT			Total
		Aizawl	Kolasib	Lunglei	
Yes, from some time	Count	53	20	27	100
	% within Comments	53.0%	20.0%	27.0%	100.0%
Yes, Service like ATM	Count	0	1	0	1
	% within Comments	.0%	100.0%	.0%	100.0%
Yes, but no ATM	Count	0	0	1	1
	% within Comments	.0%	.0%	100.0%	100.0%
Yes, satisfied	Count	2	2	3	7
	% within Comments	28.6%	28.6%	42.9%	100.0%
Yes, real time transaction and other benefits	Count	3	0	0	3
	% within Comments	100.0%	.0%	.0%	100.0%
Yes, no proper administration	Count	1	0	0	1
	% within Comments	100.0%	.0%	.0%	100.0%
Total	Count	59	23	31	113
	% within Comments	52.2%	20.4%	27.4%	100.0%

Source: Field Survey

Table 12 reveals the views and opinions of the bank officials regarding core banking. It is found that core banking has been introduced by all the three select banks, out of 100 respondents with the same answers, 32 percent MCAB official respondents said that it has been functioning from the year 2012, 25 percent MRB respondents said about a year ago and it is also found that through the response of 1 official, ATM facility has not been introduced yet though debit cards are available for the account holders. 43 percent of SBI bank official respondents have also said that core banking has been available since long time back and other respondents of the bank said that ATMs and other facilities with green channels, real time transactions and cash depositing machine (CDM) has already been functioning as a part of core banking. In MCAB, there is a response indicating

that because of improper administration, though the bank has introduced core banking system, the productivity is not yet up to the expectation.

Table 7.12. Comments on Core-banking Services (Bank-wise)

Comments on CBS		BANK			Total
		MCAB	MRB	SBI	
Yes, from some time	Count	32	25	43	100
	% within Comments	32.0%	25.0%	43.0%	100.0%
Yes, Service like ATM	Count	0	0	1	1
	% within Comments	.0%	.0%	100.0%	100.0%
Yes, but no ATM	Count	0	1	0	1
	% within Comments	.0%	100.0%	.0%	100.0%
Yes, satisfied	Count	0	2	5	7
	% within Comments	.0%	28.6%	71.4%	100.0%
Yes, real time transaction and other benefits	Count	0	0	3	3
	% within Comments	.0%	.0%	100.0%	100.0%
Yes, no proper administration	Count	1	0	0	1
	% within Comments	100.0%	.0%	.0%	100.0%
Total	Count	33	28	52	113
	% within Comments	29.2%	24.8%	46.0%	100.0%

Source: Field Survey

7.2.7. Suggestions to change the service structure

In the table below, the views and opinions of the bank officials regarding the change of service structures of their respective banks are indicated. Among 6 respondents who have said that the bank should focus in the administration process, 3 officials are from Aizawl district, 2 officials from Lunglei district and 1 official from Kolasib district. This comments included suggestions for good administration, giving more importance to administration and better management. 1 respondent even suggested having better a managing board of directors. There are 9 respondents who want to change the structure of employee benefits consisting of 5 from Aizawl district, 2 each from Kolasib and Lunglei district. These opinions mostly cater to providing benefits better than currently available. 6 officials suggested that the insurance sector of the banks should be given much importance for the employees. There are 5 respondents in Aizawl district who are not

satisfied with their salaries and suggested that they should be increased, 2 respondents in Kolasib district and 1 respondent from Lunglei district have the same opinion. Some of the respondents felt that the structure needs to be changed. 4 bank officials each of Aizawl and Lunglei districts said that working days should be 5 days in a week which excludes Saturdays. There are suggestions from both Aizawl and Kolasib districts that proper training should be given to the bank staffs so to improve their knowledge and also improve the quality of interpersonal relationships between the employees and the customers. There are also opinions that working hours should be decreased and also CBS, ATMS and infrastructure should be given importance. There are 3 respondents who said that no change of structure is required and the current structure is sufficient.

Table 7.13. Changing of service structure (District-wise)

Comments on service structure		DISTRICT			Total
		Aizawl	Kolasib	Lunglei	
Administration	Count	3	1	2	6
	% within Comments	50.00%	16.70%	33.30%	100.00%
Employee Benefits	Count	5	2	2	9
	% within Comments	55.60%	22.20%	22.20%	100.00%
Insurance	Count	4	1	1	6
	% within Comments	66.70%	16.70%	16.70%	100.00%
Salaries	Count	5	2	1	8
	% within Comments	62.50%	25.00%	12.50%	100.00%
5 days work	Count	2	0	2	4
	% within Comments	50.00%	0.00%	50.00%	100.00%
CBS	Count	1	0	2	3
	% within Comments	33.30%	0.00%	66.70%	100.00%
Working hours	Count	3	1	0	4
	% within Comments	75.00%	25.00%	0.00%	100.00%
ATM	Count	0	0	3	3
	% within Comments	0.00%	0.00%	100.00%	100.00%
Training	Count	4	2	0	6
	% within Comments	66.70%	33.30%	0.00%	100.00%
No Change	Count	3	0	0	3
	% within Comments	100.00%	0.00%	0.00%	100.00%
Total	Count	30	9	13	52
	% within Comments	57.70%	17.30%	25.00%	100.00%

Source: Field Survey

The opinion of the bank officials by bank group is shown in the table below. 5 officials in MCAB suggested that the bank should change the administration structure and 1 respondent of MRB has the same view. There are 5 respondents in SBI, 2 each of MRB and MCAB who suggested that the employee benefits should be improved. There are 6 bank officials who think that the insurance sector of the bank should be taken into account. 5 respondents in SBI have the opinion that the salaries should be increased which is the same opinion with 2 respondents in MCAB and 1 in MRB since salary is one of the most effective form of motivation. There are some who want to change the working days to 5 days a week; those respondents consist of 3 officials in SBI and 1 official in MRB. 2 respondents of MCAB and 1 of MRB feel the need to improve the CBS in their banks. Among SBI respondents, 4 bank officials have suggested that the working hours should be decreased. Out of the total 9 MRB respondents, 2 officials said that ATM should be given importance by the bank and 1 respondent from SBI thinks that ATM should be improved. There are 5 bank officials of SBI respondents who feel the need of giving and organizing proper training to the bank staffs for the benefit of both the bank and the customers. 1 respondent each of the three select banks are satisfied with the service structures of the banks. It is seen that there are some dissatisfactions in the current structure of these select banks. Rama (1994) in her study on Job Satisfaction of Bank Employees has also stated banks which belong to the public sector have social esteems, interpersonal relationship and modernisation though private banks seem to have their instincts, rewards and better workplace as employees satisfaction factors. The study observed that responsibility, salary and other benefits significant dissatisfying territory in banks.

.**Table 7.14. Changing of service structure (Bank-wise)**

Comments on service structure		BANK			Total
		MCAB	MRB	SBI	
Administration	Count	5	1	0	6
	% within Comments	83.3%	16.7%	.0%	100.0%
Employee Benefits	Count	2	2	5	9
	% within Comments	22.2%	22.2%	55.6%	100.0%
Insurance	Count	6	0	0	6
	% within Comments	100.0%	.0%	.0%	100.0%
Salaries	Count	2	1	5	8
	% within Comments	25.0%	12.5%	62.5%	100.0%
5 days work	Count	0	1	3	4
	% within Comments	.0%	25.0%	75.0%	100.0%
CBS	Count	2	1	0	3
	% within Comments	66.7%	33.3%	.0%	100.0%
Working hours	Count	0	0	4	4
	% within Comments	.0%	.0%	100.0%	100.0%
ATM	Count	0	2	1	3
	% within Comments	.0%	66.7%	33.3%	100.0%
Training	Count	1	0	5	6
	% within Comments	16.7%	.0%	83.3%	100.0%
No Change	Count	1	1	1	3
	% within Comments	33.3%	33.3%	33.3%	100.0%
Total	Count	19	9	24	52
	% within Comments	36.5%	17.3%	46.2%	100.0%

Source: Field Survey

7.2.8. Perception of the Bank Officials regarding the strength of their associated banks

The bank officials were asked the strength of their respective banks in which their responses are recorded in the table below. The main strength of each bank can differ depending on the districts and the kind of banks. 16 officials; 8 in Aizawl district, 4 in Kolasib district and 4 in Lunglei district reveals that the strength of their respective banks is that they provide the local needs, further indicating that since services are available for people from anywhere and the bank employees could be communicated in the local language. There are 5 officials from Aizawl district who said that the strength of their respective banks is CBS which has benefited the customers. From the total 78 respondents, 22 bank officials have claimed that the strength of the banks is the

customer services. There are different opinions regarding the strength of the banks such as reliability, low interest rates, ATMs, flexibility, easy availability of loans and no frills account. There are 4 respondents in Aizawl district who said that the main strength of the banks is the large network within Mizoram with large number of branches.

Table 7.15.Comments on their respective strength of banks (District-wise)

Comments on their respective strength of banks		DISTRICT			Total
		Aizawl	Kolasib	Lunglei	
Local needs	Count	8	4	4	16
	% within Comments	50.0%	25.0%	25.0%	100.0%
CBS	Count	5	0	0	5
	% within Comments	100.0%	.0%	.0%	100.0%
Customer service	Count	11	4	7	22
	% within Comments	50.0%	18.2%	31.8%	100.0%
Easy loan	Count	7	2	3	12
	% within Comments	58.3%	16.7%	25.0%	100.0%
Branch network	Count	4	0	0	4
	% within Comments	100.0%	.0%	.0%	100.0%
Low interest	Count	1	1	0	2
	% within Comments	50.0%	50.0%	.0%	100.0%
Reliability	Count	6	3	2	11
	% within Comments	54.5%	27.3%	18.2%	100.0%
ATMs	Count	1	0	0	1
	% within Comments	100.0%	.0%	.0%	100.0%
Flexibility	Count	0	0	2	2
	% within Comments	.0%	.0%	100.0%	100.0%
No Frills account	Count	2	0	1	3
	% within Comments	66.7%	.0%	33.3%	100.0%
Total	Count	45	14	19	78
	% within Comments	57.7%	17.9%	24.4%	100.0%

Source: Field Survey

In the table below, the views of the banks officials relating to the strength of the respective banks are shown. There are 16 respondents; 10 officials from MCAB, 2 officials from MRB and 4 officials from SBI who said that the main strength of these banks is providing the local needs of the people since these banks cater to the needs of the rural poor and reach the unreached. There are 4 respondents from SBI and 1 from MCAB who said that the strength of the bank is CBS which benefits both the customers and the service providers and make banking easier from every

corner. Some respondents, 9 officials of MCAB, 5 officials of MRB and 8 officials of SBI said that the main strength of the banks is the customer services which are a very important factor for retaining customers. There are 4 respondents from each of the banks who claimed that easy loan availability for everyone is the main strength of their banks since loan is availed by the larger percent of the customers in the state for various purposes. The branch network can also be the main strength of the banks as put up by 3 respondents in SBI and 1 respondent in MRB. 2 bank officials of SBI have said that the low interest rate of the bank is the strength and reliability is seen to be the strength of the bank by 10 SBI respondents and there is 1 respondent of MRB who have the same opinion. There is 1 respondent of MRB who said that the bank customers can avail to other banks' ATMs and 1 respondent each of MRB and SBI who claimed that flexibility is their main strength. No frills account has been found to be another strength of the bank by 2 respondents of MRB and 1 respondent of SBI.

Table 7.16.Comments on their respective strength of banks (Bank-wise)

Comments on their respective strength of banks		BANK			Total
		MCAB	MRB	SBI	
Local needs	Count	10	2	4	16
	% within Comments	62.5%	12.5%	25.0%	100.0%
CBS	Count	1	0	4	5
	% within Comments	20.0%	.0%	80.0%	100.0%
Customer service	Count	9	5	8	22
	% within Comments	40.9%	22.7%	36.4%	100.0%
Easy loan	Count	4	4	4	12
	% within Comments	33.3%	33.3%	33.3%	100.0%
Branch network	Count	0	1	3	4
	% within Comments	.0%	25.0%	75.0%	100.0%
Low interest	Count	0	0	2	2
	% within Comments	.0%	.0%	100.0%	100.0%
Reliability	Count	0	1	10	11
	% within Comments	.0%	9.1%	90.9%	100.0%
ATMs	Count	0	1	0	1
	% within Comments	.0%	100.0%	.0%	100.0%
Flexibility	Count	0	1	1	2

	% within Comments	.0%	50.0%	50.0%	100.0%
No Frills account	Count	0	2	1	3
	% within Comments	.0%	66.7%	33.3%	100.0%
Total	Count	24	17	37	78
	% within Comments	30.8%	21.8%	47.4%	100.0%

Source: Field Survey

7.2.9. Upcoming developments in the banks

The table below indicates the upcoming developments of the three select banks as responded by the total of 59 out of 113 respondents. 33 bank officials said that ATM and IT will be the upcoming changes of the banks as part of their development. There will be establishment of alternate channels by the banks, as responded by 5 bank officials. There are 10 respondents consisting of 7 officials of Aizawl district, 2 officials of Kolasib district and 1 official of Lunglei district who claimed that there will be upcoming changes in the CBS. According to 7 respondents, new branches will also be opened. Recruitment and change in infrastructures will also be the upcoming changes of the banks according to some respondents. Changes and development in customer services are also expected to be seen.

Table 7.17.Upcoming developments of the bank (District-wise)

Upcoming changes comments		DISTRICT			Total
		Aizawl	Kolasib	Lunglei	
ATM and IT	Count	22	3	8	33
	% within Comments	66.7%	9.1%	24.2%	100.0%
Alternative channels	Count	2	1	2	5
	% within Comments	40.0%	20.0%	40.0%	100.0%
CBS	Count	7	2	1	10
	% within Comments	70.0%	20.0%	10.0%	100.0%
New branches	Count	5	1	1	7
	% within Comments	71.4%	14.3%	14.3%	100.0%
Recruitment	Count	1	0	0	1
	% within Comments	100.0%	.0%	.0%	100.0%
Infrastructure	Count	2	0	0	2
	% within Comments	100.0%	.0%	.0%	100.0%
Customer service	Count	0	0	1	1
	% within Comments	.0%	.0%	100.0%	100.0%

Total	Count	39	7	13	59
	% within Comments	66.1%	11.9%	22.0%	100.0%

Source: Field Survey

Table 18 shows the upcoming changes of the banks as put up by the bank official respondents. There are 8 respondents of MCAB, 16 respondents of MRB and 9 respondents of SBI who said that there will be changes in ATM services and IT section will be developed for better accessibility of banks benefits by the customers. During the period of survey, CBS were not established, as of now the CBS has been established in MCAB and MRB. Alternative channels will be one of the upcoming changes both in SBI and MCAB. There are 10 respondents of MCAB who hoped that changes in CBS will be seen and 7 bank officials of SBI said that new branches will be opened in both the rural and urban areas. Recruitment and changes in customer service sector is also expected in SBI. Changes in infrastructure are also expected both in MCAB and SBI.

Table 7.18.Upcoming developments of the bank (Bank-wise)

Upcoming changes comments		BANK			Total
		MCAB	MRB	SBI	
ATM and IT	Count	8	16	9	33
	% within Comments	24.2%	48.5%	27.3%	100.0%
Alternative channels	Count	1	0	4	5
	% within Comments	20.0%	.0%	80.0%	100.0%
CBS	Count	10	0	0	10
	% within Comments	100.0%	.0%	.0%	100.0%
New branches	Count	0	0	7	7
	% within Comments	.0%	.0%	100.0%	100.0%
Recruitment	Count	0	0	1	1
	% within Comments	.0%	.0%	100.0%	100.0%
Infrastructure	Count	1	0	1	2
	% within Comments	50.0%	.0%	50.0%	100.0%
Customer service	Count	0	0	1	1
	% within Comments	.0%	.0%	100.0%	100.0%
Total	Count	20	16	23	59
	% within Comments	33.9%	27.1%	39.0%	100.0%

Source: Field Survey

7.2.10. Basis of recommending the bank to others

The bank officials were asked what would be the basis of recommending their associated banks to others and the responses are given in the table below. Out of 78 respondents, 24 bank officials said that since the bank is people's bank, a bank which opens for everyone, they would recommend to others focusing on people's bank. Security and reliability are thought to be the main basis of recommendation by 10 respondents in Aizawl district, 4 respondents in Kolasib district and 6 respondents in Lunglei district. Loan facility provided by the bank is believed to be another basis of recommendation by 12 bank official respondents and 22 respondents think that customer service would be the reason to recommend the bank to others. Since there are different kinds of respondents having different thoughts and opinions, the area of recommendations also differ which reveals the perceptions of these respondents regarding the basis of good quality of their associated banks. These basis are significant for the banks in branding their products and services. Porter (1985) has also proposed a basic condition which characterizes a brand. S=P X D X AV, Where S=Successful brand, P= Effective product, D= Distinctive Identity and AV=Added Value. At the point when the bank offers pertinent offers with added value and creates solid and effective brand for itself. A solid brand unquestionably rises above extraordinary brand equity as well.

Table 7.19.Basis of recommending the bank to others (District-wise)

Comments on basis of recommending the bank to others		DISTRICT			Total
		Aizawl	Kolasib	Lunglei	
People's bank	Count	17	3	4	24
	% within Comments	70.8%	12.5%	16.7%	100.0%
Security and reliability	Count	10	4	6	20
	% within Comments	50.0%	20.0%	30.0%	100.0%
Loans	Count	8	3	1	12
	% within Comments	66.7%	25.0%	8.3%	100.0%
Customer service	Count	11	3	8	22
	% within Comments	50.0%	13.6%	36.4%	100.0%
Total	Count	46	13	19	78
	% within Comments	59.0%	16.7%	24.4%	100.0%

Source: Field Survey

The table below reveals the factors which will be the basis of recommending the banks by its officials to others. Out of 113 total respondents, 78 officials responded to the question. There are 10 respondents in MCAB, 5 respondents in MRB and 9 respondents in SBI who said that since the banks deal with all classes of people and being the best bank for the rural poor and beneficial for every kind of people, people's bank would be the main basis of recommendation. 18 respondents of SBI and 2 respondents of MRB said that they would recommend the bank due to its reliability and security over all other factors. There are 12 respondents, 3 each of MCAB and MRB and 6 of SBI who claimed that they would recommend the bank to others in case of easy loans and advances facilities. In MCAB, 13 bank official respondents said they would recommend the bank to others because of its good customer services and the bank's co-ordination when 6 respondents in MRB and 3 respondents in SBI also have the same opinion.

Table 7.20.Basis of recommending the bank to others (Bank-wise)

Comments on basis of recommending the bank to others		BANK			Total
		MCAB	MRB	SBI	
People's bank	Count	10	5	9	24
	% within Comments	41.7%	20.8%	37.5%	100.0%
Security and reliability	Count	0	2	18	20
	% within Comments	.0%	10.0%	90.0%	100.0%
Loans	Count	3	3	6	12
	% within Comments	25.0%	25.0%	50.0%	100.0%
Customer service	Count	13	6	3	22
	% within Comments	59.1%	27.3%	13.6%	100.0%
Total	Count	26	16	36	78
	% within Comments	33.3%	20.5%	46.2%	100.0%

Source: Field Survey

7.2.11. Service issues of bank loans, interest rates and different kinds of accounts

Banks offer various services depending on their kinds. A bank's main job is to provide the needs of the customers through financial services which will help in managing their lives. From the survey, it is observed that from 113 bank officials of the three select banks viz SBI, MCAB and MRB, these banks are also having different kinds of loans, interest rates and types of accounts

offered to the people. The main loans offered by SBI are Housing loan, Car loan, Agriculture loan, Small Medium Enterprises (SME) loan, Education loan, Express credit, Pensioners loan and Loan against fixed deposit. MCAB also offer various kinds of loans such as Agriculture and Allied Loan, Business Loan, Small Scale Industries Loan, Housing Loan, Personal Loan and Church Loan. The loan portfolios of MRB are Agriculture and Allied Agriculture Loan, Small & Medium Enterprise (SME) Loan, Personal Segment and Clean Overdraft. Depending on these types of loans, the banks also have different rates of interest. The interest rates of loans and advances of SBI depend on the type of loan accounts and differ according to the Value Added Tax (VAT) rate which is from 7 percent to 15 percent. The bank officials of MCAB also could not give the exact interest rates amount though during data collection, it was 7 percent to 14 percent. The rate of interests for deposits in MRB starts from 6 percent to 8.25 percent and interests on Loans and advances starts from 7 percent to 16 percent. Opening of accounts by the customers is the main link which the bank has with the customers. Varieties of accounts are available with each bank depending on the demographic factor. SBI offers different kinds of accounts such as savings, recurring deposits, fixed deposits and current account. The various accounts offered by MCAB and MRB are savings, fixed, recurring deposits, current, pigmy deposits and no-frills account.

7.3. Testing of Hypotheses

Hypothesis 1. There is no significant relationship between demographic factors and the level of awareness of the new products and services offered by select banks.

Table 7.21. Pearson Chi-square test of demographic profile of the respondents

	Value	Df	Asymp. Sig. (2-sided)
Gender	0.005[a]	1	0.943
Occupation	2.591[a]	7	0.920
Family Members	10.902[a]	11	0.451
Education	8.331[a]	5	0.139

Since the P value is more than 0.05, the null hypothesis is failed to be rejected. The study finds that there is relationship between the demographic variables and awareness of new products and services offered by select banks. The variables of gender, occupation of the respondents, the number of family members as well as the level of education plays an important role on the awareness of the new products and services provided by the three select banks in Mizoram.

Hypothesis 2: There is no significant difference in the service delivery system among the select banks.

Table 7.22. Chi-square test of service delivery system

	Value	df	Asymp. Sig. (2-sided)
Difficulty to open an account	1.922[a]	2	.382
Satisfaction with services of the bank	14.675[a]	8	.066
Provided prompt service	5.566[a]	8	.696
Satisfied with Financial Transaction	19.008[a]	6	.004
Doesn't put on hold	7.790[a]	2	.020
Has knowledge about banks products	6.179[a]	2	.046
Has knowledge about banks services	1.008[a]	2	.604
Banking issues handled quickly	5.457[a]	2	.065
Have good etiquettes	1.402[a]	2	.496
Have friendly service	1.792[a]	2	.408
How quickly problems are solved	36.536[a]	10	.000

The service delivery of the select banks are studied by taking the variables of: difficulty to open an account, satisfaction with services of the bank, promptness of services, satisfaction

level with financial transaction, not put on hold, knowledge about banks products, banking issues handled quickly, good etiquettes of employees and friendly services, and how quickly the problems are solved. The above hypothesis were tested by using chi-square test and it is found that the P value of satisfaction with financial transaction, not put on hold, knowledge about banks products and how quickly problems are solved are less than 0.05 therefore, the null hypothesis is rejected. It means there is difference among the select banks regarding satisfaction with financial transaction, not put on hold, as knowledge about banks products, how quickly problems are solved. The other factors of service delivery are failed to be rejected therefore the hypothesis on the overall are accepted.

Hypothesis 3: There is no significant relationship between the problems and hindrances faced by the bank employees in the select banks.

Table 7.23. Chi-square test of problems and hindrances faced by the employees

Comments on service structure	Bank						Total
	MCAB		MRB		SBI		
	Actual	Expected	Actual	Expected	Actual	Expected	
Administration	5	2.19	1	1.04	0	2.77	6
Employee Benefits	2	3.29	2	1.56	5	4.15	9
Insurance	6	2.19	0	1.04	0	2.77	6
Salaries	2	2.92	1	1.38	5	3.69	8
5 days work	0	1.46	1	0.69	3	1.85	4
CBS	2	1.1	1	0.52	0	1.38	3
Working hours	0	1.46	0	0.69	4	1.85	4
ATM	0	1.1	2	0.52	1	1.38	3
Training	1	2.19	0	1.04	5	2.77	6
No Change	1	1.1	1	0.52	1	1.38	3
Total	19	19	9	9	24	24	52

From the above table, it is found that the calculated value of chi-square is 0.004531 with df 18, the table value of chi square is 28.869 at 5 % level of significance. Since the calculated chi-square value is less than the table value, so the null hypothesis is rejected. It means there are significant differences in the problems and hindrances faced by the employees of select banks.

7.4. Conclusion

The perceptions and attitudes which the bank officials possess on their associated banks can be different from person to person depending on their mindset and working environment. When some of the officials are satisfied on one matter, the other will be unsatisfied. Banks have to look into the needs and desires of its officials time to time. Performance appraisals and reward systems could also be introduced in order to motivate its employees. In this study, it is found that though more of the bank official respondents are satisfied, the perceptions and attitudes of the remaining respondents are quite scattered which can be due to the district or location they are employed in. It can also be related to banks they are working with like in SBI, being pure commercial banks, the salaries are higher comparing to the co-operative or rural banks. It is also observed that some officials are having problems with their banks relating to the service structures and other factors. Every institution should maintain a healthy environment for both its officials and customers in order to have better outcome.

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CHAPTER 8

SUMMARY OF FINDINGS, CONCLUSIONS AND SUGGESTIONS

8.1. Introduction

This chapter explores into the findings of the study, then conclusions are derived from it and suggestions are generated from the findings and conclusions of the study. In the banking services, competition has been infused to a large extent with improved services which are introduced from time to time. Core-banking system has changed the paradigm of banking system which has added growth to the business of banking and customers' convenience. The findings are obtained from data analysis through primary and secondary sources such as customers, bank officials, published articles, journals and other sources. These findings are also related to the various dimensions linking into marketing of services. The following are the findings and conclusions of the study.

8.2. Findings of the study

The study shows that MRB has the largest number of customers from the rural areas, since the bank is established mainly for the people in the rural part of the state while the customers of SBI are mainly from the urban and semi urban areas because the bank is yet to spread out in the rural areas and MCAB customers are also largely from the urban areas, the reason can also be because the bank has not much extension in the rural and semi-urban areas.

8.2.1. Introductory Chapter

- Banks play the role of an artery in keeping the life blood of economy functioning. With the development of technology and economy, the study finds that marketing of banking of services has changed over the past 30 years in India. The study also finds that in

comparison to commercial banks, regional rural banks and co-operative banks are not upto the level of commercial banks in terms of technology adoption and provision of services to customers. This can be evidence from the findings of MRB and co-operative banks have just started adopting technology and service process.

- The study finds that the number of bank offices in the country increased from 71,839 in 2007 to 1,25,672 in 2015 witnessing a growth of 74.9 percent. But in north east India, the study finds that banks maintained a negligible expansion of branches during the same period by just 2.3 percent. The products and services offered by the banks were small prior to 1990's in comparison to the last decades. Several new products and services such as internet banking, ATM, Green Channel, Cash Depositing Machine, Electronic Fund Transfer, Home banking, etc were being offered.
- The study also finds that one of the important findings of the banking development in Mizoram is the spread of commercial banks and co-operative banks in the interior parts of the state. The numbers of these two sectors in rural Mizoram have increased by 14 branches. The credit deposit ratio as on 31st March 2015 decreased to 44.83 percent from 47.14 percent as on 31st March 2014, which could be due to a sharp increase in deposits with the banking system that might have resulted in the fall of credit outgo.

8.2.2. Profile of the selected banks in Mizoram

- The oldest bank branches in the Northeast were the State Bank of India (SBI) which was established in Shillong and Dibrugarh in the year 1922 and 1923 respectively. In 1953, SBI's third branch was set up at Tezpur, Assam. It is also found that SBI has the largest branch network within the country.

- State Bank of India (SBI) was established at Aizawl, Mizoram on the 29th of December, 1971. Mizoram Cooperative Apex Bank (MCAB) was formed on 5th December, 1978 and became operational on 31st July, 1982 and Mizoram Rural Bank (MRB) was established on 23rd September, 1983 which paved the way for rural credit.
- The total number of bank branches functioning in Mizoram as on 30th September, 2016 stood at 171. More than 25 banks are operating in Mizoram as of 28th February, 2018. Several new banks like South Indian Bank and Bandhan Bank have been established recently in the year 2013 and 2015 respectively. RBI's directive to establish banks in all the states of the country has played a major role in the development of banks in Mizoram. The establishment of both private and public sector banks has opened an opportunity for employment as well as use of banking services by the public. It is also a fact that the people of the state are benefitting from this growth.
- Among the states in North East India, it is found that Mizoram has the lowest number of account holders for current account, savings account and term deposits account which is represented by 14,000 current account holders, 8,41,000 savings account holders and 39,000 term deposits account holders.

8.2.3. Socio Economic Profile of Customers and Bank Officials

- It is found that from the total 470 customer respondents, males are higher in number than females, 277 to 193 respectively. In terms of select banks, the respondents consist of 223 from SBI, 155 from MRB and 92 from MCAB. Since SBI is the largest bank having the largest number of branches, it has the highest number of customers in the State. MCAB has customers from both rural and urban areas, but the majority customers of MRB are from the rural areas. The density of population of Aizawl district is 112 against the

average density of 52 for the whole state and it ranks number 1 among the districts of Mizoram and there are respondents of 65 males and 64 females representing the district. Kolasib district has a density of population 61persons per Sq. Km. and is the third largest district in the state. There are 170 respondents from Kolasib district comprising of 118 males and 52 females. The density population of Lunglei District is 36 persons Sq.km against the total average of 52 persons Sq. Km. and the total number of respondents comprises of 94 males and 77 females.

- The study finds the profile of the respondents belongs to various occupations like self-employment (33.40 percent), government employees (46.38 percent), working in the private sector (15.11 percent), pensioners (0.43 percent), home-makers (1.49 percent) and students (3.19 percent).
- Since Mizoram is the second highest in literacy rate in the country, most of the respondents have high educational qualifications. Among the respondents, the largest group is of Class-X standard (42.34 percent), followed by Class-XII standard (32.77 percent), followed by Class-VII standard (15.11 percent), Postgraduate (8.09 percent), Undergraduate and Doctor of Philosophy both with 0.85 percent. This implies that most of the customers are literate which further reveals that the state is high in literacy rate (91.58 percent, according to 2011 census).
- Out of the 113 bank official respondents, it is found that 65.50 percent are males and 34.50 percent are females which show that males are employed more than the females in these select banks. The reason may be because of transfer policy of the banks whereby, the majority of their employees are transferred after every 3 years.

- The educational statuses of the bank official respondents shows that out of the total 113 respondents, 92 are graduates and 21 are post-graduates which states that the majority officials of the select banks are graduates. This also indicates that to be an official of a bank, one has to possess good educational background. On the other hand, the required level of education may also depend on the designations.
- Age-group distribution of bank official respondents indicates that the largest numbers are in the age groups of 36-40 (23.90 percent) and 46-50 (24.80 percent) respectively. Furthermore, 2 officials are in the age group of 25-30, 16 officials in the age group 31-35, 11 officials in the age group 41-45, 19 officials in the age group 51-55 and 10 officials in the age group of 56 and above. This shows that most of the officials are middle-aged either in lower age group or in higher age group.
- The study finds that majority of the respondents (73 bank officials) are earning between Rs.2-5 Lakhs represented by 64.6 percent. This is followed by income packet of Rs.5-8 Lakhs represented by 20 respondents. The study also finds that 10 bank officials are lower than Rs.2 Lakhs per annum. This salary structure is highly influenced by the seniority of the bank officials. Some bank official respondents might be newly employed while some might have been working for a couple of years.
- It is found that the three select banks have dissimilar designations. The bank official respondents are categorized according to these designations. In MCAB, the various designations are Assistant Grade (5 respondents), Assistant Grade (5 respondents), Assistant General Manager (2 respondents), Deputy General Manager (2 respondents), Junior Management Grade (1 respondent), Middle Management Grade-I (4 respondents), Middle Management Grade-II (5 respondents), Subordinate Grade-I (2 respondents),

Subordinate Grade-II (5 respondents) and Subordinate Grade-III (2 respondents). In MRB, designations are Branch Manager (6 respondents), Office Assistant (5 respondents), Scale-I Officer (5 respondents), Scale-II Officer (7 respondents) and Scale-III Officer (5 respondents). SBI bank official respondents also hold various designations such as Accountant (3 respondents), Assistant (8 respondents), Assistant Manager (7 respondents), Branch Manager (2 respondents), Cashier (8 respondents), Clerk (10 respondents), Customer Relationship Officer (1 respondent), Deputy Manager (1 respondent), Operations Manager (3 respondents), Probationary Officer (6 respondents), Senior Assistant (2 respondents) and Senior Manager (1 respondent). Though the banks are having different names for the various designations, most of the levels are similar in authority and responsibility.

8.2.4. Analysis of Customers' Perspectives towards Banking Services

- The majority of customer respondents hold savings account (98.72 percent) and the other types of account which other respondents hold are current account (0.43 percent), fixed account (0.21 percent) and joint account (0.64 percent). This reveals that the majority of the customers of the three select banks deal with the bank mainly for savings.
- The period of association of the customer respondents varies with the bank. There are 28 new account holders, 26 respondents have been holding their account for just 1 to 6 months. There are 42 respondents who have associated with the bank for more than 6 months but less than a year. The majority of the respondents (210 respondents) have been associating with the bank for 1 to 5 years and a substantial number of respondents (164 respondents) have been maintaining their accounts for more than 5 years. This shows that the majority of the respondents have been aware about banking and its benefits since

quite a long time though some have just come to know about banking and its services which can benefit the mass population.

- Respondents (customers) have different choice of services with their associate banks. Out of 470 respondents, the majority of the respondents (57.70 percent) prefer an association with the bank merely for banking. 8 respondents for credit card, 114 respondents (24.30 percent) for loans, 54 respondents for investment and 23 respondents for business. These cases indicate that the needs and wants of the customers vary depending on their demographic profile.
- A significant number of customers comprising of 111 respondents encountered difficulty in opening their accounts although the larger number which consists of 359 respondents said they had no difficulty. This could be due to customers' lack of awareness of the banks' procedures and also the fault of the employees for not attending to the doubts of the customers.
- There are 232 customer respondents who are holding multiple accounts with other banks while the larger number consisting of 238 respondents do not have multiple accounts with any other banks which largely depends on the level of needs and requirements of the customers. Since different kinds of banks have different products and services having certain benefits, customers wish to avail of these depending on their needs and statuses.
- The satisfaction level of customers with opening of accounts with their associated banks is indicated by 431 respondents who are satisfied and 39 respondents who are not satisfied. 92.40 percent of MCAB respondents are satisfied with opening of their accounts with the bank while 7.60 percent are not satisfied. There are 94.20 percent of MRB respondents who are satisfied with opening of their accounts but 5.80 percent of the

bank's respondents are not satisfied. In SBI, 89.70 percent of its respondents are satisfied and 10.30 percent of its respondents are not contented. The satisfaction level on this matter highly depends on one's own attitude and perception, which highly affects the mentality and mindset of a person.

- Recommendation is a very important aspect in marketing of banking services. An immense number of 448 customer respondents claimed they would recommend the bank to others while a small number of 22 respondents said they would not give any recommendation to others, which reveals their dissatisfaction with their associate banks at some point.
- Availing for multiple accounts is opted by almost one third (28.90 percent) of the customer respondents but the larger number of respondents (71.10 percent) seem to be contented with their current number of accounts. This indicates that customers avail the banks for various purposes and the customers needing more accounts may need them for businesses, educations, loan purposes, etc.
- Among the 470 customer respondents, 84.70 percent are satisfied with the current service offerings of the banks which the respondents are associated, but still 15.30 percent of the respondents indicated that the service offerings are not as their expectation.
- Innovations have enhanced the services of the banks as a whole but a substantial number of the respondents (68.50 percent) are not accessing to the banking services online, though almost one-third (31.50 percent) of the total respondents have availed to the services. It means majority of the respondents from MCAB and MRB are not using online services as online services of these banks have not been introduced till date.

- More than 50 percent of the customer respondents (56.40 percent) are satisfied with the services of their respective banks while there are only 16 respondents who are very satisfied. There are 38.10 percent who are only somewhat satisfied and 8 respondents are dissatisfied with the services. 2 respondents claimed that they are very dissatisfied. There are none who are dissatisfied and very dissatisfied among MCAB respondents. Since the majority of the customer respondents have given positive feedback, most of the customers of the three select banks are contented with the services of the banks they deal with.
- Promptness of the banks in their services is not the same from time to time as affirmed by 470 customer respondents. 56 percent of respondents often enjoy prompt service while 28.70 percent said only sometimes. 27 respondents said they rarely received prompt services and 22 respondents claimed that they have never experienced prompt services. Only 23 out of the total respondents responded that they always received prompt services. Promptness level indicates the efficiency of the bank and its employees. So, according to respondents, the bank officials of the three select banks are not as efficient and fast as expected in their services.
- Banks have standard minimum balances depending on the type of accounts they offered. Only 6 customer respondents have said that they strongly agree that the minimum balance of the banks is easy to maintain while 107 respondents just agree to it. There are 138 respondents who somewhat agree but almost half of the total 470 respondents disagree and 6 respondents strongly disagree. This opinion is affected by the socio-economic status of the customers since banks customers differ according to their social statuses and backgrounds.

- The majority of the customer respondents (61.30 percent) are satisfied with the financial transactions of the bank and only a few (6.60 percent) are very satisfied. 28.30 percent of the respondents affirmed that they are somewhat satisfied with the bank financial transactions. Though the larger number of respondents has given positive answers, there are 18 respondents (3.80 percent) who are dissatisfied, 1.10 percent from MCAB respondents, 3.90 percent from MRB respondents and 4.90 percent from SBI respondents. This reveals that the majority of financial transactions of the banks are smooth as expected though these services more or less depend on the location of the banks. If the banks are located in a place where the electric supply and transportation facility is not regular, the transaction cannot be expected to be faster as those in the urban areas.
- Waiting time management is significant for the banks since customer satisfaction level is associated with it to a very large extent. Among the customer respondents, the larger number (66.60 percent) said they were never put on hold for long but about one-third (33.40 percent) said they had to wait for longer time. This shows that as a high percentage of customers have given negative feedback, the banks have to see to their time management in order to satisfy and retain more customers.
- CRMs needs to be well equipped with the knowledge of banking products and services and 345 customer respondents affirmed that the CRMs have knowledge on banking products but 125 respondents claimed that the CRMs dealing with them are not aware of their own banking products. A high number of respondents have given negative responses (in all the three select banks) suggesting that CRMs should be given training

relating to process of service delivery, and maintenance of good image to the customers and others.

- Large numbers of customer respondents (69.80 percent) are happy with how the CRMs take care of their banking issues though still a huge number of respondents (30.20 percent) are not satisfied. This shows that CRMs and the banks as a whole should take proper action in attending to the issues faced by customers.
- A substantial number of customers (316 respondents) stated that the CRMs are engaged in active follow-up while 154 respondents affirmed that they do not follow up after handling situations. Following up of customers after handling situations which relate to their account is a must for the bank officials or CRMs. As all customers are not the same, dealing with customers require needs of the customers to be fulfilled. So, following up and maintaining the link between the customers and the banks is an important step in retaining customers.
- Majority of the customer respondents comprising of 330 respondents claimed that the CRMs are having good etiquettes but still a larger number of respondents (140) gave the opposite answer saying that the CRMs do not possess good etiquettes. In this regard, since good etiquettes are learnt through training, the bank should organize training periodically. Etiquettes of a person can also depend on state of mind and psychological factors.
- The satisfaction level of the customer respondents are not the same regarding the friendly services of the CRMs. Majority (75.30 percent) of respondents said that they have received friendly services from the CRMs despite the experience of 116 respondents who said that they did not receive friendly services. Since SBI has the highest numbers of

respondents (38.10 percent of its total respondents) who have given a negative respond, the bank has to take the matter into consideration.

- Customer respondents have encountered certain problems relating to their bank accounts within the last 1 year but a large number of respondents (70.60 percent) affirmed that they have never faced any problem. There are 59 respondents who have once faced an issue with their accounts, 56 respondents from 1 to 5 times, 14 respondents from 5 to 10 times and there are 9 respondents who have faced the problem more than 10 times. It is more or less impossible for a customer not to face any problem relating to banking, but the bank should also try to avoid and solve these problems faced by the customers.
- Problems relating to bank accounts have been faced by some of the customer respondents within the last 1 year. There are 59 respondents who have faced this kind of issue just once, 56 respondents for 1 to 5 times, 14 respondents for 5 to 10 times and a large number consisting of 332 respondents have never faced any problem relating to the bank accounts. This can be due to certain factors with some which cannot be controlled.
- Time taken to solve the problems of the customers by the banks cannot be the same because some issues are small while some are big and need to be overlooked. Sometimes the customers have to wait for longer period. There are 199 customer respondents who said their problems are solved immediately, 140 respondents said within 24 hours, 19 respondents said within 48 hours, 31 respondents said within 3 to 5 business days, 20 respondents said their problems are pending for more than a week and for 61 respondents, their issues are still pending. This is a very serious matter which the bank should look into. Any problem faced by the customers should be cleared as soon as

possible. When issues are on pending, transactions and other activities cannot be carried out, which hampers the business of the banks.

- The overall satisfactory scale of respondents (customers) are on a scale of 1 to 10, 1 being the lowest range and 10 being the highest range, the highest number consisting of 103 respondents have given 7 followed by 92 respondents who have given 8. There are 80 respondents who have given a rating of 5, 78 respondents who have given 6, 43 respondents who have given a rating of 9 and 31 respondents who gave 10. There are 2 customer respondents of SBI who have given a rate of just 2 and one respondent each of MCAB and SBI who have given a rate of 3. Since there are 19.60 percent customer respondents of MCAB who have rated the bank at 10, it indicates that most of the customers are loyal to the bank, comparing to the other two banks MRB (3.90 percent) and SBI (3.10 percent). This rating indicates the perception and attitude of the customers and the banks should take this matter seriously because it also reveals the opinions of the customers.

8.2.5. Analysis of Bank Officials' Perspectives towards Banking Services

- Total numbers of 113 bank officials were interviewed to get the desired information. There are 106 bank official respondents who are satisfied with being associated with the bank they work with and only 6 respondents who are not happy. Out of these 6 respondents, 1 respondent is from MCAB and the other 5 respondents are from SBI. This reveals that MRB respondents are most satisfied with the bank which can be because of timely payment of salary and other factors.
- There are 92 bank official respondents who are satisfied with the benefits provided by the bank to them while 21 respondents are not satisfied. This reveals that some officials are

expecting better benefits than the current ones available. There are 5 respondents of MCAB who are not satisfied, 16 respondents of SBI who are not satisfied and none from MRB. This also states that the benefits provided by MRB are up to expectation of its employees.

- Bank official respondents' intention to switch jobs reveals that they are not fully satisfied with the bank which can be due to certain reasons. 9 official respondents of MCAB said that they would want to switch their jobs and 14 official respondents of SBI feel the same. There are 12 official respondents of MRB who said they have an intention to switch their jobs. In the other sections, the MRB official respondents have claimed that they are satisfied with the bank. But with regards to intention of switching jobs, some respondents gave a remark which relates to certain factors, such as working environment and location.
- The number of bank official respondents who are not satisfied with the services provided by their associate banks to the customers are very few (5 respondents) and these respondents are from Aizawl district. There are 107 respondents who said they are satisfied. Out of the 5 respondents who are not satisfied, 3 respondents are from MCAB while 2 respondents are from SBI. There are none in MRB who have mentioned their dissatisfaction which can be due to the fact that since MRBs main aim is to uplift the rural people, the services are beneficial for these targeted groups.
- Maximum number of bank official respondents (90.30 percent) affirmed that they would recommend their associate banks to others while some respondents (9.70 percent) said they will not make recommendations. Among these 11 respondents, 10 respondents are from Aizawl district and 1respondent is from Lunglei district. The 10 unsatisfied official

respondents are SBI employees and another 1 respondent if from MCAB. Here too, 100 percent of MRB bank official respondents said they would recommend the bank to others. The finding indicates that among these select banks, MRB is the most favoured bank. In district wise, the banks located in Kolasib district seem to have healthy work environment.

- It has been observed that all the three select banks are now using core-banking. 100 bank official respondents which comprises of 32 respondents from MCAB, 25 respondents from MRB and 43 respondents from SBI have affirmed that core-banking has been going on from some time meaning SBI from 2008, MRB from 2011 and MCAB from 2012. 1 SBI respondent has said that the bank has even established an ATM but MRB has not yet put up any ATM as claimed by 1 respondent of the bank. 5 respondents of SBI and 2 respondents of MRB have mentioned their satisfaction towards the core-banking facilities of the banks. Real time transactions and green channels have also been introduced as stated by 3 respondents of SBI bank officials. 1 MCAB bank official has claimed that though the bank has introduced core-banking, there is no proper administration of the whole system, which indicates that banks require proper administration in order to enjoy the benefits of core-banking fully by both bank employees and customers.
- Bank official respondents' responses on changing of service structure of the banks are found out through opinions and suggestions. 6 official respondents consisting of 5 of MCAB and 1 of MRB said that the administration of the banks has to be changed. There are 2 respondents each in MCAB and MRB and 5 respondents in SBI who said that the employee benefits should be analysed. 6 respondents of MCAB claimed that the

insurance policy has to be taken into consideration. There are 8 respondents comprising of 5 respondents of SBI, 1 respondent of MRB and 2 respondents of MCAB who suggested that salaries should be increased. 3 respondents of SBI and 1 respondent of MRB said the working days should be decreased to 5 Days a week. 2 MCAB respondents and 1 MRB respondent feel that the CBS in their banks should be developed. There are 4 SBI respondents who think that the working hours should be lesser than the present one. 1 respondents of MRB and 1 respondent of SBI think that ATM should be available more. Training helps the employees to develop in various fields, so 1 MCAB respondent and 5 SBI respondents think that more training must be held. One respondent each of each select banks feel no change is required. These scattered suggestions and opinions reveal that each bank official respondent has different opinions relating to the service structures of their banks.

- Banks have various kinds of strengths which promote them to stand out. 10 bank official respondents of MCAB, 2 respondents of MRB and 4 respondents of SBI said that since the banks are local needs, their strength also lies in there. There are 4 respondents in SBI and 1 respondent of MCAB who think that CBS is the main strength of these banks. The customer services can also be the main strength of the banks as claimed by 9 respondents of MCAB, 5 respondents of MRB and 8 respondents of SBI. Easy loans can also be the main strength of the banks as indicated by 4 respondents each of these select banks. Branch network can also be the strength of the banks as given by 1 respondent of MRB and 3 respondents of SBI. The low interest rate of SBI turns out to be its strength as said by 2 respondents of the bank. 10 respondents of SBI and 1 respondent of MRB feel that reliability is the strength of the banks. 1 MRB responded said that ATM is the strength of

the bank though the bank has not put up any ATM, the cards can be used in any ATM of any other banks. Flexibility is also found to the strength of the banks as put up by 1 respondent each of MRB and SBI. No-frills account attracts many customers and can be the strength of the banks as claimed by 2 MRB respondents and 1 SBI respondent. The opinion regarding the strength of the banks varies with the different respondents, which proves that perceptions play a very important role here.

- The responses of the bank officials reveal that the select banks have some upcoming changes in the near future such as in ATM and IT, as given by 8 respondents of MCAB, 16 respondents of MRB and 9 respondents of SBI. 4 respondents of SBI and 1 respondent of MCAB said that alternative channels will be the upcoming changes of the banks. In MCAB, there are 10 respondents who said that there will be changes and development in CBS. 7 respondents of SBI have affirmed that new branches will be coming up within the state. There will be recruitment in SBI, said 1 respondent of the bank. Infrastructure will be changed in MCAB and SBI, as claimed by 1 respondent each of the banks. In SBI, 1 respondent has said that customer service will be developed. These changes will contribute to the service structures of the select banks which will benefit both the customers and the employees. Banks should adapt to continuous changes which are introduced in the market.
- Bank official respondents have various basis of recommending the bank to others. 10 respondents of MCAB, 5 respondents of MRB and 9 respondents of SBI said that since the bank is people's bank, which can be availed to by all the people from every corner, the main point of recommendation will relate to that. Security and reliability are the main factors for recommendation as stated by 2 respondents of MRB and 18 respondents of

SBI. Loans and facilities can also be a relevant point of recommendation as claimed by 3 respondents each of MCAB and MRB and 6 respondents of SBI. 13 respondents of MCAB, 6 respondents of MRB and 3 respondents of SBI feel that the customer service will be the main reason for recommendation of the banks. Banks should try to stand out in various aspects like services in order to compete with their players. The bank officials should be confident on how and on which point they will recommend their associate banks to others.

- It is found that the select banks are offering different kinds of loans. The kinds of loans offered by SBI are Housing loan, Car loan, Agriculture loan, Small Medium Enterprises (SME) loan, Education loan, Express credit, Pensioners loan and Loan against fixed deposit. MCAB also offers loans such as Agriculture and Allied Loan, Business Loan, Small Scale Industries Loan, Housing Loan, Personal Loan and Church Loan. MRB has loan portfolios which include Agriculture and Allied Agriculture Loan, Small & Medium Enterprise (SME) Loan, Personal Segment and Clean Overdraft. Banks have different rates of interest depending on the type of loans offered. The loans and advances interest rates of SBI depend on the type of loan accounts and it highly depends on Value Added Tax (VAT) rate which lies in between 7% to 15%. MCAB interest rates normally lie in between 7% to 14% while in MRB, the interest rates for deposit starts from 6% to 8.25% and an interest on Loans and advances starts from 7% to 16%. Holding and maintain of accounts is one of the main purposes of banking. Therefore, the select banks have different kinds of accounts. The kind of accounts SBI is offering are savings, recurring deposits, fixed deposits and current account and the various accounts offered by MCAB and MRB are savings, fixed, recurring deposits, current, pigmy deposits and no-frills

account. These loans and advances and various kinds of account facilities are created for the benefit of the customers. These services link the bank with the customers, who are the most important people for the growth of banking business. The customers choose the kinds of loans and accounts according to their needs. The preferences depend largely on the socio-economic status of the customers.

8.3. Conclusions

The study shows that MRB and co-operative banks are slower in adopting modern technology as compared to the SBI. In the northern parts of India, several upgraded products and services have been launched in the recent years but still takes times to introduce new products in the north east. Banks in Mizoram have made some impact and have expanded over the last decade. State Bank of India (SBI) is found to be the oldest bank in the Northeast and also one of the first banks in Mizoram. More than 25 banks are currently operating in the state, though the number of account holders is still the lowest in the State. It is found that there are larger numbers of male account holders than the females amongst the customer respondents. The respondents are having varied occupations and educational qualifications. It is also found that males constitute the higher percentage than the females amongst the bank official respondents, who are mostly educated. Most of the bank officials belong to the middle-aged group. It has also been found that the salary and designation of the bank officials are influenced by their educational qualifications and seniority.

It is observed that customer respondents have different choices of services depending on their lifestyles and savings account holders constitute the largest number. Some customers have long been engaged with the banks which prove their long-term

awareness. It can also be concluded that the higher percentage of the customer respondents are satisfied with the services and products of the banks though there are some who are still dissatisfied. This proves the inability of the banks to remain stable in their services and also the break of opinions and choices of the customers in various regions. Innovations have educated most of the customers but there are still some who are not yet connected, where area, location, background and lifestyle difference could be the possible cause.

Bank official respondents are found to be having different opinions on their respective banks, which is observed to be due to certain reasons such as location, salary, working hours, etc. Some respondents have the intention to switch their jobs while some said they would recommend the banks to others and there are different opinions on where and how the banks should change the service structure, which reflects some weakness of the banks to a large extent. Banks need to observe its employees and try finding out their needs and expectations for better outcome. All the 3 selected banks are now using core-banking, though there is still a lot more to put into. These banks have their own strengths which help them to stand out in the market in comparison to other sectors, with expectations of upcoming changes and developments in the near future. The products and services offered by the 3 banks are mostly similar as they all function in such a way to uplift the rural people and the downtrodden section of the society.

Hypotheses testing were done using chi-square test. When testing the demographic profile of the respondents, the null hypothesis is failed to be rejected which means that there is a relationship between the demographic variables and awareness of new products and services offered b the banks. When the service delivery of the banks are studied,

taking different variables, the null hypothesis is rejected, which means that there is difference amongst the selected banks regarding the satisfaction level with financial transaction, not put on hold, knowledge about bank products, how quickly problems are solved. The other service delivery are failed to be rejected therefore the hypothesis overall is accepted. When testing the problems an hindrances faced by the employees, the calculated chi-square value is less than the table value and the null hypothesis is rejected, which means there are different hindrances and problems which are faced by the employees of each selected bank.

8.4. Suggestions

i). The three select banks viz. SBI, MCAB and MRB should not only concentrate on CBS. Since competition is continuous, they should also put more effort in enhancing mobile and internet banking. These facilities should be active and customer friendly and it will eventually make business grow. Among these three banks, only SBI services can be availed online.

ii). Training and development should be more frequent for the CRMs and other employees. According to the findings, the bank personnels have a lot of shortcomings which can be harmful in future. So, nurturing them will be very beneficial in every aspect. This will make them more polite, efficient and active as well which will raise the standard of the CRM.

iii). Customers should be aware of the products and services of the banks. So for that to happen, workshops and campaigns should be held once in a while so as to overcome the lack of knowledge.

iv). Customers' expectation keeps on increasing, so banks should keep on adapting to changes and not only concentrating on their traditional ways in order to satisfy the desires of the customers both in the rural and urban areas.

v). The services of the banks should be revised periodically, to meet the needs and demands of the customers. Though there are some who are satisfied, some are still having issues with the banks for several measures.

vi). ATMs should be distributed wherever necessary to benefit the customers and also to make banking easier for both the customers and the bank personnels.

vii). Banks should also cater to the needs and opinions of its staffs to maintain a good working environment. A good environment motivates the employees in every institution. Performance appraisals and certain rewards should be introduced so as to get the best outputs from these employees and to keep grievances low. Any institution who gives attention to its employee benefits is found to be keeping good and efficient people in comparison to those who neglect.

viii). Since technology plays a significant role in services marketing in today's world and it has redefined the structure and role of banking, banks should develop their information technology to improve productivity and major cost savings. The service quality of banks is also determined by technology to a large extent.

ix). Since Mizoram has the lowest account holders, there is a need to educate the general public about the need of having accounts in banks which will increase the tendency to save.

x). The customers of the banks have perceptions that wrong transactions and information could be encountered from ATMs, CDMs, Green Channels, Internet Banking, etc. So,

banks should act accordingly in eradicating these illusions and mindsets of the customers since they are the main barriers for customers in not accessing to these innovations.

8.5. Further Research

The results of this study may paved a way for further research and may also serve as one of the sources of hypothesis for further study on the marketing of banking services and the factors which are related. Based on the study, it is recognized that there are some topics which are connected with some significant trends for the future which links with the development of the society and economy. As the expectations of the banks customers are evolving with market growth, technology, new players and shifting economics, banks should continuously adapt to these changes. In order to find out the needs and desires of the customers and to stay intact with the changes, continuous studies and researches are required. Further research can also be fruitful if it is focused on areas such as customer management, mobile banking using local language and payment systems. Further work can also be devoted to the understanding of the expectations of customers relating to new variety of products of the banks. Researchers may also focus on exploring the various issues of rural based customers regarding online banking. In-depth study is also required to gather the grievances of bank officials, as these officials are the most important link between the customers and the banks. If these grievances can be shrunk, productive results will be obtained.

APPENDIX

QUESTIONNAIRE FOR BANK ACCOUNT HOLDERS

(The questionnaire presented here is prepared for a Ph.D. Thesis on the topic of 'Marketing of Banking Services of Commercial Banks in Mizoram' at Mizoram University. I solicit your kind consent and co-operation to fill up. Your identity as a respondent will be kept confidential.)

NAME : _____

GENDER :_____

ACCOUNT :Savings/ Current/ Fixed / Others (Please Specify):_____

BANK :_____

DISTRICT :_____

EMPLOYMENT : Self-employed/ Government Employees / Private Sector/Pensioners/ Home-makers/ Students Others (Please Specify)
:_____

FAMILY MEMBERS :_____

EDUCATION Class VIII/ Class X/ Class XII/ Undergraduate/ Postgraduate/ Doctor of Philosophy

ADDRESS : _____

CONTACT No :M.P.:_____ H.P.:_____

(Please Note: Your personal information will be safeguard and use for research purpose only)

1. How long have you been associated with the Bank?
   a) New account holder
   b) 1-6 months
   c) Less than a year
   d) 1-5 years
   e) More than 5 years.

2. Which of the following associations do you have with the bank?

a) Banking

b) Credit Cards

c) Loans

d) Investing

e) Business

Please Tick Yes or No

1. Do you feel that the procedure to open an account with the bank was difficult?

   a. Yes
   b. No

2. Do you have an account in other bank besides the one now?
   a. Yes
   b. No

3. Do you think it was worth opening an Account in this particular Bank?
   a. Yes
   b. No

4. Would you recommend this Bank to others in the future?
   a. Yes
   b. No

5. Do you have the needs to open more than one account (Current Bank / Different bank)?
   a. Yes
   b. No

6. Are you satisfied with the current service offerings of the bank?

   a) Yes

   b) No

7. Are you able to use banking services online?

   a) Yes

   b) No

8. Would you like suggest any changes or improvement in any service or any feature of the bank?

Please Tick in reference to the question

1. How satisfied are you with the services provided by the bank?
   a. Very satisfied
   b. Satisfied
   c. Somewhat satisfied
   d. Dissatisfied

2. Do you always get prompt service whenever you visit the branch?
   a. Always
   b. Often
   c. Sometimes
   d. Rarely
   e. Never

3. Do you agree that minimum account limit is not high and easy to maintain?
   a. Strongly agree
   b. Agree
   c. Somewhat agree
   d. Disagree
   e. Strongly agree

4. Are you satisfied with your financial transactions with the bank?
   a. Very satisfied
   b. Satisfied
   c. Somewhat satisfied
   d. Dissatisfied

6. What is your feedback regarding the bank's Customer Service Representatives? Please use "yes" or "no"

a) Answer calls quickly

b) Don't put you on hold for long

c) Knowledge about banking products

d) Knowledge about banking services

e) Banking issues handled quickly

f) Regular follow-up by banking executives

g) Good communication skills

h) Good etiquettes

i) Friendly service

7. How many times have you faced a problem related to your banking account in the last 1 year?

a) Once

b) 1-5 times

c) 5-10 times

d) More than 10 times

e) Never

8. How quickly were your banking problems and issues addressed by the bank staff?

a) Immediately

b) Within 24 hours

c) Within 48 hours

d) Within 3-5 business days

e) More than a week

f) Some issues are still pending

Please Rate On a scale of 1 to 10, how would you rate the quality of the bank you are with?
(1 being least and 10 being most. Please tick wherever applicable)

1 2 3 4 5 6 7 8 9 10

Note: Please be reminded the information in this questionnaire are for research purpose only.

QUESTIONNAIRE FOR BANK OFFICIALS

(The questionnaire presented here is prepared for a Ph.D. Thesis on the topic of 'Marketing of Banking Services of Commercial Banks in Mizoram' at Mizoram University. I solicit your kind consent and co-operation to fill up. Your identity as a respondent will be kept confidential.)

NAME :_____

GENDER :_____

DATE OF BIRTH :_____

POSITION :_____

EDUCATION :Under Matric/ Matriculate/ Class-XII/ Under-Graduate/ Graduate /Post-Graduate

ANNUAL INCOME (In Rupees) :
(a) Less than 200000
(b) 2,00,000-5,00,000
(c) 5,00,000-8,00,000
(d) 8,00,000-10,00,000
(e) 10,00,000 and above

BANK : SBI / MCAB / MRB

DESIGNATION :_____

DISTRICT : AIZAWL/ KOLASIB/ LUNGLEI

EMP. ID NO (If Available) :_____

WORKING ADDRESS :_____

CONTACT NUMBER :_____

FAMILY MEMBERS :_____

(Please Note: Your personal information will be safeguard and use for research purpose only)

Please Tick Yes or No

1. Are you satisfied working in this Bank?
   a) Yes
   b) No

2. Are you satisfied with the employee benefits provided by the Bank?
   a) Yes
   b) No

3. Would you prefer working in other fields or bank if possible?
   a) Yes
   b) No

4. Are you satisfied with the services offered by the Bank you are working in?
   a) Yes
   b) No

5. If given other choice would you still recommend this bank to family members and friends?
   a) Yes
   b) No

Please state your answer on the blanks below

1. What are the Loan Portfolios of your Bank?

_____

2. Can you please mention the interest rates provided by the Bank in regard to the Loan offered with the payback period?

_____

3. What are the different kinds of Account are offered?

_____

4. Does the bank provide Core-Banking facility? If No, can you please state the reason why it has not yet been introduced? If Yes, what do you think are the benefits from it?

_____

5. If you are given the Authority to change the services structure of your Bank, what would it be?

_____

6. What do you think is the strongest point of the Bank you are with?

_____

7. What are the upcoming changes for better service in your Bank?

_____

8. If you recommend this Bank to others, what will be the main point of recommendation?

_____

Please Rate on a scale of 1 to 10, how would you rate the quality of the bank you are with?
(1 being least and 10 being most. Please tick wherever applicable)

_____

1 2 3 4 5 6 7 8 9 10

Note: Please be reminded the information in this questionnaire are for research purpose only

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Abstract on

MARKETING OF BANKING SERVICES OF COMMERCIAL BANKS IN MIZORAM

Thesis submitted in fulfillment for the Degree of
Doctor of Philosophy in Management

By:
H. ZOTHANTLUANGI
Regn. No.: MZU/PhD/367 of 08.6.11

Under the Supervision of:
PROF. L. S. SHARMA

DEPARTMENT OF MANAGEMENT
SCHOOL OF ECONOMICS MANAGEMENT AND INFORMATION SCIENCE
MIZORAM UNIVERSITY
AIZAWL, MIZORAM

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1. Introduction

Banking sector has been playing a significant role in the development of a country. The commercial banks in India have developed various strategies for marketing of banking services which is also observed in the state of Mizoram. Banks have adopted many changes on how they function which results in high competition especially after globalization and entrance of certain players. Marketing of services and products has become the major competition between these players since catering these variables effectively results in the retention of the customers. Bessom (1973) proposed that "for the consumer, services are activities offered for sale that provide valuable benefits or satisfactions; activities that he cannot perform for himself or that he chooses not to perform for himself".

Mizoram with its high rate of literacy, comparatively higher per capita income and standard of living, emerges as a state which requires an increasing knowledge on the importance of banking facilities. As the number of people using services rendered by the banks has increased over the last decade, there is a requirement of understanding the services offered by banks. Subsequently, total number of bank branches in Mizoram has grown to 168 in 2015 as per Economic Survey Mizoram 2015-16. Within the past decade, it has been observed that various banking institutions such as Industrial Development Bank of India (IDBI), Industrial Credit and Investment Corporation of India (ICICI), AXIS Bank, Punjab National Bank (PNB), Central Bank of India (CBI), Syndicate Bank, Bank of Baroda (BOB), Allahabad Bank, United Bank of India (UBI), HDFC Bank, YES Bank, South Indian Bank and Bandhan Bank have also entered the banking market which is an indication of the consciousness of banking among the population of the state. However, most of the newly established banks concentrated in Aizawl, the capital city of the

state only where banking facility and services were beyond the reach of the rural market, which consists of around 30 percent of the total population (Census 2011).

2. Significance of the study

The marketing concept has evolved and taken a turn from satisfying customer to new focus on the welfare of society. Now, the emphasis is placed on how marketing affects the society as a whole in an age of scarce resources, environmental degradation and worldwide competition. To be successful in the field of marketing, several strategic decisions are made by the producers. Marketing mix is one of the important strategic decisions made by the producers relating to the marketing of products and services. In marketing, the producer first analyses and identifies the customer's needs and wants, then plans the products and services in order to provide satisfaction to the consumers. It is a fact that no two customers are alike; therefore, customer's expectations are different from one another. Therefore, it is essential for the banks to diversify and provide services in order to meet the requirements of their customers who are from different backgrounds, community and from different professions.

There are few studies conducted on the banking services especially in Mizoram. Few researches has been conducted on marketing of commercial and co-operative banks, but focusing on the service aspects on the commercial banks has been few till date. This study attempts to make an effort to understand the issues related to banking services in a remotely located area in India viz., north east part of India.

While it is beyond doubt that the financial access to the masses has significantly improved in the last three and a half decades, but the basic pertinent question that what are the impacts made on the various services rendered by the banks to the customers financially and economically needs to be ascertained.

Further, the RBI in its Annual Policy Statement for the year 2005-06, while recognizing the concerns in regard to the banking practices that tend to exclude rather than attract the vast sections of population, urged banks to review their existing practices to align them with the objective of financial inclusion. In the Mid Term Review of the Policy (2005-2006), RBI urged the banks, with a view to accomplishing more financial inclusion, to make accessible a basic banking 'no frills' account either with nil or very minimum balances in addition charges that would make such accounts accessible to immense segments of the population. The nature and number of transactions in such accounts would be confined and made known to customers ahead of time in a transparent manner. All banks are encouraged to give wide publicity to facility of such no frills account in order to ensure greater financial inclusion or service. In this respect, a more comprehensive studies and research is required on how far this has influenced the villages, communities, households and individuals in rural areas.

The findings in the study will try to triangulate the benefits of the society as a whole with the importance of opening accounts and through the result of this study, will try to realize where changes and progress have to be made. Moreover, this study will be helpful to all the banking industries and trainers in the area of customer services, strategies and management and will also serve as future references for other researchers.

3. Statement of the problem

Competition has been the key factor in the growth of marketing all over the world, irrespective of the kind of product or market. The same is true with regard to marketing of financial services also. Because of the socio-political and economic situations prevailing in India, the banks seldom thought of the necessity of applying marketing task in their day to day operations in the past. Indian banks were highly regulated by Reserve Bank of India in a variety of ways which made

marketing a difficult task and more often challenging while Indian banks were accustomed to traditional business of their counter-parts in western countries are becoming financial supermarkets providing wide varieties of services.

Economic reforms initiated by the Government of India in the early nineties have brought a sea change in the operational environment of financial sector and functioning and outlook of Indian banks. The financial service organizations have to align themselves with the trends and developments in the global scenario of introducing new products and services for satisfying the emerging needs of customers.

The nature of banking has changed from "Social banking" to "Global banking". The banks which are unable to keep pace with changed times and respond quickly to fast changes would be left behind in the race or just vanish. They have to develop and sharpen their skills to scan constantly the environmental changes and in turn adjust their strategies with minimum time to keep their existence. Since people have a wide choice of services and they are more conscious of convenience and cost, safety and speed, respect and quality, courtesy and elegance, successful banks in India will be those that have rigorously defined strategic focus and total commitment to high quality customer service. Besides, the business relationship between a bank and its customer is not a one-time transitory relationship, but a relatively permanent and enduring one, which requires to be nurtured with good quality of service. This is of paramount importance in age old relationship banking.

The concept of customer service, which emanates from the larger concept of "marketing" has to accept the customer as the central element and the satisfaction of his needs as the super-ordinate goal. Despite so many measures initiated by the Government and Reserve Bank of India, the level of satisfaction perceived by various segments of customers has been low. Demand for

improvement in customer service continues to be louder. So is the level of customer complaints regarding poor service, inordinate delay in routine transactions, indifferent employee attitudes, awful and archaic systems and procedures etc. were common complaints of customers. Tremendous growth in volume of business, expansion of branch network, and diversified activities like priority sector lending are all reasons stated against deterioration in service quality. The R. K. Talwar Committee (1975), Narasimham Committee (1991), Goiporia Committee (1990) and M. Damodaran Committee (2011) and many other study groups came up with recommendations for improvement in quality of customer service.

4. Objectives of the Study

i). To study the profile and development of the selected banks in Mizoram.

ii). To examine the socio-economic profiles of the customers and bank officials of the selected banks in Mizoram.

iii). To explore the marketing of services through perspectives of customers of select banks.

iv). To examine the marketing of services through perspectives of bank officials of select banks.

v). To analyze the problems and hindrances faced by bank employees in marketing of banking services.

5. Hypothesis

i). There is no significant relationship between demographic factors and the level of awareness of the new products and services offered by select banks.

ii). There is no significant difference in the service delivery system among the select banks.

iii). There is no significant relationship between the problems and hindrances faced by the bank employees in the select banks.

6. Research Methodology

The study is based on primary data collected from customers and bank employees of selected commercial banks. Secondary data are collected from Annual Credit Plans, records of commercial plans, journals, books, articles, research publications etc. The primary data has been collected through two separate questionnaires administered to the representative sample of the customers selected purposively from the commercial banks and bank officials employed in the banks taken up for the study. Three commercial banks were taken up for the study based on the strength, significance of the bank in serving the people of Mizoram. The select banks are State Bank of India (SBI), Mizoram Rural Bank (MRB) and Mizoram Co-operative Apex Bank Limited (MCAB). The State Bank of India is the largest commercial bank having 42 branches in Mizoram. Secondly Mizoram Rural Bank is selected because it covers the rural area and is the only bank specifically focused on rural development. The third bank selected is MCAB which is a co-operative bank operating in 14 branches all over Mizoram and it caters to co-operatives and individuals relating to small scale industries development.

7. Sampling design

Since the industry is service oriented in nature, the consumers are the primary focus of the study. The entire study was collected from 500 customers, but only 470 were found to be suitable for analysis. The internals of the organization viz., the employees are the ones who represent the organization and so 120 bank personnel also were surveyed, but again only 113 were found suitable for data analysis. The bank officials selected for the study are 120 (State Bank of India,

Mizoram Rural Bank and Mizoram Co-operative Apex Bank Limited) and the customers (respondents) are 500 covering all the three selected banks. The respondents selection method is purposive sampling.

The entire study was based considering the geographical location and the availability of the rural, urban and semi-urban population. Thus, Aizawl in the central, Lunglei in the south and Kolasib in the north representing the rural and urban set up of the data. Thus, 170 bank customers from Aizawl, 165 each from Kolasib and Lunglei were selected to make the total sample of the study, hence representing 500. In the same manner, 120 bank personnel are selected by giving 60 officials from Aizawl and 30 each from Kolasib and Lunglei. Aizawl has been given more emphasis as it is the state capital and the largest town having head office of the select banks. Thus altogether 120 officials representing bank officials of commercial banks in Mizoram were selected for the study.

8. Limitations of the Study

The research is based on both primary and secondary data. Although the samples were collected from three different districts, the method of selection is purposive sampling. Therefore, its findings may not represent the findings for Mizoram state as a whole. Secondly**,** some of the respondents were quite hesitant to provide honest answers as the information seek mostly consist of personal finance and thereby not willing to give an honest answer. Although validations were carried out during data collection, it may not give a true answer. Lastly from the officials of the bank, some banks employees were reluctant to release more information due to secrecy policy of the banks which could have hindered the study.

9. Some review of Literature

9.1 . Literature Review on Banking Services

Geiger's (1975) study was to find out the needs of the customers, their social structure, their opinion with the banks and the customers judgment regarding the services ranges which the banks offered. The study also comprised of the effectiveness of certain promotional campaigns made, including advertisements and also the will of the customers in regards to saving and other habits. The findings state that those who are satisfied are optimists and the critics are those who have negative mindset.

Jain, Pinson and Malhotra (1987), in their study and observation, 'Customer loyalty as a construct in the marketing of bank services', opine that customer loyalty is a very useful construct. Their contentment is that the human aspect of banking must be given utmost importance by the loyal segment for the marketing of bank services.

Jha (2000) emphasized on the bank marketing concept. He suggested that the banks should come up with market segmentation which is necessary. He presented different possible segments that banks need to recognize. Also, he explained the concept and the features of market mix for the marketing of banking services. He mentioned various issues which relate to Market Information System, Bank Marketing in Indian Environment, Market Research and Marketing Intelligence System.

Debashish and Mishra (2005) analyzed and measured the customer satisfaction in branch services provided by nationalized banks in northern India. They found the customer satisfaction to be strongly influenced by computerization in banks, accuracy in transactions, and attitude of

staff and availability of staff at respective bank counter. The least impacting factor was promotion and highest impacting factors were awareness of customers regarding bank charges, banks innovativeness in new services and efficiency, role of staff in rectifying errors quickly.

9.2. Literature Review on Marketing of Services

Gronroos (1978) looks at the author's research among several companies in Sweden and Finland with regard to market-orientation of service as against physical goods. He found the main difference between them was the difficulty of establishing a concrete, tangible service offering. He also points out that many experts believe service marketing must differ from goods marketing, but, nevertheless, no profound effort to develop a marketing theory, or even some marketing concepts, for service firms aiming at solving their problems, seems to have been made. He discusses this related matter and suggests marketing mix planning to support a hypothetical framework. The paper presented two case studies — one inclusive tours marketing and the other barber's shop marketing. The study concluded that the models and concept for marketing mix planning do not seem to be applicable in service industries and suggested that further research is required for study.

Bal and Jena (1991) evaluated the performance of the banks regarding the marketing of services. They suggested that in the present environment, there is a great need of application of marketing approach to find the proper outlets for banking services. They emphasized on the development of marketing as an organizational philosophy that would enable banks to understand the customers and their needs in a better way and to respond to their needs.

Bruhn, Vorfelder and Maier (2012), in their research, ‘Examining the recent developments in services marketing research’ efficiently analyzes the benefit related productions in the course of the most recent ten years to distinguish an arrangement of the most pertinent points in services

research. This enquiry includes seeking after two focal research goals. The principal question is coordinated at breaking down the current advancement in hypothetical research action in this field and its degree and recognizing recurring research subjects and research methods. The second goal is to explore the worldwide dispersion in services research. With these targets, the researcher's audits 1,840 papers on themes particular to administrations promoting that were distributed in the vicinity of 2000 to 2009 in the 34 most applicable showcasing diaries. The discoveries of the principal question cover late advancements in administrations promoting research since 2000, finishing in its ebb and flow status as a set up trend inside marketing research. The study distinguishes the most sought research topics (i.e., 'service quality' and 'service customer') and demonstrates that quantitative empirical frameworks structures within services marketing research. Concentrating on the geographic development of services marketing research, it demonstrates that services marketing research is not yet embraced on a worldwide scale; related with the recognizable proof of geographic regions of focus, it moreover uncovers a relationship between editor's and an author's geographic area of action.

9.3. Literature review on Technology in Marketing and Banking Sector

Chidambaram and Alameleu (1996) proposed that banks ought to gear up with innovation. By putting resources into technology, a bank can specialise itself. The study suggested that the banks premises need to be much outfitted to fulfill the goals of the customers and employees. All around preparedness, professionalization and persuaded workers will enhance the marketability of a bank.

Uppal (2007), in his book entitled Indian Banking Industry and Information Technology explored the bank customers' satisfaction levels with the use of information technology in banking services provided by banks in Punjab. The study concluded that due to the adaptation of

information technology, the efficiency of the banks had increased and had definitely affected the productivity and profitability of these banks.

Ombati et. al. (2010), in their study state that 'Technology and service quality in the banking industry: Importance and Performance of Various Factors Considered In the Electronic Banking Services', state that self-service based on technology has significantly changed the way that service firms and consumers cooperate, and are raising a host of research and practice issues relating to the delivery of e-service. The purpose of this research paper was to establish a relationship between service quality and technology in Kenya's banking industry. The research was carried through across-sectional survey design which questioned respondents on e-banking services. The population of study mainly constituted of customers of banks within the Central Business District (CBD), Nairobi. The respondents of the study were customers of banks using e-banking services (internet banking, mobile banking and ATM). The sample in this study consisted of 120 respondents who are users of the e-banking services. The data collected was analyzed by use of frequency, percentage, means and correlation analysis. The findings revealed that, secure services as the most essential dimension, trailed by advantageous ATM location, productivity (not need of waiting), capacity to set up accounts with the goal that the customers can perform exchanges promptly, exactness of records, easy to understand, convenience, objection fulfillment, precise exchanges and operation in 24 hours.

9.4. Literature review on Marketing Strategies in the Service Sector

Carol (1970) has outlined a set of Ten Commandments for bank marketing in his paper "Ten commandments for Bank Marketing", since it is very much obvious from the title itself. According to him incorporating functions of marketing within the marketing participation in main banking decisions, learning curve of chief marketing executives, product orientation, use of

outside services, quality of marketing personnel and development of a record of accomplishment etc. are the main commandments for bank marketing to be a success.

Rao (1982) made a study on the effect of different media types of individual offering like personal selling on the deposit mobilization in commercial banks both in urban and rural areas. The study prescribed that the impact of English daily newspapers is less in the urban domains and moderately general irrelevant in the rural areas, in this way there is no need to be used extensively. Individual offering or direct selling has been recommended as the best strategy, since it teaches the potential rural clients into the deal.

Bal (1992) suggested that growing competition, emergence of new range of banking services, need for innovative product development, compulsions in the area of profitability of business, coverage of new spatial areas, ensuring optimum use of vast banking infrastructure, need for ensuring a better focus on customer satisfaction, improving the extent of professionalization in banking, and a better appreciation of long-term perspectives are some of the valid reasons that can be cited to bring home the need for total marketing orientation in the banks.

9.5. Literature review on Bank Marketing

Kumcu et. al. (1985) found that Turkish banks are facing an increasing generally over-banked customers base, with changing investment funds and spending patterns, declining/slow-growing markets, extremely increasing costs, rivalry and deregulation. The bank's reaction has been sales-oriented (customarily promotion and branching) and the un-coordinated utilization of marketing mix tools has added to the common issues. Adopting and implementing a marketing philosophy aided by the new 1983 Banking Law which promises steady deregulation, the entrance of foreign banks to the domestic market, and restructuring of the banking industry could help solve the short-term, as well as the long-term problems.

Baker (1993), widespread dissatisfaction with the services provided by commercial banks suggests that they have been less than successful in adopting the marketing concept. This article examines the marketing concept's nature, its transferability to the realm of banking and its adoption by the AIB Group. However, this bank′s experience appears to be a typical, given numerous examples of dissatisfaction of customer. In both principle and practice in the UK banking system there is lack of marketing which can be seen clearly and one can only conclude that "Bank Marketing" is more myth than reality.

Biodun (2015), in his paper, 'Marketing of banking services and consumer satisfaction in the Nigerian banking industry' examined the marketing of bank services in some selected banks in Nigeria. It also aimed at identifying the various marketing principles being applied, and which actually enhanced consumers' value and consumers' satisfaction. Hypotheses were propounded to assist in validating the objectives. The study was carried out among top ten banks that survived the re-capitalization and consolidation process carried out by the Central Bank of Nigeria. Data for the study were obtained from primary and secondary sources. Using random sampling 340 bank customers were selected from the ten banks. The primary data were collected through questionnaires and focus group discussions. The questionnaires were administered to 340 customers of the selected banks who were chosen from the traffic count and customer cycle per week. Secondary data were collected from banks' journals, annual reports, newsletters, official diaries, brochures, textbooks and academic journals. The data were analysed using both descriptive and inferential statistical methods such as percentages, frequency counts mean scores and, histogram. Finally, the result revealed that marketing practices explained 48% of changes in consumers' satisfaction ($F = 19.06$; $P < 0.05$).The study concluded that applying various marketing concepts enhanced consumers' satisfaction

10. Chapterization

The chapterisation of the study are as follows:-

1. Introduction
2. Review of Literature
3. Research Methodology
4. Profile of the Selected Banks in Mizoram
5. Socio-Economic Profile of Customers and Bank Officials
6. An Analysis of Service Marketing of Banks: Customers' Perspectives
7. An Analysis of Service Marketing of Banks: Bank Officials' Perspectives
8. Summary of Findings, Conclusions and Suggestions.

11. Some major findings of the study

- The study finds that the number of bank offices in the country increased from 71,839 in 2007 to 1,25,672 in 2015 witnessing a growth of 74.9 percent. But in north east India, the study finds that banks maintained a negligible expansion of branches during the same period by just 2.3 percent. The products and services offered by the banks were small prior to 1990's in comparison to the last decades. Several new products and services such as internet banking, ATM, Green Channel, Cash Depositing Machine, Electronic Fund Transfer, Home banking, etc were being offered.
- The study also finds that one of the important findings of the banking development in Mizoram is the spread of commercial banks and co-operative banks in the interior parts of the state. The numbers of these two sectors in rural Mizoram have increased by 14

branches. The credit deposit ratio as on 31st March 2015 decreased to 44.83 percent from 47.14 percent as on 31st March 2014, which could be due to a sharp increase in deposits with the banking system that might have resulted in the fall of credit outgo.

- State Bank of India (SBI) was established at Aizawl, Mizoram on the 29th of December, 1971. Mizoram Cooperative Apex Bank (MCAB) was formed on 5th December, 1978 and became operational on 31st July, 1982 and Mizoram Rural Bank (MRB) was established on 23rd September, 1983 which paved the way for rural credit.
- The total number of bank branches functioning in Mizoram as on 30th September, 2016 stood at 171. More than 25 banks are operating in Mizoram as of 28th February, 2018. Several new banks like South Indian Bank and Bandhan Bank have been established recently in the year 2013 and 2015 respectively. RBI's directive to establish banks in all the states of the country has played a major role in the development of banks in Mizoram. The establishment of both private and public sector banks has opened an opportunity for employment as well as use of banking services by the public. It is also a fact that the people of the state are benefitting from this growth.
- Among the states in North East India, it is found that Mizoram has the lowest number of account holders for current account, savings account and term deposits account which is represented by 14,000 current account holders, 8,41,000 savings account holders and 39,000 term deposits account holders.
- It is found that from the total 470 customer respondents, males are higher in number than females, 277 to 193 respectively. In terms of select banks, the respondents consist of 223 from SBI, 155 from MRB and 92 from MCAB. Since SBI is the largest bank having the largest number of branches, it has the highest number of customers in the State. MCAB

has customers from both rural and urban areas, but the majority customers of MRB are from the rural areas. The density of population of Aizawl district is 112 against the average density of 52 for the whole state and it ranks number 1 among the districts of Mizoram and there are respondents of 65 males and 64 females representing the district. Kolasib district has a density of population 61persons per Sq. Km. and is the third largest district in the state. There are 170 respondents from Kolasib district comprising of 118 males and 52 females. The density population of Lunglei District is 36 persons Sq.km against the total average of 52 persons Sq. Km. and the total number of respondents comprises of 94 males and 77 females.

- The study finds the profile of the respondents belongs to various occupations like self-employment (33.40 percent), government employees (46.38 percent), working in the private sector (15.11 percent), pensioners (0.43 percent), home-makers (1.49 percent) and students (3.19 percent).
- Out of the 113 bank official respondents, it is found that 65.50 percent are males and 34.50 percent are females which show that males are employed more than the females in these select banks. The reason may be because of transfer policy of the banks whereby, the majority of their employees are transferred after every 3 years.
- The educational statuses of the bank official respondents shows that out of the total 113 respondents, 92 are graduates and 21 are post-graduates which states that the majority officials of the select banks are graduates. This also indicates that to be an official of a bank, one has to possess good educational background. On the other hand, the required level of education may also depend on the designations.

- Age-group distribution of bank official respondents indicates that the largest numbers are in the age groups of 36-40 (23.90 percent) and 46-50 (24.80 percent) respectively. Furthermore, 2 officials are in the age group of 25-30, 16 officials in the age group 31-35, 11 officials in the age group 41-45, 19 officials in the age group 51-55 and 10 officials in the age group of 56 and above. This shows that most of the officials are middle-aged either in lower age group or in higher age group.

8.2.4. Analysis of Customers' Perspectives towards Banking Services

- The majority of customer respondents hold savings account (98.72 percent) and the other types of account which other respondents hold are current account (0.43 percent), fixed account (0.21 percent) and joint account (0.64 percent). This reveals that the majority of the customers of the three select banks deal with the bank mainly for savings.
- The period of association of the customer respondents varies with the bank. There are 28 new account holders, 26 respondents have been holding their account for just 1 to 6 months. There are 42 respondents who have associated with the bank for more than 6 months but less than a year. The majority of the respondents (210 respondents) have been associating with the bank for 1 to 5 years and a substantial number of respondents (164 respondents) have been maintaining their accounts for more than 5 years. This shows that the majority of the respondents have been aware about banking and its benefits since quite a long time though some have just come to know about banking and its services which can benefit the mass population.
- Respondents (customers) have different choice of services with their associate banks. Out of 470 respondents, the majority of the respondents (57.70 percent) prefer an association with the bank merely for banking. 8 respondents for credit card, 114 respondents (24.30

percent) for loans, 54 respondents for investment and 23 respondents for business. These cases indicate that the needs and wants of the customers vary depending on their demographic profile.

- A significant number of customers comprising of 111 respondents encountered difficulty in opening their accounts although the larger number which consists of 359 respondents said they had no difficulty. This could be due to customers' lack of awareness of the banks' procedures and also the fault of the employees for not attending to the doubts of the customers.
- There are 232 customer respondents who are holding multiple accounts with other banks while the larger number consisting of 238 respondents do not have multiple accounts with any other banks which largely depends on the level of needs and requirements of the customers. Since different kinds of banks have different products and services having certain benefits, customers wish to avail of these depending on their needs and statuses.
- The satisfaction level of customers with opening of accounts with their associated banks is indicated by 431 respondents who are satisfied and 39 respondents who are not satisfied. 92.40 percent of MCAB respondents are satisfied with opening of their accounts with the bank while 7.60 percent are not satisfied. There are 94.20 percent of MRB respondents who are satisfied with opening of their accounts but 5.80 percent of the bank's respondents are not satisfied. In SBI, 89.70 percent of its respondents are satisfied and 10.30 percent of its respondents are not contented. The satisfaction level on this matter highly depends on one's own attitude and perception, which highly affects the mentality and mindset of a person.

- Recommendation is a very important aspect in marketing of banking services. An immense number of 448 customer respondents claimed they would recommend the bank to others while a small number of 22 respondents said they would not give any recommendation to others, which reveals their dissatisfaction with their associate banks at some point.
- Innovations have enhanced the services of the banks as a whole but a substantial number of the respondents (68.50 percent) are not accessing to the banking services online, though almost one-third (31.50 percent) of the total respondents have availed to the services. It means majority of the respondents from MCAB and MRB are not using online services as online services of these banks have not been introduced till date.
- More than 50 percent of the customer respondents (56.40 percent) are satisfied with the services of their respective banks while there are only 16 respondents who are very satisfied. There are 38.10 percent who are only somewhat satisfied and 8 respondents are dissatisfied with the services. 2 respondents claimed that they are very dissatisfied. There are none who are dissatisfied and very dissatisfied among MCAB respondents. Since the majority of the customer respondents have given positive feedback, most of the customers of the three select banks are contented with the services of the banks they deal with.
- Banks have standard minimum balances depending on the type of accounts they offered. Only 6 customer respondents have said that they strongly agree that the minimum balance of the banks is easy to maintain while 107 respondents just agree to it. There are 138 respondents who somewhat agree but almost half of the total 470 respondents disagree and 6 respondents strongly disagree. This opinion is affected by the socio-

economic status of the customers since banks customers differ according to their social statuses and backgrounds.

- Waiting time management is significant for the banks since customer satisfaction level is associated with it to a very large extent. Among the customer respondents, the larger number (66.60 percent) said they were never put on hold for long but about one-third (33.40 percent) said they had to wait for longer time. This shows that as a high percentage of customers have given negative feedback, the banks have to see to their time management in order to satisfy and retain more customers.
- CRMs needs to be well equipped with the knowledge of banking products and services and 345 customer respondents affirmed that the CRMs have knowledge on banking products but 125 respondents claimed that the CRMs dealing with them are not aware of their own banking products. A high number of respondents have given negative responses (in all the three select banks) suggesting that CRMs should be given training relating to process of service delivery, and maintenance of good image to the customers and others.
- A substantial number of customers (316 respondents) stated that the CRMs are engaged in active follow-up while 154 respondents affirmed that they do not follow up after handling situations. Following up of customers after handling situations which relate to their account is a must for the bank officials or CRMs. As all customers are not the same, dealing with customers require needs of the customers to be fulfilled. So, following up and maintaining the link between the customers and the banks is an important step in retaining customers.

- Majority of the customer respondents comprising of 330 respondents claimed that the CRMs are having good etiquettes but still a larger number of respondents (140) gave the opposite answer saying that the CRMs do not possess good etiquettes. In this regard, since good etiquettes are learnt through training, the bank should organize training periodically. Etiquettes of a person can also depend on state of mind and psychological factors.
- The satisfaction level of the customer respondents are not the same regarding the friendly services of the CRMs. Majority (75.30 percent) of respondents said that they have received friendly services from the CRMs despite the experience of 116 respondents who said that they did not receive friendly services. Since SBI has the highest numbers of respondents (38.10 percent of its total respondents) who have given a negative respond, the bank has to take the matter into consideration.
- Customer respondents have encountered certain problems relating to their bank accounts within the last 1 year but a large number of respondents (70.60 percent) affirmed that they have never faced any problem. There are 59 respondents who have once faced an issue with their accounts, 56 respondents from 1 to 5 times, 14 respondents from 5 to 10 times and there are 9 respondents who have faced the problem more than 10 times. It is more or less impossible for a customer not to face any problem relating to banking, but the bank should also try to avoid and solve these problems faced by the customers.
- Problems relating to bank accounts have been faced by some of the customer respondents within the last 1 year. There are 59 respondents who have faced this kind of issue just once, 56 respondents for 1 to 5 times, 14 respondents for 5 to 10 times and a large

number consisting of 332 respondents have never faced any problem relating to the bank accounts. This can be due to certain factors with some which cannot be controlled.

- Total numbers of 113 bank officials were interviewed to get the desired information. There are 106 bank official respondents who are satisfied with being associated with the bank they work with and only 6 respondents who are not happy. Out of these 6 respondents, 1 respondent is from MCAB and the other 5 respondents are from SBI. This reveals that MRB respondents are most satisfied with the bank which can be because of timely payment of salary and other factors.
- There are 92 bank official respondents who are satisfied with the benefits provided by the bank to them while 21 respondents are not satisfied. This reveals that some officials are expecting better benefits than the current ones available. There are 5 respondents of MCAB who are not satisfied, 16 respondents of SBI who are not satisfied and none from MRB. This also states that the benefits provided by MRB are up to expectation of its employees.
- The number of bank official respondents who are not satisfied with the services provided by their associate banks to the customers are very few (5 respondents) and these respondents are from Aizawl district. There are 107 respondents who said they are satisfied. Out of the 5 respondents who are not satisfied, 3 respondents are from MCAB while 2 respondents are from SBI. There are none in MRB who have mentioned their dissatisfaction which can be due to the fact that since MRBs main aim is to uplift the rural people, the services are beneficial for these targeted groups.
- It has been observed that all the three select banks are now using core-banking. 100 bank official respondents which comprises of 32 respondents from MCAB, 25

respondents from MRB and 43 respondents from SBI have affirmed that core-banking has been going on from some time meaning SBI from 2008, MRB from 2011 and MCAB from 2012. 1 SBI respondent has said that the bank has even established an ATM but MRB has not yet put up any ATM as claimed by 1 respondent of the bank. 5 respondents of SBI and 2 respondents of MRB have mentioned their satisfaction towards the core-banking facilities of the banks. Real time transactions and green channels have also been introduced as stated by 3 respondents of SBI bank officials. 1 MCAB bank official has claimed that though the bank has introduced core-banking, there is no proper administration of the whole system, which indicates that banks require proper administration in order to enjoy the benefits of core-banking fully by both bank employees and customers.

- Bank official respondents' responses on changing of service structure of the banks are found out through opinions and suggestions. 6 official respondents consisting of 5 of MCAB and 1 of MRB said that the administration of the banks has to be changed. There are 2 respondents each in MCAB and MRB and 5 respondents in SBI who said that the employee benefits should be analysed. 6 respondents of MCAB claimed that the insurance policy has to be taken into consideration. There are 8 respondents comprising of 5 respondents of SBI, 1 respondent of MRB and 2 respondents of MCAB who suggested that salaries should be increased. 3 respondents of SBI and 1 respondent of MRB said the working days should be decreased to 5 Days a week. 2 MCAB respondents and 1 MRB respondent feel that the CBS in their banks should be developed. There are 4 SBI respondents who think that the working hours should be lesser than the present one. 1 respondents of MRB and 1 respondent of SBI think that ATM should be available

more. Training helps the employees to develop in various fields, so 1 MCAB respondent and 5 SBI respondents think that more training must be held. One respondent each of each select banks feel no change is required. These scattered suggestions and opinions reveal that each bank official respondent has different opinions relating to the service structures of their banks.

- Bank official respondents have various basis of recommending the bank to others. 10 respondents of MCAB, 5 respondents of MRB and 9 respondents of SBI said that since the bank is people's bank, which can be availed to by all the people from every corner, the main point of recommendation will relate to that. Security and reliability are the main factors for recommendation as stated by 2 respondents of MRB and 18 respondents of SBI. Loans and facilities can also be a relevant point of recommendation as claimed by 3 respondents each of MCAB and MRB and 6 respondents of SBI. 13 respondents of MCAB, 6 respondents of MRB and 3 respondents of SBI feel that the customer service will be the main reason for recommendation of the banks. Banks should try to stand out in various aspects like services in order to compete with their players. The bank officials should be confident on how and on which point they will recommend their associate banks to others.
- It is found that the select banks are offering different kinds of loans. The kinds of loans offered by SBI are Housing loan, Car loan, Agriculture loan, Small Medium Enterprises (SME) loan, Education loan, Express credit, Pensioners loan and Loan against fixed deposit. MCAB also offers loans such as Agriculture and Allied Loan, Business Loan, Small Scale Industries Loan, Housing Loan, Personal Loan and Church Loan. MRB has loan portfolios which include Agriculture and Allied Agriculture Loan, Small & Medium

Enterprise (SME) Loan, Personal Segment and Clean Overdraft. Banks have different rates of interest depending on the type of loans offered. The loans and advances interest rates of SBI depend on the type of loan accounts and it highly depends on Value Added Tax (VAT) rate which lies in between 7% to 15%. MCAB interest rates normally lie in between 7% to 14% while in MRB, the interest rates for deposit starts from 6% to 8.25% and an interest on Loans and advances starts from 7% to 16%. Holding and maintain of accounts is one of the main purposes of banking. Therefore, the select banks have different kinds of accounts. The kind of accounts SBI is offering are savings, recurring deposits, fixed deposits and current account and the various accounts offered by MCAB and MRB are savings, fixed, recurring deposits, current, pigmy deposits and no-frills account. These loans and advances and various kinds of account facilities are created for the benefit of the customers. These services link the bank with the customers, who are the most important people for the growth of banking business. The customers choose the kinds of loans and accounts according to their needs. The preferences depend largely on the socio-economic status of the customers.

12. Some suggestions

- The three select banks viz. SBI, MCAB and MRB should not only concentrate on CBS. Since competition is continuous, they should also put more effort in enhancing mobile and internet banking. These facilities should be active and customer friendly and it will eventually make business grow. Among these three banks, only SBI services can be availed online.
- Training and development should be more frequent for the CRMs and other employees. According to the findings, the bank personnels have a lot of shortcomings which can be

harmful in future. So, nurturing them will be very beneficial in every aspect. This will make them more polite, efficient and active as well which will raise the standard of the CRM.

- Customers should be aware of the products and services of the banks. So for that to happen, workshops and campaigns should be held once in a while so as to overcome the lack of knowledge.
- Customers' expectation keeps on increasing, so banks should keep on adapting to changes and not only concentrating on their traditional ways in order to satisfy the desires of the customers both in the rural and urban areas.
- The services of the banks should be revised periodically, to meet the needs and demands of the customers. Though there are some who are satisfied, some are still having issues with the banks for several measures.
- ATMs should be distributed wherever necessary to benefit the customers and also to make banking easier for both the customers and the bank personnels.
- Banks should also cater to the needs and opinions of its staffs to maintain a good working environment. A good environment motivates the employees in every institution. Performance appraisals and certain rewards should be introduced so as to get the best outputs from these employees and to keep grievances low. Any institution who gives attention to its employee benefits is found to be keeping good and efficient people in comparison to those who neglect.
- Since technology plays a significant role in services marketing in today's world and it has redefined the structure and role of banking, banks should develop their information

technology to improve productivity and major cost savings. The service quality of banks is also determined by technology to a large extent.

- Since Mizoram has the lowest account holders, there is a need to educate the general public about the need of having accounts in banks which will increase the tendency to save.
- The customers of the banks have perceptions that wrong transactions and information could be encountered from ATMs, CDMs, Green Channels, Internet Banking, etc. So, banks should act accordingly in eradicating these illusions and mindsets of the customers since they are the main barriers for customers in not accessing to these innovations.

Conclusion

Banking in Mizoram has been found to be developing since the recent years and these banks have been growing in services and other functions. According to what observed from the study, the select banks have different services and products that are catered to the customers though the satisfaction levels of the customers are not the same. The customers of financial services are changing regarding their needs, wants, desires and issues and the providers of financial services need to get who their customers are, what they incline towards, why they purchase, who settles on the choice and how the customer utilizes the services and products. In congruity with these progressions, there ought to be changes in the services of the banks, preparing, states of mind and pictures, marketing strategies and examples of association and control. Customers should be ushered by the statement of Mahatma Gandhi- “A customer is the most important visitor in our promises. He is most dependent on us. We are depending on him. He is not an interruption on

our work. He is the purpose of it. He is not an outsider on our business. He is part of it. We are not doing him a favor by serving him. He is doing as a favor by giving as an opportunity.

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